AN ASSESSMENT OF THE INNOVATIVE MEASURES EMPLOYED BY SMALL TO MEDIUM SIZE HOTELS IN HARARE, ZIMBABWE

BY

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Abstract

The study sought to explore innovative measures employed by small to medium size independent hotels. The study employed the interpretivist paradigm and used the qualitative approach with a multiple case-study design. The population of the study comprised all the managers and junior staff in five small to medium size independent hotels in Harare. The sample of the study comprised fourteen managers and thirty junior staff purposively selected from the hotels. Qualitative data were generated through focus group discussions and qualitative interviews and were analysed for content using thematic analysis. Issues of data trustworthiness were addressed. Credibility was achieved by adopting appropriate and well recognised research methods while transferability was achieved through the provision of background data to establish context of the study and to allow comparisons to be made. Dependability was achieved through the use of “overlapping methods” and confirmability was achieved through triangulation and provision of in-depth methodological description.

The study found that small to medium size independent hotels in Harare did not effectively implement the innovative measures in the management of business. The study further revealed that there were quite a number of major challenges faced by small to medium size hotels in embracing innovation. The study recommends that SMEs must strategically plan for innovation and effectively implement innovative measures. The study also recommends that small to medium size independent hotels should address innovation in a more integrated and systematic way and should use strategic measures to improve their operations. Further studies need to be conducted across a number of industries and the results should be compared across different industries and in the same industry over time.
Acknowledgements

I am thankful to my Heavenly Father for giving me the strength and perseverance to complete this study, for blessing me with the gift of knowledge and for showing me that dreams can come true. This would not have been possible if it was not for several individuals whose advice and continual encouragement were invaluable to the success of this study.

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My sincere gratitude also goes to my wife Patience Bekezela Ndhlovu, our sons Blessing Zibusiso and Gladmore Dumisile for their love, emotional support and encouragement. I thank them for always supporting and encouraging me to pursue my dreams. May our dear Lord bless them abundantly.

Finally, the study would not have been possible without the assistance of the hotel managers and staff who participated in this study.
Dedication

This study is dedicated to my wife Patience Bekezela Ndhlovu, our sons Blessing Zibusiso and Gladmore Dumisile and our daughter Angeline Nomagugu.
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<td>B &amp; Bs</td>
<td>Bed and Breakfast</td>
</tr>
<tr>
<td>CCTV</td>
<td>Closed Circuit Television</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
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<tr>
<td>COO</td>
<td>Chief Operating Officer</td>
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<tr>
<td>FGDS</td>
<td>Focus Group Discussions</td>
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<tr>
<td>GM</td>
<td>General Manager</td>
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<tr>
<td>HAZ</td>
<td>Hospitality Association of Zimbabwe</td>
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<tr>
<td>HR</td>
<td>Human Resource</td>
</tr>
<tr>
<td>HRM</td>
<td>Human Resource Management</td>
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<td>KPI</td>
<td>Key Performance Indicators</td>
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<td>RBT</td>
<td>Resource Based Theory</td>
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<tr>
<td>SEDCO</td>
<td>Small Enterprise Development Corporation</td>
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<td>SMEs</td>
<td>Small to Medium Size Enterprises</td>
</tr>
<tr>
<td>UNWTO</td>
<td>United Nations World Tourism Organisation</td>
</tr>
<tr>
<td>VCCZ</td>
<td>Venture Capital Company of Zimbabwe</td>
</tr>
<tr>
<td>VRIN</td>
<td>Valuable, Rare, Imitable, Non-substitutable</td>
</tr>
<tr>
<td>ZIC</td>
<td>Zimbabwe Investment Centre</td>
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<tr>
<td>ZTA</td>
<td>Zimbabwe Tourism Authority</td>
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CHAPTER ONE

INTRODUCTION

1.1 Introduction

This initial chapter of the study introduces the study. It highlights the background to the study which sets the study into perspective. The focus and nature of the study is clarified in the statement of the problem. The study is further clarified by the aims of the study and the research questions which guide the investigation. The chapter also addresses the significance of the study which explains the benefits that may be derived from the study and its implications. Limitations of the study and delimitations of the study are also discussed. In addition, key terms are defined as used in the study.

1.2 Background to the study

The sections below discuss the background of the study. It focuses on the hotel and hospitality industry in general and the general structure of hotels in Zimbabwe. For hotels in Zimbabwe the major focus is on Harare where the study was conducted and an attempt has also been made to unpack the problem being investigated.

1.2.1 The Hotel and Hospitality Industry

A hotel is a place of solace for the avid traveller. The definition of hotel is surrounded with a lot of confusion especially when the terms motel, inn, or lodge are introduced. This confusion is
mainly attributed to the many properties that offer similar services in the hospitality industry as well as the many owners who classify their properties as they deem appropriate especially in unregulated scenarios (Kasavana & Brooks, 2001). A hotel is part of a broader grouping of similar establishments known as the hospitality industry. The hospitality industry itself is also part of the larger travel and tourism industry (Kasavana & Brooks, 2001). Although diverse and having many definitions (Mullins & Dossor, 2013), the hospitality industry includes ‘a wide range of businesses each of which is dedicated to the service of people away from home’ (Walker, 2010). The hospitality industry usually consists of lodging or accommodation operations and food and beverage operations (Kasavana & Brooks, 2001).

The hotel concept, part of the broader hospitality industry, emanated from inns, popularly known as ‘houses of public entertainment’ that were prolific during the ancient and medieval times (Sherry, 1993:3). The word came into use in Europe, specifically in England after 1760 (Sherry, 1993). It was also in Europe that an organized hotel industry was born, in the form of chalets and small hotels (Andrews, 1982). Kasavana and Brooks (2001: 5) define a hotel as;

… an establishment whose primary function is providing lodging facilities for the general public, and one which furnishes one or more of the following services: food and beverage service, room attendant (housekeeping) service, concierge, bell and door attendant (sometimes called uniformed service), laundry or dry cleaning, and use of furniture and fixtures.

Kasavana and Brook’s (2001) definition introduces an important aspect of hotel services as having primary and secondary functions. As such this is the definition that was used in this study. Today, the business of hotels has modernized and new concepts such as chain hotels and independent hotels have been introduced. The industry is also evolving, new concepts such as space hotels and snow hotels have developed.
Hotel Products

A typical hotel normally provides not only accommodation, but also food, drink and other facilities and services (Medlik & Ingram, 2000). Rooms and beds (accommodation), food and drink, and other services are therefore, the three main hotel products. The provision of accommodation is the primary function of a hotel (Medlik & Ingram, 2000). In most hotels, room sales are also the largest source of revenue or sometimes the largest single source of revenue (Medlik & Ingram, 2000).

The three main departments responsible for generating room revenue are the reception, the uniform services and housekeeping, collectively referred to as the accommodation function of the hotel (Medlik & Ingram, 2000). These departments work in close liaison and their main functions arise from the requirements of staying guests. Besides the physical bed or room as a hotel product, the services attached to the provision of the room, such as welcoming guests, are auxiliary products of accommodation provision.

The provision of food and beverages is the second major activity accounting for a larger proportion of employees than in the rooms division for most hotels (Medlik & Ingram, 2000). A larger proportion of employees provides food and beverages to guests other than residents of the hotel and such provision is generally labour intensive (Medlik & Ingram, 2000). Full service hotels usually offer à la carte dining, banquets, room service and bars and lounges (Ninemeier & Perdue, 2008). A hotel may have one or more dining facilities depending on its size and its
grading. Small hotels may have one dining room (Ninemeier & Perdue, 2008), whereas larger hotels may have several themed restaurants.

Hotels can also offer banquet functions for group meetings or guests celebrating special occasions. Banquets are a distinct hotel product as there are several aspects that distinguish this product from other food and beverage products. According to Medlik and Ingram (2000: 97), customers for banquets are organised groups such as clubs, societies and organisations. These groups make arrangements for dates, times, numbers attending, the menu and other requirements. Each function can be treated as a separate occasion, planned and organized as such. Customers rely on the same agreed menu. The occasion also takes place in specially designated rooms and is serviced by staff who may be different from those serving at the bar or restaurant.

In small hotels, banquets and functions can be an extension of the activities of the restaurant and bars whilst in large hotels or hotels with a high number of functions, these could managed under a stand-alone functions department (Medlik & Ingram, 2000) with specialized banquet kitchens (Ninemeier & Perdue, 2008). Banquets are a useful hotel product where preparation and food production can be easily controlled and they allow the hotel to realize predetermined profit margins with accuracy (Medlik & Ingram, 2000).

Depending on the size of the hotel and the demand for room service, this hotel product may be a stand-alone unit that uses the service of a room service manager. To the guest, room service is an additional service for their convenience, whereas for the hotel, it is a way of relieving pressure at the kitchen and restaurant, especially when food is pre-ordered (Medlik & Ingram, 2000).
Bars are the main outlets for the service of drinks (Medlik & Ingram, 2000). Although bars are important for beverage service, some food orders may be taken from an à la carte menu at the bar. In larger hotels, a bar open to hotel residents only may be available.

Having highlighted the importance of the room, food and beverages and other services in general, it is therefore, apparent that the hotel product is a combination of both tangible and intangible features. These services will differ in provision, from one hotel to the other depending on the classification of the hotel and the extent of innovation implemented by the hotel.

*Classification of Hotels*

There are many types of hotels, distinguished or classified in various ways (Mullins & Dossor, 2013; 12). The hotel classification system used in this study was based on the common forms of classification as espoused by Medlik and Ingram (2000) and Kasavana and Brooks (2001). A review of the hotel classification is instructive to the present study, as it informs the context of the extant literature reviewed, regarding innovation in hotels and the methodology expected to review such. Based on the classification used, hotels can have varying approaches to the use of innovative management practices. As such the classification of hotels is an important determinant of innovation in the accommodation industry (Sintes, Crespi-Cladera & Martinez-Res, 2005). Hotels are commonly classified by location and position, hotel size, target market, level of service, class or grade and by ownership and affiliation. Although hotels are often classified using these variables, it is important to note that a hotel can fall into all or some of the categories (Vallen & Vallen, 2013) implying that classifications are not mutually exclusive.
Location and Position of Hotels

The location and position of hotels at their locations is often used as an important and distinctive marketing aspect. Guests, depending on the purpose of their visit, often seek hotel environments that are conducive for their stay, which is normally influenced by the location of the hotel. Zulfikar (1998) identified five main types of locations: suburban hotels, down town hotels, motels, resorts and floatels. In this study the different types of hotels are distinguished for clarity purposes. However, it is important to note that other authors (e.g. Kasavana & Brooks, 2001) have used the term hotel as a general term for motels, inns, resorts and other lodging properties.

Suburban hotels are located on the outskirts of a city (Andrews, 2009). These hotels tend to attract the cost conscious traveller and are often ideal venues for conferences and banquets as they have ample parking space (Andrews, 2009). Down town hotels are located at the heart of a city (Andrews, 2009). These hotels are also known as city centre hotels. Because of the location, these tend to be relatively highly priced relative to the suburban hotels and often attract the business or corporate traveller. These travellers also prefer downtown hotels as they offer the convenience of closeness to trading centres and commercial business. As such, downtowns are the most preferred location for chain hotels and international, highly reputable restaurants and bars. In some cases, the downtown hotels may be a bed only hotel, relying on nearby restaurant businesses for the food and beverage requirements of their visitors.

The motel is an important component of the automobile history and culture of America (Berger, 2001). The first motel, then known as hotel cabins, was developed during the 1900s when Americans began to travel long distances by automobile (Andrews, 2007). These early motels
often provided parking space near the guest rooms, a trend that is changing because of hotel security reasons (Kasavana & Brooks, 2001), but still widely practiced in smaller motel or lodge establishments in African countries like Botswana and Zimbabwe. Motels grew in popularity in the 1940s and 1950s with the development of the interstate highway system in America (Kasavana & Brooks, 2001), reaching their apex in the early 1960s (Berger, 2001). The term motel is coined from a contraction of the words motor and hotel (Andrews, 2007). Motels were very popular for offering convenient accommodation to travellers, en-route their destinations, as they were built along major roads and highways. Today, some motels have swimming pools and self-check in options for the traveller’s convenience.

Harrison (2001) defines resorts as hotels that offer a comprehensive range of recreational facilities on site. Resorts have a broader level of basic hotel service provision as generally there is an expectation of more hotel facilities for recreation, gaming or entertainment. The higher the level of service, the more innovation required (Sintes, Crespi-Cladera & Martinez-Res, 2005). Location is therefore essential and so resorts are either located near certain attractions or are attractions on their own and (Chon & Sparrowe, 2000). ‘Their ability to attract guests is based on their ability to create a site where people want to go’ (Chon & Sparrowe, 2000: 114). As such their success depends on the extent to which they attract visitors.

Sennewald and Christman (2011) observe that resort hotels can be classified into one or more of these categories: tourist resorts, convention and conference resorts, business oriented resorts, gaming oriented resorts, and mix use resorts. The coastal tourist resorts are the most dominant type of resorts in less developed countries (Harrison, 2001). They can also be considered as the
most historic of all resort types. They are often seen as old forms of tourism centred on mass tourism and 3S (sun, sea and sand) tourism (Shaw & Agarwal, 2007). Coastal resorts, though popular in attracting visitor numbers, have often been criticised for their approach to ribbon type developments that are concentrated along the coast line. This usually leads to excess visitor carrying capacity and inflation in land values (Harrison, 2001). However, these might not be common in Zimbabwe because of its geographic location. Despite the popularity of the coastal resorts, a number of other specialty resorts are increasingly becoming popular (Harrison, 2001) and these create the basis for product differentiation (Shaw & Agarwal, 2007). Convention, conference or business oriented resorts for instance, attract the business travellers and also cater for their separate recreational needs. Zulfikar (1998) also identifies another hotel, the floatel or floating hotel and a typical example is the houseboat. Floatels have all the necessary facilities and services that guests can need as they travel. Such services offer a hotel some form of strategic differentiation against its competitors. Hotels are therefore evolving in the way in which they differentiate themselves and this could lead to more new forms of classifications, in future.

*Size of the hotel*

The size of a hotel is another variable that Sintes, Crespi-Cladera and Martinez-res (2005), suggest should be considered in the propensity to innovate. Hotel size is often a function of the number of rooms (Buick, 2003) or the number of rooms available for sale (Vallen & Vallen, 2013). However, the size of a hotel is an arbitrary feature that is not devoid of controversy. For instance, some researchers (for example Buick, Halcro & Lynch, 1998) consider a small hotel as having less than 15 rooms whilst others (for example Main, Chung & Ingold, 1997) consider a
small hotel as one that has less than 50 rooms. Despite such controversy, hotels have traditionally been classified as either small, medium or large sized; with medium sized hotels featuring less than 100 rooms, medium hotels with 100-300 rooms and large sized hotels having 300 or more rooms (Vallen & Vallen, 2013). The size of a hotel as determined by the number of rooms and hence the number of assets, is an important contributor to the success and profitability of any implemented innovations (Sintes, Crespi-Cladera & Martinez-Res, 2005) and was considered in this study.

**Target Market**

Hotels can also be classified by their target market. The most common types of markets may include commercial, airport, bed and breakfast, conference centre and convention hotels (Kasavana & Brooks, 2001). Commercial hotels are located in downtown or business districts. These are areas that are convenient and are of interest to their target market (Kasavana & Brooks, 2001); the business community (Vallen & Vallen, 2013). The commercial hotel is also the largest of the hotel types and caters primarily for business guests (Kasavana & Brooks, 2001). Also known as transient hotels, because of the short nature of stay of guests, commercial hotels offer many amenities such as complimentary newspapers, free local telephone calls, high speed internet access, car rental arrangements and airport shuttles, conducive for a business traveller (Kasavana & Brooks, 2001). Some of these features may also be available at conference and convention hotels that offer meeting space for large group meetings that can either be business or for religious meetings. Convention hotels are known to entertain even more than 500 guests (Chon & Sparrowe, 2000). The most important feature of conference or convention hotels
is their emphasis on providing all the services and equipment necessary to ensure the success of meetings (Kasavana & Brooks, 2001).

The growth of the airport hotel was significant from the 1950s to the 1970s (Kasavana & Brooks, 2001). This growth might have been commensurate with the growth of international travel after the Second World War. With the introduction of the commercial jet aircraft, international travel proliferated in the United States and demand for lodging facilities located near international airports skyrocketed (Kasavana & Brooks, 2001). Today, the trend is evident in most international airports even in Africa including in Zimbabwe and Harare. The typical target market for the airport hotel is the business traveller, airline passengers and airline crew. The bed and breakfast hotel is often characterised by its provision of overnight accommodation (bed) and breakfast ranging from a simple continental to a full English breakfast or full course meal. The B & Bs as they are popularly known, provide intimate, personalized service and are reputed for their reasonable prices (Kasavana & Brooks, 2001). Most B&Bs are owner operated and have few front office and other guest services.

Level of service

Another form of hotel classification is the level of service, which is a measure of the benefits provided to the guest (Kasavana & Brooks, 2001). The level of service varies by hotel size or type and the range of services. The level of service is usually indicated in the room rate (Kasavana & Brooks, 2001). A higher level of service attracts a higher room rate. There are three main types of levels; the world class or luxury level, the mid-range service and the economy or
limited service. Hotels that offer world class level of service usually target high profile travellers, such as celebrities, high ranking political or business executives and wealthy clientele (Kasavana & Brooks, 2001). Hotels offering world class levels of service provide personalised service and elaborate and articulate services, but at a fee. These hotels have a varied range of facilities and services that may include several food and beverage outlets, clothing and jewellery shops, or specialty retail shops (Kasavana & Brooks, 2001).

Hotels that offer mid-range level of service offer modest but sufficient services (Kasavana & Brooks, 2001). Mid-scale hotels usually appeal to guests who want services offered in a full service hotel but at a much lower rate (Ninemeier & Perdue, 2008). A limited service hotel, however, is a property that offers very limited food services such as a complimentary breakfast or none at all (Ninemeier & Perdue, 2008). Guests’ choice of such a hotel is influenced by its convenient location and the price per room (Ninemeier & Perdue, 2008). Most of these properties are small with an average of less than 150 rooms (Ninemeier & Perdue, 2008). Properties within the luxury to the economy level of service can further be classified as either full service or limited service hotels (Ninemeier & Perdue, 2008). This classification is more common in countries like Botswana, where the range of services denoted in either full or limited service is a prominent criterion of classifying hotels, lodges and guesthouses. A full service hotel is defined as a hotel that provides guests with extensive food and beverage products and services (Ninemeier & Perdue, 2008) offered at lower rates than the luxury hotels (Chon & Sparrowe, 2000). The full service hotels, though generally not as extravagant as the luxury scale, usually have large attractive public areas (Chon & Sparrowe, 2000) and may range from small properties...
to high rise hotels catering for business travellers. Innovation in the different types of establishments will therefore differ depending on the level of service and facilities offered.

Class or Grade of the hotel

The classification of hotels by class or grade is probably the most common and most formal way used by many countries. Since 1962, the World Tourism Organisation (WTO) now known as the United Nations World Tourism Organisation (UNWTO) acknowledges the two main groupings used for hotel grading: the official classification and independent ratings (Lawson, 1995). Official standards are set by government agencies such as Zimbabwe Tourism Authority or Botswana Tourism Organisation as a compulsory requirement for registration or licencing of hotel properties. These national tourist facility grading systems are duly recognisable by the hotel operators and the public. Some countries such as Norway and Finland have never adopted a national grading system whereas others like the United States of America have applied independent ratings from the American Automobile Association (Lupu & Nica, 2010). In this case, hotels are inspected and assessed by associations or commercial entities such as Michelin Travel Guides (Lawson, 1995). The United Kingdom is well known for having the largest number of rating systems that include the National Tourist Board, the Automobile Association, the Royal Automobile Club and commercial enterprises such as Michelin (Vallen & Vallen, 2013).

To the hotel operator, grading is not only used as a way of classifying their hotel, but the rating used set standards and incentives for improvement (Lawson, 1995). Grading is also important as
it gives guidance on the facilities available within a hotel and some form of reassurance that standards will meet guests’ expectations (Lawson, 1995). However, the grading of hotels is prone to debate and controversy. For instance, Callan and Lefebve (1997) argue that some additional facilities such as room service, perceived as important by customers, may not be recognised within particular hotel grades. However, it is also important to note that a national hotel grading system stipulates the minimum range of services available, implying that hotels can introduce more services as their demand permits.

The classification system used in Zimbabwe, which is the country of interest in this research, is based on a five star rating criteria as contained in the Statutory Instrument number 128 of 2005 (Tourism Regulations, 2005). Although the five star grades are distinguishable, there are general minimum requirements, especially regarding the physical condition of the premises, which are common to all grades. These are known as common criteria and include aspects such as appropriate location, good drainage systems and avoidance of natural dangers which should be met as minimum general conditions (Tourism Regulations, 2005). More specific and subjective criteria or conditions in the grading of hotels in Zimbabwe depend on the star level. One star hotels, for instance, are considered as small scale units with basic structures, adequate furniture and equipment, whilst five star and luxury level hotels have well-appointed features of international standards, high level furniture and fittings, décor and services (Tourism Regulations, 2005). With an increase in the star rating, comes an increase and improvement in the services offered and the range of innovations implemented. For instance the guest room area in m² increases from 9m² for a one star hotel to 20m² for a five star hotel (Tourism Regulations, 2005). Another distinguishing aspect amongst hotels in Zimbabwe is the lounge or reception area
where the minimum size is expected to be $8m^2$ for one star hotels and the minimum is expected to be $50m^2$ for five star hotels (Tourism Regulations, 2005). The star rating also gives an indication on the minimum number of rooms that should be held. In Zimbabwe, one star hotels are obliged to have a minimum of ten rooms whilst a five star hotel should have a minimum of 30 rooms. Hotel grading is therefore an important determinant of innovation. In a study by Sintes, Crespi-Cladera and Martinez-Res (2005), the most innovative establishments in all areas were the three and four to five star hotels whilst innovative behaviour in one and two star hotels only took place in areas such as computer facilities and hardware.

Ownership and Affiliation of the hotel

Given the diversified nature of hotel products, a wide number of skills are needed to run or manage hotel operations. The list of personnel in the hotel’s organisational structure is therefore, varied and depends on the size of the hotel and its level of service. The most common way to represent the organisation’s structure is through organisational charts. At the apex of any hotel organisational structure are the owners. Ownership is another way of classifying hotels and also an important determinant of hotel innovation. The ownership of hotels is usually divided into independent ownership and chain ownership. Independent hotels are owned or managed by an individual or a company (Chon & Sparrowe, 2000). An independent hotel has no affiliation with other properties (Kasavana & Brooks, 2001). Most independent hotels are family owned and operated (Kasavana & Brooks, 2001). Such hotels benefit from autonomy as they have no need to adhere to any corporate image. They can therefore, quickly adapt to changing market conditions (Kasavana & Brooks, 2001) as there is less bureaucracy than in the chain operated hotels. However, there is no shared risk.
Chain ownership is characterized by the strict adherence to certain standards, rules, policies and procedures. The chain owned hotels have various forms of affiliation: 1) franchise licensed by investors and operated by management; 2) management contract owned by an investor and operated on contract by the brand name or 3) parent company owned and operated (Chon & Sparrowe, 2000). Franchise hotels are the most common types of chain hotels (Ninemeier & Perdue, 2008). Common international franchise names are Hilton Hotels, Sheraton, Hyatt and Marriot. In Zimbabwe, common examples of franchise hotels are the Holiday Inn, Rainbow Tourism Group, Africa Sun Hotels and Resorts, and Cresta Hospitality. Franchises offer individuals the opportunity to buy an established brand name and the reputation it has sustained (Chon & Sparrowe, 2000). Franchise organisations would have established standards for design, décor, equipment and operating procedures which the franchisee should adhere to consistently (Kasavana & Brooks, 2001). Some chain hotels therefore, offer franchise opportunities that allow them to enter into a franchise agreement with the individual hotel.

Under a management contract, a management company operates properties owned by other parties (Kasavana & Brooks, 2001). The owner of the hotel may maintain financial responsibility for the property while the management company is responsible for operating the property (Chon & Sparrowe, 2000) including hiring employees and paying operational expenses (Kasavana & Brooks, 2001). Management contracts are often preferred because of their expertise in operations, financial management, marketing and reservation strategies (Kasavana & Brooks, 2001). In some cases, some chain operations have survived without franchising or entering into management contracts by operating and managing their own operations. This type of hotel
ownership is similar to the independent ownership form, particularly at company level (Chon & Sparrowe, 2000).

The different forms of ownership as discussed are represented in a simplified diagram in Figure 1.

![Hotel Ownership and Management Alternatives](Chart)

**Figure 1: Hotel Ownership and Management Alternatives**

(Source: Ninemeier & Perdue, 2008:124)

Sintes, Crespi-Cladera and Martinez-Res (2005) noted higher levels of the propensity to innovate in chain operated establishments; that is, 95% of establishments under management contracts and 90% of hotels run in leased properties were innovators. The percentage of innovative establishments was however lower in hotels operating independently and in hotels managed by the owners. Under the owners is the management structure. Since no two hotels are similar, organisational structures should be tailored to meet the needs of each individual hotel (Kasavana & Brooks, 2001). An organizational chart for a small hotel will definitely differ from that of a large hotel. In small hotels, hotel management may be represented by one person, the General
Manager (GM) (Kasavana & Brooks, 2001). In larger operations, management titles may vary, and in some cases use of the titles, Chief Executive Officer (CEO) or Chief Operating Officer (COO), are common for top level managers (Vallen & Vallen, 2013). In such cases, the GM manages the hotel through advice or instruction from the CEO or COO. The GM is responsible for day to day operations at the property. Despite the current trend of adopting flatter organisational structures with fewer supervisory levels (Vallen & Vallen, 2013), most hotels have kept a traditional organisational structure even with the addition of new titles. Figure 2 illustrates generalized organisational structure of a full service hotel, with extensive room, food and beverage services.
Figure 2: Organisation Chart Full Service Hotel: (Kasavana & Brooks, 2001: 167)
1.3 The Hotel Industry in Zimbabwe

The hotel industry in Zimbabwe, like any other in Southern Africa is a combination of small, medium and large enterprises. These hotels also range from privately owned, family run and ungraded hotels to international chain luxury hotels (Mkono, 2010). For the graded hotels they are classified into five categories ranging from one star to five stars (Statutory Instrument no.128 of 2005). The one star and the two stars hotels are referred to as the small to medium size hotels (Statutory Instrument no.128 of 2005). Some of the hotels are government owned through the Zimbabwe Tourism Authority (Rusike & Chitambara, 2012). Zimbabwe has the second largest number of hotel rooms in Southern Africa after South Africa (Ruzivo Trust, 2013). While the majority of hotels are concentrated in the major tourist centres of Victoria Falls and Kariba, Harare, the capital city also houses a considerable number of hotels, especially commercial hotels. Harare City, the area of study in this research is well known for the plethora of both individual and internationally recognised hotel brands.

One of the main international hotel players in the City is Africa Sun Hotels and Resorts. The group was established in 1968 (Rusike & Chitambara, 2012), and was initially known as Zimbabwe Sun Hotels. The group now has presence, not only in Zimbabwe, but in Ghana, Nigeria and South Africa. In Zimbabwe, the group is associated with two hotels in Harare, the Crowne Plaza Monomotapa and the Holiday Inn Harare (Africa Sun Hotels, 2014). Crowne Plaza Monomotapa is a four star hotel located in the city’s central business district (CBD), that attracts both business and leisure travellers (Africa Sun Hotels, 2014). The Holiday Inn, a three star hotel, is located on the outskirts of the CBD and offers ample parking space. The hotel also attracts both business and leisure travellers.
The second largest hotel group is Rainbow Tourism Group (RTG). According to Rusike and Chitambara (2012: 11)

The group operates four distinct quality hospitality brands which are Rainbow Resort Hotels, Touch the Wild Limited (which operates four lodges), Tourism Services Zimbabwe and Rainbow Hospitality Business School. It operates 6 hotels in Zimbabwe, two hotels in Zambia and one in Mozambique through lease and management contracts. It has placed itself as the leading provider of Unique African Hospitality.

The Group was established in 1992 and became Zimbabwe’s second largest chain group in 1998, a position it has maintained to date (Rainbow Tourism Group, 2013). The group boasts of two hotels in Harare, the Rainbow Towers Hotel and Conference Centre, and the New Ambassador Hotel. The Rainbow Towers is a five star hotel with 304 rooms. The hotel has three restaurants and a bar, all catering for the business traveller. The New Ambassador Hotel has 72 rooms and is also located in the CBD and caters for the business traveller (Rainbow Tourism Group, 2013).

Cresta Hotels, also one of the leading hospitality groups in Africa, has units in Zambia, Botswana and Zimbabwe. The hotel group started operations in Zimbabwe in the mid 1970’s, with only 2 hotels, which were owned by Tobacco Auctions (Rusike & Chitambara, 2012). Cresta now owns 4 hotels in Zimbabwe mainly in Harare where the group operates three hotels, Cresta Lodge, Cresta Jameson and Cresta Oasis. Both the Cresta Jameson and Cresta Oasis are located in the central part of Harare City. Cresta Lodge is located a few kilometres from the city centre.

In total, Harare has twenty-one hotels that include the famous Meikles Hotel, which is a five star hotel, and other five star lodges such as the Amanzi Lodge, the Ballantynes Lodge and the Woodlands Guest Lodge. Hotels in Harare are prominently important for the business traveller and the city is well known for the Sanganai/Hlanganani World Travel Expo Business Forum
which attracts a considerable number of international business players (Rusike & Chitambara, 2012). The Expo is held annually at the Harare International Conference Centre.

According to Zimbabwe Tourism Authority (2011), Harare has twelve independent hotel establishments which include hotels such Selous hotel, Russel hotel, Courtney hotel, Red Fox Chase hotel, Semanzini Park hotel, Holly’s hotel and Night Club, hotel Elizabeth, Adelaide Acres conference centre, the Queens hotel, and Sogecoa Zimbabwe Golden Peacock Villa and Pandhari hotel. Some of these hotels closed and some are now operating as night clubs. Only a few are still operating as hotels. Despite the prolific hospitality sector in Harare, there are a number of challenges facing the hotel industry in Zimbabwe. Among these is the need for refurbishments, under investment and socio-political unrests (Ruzivo Trust, 2013). There is also instability in terms of employment due to on-going retrenchments (Rusike & Chitambara, 2012).

Of the five independent hotels in the central business district (CBD), three have no star rating while the other two have a star rating of two. Working towards attaining a star rating of five or less appears to be quite a big challenge for most of them. This makes it difficult for them to compete with the giant chain hotels. For small to medium sizes independent hotels, survival means bracing competition even amongst themselves. Competition in tourism is driven by a number of factors including pricing, volume, innovation, technology and entrepreneurial management (Christie & Crompton, 2001). However, this study is more concerned with innovation in hotel SMEs, their growth and failure as this is an area that has received anecdotal attention in tourism literature (Thomas, Shaw & Page, 2011). Research in the operations of small to medium size independent hotels is scant. Little is known about innovative measures employed
by privately owned hotels in the management of business. Most of the research on hotel innovation tends to focus on large chain corporations though in recent years there has been an increasing awareness and recognition of the importance of small and medium enterprises (SMEs) in extant literature.

In Zimbabwe the promotion of small to medium enterprises (SME) which is often synonymous with economic indigenization, is being hailed for its pivotal role in promoting grassroots economic growth and equitable sustainable development. In particular the development of SMEs is seen as a way of accelerating the achievement of wider economic and socio-economic objectives (Chidoko, Makuyana, Matungamire & Bemani, 2011). The most important economic benefit from SMEs in Zimbabwe is employment creation because the civil service and the large multinational companies only absorb a limited fraction of the country’s labour force. The number of persons who were gainfully employed in Harare by 2012 was 242 400 a decline of about 6.8% from 260 100 in 2010 (ZimStat, 2013). This drop may be attributed to the increase of people who were leaving formal employment to embark on personal business especially in small to medium enterprises that have been viewed as a perfect substitute to conventional formal employment (Maunganidze, 2013).

The SMEs sector is efficient at generation of job opportunities however at a very low cost for some segments of the population. Jobs in the large scale corporations in Zimbabwe are showing negative growth, while some jobs in the SMEs sector of the economy are showing positive growth. The contribution of the SMEs sector to the Zimbabwean economy is crucial for the achievement of the broader development objectives such as poverty alleviation, spreading of
employment opportunities and increasing indigenous ownership of resources in the economy (Chidoko et al., 2011). SMEs are seedbeds for indigenous entrepreneurship as they are responsible for mobilizing ungenerated capacity (Charantimath, 2006), are labour intensive, and contribute to the decentralization of industry (Hutchinson & Quintas 2008) and contribute more to equitable distribution of the national income (Dumbu & Musingafi, 2010). Other economic advantages of small to medium-scale businesses include supplying dynamism (i.e., they contribute to the growth of the economy), contributing to economic competition, raising the level of popular participation in the economy and promoting growth with equity.

To show the importance of the SMEs sector to the economy, the government of Zimbabwe established the Ministry of Small and Medium Enterprises, and such organs such as Small Enterprises Development Corporation (SEDCO) and Venture Capital Company of Zimbabwe (VCCZ) among others, in order to provide targeted support to SMEs. This is a clear demonstration of the Zimbabwean Government of its realization of the importance of the sector and the roles it plays to correct the poor performance of the economy. Although Fan (2003) argues that SMEs are the major sources of technological advances as well as new products. Small to medium size enterprises (SMEs) in Zimbabwe face a dynamic and competitive business environment. Such competition manifests also in SMEs that fall under the hotel sector. Most of them are struggling to survive and grow despite the efforts engaged by the Government (Maseko et al., 2012) and the private sector in general, to offer financial assistance and non-financial incentives. Some even end up closing down. The Germini Report of 1993 found that 48-60% of SMEs closures in Zimbabwe occur within the first three years. As a result the sector has suffered
stunted growth and sluggish development. In addition it has been also difficult for the SMEs to compete with the large chain corporations in attracting markets and maintaining market share.

On the contrary small to medium size independent hotels are operated by owner-managers or by a small consortium. There is no separation of ownership and control as the business has no outside equity owners. Most of them are ungraded and have no star rating. It is upon this background that the study sought to explore and understand the innovative measures employed by small to medium size independent hotels in the management of business in a dynamic and competitive environment. The section below tries to articulate the problem being investigated in the study.

1.3 Statement of the problem
Small to medium size independent hotels in Zimbabwe are faced by a dynamic and competitive environment. The question that remains unanswered is what innovative measures are employed by small to medium size independent hotels in managing business in a dynamic and competitive environment. The hotel industry has not been much scientifically studied and literature on empirical studies is scant (Hjalager, 2010). Therefore the study sought to explore and understand innovative measures employed by small to medium size independent hotels in Harare.

1.4 Aim of the study
The aim of the study was to explore innovative measures employed by small to medium size independent hotels in Harare (Zimbabwe) in managing business. It was anticipated that, through a better understanding of the innovative measures employed by small to medium size
independent hotels, challenges they faced in embracing innovation and the strategic measures that can improve the operations of these hotels, informed decisions can be made that can enhance the management and competitiveness of these hotels. The section below gives an outline of the research questions that guided the study.

1.5 Objectives of the study

- To establish characteristics that characterise small to medium size independent hotels in Harare.
- To assess the types of innovations implemented by small to medium size independent hotels in the management of business.
- To assess the innovative measures employed by small to medium size independent hotels in the management of business.
- To investigate the challenges faced by small to medium size independent hotels in enhancing innovation.
- To establish the strategic innovative measures that can improve the operations of small to medium size independent hotels.
- To design a model of innovation for small to medium size independent hotels.

1.6 Research questions

The study sought answers to one main research question and six sub-research questions.

1.6.1 Main research question

How do small to medium size independent hotels in Harare manage innovation in their business?
1.6.2 Research sub-questions

- How can small to medium size independent hotels in Harare be characterised?
- What types of innovations are implemented by small to medium size independent hotels in Harare in the management of business?
- What innovative measures are employed by small to medium size independent hotels in the management of business?
- What challenges do small to medium size independent hotels in Harare face in embracing innovation?
- How could operations of small to medium size independent hotels in Harare be improved through use of strategic innovative measures?
- How can a model of innovation for small to medium size independent hotels be constructed?

1.7 Significance of the study

Recommendations from the study are expected to enhance better practices on managing innovation in the small to medium size independent hotels and also to other small to medium size enterprises in Harare and other places in Zimbabwe. The study is expected to reveal unique challenges which SMEs in the hotel sector face in managing innovation in their business which can sensitise policymakers on what needs to be done to improve the operations and competitiveness of the SMEs. The study developed a framework that might assist managers of small to medium size independent hotels in Harare to develop sound business systems and procedures that will ensure long-term success and growth.

Also small to medium size entrepreneurs will be exposed to the usefulness of innovative measures and are likely to become knowledgeable and successful in the management of their
enterprises.

The government of Zimbabwe through the Ministry of Small to medium Enterprise is also likely to benefit from the study as the various programmes designed to stimulate, sustain and support entrepreneurship development will be enhanced by the findings on how operations of small to medium size independent hotels could be improved through strategic measures. By highlighting the importance of innovation, the study will provide the focus for training programmes on entrepreneurship development in small to medium enterprises. The study contributes to the literature on small to medium firms in the field of tourism and hospitality in developing world on the issue of innovation management. The section below identifies the boundaries of the study.

1.8 Delimitations of the study

The study focused on small to medium size independent hotels in Harare. Five of these hotels were purposively selected for the study. The hotels included those that were in the Harare central business district where competition was rife and that were closely competing with large chain hotels. The study also focused on innovation than any other factors that led to competitiveness mainly because innovation is considered as a key component of business strategy and in current competitive environments, innovation is generally considered a company’s core value creation capacity and one of its most important competitive weapons (Sandvik & Sandvik, 2003). Innovations have contributed to the growth in the number of service firms and to the scale of their operations, which in turn has increased their economic impact (Wietze van der Aa & Tom Elfring, 2002). The study was carried out in the months of June and July 2014. The study
targeted different levels of employees in an effort to triangulate the information sources. The section below outlines the limitations of the study.

### 1.9 Limitations of the study

The study was a single industry study. Single industry studies are criticised for being too narrow in scope and consequently presenting problems in generalising the results and using the findings for theory building. This despite the single industry study offering greater control over extraneous variations such as industry characteristic and problems that are specific to the industry. As such there are benefits in limiting the study to a single industry and later replicating the study across a number of industries and comparing the results across different industries (cross sectional studies) and in the same industry over time (longitudinal studies). Below is a brief outline of the research methodology.

### 1.10 Research Methodology

The study employed the interpretivist paradigm. It adopted a qualitative approach and a multiple case study design located in the interpretivist research paradigm. A purposive sample of five hotels was drawn from small and medium sized independent hotels in Harare. Data were collected using qualitative interviews and focus group discussions and were analysed for content using thematic analysis.

### 1.11 Ethical and legal considerations

Researchers need to anticipate the ethical issues that may arise during their studies (Hesse-Bider
& Leavey, 2006). These issues arise primarily in specifying the research problem, identifying purpose statement and research questions, and collecting, analyzing and writing up the results of data (Creswell, 2009). All key ethical issues related to the research process, such as anonymity, privacy, deception, accuracy and confidentiality were addressed in this study.

**Anonymity and confidentiality**

Participants were assured of anonymity and confidentiality by the researcher. This was done through use of codes and pseudonyms throughout the research instead of actual names. The researcher also made participants aware of this and pledged to keep the promise. This meant their personal information was not to be divulged and that I should not share the information that information the given was not to be shared with others in ways that would reveal their identities. The researcher guaranteed the anonymity of individuals and organizations in any published documents arising from research unless participants gave explicit consent to identify them by name. All information disclosed during the research was treated as confidential, and was not disclosed to other participants or people not connected with the research.

**Voluntary participation**

In this study, the participants were informed through the consent form that all participation in the study was voluntary, with the option of quitting at anytime. Informed consent was sought and obtained from the participants before they participated in the study.

**Informed consent**

In this study the researcher informed the participants about the purpose of the research and the
procedures. The research participants then completed an informed consent form (appendix 1). The form served to acknowledge that the participants’ rights were protected throughout the research.

**Deception**

In this study the researcher debriefed the participants after the study was over. The researcher made as much effort as possible to avoid deception by informing participants about the purpose of the research, procedures and clarified incidentals.

**Accuracy**

The study ensured that all the data were accurate. A serious attempt was made by the researcher to report accurately on the research findings by using a substantial amount of verbatim accounts of participants.

**1.12 Organization of the study**

The study is presented in six chapters as follows:

Chapter one serves as an introduction to the entire study. The chapter contextualizes the study which investigated the innovative measures employed by small to medium size independent hotels in Harare in the management of business. The background to the study is discussed and the study is set into perspective. The focus and nature of the study is clarified in the statement of the problem and further clarified by the aims of the study and the research questions which guided the investigation. The chapter also addresses the significance of the study which explains
the benefits that may be derived from the study and its implications. Limitations of the study and delimitations of the study are also discussed. In addition, key terms are defined as used in the study.

Chapter two is divided into three sections. The first presents the conceptual framework. It reviews the concept of innovation. The second section discusses the theoretical framework that informs the study. The study was informed by the resource based theory of innovation and the dynamic capability innovation theory. The third section outlined the literature relevant to the study. It reviewed what other scholars have written regarding the subject of the study namely: The hotel and the hospitality industry, the innovative measures employed by small to medium size hotels in the management of business and the innovation activities of small to medium size independent hotels. The chapter further reviewed the challenges faced by small to medium size hotels in embracing innovation and how the operations of small to medium size independent hotels could be improved through strategic measures.

Chapter three presents and justifies the research methodology and design used in this study. This includes the research paradigm; the research approach, the research design; the research instruments used to collect data and the entire process of data collection methods, data presentation, analysis and interpretation. The study was anchored in the interpretive paradigm. It adopted a qualitative multiple case study design located in the interpretivist research paradigm Ethical considerations as well as measures to ensure trustworthiness and ethics are discussed in this chapter.
Chapter four presents, analysis, discusses and interprets data generated from the study. Presentation and analysis of data is done in line with the research questions of the study. The chapter presents and interprets data generated on the issue of the innovative measures employed by small to medium size independent hotels in the management of business in Harare and the innovation activities of small to medium size independent hotels. The chapter further presents and interprets data generated on the challenges faced by small to medium size independent hotels in embracing innovation and the strategic measures that could improve the operations of small to medium size independent hotels. The chapter also evaluated the findings and discussed them in light of related literature in order to establish the linkages with the lessons learnt from what has been experienced. The comparisons of findings with related literature gave insights that fully explained how small to medium size independent hotels managed innovation. The comparisons further gave insights that explained the innovative measures employed by small to medium size independent hotels in the management of business and the challenges employed by small to medium size independent hotels in the management of business. The discussion of the findings was based on the comparison of the findings with data found in the literature reviewed on the management of innovation in small to medium size hotels.

Chapter five presents a summary of the findings in relation to the problem. The conclusions and recommendations reached and their implications to small to medium size independent hotels and other policy makers and areas for further research are also included in this chapter.

1.13 Definition of special terms and expressions

This section defines special terms and expressions used in this study.
**Hotel:** is a ‘place where a bona fide traveller can receive food and shelter provided he is in a position to pay for it and is in a fit condition to be received’ (Kasavana & Brooks 2001:5). In this study, a hotel is taken to mean a classified commercial accommodation establishment, which lets furnished rooms or suites to a transitory clientele, which does not reside in the establishment and it is permanently in use throughout the year.

**Hospitality industry:** “is comprised of commercial organizations that specialize in providing accommodation and/ or food, and/ or drink through a voluntary human exchange, which is contemporaneous in nature and undertaken to enhance the mutual well being of the parties concerned” (Lashley & Morrison, 2000:143).

**Independent hotels:** are owned or managed by an individual or a company (Chon & Sparrowe, 2000). They have no affiliation with other properties (Kasavana & Brooks, 2001). Most independent hotels are family owned and operated (Kasavana & Brooks, 2001). In this study, an independent hotel is taken to mean a privately owned or managed hotel with no affiliation with other properties.

**Innovation:** defines innovation as the process of bringing any new, problem solving idea into use (Kanter cited from Hall & Williams, 2008). In this study innovation is taken to mean the generation, acceptance and implementation of new ideas, processes, products or services.
1.14. Chapter summary

The chapter gave an overview of this study. The background to the study was discussed and the study was set into perspective. The chapter also underscored the statement of the problem. The focus and nature of the study was further clarified by the aims of the study and research questions that guided the investigation. The chapter also addressed the significance of the study which explained the benefits that may be derived from the study and its implications. Limitations of the study and delimitations of the study were also discussed. In addition, key terms were defined as used in the study. The next chapter discusses the theoretical framework which informed the study and reviews related literature on innovation and hotels.
CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Introduction
The previous chapter gave an overview of the study. It outlined the background to the study and clarified the statement of the problem, the aim of the study, research questions, the significance of the study, limitations of the study, and delimitations of the study. Special terms used in the study were also defined. This chapter presents the conceptual and theoretical framework of the study. The chapter also presents and reviews related literature on major issues related to the study such as empirical studies on innovation in the hotel industry, innovative measures, challenges faced by hotels in implementing innovations and the strategic measures that could be employed to enhance innovation in small to medium size independent hotels. The study was guided by three theories namely: the Resource Based Theory of innovation, the Dynamic Capability Innovation theory, the Abernathy and Clark model of innovation.

2.2 Conceptual framework
This section presents and discusses key concepts used in the study such as the innovation phenomenon and degrees of innovation.

2.2.1 The Innovation phenomenon
Business competitiveness and sustainability depends on the effective management of innovation (Dooley & O’sullivan, 2007). In current competitive environments, innovation is generally
considered a firm’s core value creation capacity and one of its most important competitive weapons (Sandvik & Sandvik, 2003) not only for larger firms, but also for the small and medium sized enterprises (Jong & Vermueulen, 2006). No particular size of a firm can be cited as better suited for innovation and small firms have barriers and determinants of innovation that differ from those of the large scale firms (Freel, 2000; and Jong & Vermeulen, 2006). Innovation remains one of the most potent ways to grow economics, providing organizations with the ability to adapt to change and stimulate new growth (Dooley & O’sullivan, 2007). Effective innovation can transform poor business into world leaders and ordinary organisations into stimulating environments for employees. Poor innovation within organizations often leads to poor morale among employees and ultimately stagnation and decline of the enterprise (Stevens & Barley, 2003). The ability to manage an organization’s innovation process is a key competence for any organization. The study assessed the innovative measures of small to medium size independent hotels in Harare and how they implement innovation activities.

Innovation and innovativeness

The concept of innovation is not a new one (Dadura & Lee, 2011). Innovation can be defined in a multiplicity of ways. The leading theoretician of innovation, Joseph Schumpeter (1883-1950), already had a broad vision of the concept, encompassing new products, new production processes, new markets, new raw materials and new forms of organization. Schumpeter (1934) defined innovation as the breaking of old rules to establish new ones. For business this means the introduction of new products and their successful commercialization based on the application of new materials and components. It may also entail the introduction of new processes, opening of new markets, or even the introduction of new organization forms (Schumpeter, 1934). According
to Schumpeter, innovation is a complex phenomenon that includes technical (new products and production methods) and nontechnical aspects (new markets and forms of organization). Kanter cited from Hall and Williams (2008) defines innovation as the process of bringing any new, problem solving idea into use. Ideas for reorganizing, cutting cost, putting in new budgetary systems, improving communication or assembling products in teams are also innovations. He further states that innovation is the generation, acceptance and implementation of new ideas, processes, products or services.

Innovativeness is the most frequently used measure to determine the degree of innovation’s “newness” (Garcia & Calantone, 2002). A highly innovative product and process would be one with a high degree of newness and low innovative products sit at the opposite extreme of the continuum. However, product innovativeness is not equal to a firm’s innovativeness. Ettlie, Bridges and O’Keefe (1984) defined organizational innovativeness as a firm’s tendency to adopt innovations while Rogers (2003) also added a firm’s tendency to adopt innovations. It is generally acknowledged that innovation is critical for achieving a competitive advantage (Hsieh, Yeh & Chen, 2009).

**Degrees of innovation**

The degree of innovation varies from incremental innovation to radical innovation. Traditionally, the degree of radicalness has been determined by applying the criteria derived from a review of the relevant literature on the issue. According to Sundbo (2001) radical innovations are major changes in relation with the current technology. They can generate a disruption in the path followed. Besides, radical innovations can lead to many smaller innovations. They can also
emerge as technological revolutions, which consist of a group of innovations that together have a greater impact (Fagerberg, 2005). Examples of radical innovations in tourism are the creation of a specific quality management system for tourism organizations, the reorganization of a hotel chain.

In contrast, incremental innovations are gradually, cumulative changes, based on continuous processes (Fagerberg, 2005). The cumulative impact of incremental innovations can be just as great as the impact of radical innovations, or even greater. Furthermore, some sectors evolve through the implementation of incremental changes while others develop through the production of radical innovations. Besides, the profitability of radical innovations often depends on several incremental improvements (Fagerberg, 2005). Examples of incremental innovations in tourism are quality enhancements, the reduction of energy expenditures or the augmentation of the collaboration with other organizations.

Stamm (2003) has also attempted to differentiate between incremental and radical innovation by identifying the focus of each and this is summarised on table 1 below:
Table 1: Degrees of innovation

<table>
<thead>
<tr>
<th>Focus</th>
<th>Incremental</th>
<th>Radical</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time frame</td>
<td>Short term-6 to 24 months</td>
<td>Long term-usually 10 years plus</td>
</tr>
<tr>
<td>Development trajectory</td>
<td>Step after step from conception to commercialization, high levels of certainty.</td>
<td>Discontinuous, iterative, set-backs, high levels of uncertainty.</td>
</tr>
<tr>
<td>Idea generation and opportunity recognition</td>
<td>Continuous stream of incremental improvement; critical events large anticipated</td>
<td>Ideas often pop-up unexpectedly, and from unexpected sources, slack tends to be required; focus and purpose might change over the course of the development.</td>
</tr>
<tr>
<td>Process</td>
<td>Formal, established, generally with stages and gates</td>
<td>A formal structured process might hinder</td>
</tr>
<tr>
<td>Business case</td>
<td>A complete business case can be produced at the outset, customer reaction can be anticipated</td>
<td>The business case evolves throughout the development, and might change; predicting customer reaction is difficult.</td>
</tr>
<tr>
<td>Players</td>
<td>Can be assigned to a cross-functional team with clearly assigned and understood roles; skill emphasis is on making things happen.</td>
<td>Skill areas required; key players may come and go; finding the right skills often relies on informal networks; flexibility, persistence and willingness to experiment are required</td>
</tr>
<tr>
<td>Development structure</td>
<td>Typically, a cross-functional team operates within an existing business unit.</td>
<td>Tends to originate in R&amp;D; tends to be driven by the determination of one individual who pursues it wherever he or she is.</td>
</tr>
<tr>
<td>Resource and skill requirements</td>
<td>All skills and competences necessary tend to be within the project team; resource allocation follows a standardized process.</td>
<td>It is difficult to predict skill and competence requirements; additional expertise from outside might be required; informal networks; flexibility is required</td>
</tr>
<tr>
<td>Operating unit involvement</td>
<td>Operating units are involved from the beginning</td>
<td>Involving operating units too early can again lead to great ideas becoming small.</td>
</tr>
</tbody>
</table>

Source: (Tamm, 2003:47)

In the context of this study radical and incremental innovation are differentiated using a
dimension that denotes whether they were introduced for the first time (learned or explored) or consisted of modifications, improvements or extensions to previously introduced innovations (additional or exploitative). The study attempted to evaluate the degrees of innovations among small to medium size independent hotels in Harare.

2.3 Theoretical Framework

Grix (2004) contends that the theoretical framework is the philosophical basis on which the research takes place, and forms the link between the theoretical aspects and practical components of the investigation undertaken and has implications for every decision made in the research process. Crotty (1998) also notes that the theoretical framework discloses the theoretical perspective underpinning the research.

Pring (2000) contends that the theoretical framework is a structure that identifies and describes the major elements, variables, or constructs that organize ones scholarship. It is used to hypothesize, understand, or give meaning to the relationships among the elements that influence, affect, or predict the events or outcomes you specify. The theoretical framework grows out of the research focus, guides the design of individual studies, and structures ones research presentations.

2.3.1 Resource Based Theory of innovation

The resource based theory of innovation is based on the fundamental premise that organizational resources and capabilities determine a firm’s capacity for innovation (Teece & Psano, 1994; Helfat, 1997) and that competitive advantage lies in the resources an organisation can access and
exploit, not in its ability to manage the environment (Barney, 1991; Campbell, Stonehouse & Houston, 2004; David, 2007; Dess, Lumpkin & Eisner 2007; Idris & Hussain, 2003; Kolk & Pinkse, 2006). Superior competitive advantage is derived from the set of resources and capabilities controlled by a firm that are valuable, rare, imperfectly imitable, and non-substitutable (VRIN) (Barney, 1991). He further states that if a resource possesses all the four attributes, then it is considered to be highly heterogeneous and immobile, making it a strategic source of superior competitive advantage. The presence of different organizational resources and capabilities can positively affect the outcome of the innovation process (Leonard-Barton, 1995). This means that relevant resources and capabilities must exist together in order to create a superior competitive advantage for the small tourism firms. Eisenhardt (1989) argue that dynamic capabilities should be conceptualized as tools that manipulate resource configurations; since long-term competitive advantage lies in resource configurations via dynamic capabilities and not in the actual dynamic capabilities themselves. According to Bowman and Ambrosini (2003), dynamic capabilities are regarded as the firm’s ability to renew its existing resources in response to environmental changes. Helfat (1997) on the other hand conceptualise dynamic capabilities as the capacity of an organization to purposefully create, extend, or modify its resource base. Innovativeness is indeed a rare, valuable, inimitable, and non-substitutable firm resource and also a set of dynamic capabilities.

Within this perspective, organizational resources (tangible and intangible) are taken to provide the input that in turn is combined and transformed by capabilities to produce innovative forms of competitive advantage (Leonard-Barton, 1995). According to Leonard-Barton (1995), an organisation possesses three types of resources: tangible, intangible and organisational
capabilities. Tangible resources include financial, physical, technological and organisational assets, which can be easily identified. Intangible assets are more difficult to identify and more difficult for competitors to copy. These are practices that the organisation develops over time and lead to improved results, for instance the development of reputation and the emergence of a brand. Therefore, according to the resource based theory, innovation does not come simply from scanning the external environment for market opportunities, but from looking inside and build on the resource endowment and core competencies of the organization. Organisational resources and capabilities are taken to offer the necessary input for the development and exploitation of the firm’s innovation activities. The focus of the resource based theory is not only on how to squeeze innovative output out of the organizations, but also on how to provide the fuel for innovative activity to occur in the first place. The literature has identified a number of resources that are critical for innovation as illustrated in table 2.
Table 2: Resource-Based View of the firm (adapted from Barney, 1991:87)

<table>
<thead>
<tr>
<th>Tangible resources</th>
<th></th>
</tr>
</thead>
</table>
| Financial          | • Firm’s cash account and cash equivalents  
|                    | • Firm’s capacity to source funds  
|                    | • Firm’s borrowing capacity  |
| Physical           | • Modern plant and facilities  
|                    | • Favourable location  
|                    | • State of the art machinery and equipment  |
| Technological      | • Trade secrets  
|                    | • Innovative processes  
|                    | • Patents, copyrights, trademarks  |
| Organisational     | • Effective strategic planning processes  |

<table>
<thead>
<tr>
<th>Intangible resources</th>
<th></th>
</tr>
</thead>
</table>
| Human                | • Experience and capabilities of employees  
|                      | • Trust  
|                      | • Managerial skills  
|                      | • Firm specific practices and procedures  |
| Innovation and creativity | • Technical and scientific skills  
|                        | • Innovation capacities  |
| Reputation           | • Brand name  
|                      | • Reputation with customers for quality and reliability  
|                      | • Reputation for suppliers for fairness, trust and mutual reward  |
| Organisational       | • Firm competencies or skills the firm uses to transfer inputs to outputs  |
Very few studies have been conducted on innovation of small to medium size enterprise using the Resource Based theory (RBT) while studies on small to medium size independent hotels have not been found. Hadjimanolis (2000) conducted a study on the effects of the characteristics of the top manager and the various types of resources and capabilities on the innovativeness of the small firm in a small European country Cyprus. He presented the resource based view as his theoretical framework for his empirical research. The study was a case study research. Concluding his research Hadjimanolis (2000) remarked that the resource based theory is a relevant and valuable framework in case study analysis and in the explanation of differences in innovation behaviour of small firms. However, on the other hand RBT has been critiqued by other scholars. McGrath et al (1992) criticized the theory citing that it is inadequate for practical strategic management guidance. Priem and Butler (2001) argue that the RBT lacks substantial managerial implications or ‘operational validity’ and Connor (2002) and Miller (2003) indicate that RBT seems to tell managers to develop and obtain valuable, rare, inimitable and non-substitutable (VRIN) resources and develop an appropriate organization, when it is silent on how this should be done. Along similar lines Lado, Boyd, Wright and Kroll (2006) argue that the RBT suffers a tension between descriptive and prescriptive theorizing.

Despite the criticisms, the theory has been found to be quite instrumental in this study. The theory explains clearly the source of competitive advantage within an organization and the unique internal resources within an organization that are a source of competitive advantage. One such unique internal resource is innovation. Innovation has been identified as one of the valuable, rare, imperfectly imitable and non substitutable resource that lead to competitive advantage. Therefore the theory has been found to be suitable in guiding the study on the
innovative measures employed by small to medium size independent hotels in managing business.

2.3.2 The Dynamic Capability Innovation theory

According to Teece, Pisano and Shuen (1990) the dynamic capabilities approach is built upon the resource based theory. Priem and Butler (2001) contend that resource based theory is a static theory since it does not explain the evolution over time of the resources and capabilities that form the basis of competitive advantage. For this reason, one should not just view a firm as a bundle of resources, but note also the mechanisms by which the firms learn and accumulate new skills and capabilities and the forces that limit the ratio and direction of this process (Teece, Pisano & Shuen, 1990). Teece, Pisano and Shuen (1997) also define dynamic capabilities as the firm’s ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments. Wang and Ahmed (2004) define innovative capability as a firm’s ability to develop new products and/or markets, through aligning strategic innovative orientation with innovative behaviours and processes. Dodgson, Gann and Salter (2008) define it as bundles and patterns of skills used by firms to formulate and implement an innovation strategy involving the creation, extension and modification of those resources used for innovation while Bell (2009) defines innovation capabilities as the capabilities needed to imagine, develop and implement new configurations of product and process technology and to implement changes and improvements to technologies already in use. According to Pekka and Thomas (2006), innovative capabilities cover besides technological capabilities also aspects of management and organization in order to move from technological chance to innovation. They further argue that the innovative capability of a firm relies on its innovative system, which is embedded in the
firm’s resource base, management system, organizational structures and business routines. They also defined innovative capabilities as the firm’s capabilities to generate customer value by developing and introducing to the market new products and services or reducing the costs induced by the value creation process.

Drawing on the above discussion the dynamic capability innovation theory clearly explains the unique competencies that enable firms to gain competitive advantage. One such competency is innovativeness. The theory further explains how these competencies are developed, deployed and protected. It is therefore upon this that the study found this theory suitable in guiding the study on the innovative measures employed by small to medium size hotels in managing business. The theory also complements the RBT theory that was criticized for being conceptually vague, redundant and failing to explain how the mechanisms that enable competitive advantage operate. Studies that have been conducted on innovation of small to medium size independent hotels using the dynamic capability theory of innovation have not been found.

2.3.3 The Abernathy and Clark model (1985)

In their explanation of the establishment and development of the automobile industry, Abernathy and Clark (1985) developed a model that also applied to other sectors. Hjalager (2002) adopted the model and made a useful distinction of innovation types in tourism. The model analyses innovation and the various roles this plays in competition. According to this model, innovation is classified according to two dimensions, market knowledge and technological capabilities of the firm. It distinguishes between the preservation and destruction of this knowledge after an innovation has occurred and capability of the firm needed for producing the product or service as
a result of this innovation. The horizontal axis of the model identifies if particular innovations render current business linkages obsolete or lead to enhancement of these existing linkages. On the other hand, the vertical axes recognize the knowledge and competence used for the production of the goods and services (Figure 3).

Based on this model, the technological capabilities of the firm can become archaic, but the firm can still maintain its market capabilities and use this to its advantage to deal with competing, new firms in the market. Combining market knowledge and technological capabilities leads to four kinds of innovation: regular, niche, revolutionary and architectural as in figure 3 below.
Examples of regular innovations in tourism include: new investments in larger structures; removing structural bottlenecks through changes in technology or time-scheduling procedures; internal training of personnel, resulting in enhanced or speedier service, or enabling additional advantages to be offered to customers; upgrading quality standards in well-defined ways; and approaches to new markets with the same methods or products.
Niche innovations tend to challenge collaborative structures, but not basic competences and knowledge. Examples include establishment of marketing alliances and new combinations of existing products. Revolutionary innovations keep external structures unchanged, but have a radical effect on competences. At enterprise level revolutionary innovations can have the following outcomes; diffusion of new technology in enterprises, so that staff either stop doing what they used to do or do it in other ways; and electronic marketing. Architectural innovations tend to change overall structures, and establish new rules that remodel the concept of tourism. Examples include redefining infrastructure and creation of other ways of accessing knowledge in centres of excellence.

This model was chosen in comparison to other models of innovation for this research for several reasons. Firstly Coccia (2006) stated that this model provides the most useful classification since it presents a clearer understanding of the nature of particular and well defined innovations. Secondly, many of the innovative theories looked at the behaviour of the firms, the type of the firms that innovate, the firms that generate innovation and the stages they go through in adopting these innovations. In this study it was found to be suitable in providing a suitable framework for studying the nature of innovations in small to medium size independent hotels.

2.4 Innovation in small to medium size enterprises

There is less focus on the innovativeness of small to medium sized enterprises in innovation literature (OECD, 2005; Dadura & Lee, 2011). It has recently been acknowledged that SMEs
have the potential to innovate (OECD, 2005). Although innovation plays an important and increasing role in tourism (Hjalager, 2010), research on capturing the complexity that surrounds tourism innovation is still weak. This neglect is especially a common feature of innovation research in services (Amara, Landry & Doloreux, 2009; Mainardes, Alves & Raposo, 2011; van Riel, Semeijn, Hammedi & Henseler, 2011). Innovation is at the heart of hospitality organisations’ success because it allows them to improve the quality of products, increase efficiency, cut costs, meet the changing needs of customers, increase sales and profits, gain greater market share and differentiate themselves from competitors (Nicolau & Santa-Maria, 2003). This, despite innovation in hospitality organisations is an understudied area (Rogers, 2007). Due to the lack of research based knowledge, managers often rely on gut feeling, speculation, and their own limited experience about the keys to innovation success ( Nicolau & Santa-Maria, 2013).

Studies that explore the types of innovation that SMEs pursue appear to be generally lacking from the innovation and SME literature. In contrast, there have been many studies on the types of innovation that large companies pursue. Some of the examples include de Brentani’s (2001) study on business to business services, and a study by Avlonitis et al. (2001) on innovativeness in the financial services sector. According to de Brentani (2001) the understanding of how to achieve positive product outcomes might be improved by exploring the innovativeness of products that are being developed by firms. Simple augmented service offerings (or incremental service innovations) have the capability to impact a company’s profitability and sales but do not offer enhanced opportunities (Storey & Easingwood, 1998). Many of the innovation studies in large firms revealed that management requirements for managing normal and existing activities
and developing incremental innovations are different from those required to develop and manage radical innovations. It has been argued that radical innovations are characterized by uncertainty, knowledge intensity and boundary crossing. In order to develop radical innovations, corporations need to build adjustments into their design, which allow for flexibility and the ability to manage the requirements for developing this type of innovation. Radical innovations, which tend to generate very high returns, are more predominant in SMEs compared to large firms (Simon, Elango, Houghton, Savelli, Lewis & Boyer, 2002).

At a general level there have been various classifications of innovation types in large firms. Product innovation which may include new product offerings or improvements in existing products appears to be the most common form of innovation. Service innovation has become increasingly important. It can be described as new developments in those activities that are undertaken to deliver the core product and make it more attractive to consumers. Another type, process innovation involves creating or improving methods of production, service or administrative operations (Oke, Burke & Myers, 2007:738) as well as developments in the processes, systems and reengineering activities undertaken to develop new products. Organization innovation, a firm level type of innovation, refers to innovation in management initiatives.

Previous studies on innovations and new product development in SMEs have largely focused on product innovations suggesting that there is a focus on products in terms of innovations in SMEs (Oke, Burke & Myers, 2007:739). Further, previous studies have posited that large firms tend to focus more on product than process or service innovations (Oke, Burke & Myers, 2007). Mosey
(in Oke, Burke & Myers, 2007) classified innovations in products as either incremental innovations or “new-to-market” product innovations. Mosey’s “new-to-market” innovations can be labelled as radical innovations. SMEs’ focus in terms of which innovation to pursue can therefore, be said to be either radical (new to the world or completely new) or incremental (minor to major improvements in existing offering) (Oke, Burke & Myers, 2007). Simon et al (in Oke, Burke and Myers, 2007) observe that SMEs tend to focus on radical innovations. This is contrary to Oke, Burke & Myers’ (2007) finding that SMEs have a greater focus on incremental innovation (that is, improvements to products, services and/or processes often in response to customer needs) than on radical innovation (that is, new products, services and/or processes and/or new markets). Their result corresponds to findings from previous studies by Griffin (in Oke, Burke & Myers, 2007) and Storey and Easingwood (1998) on innovation types in large firms. Oke et al. (in Oke, Burke & Myers, 2007) note that focus on an existing core market demands a profound understanding of the needs of customers in that market and the ability to be able to improve products or services in response to those needs; in other words, incremental innovation.

Since studies that explore the types of innovation predominant in SMEs as part of innovative measures appear to be generally lacking from the innovation and SME literature this study seeks to narrow the gap by focusing on Small to Medium size hotels in Harare.

2.5 Characteristics of small to medium size independent hotels.

Small to medium size independent hotels like other firms have a number of peculiarities which can turn either to advantage or disadvantage innovation depending on the circumstances (Hadjimanolis, 2000). Some of the main peculiarities are discussed below.
**Personality of Owner/Manager**

According to Hadjimanolis (2000) the personality of owner/manager affects the innovation strategy of small firms. He observes that sometimes at the start of the firm, the owner continues to be pre-occupied with operational tasks and this may lead to lack of strategic thinking.

**Flexibility**

Flexibility has received particular attention among the advantages of small firms. It is argued that small firms can adapt faster to demand changes because they have organizational flexibility and can change faster to new products and processes. Because they are closer to customers, they can detect market niches faster. They can thus avoid competition pressure of large firms through a planned niche strategy.

**Informal processes**

In small firms innovation processes are often informal and weakly structured. Informal communications may, however, promote and facilitate innovation by speeding up decision making. This idea resonates with findings by Greenidge, Alleyne, Parris and Grant (2012) in a study to determine differences between recruitment processes and methods and training practices used in small and large businesses in the retailing, manufacturing, and tourism sectors in an emerging economy of Barbados. They found that recruitment processes, methods and training practices vary among small and large organizations. In Barbados, small businesses rely on informal recruitment methods and informal training practices compared to large businesses.
Human resources management (HRM) practices such as recruitment and training are critical to a business growth and sustainability. Small organizations have the tendency to overlook recruitment and training practices in comparison with large organizations.

*Culture of small firms*

Many small hotels are family firms working as extended families with owner/manager acting as the paternalistic figure. This may imply higher motivation for the employees (due to the informal family atmosphere) and lower control problems and co-ordination costs. It could also mean lower bureaucracy and lower labour costs due, for example, to employment of relatives (Hadjimanolis, 2000). Family conflicts affecting the firm and nepotism are, however, some of the negative impacts.

*Scarcity of resources*

Many small firms including small hotels not only lack resources for innovation, but also lack the relevant specialised and co-specialised assets in order to appropriate the benefits of their innovations. They have to make arrangements with large or other small firms in order to overcome the barriers. Resources include the human ones and small firms may not afford to hire the best people or specialised labour and end up lacking specialised knowledge (Hadjimanolis, 2000).
Low bargaining advantages

The small size of the hotel may lead to low market power, lower ability for lobbying, possibly higher bureaucratic barriers in their growth, and limited access to capital markets. Closeness to, and awareness of, markets, an essential ingredient of flexibility and fast learning due to informality in organization and decision process of the firm, can be viewed as examples of knowledge based resources (Hadjimanolis, 2000).

Since the characteristics of small to medium enterprises can either advantage or disadvantage the firm in terms of innovation, the study will assess how innovative measures of small to medium size independent hotels are affected by the presence of these characteristics.

2.6 Empirical studies on innovation in the hotel industry

There are very few empirical studies on innovation in the hotel industry particularly in small to medium size independent hotels. One of the studies that influenced this study was a study by Ottenbacher, Shaw and Lockwood (2008). The research focused on identifying the factors affecting innovation and performance in Chain and independent hotels. The results showed that innovation success for independent hotels depended on seven key factors while for chain hotels depended on four key factors. The four key factors in chain hotels that were identified are market attractiveness, new service development process management, market responsiveness and empowerment. The seven key factors for independent hotels that were identified were training, behaviour-based evaluations, effective marketing, marketing synergy, employee commitment, market attractiveness and empowerment. Market attractiveness and empowerment were found to
Training of employees was found to be critical in enhancing front line expertise. In terms of behaviour based evaluations their study revealed that successful independent hotels evaluated frontline employee performance in relation to employees providing courteous service, having the ability to resolve customer complaints and problems. On effective marketing independent hotels communications comprised effective and well targeted advertising/promotion campaigns, informing journalist, guides and magazines about new service and achieving a distinct position with the new service (Ottenbacher, Shaw & Lockwood, 2008). On marketing synergy the study indicated that marketing synergy was a key for successful innovations. They pointed out that a successful innovation fitted both the existing skills as well as the product and service mix offered by the hotel. In other words it was appropriately priced, advertised and delivered. On employee commitment they reported that there was need for employees to understand and support the service so that they are fully committed to it. They reported that internal marketing was critical as it supported the motivation and commitment of employees towards the project.

The research methodology they used was developed and validated by several innovation researchers who had done similar studies which compared large numbers of actual innovation projects so that the factors which appeared to be linked to performance could be identified. The data collection involved a mail survey of the hotel sector in German. From this study the question still remains unanswered as to how do small to medium size independent hotels in Harare manage innovation in their business in order to remain competitive.
The other study that influenced this study is a study that was done by Pikkemaat and Peters (2005). Pikkemaat and Peters (2005) conducted a study on small to medium size hotels in alpine tourism destinations. They assessed innovation activities in small to medium hotels. They reported that innovation degree in tourism organizations seemed to be low and that the innovation was most either new for a targeted group of customers or for the organization but neither for the market nor for the hotel industry. The results also showed that process innovations was the dominant type of innovation and that product innovation was hardly to be found. In conducting the study a field survey was designed and survey data were collected. The gap still remains as to what types of innovation are employed by small to medium size independent hotels in a developing country like Zimbabwe.

2.7 Types of Innovations

Studies on types of innovations implemented by small to medium size independent hotels are very limited. According to Hjalager (2010) innovations in tourism can be in one or a combination of the following categories:

Product or service innovations: consist of changed or entirely new services or products which are developed to the stage of commercialization, and whose novelty should be evident to either producers, consumers, suppliers or competitors (Hjalager, 2010). Product or service innovations also refer to changes which clients view and consider as new; either in the sense of never seen before, or new to the particular enterprise (Hjalager, 2010). In the accommodation sector, the “Formulae 1” concept introduced by the Accor Hotel chain represents a generic innovation. Hall and Williams (in Hjalager, 2010) state that these hotels were started to provide a low-price
service without compromising essential and basic hotel standards such as accessibility, cleanliness, and comfortable beds. Some studies in the hotel sector refer to single qualities of the hotel services as innovative, for example gastronomy, animation, infrastructure, or wellness facilities (Nicolau & Santa-Maria, 2013), customized comfort (Enz & Siguaw, 2006) or environmental measures (Le, Hollenhorst, Harris, McLaughlin & Shook, 2006). Some of the new tourism products developed in recent years are the loyalty programmes, environmentally sustainable accommodation facilities, and events based on local traditions (Hjalager, 2010).

Gunday, Kandah and Ranch (in Nicolau & Santa-Maria, 2013) also note that product innovation is one of the major elements of competitiveness, entrenched in the structure of an organization and its operations. They consider product innovation as one of the fundamental instruments of growth strategies to enter new markets, to increase the existing market share and to provide the company with a competitive edge.

In conclusion there is clear evidence from the above discussion that hotels implement product innovations. However studies that focused on small to medium size independent hotels have not been found. It is important to determine to see whether the same holds true for small to medium size independent hotels since they have peculiar characteristics from those of other hotels. Therefore the study explored how small to medium size independent hotels implemented this type of innovation in the management of business.

*Process innovations:* refer typically to backstage initiatives which aim at escalating efficiency, productivity and flow (Hjalager, 2010). They tend to raise the performance of existing operations by means of new or improved technology, or by redesigns of the entire production line as a result of process re-engineering. Process innovations may be platforms for improved services that will
be recognizable to the customer and add to the value of the product. An example is automatic check-in systems which can save time for both customers and staff. Recent examples of major process innovations in tourism are computerized management and monitoring systems, robots for cleaning and maintenance, and self-service devices.

Drawing from the above discussion it can be noted that process innovation is an important type of innovation in the management of innovation. However, there is very little literature on this type of innovation in the hotel industry particularly in small to medium size independent hotels. It is important to extend this research to small to medium size independent hotels in order to determine to see if the same holds true. Therefore the study explored how small to medium size independent hotels implemented this type of innovation in the management of business.

Management innovations: consist of new job profiles, collaborative structures, and authority systems often in combination with the introduction of new products, services and production technologies (Hjalager, 2010). They deal with ways of organizing internal collaboration, directing and empowering staff, building careers and compensating work with pay and benefits (Nicolau & Santa-Maria, 2013). They are intended to increase a firm’s performance by reducing administration costs or transaction costs, improving workplace satisfaction, gaining access to non-tradable assets or reducing costs of supplies. Management innovations can result in staff empowerment through job enrichment, decentralization, and training or in deskilling enforced by the (re)introduction of scientific management methods. Managerial innovations can also be aimed at improving workplace satisfaction and nurturing internal knowledge and competence assets (Hall & Williams, 2008; Shaw & Williams, 2009). According to Ottenbacher and Gnoth (in Nicolau and Santa-Maria, 2013) the main challenge for many tourism enterprises is to develop methods to retain staff, maintain flexibility and control costs.
In light of the above discussion, it can be noted that management innovation is an important type of innovation. However empirical studies on how small to medium size independent hotels implement management innovations have not been found. Being a very important type of innovation there is need to extend research on small to medium size independent hotels. The study therefore explored how small to medium size independent hotels implemented this type of innovation.

*Marketing innovations:* change the way that overall communication to, and with, customers is undertaken, and how relationships between the service provider and customer are built and withheld (Hankinton, 2004). They focus on serving the needs of the clients with the aim of boosting the sales of the firm. A well-known and early example within the tourism sector is the elaboration and introduction of loyalty programmes, which are now widespread and come in numerous versions (Morais, Dorsch, & Backman, 2004). The programmes basically change the relationships between tourism providers and the customer from a single and simple purchase procedure to an exchange of loyalty and intangible supplements, and transform the interaction to a long-term affair with a bounded and complex rationality. Marketing innovations also consist of the co-production of brands (Hankinton, 2004), an activity which takes place in, for example, gastronomy and tourism. Marketing of wine, for example, often goes hand in hand with marketing of a specific destination (Carlsen, 2006).

In view of the above it can be concluded that marketing innovations are crucial in the management of business. Drawing from the discussion above poor implementation of marketing innovations might affect the performance of the business. Most of the marketing innovations literature is too general and empirical studies have not been found. Being an important type of innovation there is need to extend research on small to medium size independent hotels. The
study explored how small to medium size independent hotels implemented marketing innovations.

2.8 Innovative measures in managing business.

A considerable amount of research exists on problems and issues related to innovation management and processes in the manufacturing and service industry as alluded by (Kelly and Storey, 2000; Metcalfe & Miles, 2000; Herstatt, Luthje, & Leitl, 2001) and Afuah, 2003). Very few studies have been carried out on innovation in the tourism industry particularly in small to medium size independent hotels (Hjalager, 2002; Weiermair & Peters, 2002). Pikkemaat and Peters (2005) note that in comparison to other industries research and development expenses or the number of licenses or patents registered are relatively low in the hotel industry. According to Pikkemaat and Peters (2005), small businesses basically lack economies of scale and are not able to raise profit margins which allow small units to reinvest in research and development, market research, product development, skill or creativity enhancement. They also point out that small and medium size enterprises in tourism are still reluctant to enter into cooperation or strategic alliances with other competitors. They are, therefore, able to gain economies of scope which increases product and services variation and by extension customers’ choice. Most of the studies on innovative management in the service industry firms have focused mainly on large organisations in the sectors like telecommunications, financial sector, knowledge intensive firms, and insurance sector. Seemingly, very few studies have been conducted on the hotel sector in terms of innovative management especially in the small to medium size hotels, thereby creating a gap in knowledge. Freel (2000) as well as Jong and Vermeulen (2006) argue that no particular firm size can be identified as better suited for innovation and small firms have barriers and
determinants of innovation that differ from those of the large scale firms. The following sections attempt to discuss the innovative measures employed in managing business in the service industry in general and some of the empirical studies conducted, as there is paucity of literature on small to medium size hotels per se.

2.8.1 Vision and strategy for innovation

Having a vision and strategy is viewed as one of the innovative measures in managing business. Freedman and Tregoe (2003) define a strategy as a framework of choices that determine the nature and direction of an organization. The link between vision, strategy and innovation is important to effective innovation management. According to Lawson and Samson (in Schilling & Werr, 2009), strategy determines the configuration of resources, products, processes and systems that firms adopt to deal with the uncertainty existing in their environment. They further note that successful innovation requires a clear articulation of a common vision and the firm expression of the strategic direction. They consider this a critical step in institutionalizing innovation. There are several factors that influence the selection of an innovation strategy (Davila, Epstein & Shelton, 2006). Davila, Epstein and Shelton (2006) maintain that internal factors that influence the selection of an innovation strategy include organizational mission and strategy, success of the current business model, organizational culture, technical capabilities and funding while external factors include best practices, the competition and rate of technological change. Most of the studies on how this innovative measure is implemented are focused on other sectors other than the hotel sector. Little is known about how small to medium size independent hotels implement this innovative measure in developing countries like Zimbabwe. Therefore it is important to extend this research to small to medium size hotels. The study investigated how
small to medium size independent hotels articulate their common vision and strategy for innovation in the management of business.

### 2.8.2 Knowledge management

Knowledge management is also viewed as one of the innovative measures in managing business. According to Mubaideen (2012), knowledge management is about applying the collective knowledge of the entire workforce to achieve specific organizational goals. However, De Brun (in Mubaideen, 2012) states knowledge management does not manage all knowledge in the organisation but rather manages just the knowledge most important to the organization. De Brun (in Mubaideen, 2012) also further states that knowledge management ensures that people have the knowledge they need, where they need it, when they need it - the right knowledge, in the right place, at the right time. He views knowledge as an essential organizational driver and key factor in value creation. On the other hand Bornemann, Graggober, Hartieb, Hympl, Koronakis, Primus and Wol (2003), emphasise the need to expand the knowledge base of organizations by learning from others like partners, colleagues, third party content or by creating knowledge through innovation.

Many other researchers have identified the benefits of knowledge management application. Abu-Khedekar (in Mubaideen, 2012) identifies some of the benefits of knowledge management application from different researchers which include improvement of the decision making process, better implementation of these decisions, increased capability of the organization to satisfy customers through improved products, services and efficient responses and improvement of internal processes, which lead to decreased costs at the organization. Using the increased
knowledge employees become more capable of doing their duties, and other duties related to their jobs and they become more aware of the flow in the organization, which helps in the improvement of the overall organizational effectiveness.

According to Darwaza (2008) knowledge management is related to a number of processes such as knowledge identification, knowledge generation, knowledge distribution and knowledge application. Knowledge identification is referred to as the process of making policies and programs for other processes. Thus, the purpose of knowledge identification is to match available knowledge against what needs to be done. Knowledge generation is referred to as knowledge innovation in the organization. This involves team participation in generating new knowledge capital, and their work on new cases and practices to identify problems and solve them. Knowledge distribution is referred to as the distribution of the knowledge in an efficient way. This process is considered as the biggest challenge in the face of knowledge management. Knowledge application is referred to as the application of the available knowledge in the organization. Therefore knowledge management is considered as the most important process and this includes use, re-use and utilisation of knowledge.

According to Du Plessis (in Osenieks & Babauska, 2013), the effective application of knowledge management can facilitate and enhance innovations in an organization. Knowledge is considered as a source of innovation (Osenieks & Babauska, 2013). The growth in knowledge in organisations has increased the complexity of innovation. Knowledge is needed for all the “new” to manage innovation. Knowledge management is an organized and systematic effort to use knowledge (KPMG, 2003). Bomemann et al. (in Osenieks & Babauska, 2013) viewed knowledge management as coordination of knowledge and the management of an organizational environment in an effort to maintain individual knowledge transfer and creation of collective
knowledge. According to Parlby and Taylor (2000) knowledge management can help to facilitate innovation. Bornemann et al (in Osenieks & Babauska, 2013) notes that knowledge can be turned into profit through innovation management and the development of knowledge can be the reason for innovation by focusing on the linkage between the knowledge and innovation. The process may take several years from the knowledge development to a response received from the market. This is illustrated on figure 4 below.

**Figure 4: Linkage between the knowledge and innovation (Bornemann et al (2003:47)**

du Plessis’ (in Osenieks & Babauska, 2013) and Lopezand Esteves (in Osenieks & Babauska, 2013) concluded that there were three drivers for application of knowledge in innovation. These included creating, building and maintaining competitive advantage through utilization of knowledge and through collaboration practices. Knowledge is a resource used to reduce complexity in the innovation process.
Hargadon (in Schilling & Werr 2009) argues that new ideas for services tend to come from those who are capable of generating and administering the knowledge that leads to new ideas. Leiponen (2005) has also noted that shared knowledge contributes to the process of service innovation. She argues that knowledge can be held by individuals in an organization, or it can be jointly possessed by groups within the organization. In her study of knowledge intensive business firms in Finland, Leiponen (in Schilling & Werr 2009) shows that collective application of knowledge is more likely to lead to innovation than individual application of knowledge or relying on knowledgeable and creative individuals to come up with innovative ideas may hamper innovation. According Leiponen (in Schilling & Werr 2009) collectively held knowledge includes both codified knowledge in relation to service solutions, and team based competencies and procedures.

Leiponen (in Schilling & Werr, 2009) further emphasises that ownership of knowledge is important because it determines who can access and use knowledge in an organization. If a competence is embodied in an individual, the organization cannot appropriate or use it without the cooperation of the individual and by contrast, if knowledge is held collectively the firm is less vulnerable to departures of key people or other internal negotiations. Using survey data from 167 business service firms and supplementary case study evidence from 16 other firms, Leiponen (in Schilling & Werr, 2009) found that business service improvements and new service introductions are significantly associated with collectively held knowledge, such as codified service solutions or team based competencies and procedures. This was in contrast to relying solely on tacit knowledge held by individuals which hampered innovation. The results suggest that tacit collective knowledge is more associated with new service introductions, whereas explicit collective knowledge is associated with service improvements (in Schlling & Werr,
2009). Thus, the knowledge management approach should depend on the strategic orientation of the service firm toward continuous improvement of existing services or development of completely new services.

Leiponen (in Schilling & Werr, 2009) also argues that the possibility of being more innovative is likely when efforts are done to get knowledge from those who are not part of the organization like the clients and even those competing with the organization than when acquired from those within the institution. She also states that engaging and hiring employees who are very learned can help generate that knowledge that can sustain innovation of services. Firms’ strategies for knowledge creation and application have implications for their innovativeness.

Studies on knowledge management and innovation in the hotel industry are quite limited. One of the studies was conducted by Nieves, Quintana and Osorio (2014). Their study assessed how a set of knowledge based resources influenced innovation activity in the hotel industry. The study showed that declarative organisational knowledge and the external social relationships of managers influenced product, process and marketing innovation. Their results suggested that high levels of knowledge regarding the overall business environment and efforts to engage with people or entities outside the organisation significantly contributed to the achievement of innovation in the hotel industry. This also implied that the introduction of innovations in the hotel industries was essentially linked to knowledge existing beyond organizational boundaries. Their results further revealed that many ideas in the hotel industry arose from high levels of employee knowledge, skills and abilities suggesting that hotels can be more innovative if they encourage the external relationships of the members of the top management team. Their results also meant that high levels of employee knowledge, skills and abilities should be encouraged as they constituted a valuable asset that influences the introduction of product and organizational
innovation.

Despite the findings from the above study there is a need to extend research on this innovative measure to the small to medium size independent hotels in order to see whether the same holds true. Small to medium size independent hotels have their own unique characteristics. The study therefore assessed how small to medium size independent hotels in Harare embraced knowledge management in managing business and sustainability.
2.8.3 Human Resource practices

In a study to examine the link between Human Resource Management and innovation Jimenez-Jimenez, Sanz-Valle, Herna’ndez-Espallardo (2008) concluded that there was a positive relation between Human Resource Management practices and innovation. The findings confirmed that Human Resource Management practices that encouraged innovation included flexibility in job definition, autonomy, employee participation, communication, teamwork, training and use of polyvalence and organizational culture’s fit as criteria for selecting people, employment security, broad career paths, systematic performance appraisals based on process and group performance, attractive compensation package and variable rewards.

In a similar study, Jong and Vermeulen (2006) reported that individual employees tended to behave innovatively when they felt they had autonomy, when the firm gave strategic attention to innovation, when the employees had external contact with customers and/or competitors and when they operated in a market were firms competed on differentiation.

Tsai, Chou and Chen (2008) findings seem to contradict Jimenez-Jimenez and Sanz-Valle, Herna’ndez-Espallardo (2008) findings on the issue of combining pay policy with the expenditure on innovation. In their study Tsai, Chou, and Chen (2008) concluded that there was little positive effect on performance and therefore should not be regarded as a preferred way towards improving firm policy. Jimenez-Jimenez and Sanz-Valle, Herna’ndez-Espallardo (2008) on the other hand concluded that one of the human resource management practice that helped promote innovation was offering attractive compensation package.

Zheng, O’neill and Morrison (2009) maintain that performance based pay, training and development, performance evaluation, encouragement of employee participation in decision
making and strategic recruitment and selection were some of the innovative human resource practices implemented by growth oriented small and medium enterprises

Shafique (2012) maintains that recruitment should not simply be a question of filling gaps, but should be proactively focused on bringing the specific kind of skill and experiences in the organization especially those which cannot be built from within while Holbeche (2004) argues that besides recruitment efforts to retain qualified employees should also be considered as part of an overall career management strategy-driven by the business strategy. Jackson and Schuler (2005) also posit that for employees to perform with the best of their competences they must be provided with sufficient pay which can attract and also retain key employees and keep them motivated to perform with the best of their competences. If the total compensation programme is not perceived as internally fair and externally competitive, good employees are likely to leave (Jackson & Schuler, 2005).

Khandekar and Sharma (2005) maintain that the major HR activities directly relevant to organizational capability are hiring and retaining individuals with the skills related to the core competencies of the organization. Chen and Hung (2010) maintain that one way of creating a competitive advantage is improving the competence of workforce through training and development activities. They further argue that training improves the employee’s current skills and also prepares the employee for future responsibilities. According to Jackson and Schuler (2005) competitive organizations improve the ability of their workforce to implement their business strategy through training and development practices.

Chen and Lin (2003) maintain that the performance measurement and feedback process must be aligned with the organisation’s business strategy and organizational culture in order to
effectively enhance employee motivation and productivity. By aligning personal interests with company objectives, performance-based pay system motivates workers to realize the strategic objectives of the HR function.

A notable study in the hospitality industry was conducted by Chang, Gong and Shum (2011). Their findings revealed that enhancing both incremental and radical innovation among hospitality firms could be done through hiring multi-skilled core customer-contact employees and training core customer-contact employees for multiple skills. However Chang et al (2011) were against the long people management philosophy of “hiring for attitude and train for skill”. They argued that “hiring for skill and training for skill” was the best strategy to enhance hospitality innovation. Their findings indeed were in line with Tracey, Sturman and Tews (2007) who reported that important predictors of front line hospitality employees’ job performance were both general mental ability and conscientiousness and that a strict adherence to the “hire for attitude and train for skill” was not advisable.

Some previous management researchers have also examined how innovation can be enhanced through selective hiring. Mumford (2000) reported that innovation was based on the ability of employees to generate new ideas and that ability influenced creative problem solving. He further reported that such ability promoted the rapid acquisition of new knowledge, the use of systematic solutions to solve novel problems and the transfer of knowledge to new applications. He also stated that innovation was more likely to occur when expertise was evident across a number of relevant areas. Therefore, this implied that hiring employees with multi-skills thus enhanced innovation because these employees were more likely to possess such expertise across a number of relevant areas. Mumford’s (2000) argument applies to the hospitality sector. Selective hiring ensured that those selected had job-relevant knowledge, skills, and talents which were necessary
for creative innovative performance (Mumford, 2000). The person-organisation fit in terms of values, goals and personalities could be enhanced through selective hiring and such alignment was essential in the hospitality industry (Chiang & Birtch, 2010; Tepeci & Bartlett, 2002).

In summary it can be concluded that in order to promote and enhance innovation there is need for proper human resource practices that encourage innovation. Being one of the critical innovative measures in managing business there is need to extend the research to small to medium size independent hotels in order to see how they embrace innovation. The study explored how small to medium size independent hotels in Harare embraced human resource practices in managing business and competitiveness.

2.8.4 Managing Human capital

According to Lynn (2002) human capital includes the skills and abilities owned by the employees within organizations that create and preserve an organisation’s wealth and is also one of the key resources of intellectual capital. Piiazza-George (2002) considers human capital as the stock of personal skills that economic agents have at their disposal. Chen and Lin (2003) define human capital as the investments made by a company in talents and technologies that boost competitive advantage and that are valuable and unique, and are to be kept out of reach of other companies.

Youndt, Subramaniam and Snell (2004) have emphasized the issue of human capital which they refer to as individuals’ knowledge, skills and abilities in generating innovation. Subramaniam and Youndt, (2005) argue that a source for new ideas in an organization are individuals’ knowledge, skills and abilities. Individuals in organizations have the greatest diversity of skills,
the most flexibility to acquire new knowledge, and enhanced ability to question the prevailing norms and create new ways of thinking. Bruns, Holland, Shepherd and Wiklund (2008) state that higher levels of employees’ specific knowledge that reduce the perceptions of risk which can encourage the introduction of organizational changes are associated to greater tacit knowledge, familiarity and self-efficacy. Literature has also shown that innovation can stem from exchanging and combining existing knowledge (Rodan & Galunic, 2004) suggesting that the higher the level of employees’ knowledge, skills and abilities—the greater the opportunities will be for these processes to occur.

It has also been noted in a number of studies that a critical element in generating innovation on the tourism industry are employees (Dwyer & Edwards, 2009; Ordanini & Parasuraman, 2011; Walsh et al, 2008). Chang, Gong and Shum (2011) argue that in this field, employees are often responsible for exploring and testing new ideas in the sector and therefore a higher level of knowledge would enhance their creativity and ability to assess the potential of different ideas. Hill and Rothaermel (2003) note that prevailing knowledge is enhanced by human capital and thereby influencing an organisation’s innovative capabilities. The study investigated the knowledge, skills and abilities owned by employees of small to medium size independent hotels in Harare. Various authors above all seem to view employee skills and abilities as key to innovation. Lack of employee knowledge, skills and abilities suggest lack of innovativeness within an organization and this might affect the competitive advantage of the organization.

Drawing from the arguments presented above, managing human capital plays a very pivotal role in enhancing innovation in organizations. For organizations to remain competitive and innovative there is need for them to effectively manage human capital. Studies on how small to medium size hotels manage human capital are scant. Therefore this study is attempting to
address the gap by exploring how small to medium size independent hotels implement this innovative measure in the management of business.

2.8.5 Managing a network of relationships

Managing a network of relationships is also viewed as another innovative measure. Anderson and Narus (in Ritter, Wilkinson & Johnston, 2004) define a business relationship as a process where two firms or other types of organizations form strong and extensive social, economic, service and technical ties over time, with the intent of lowering total costs and/ or increasing value, thereby achieving mutual benefit. Ritter, Wilkinson and Johnston (2004) maintain that the relationships may vary in their properties. They argue that in carrying out their business activities, firms may develop relationships with various types of firms and other types of organizations because they affect, directly or indirectly, their performance. Brandenburger and Nalbuff (in Ritter, Wilkinson & Johnston, 2004) state that the different types of potential relationship partners may be conceptualized in terms of the firm’s value net as in Figure 5.

![Figure 5: A firm’s value net](adapted from Brandenburger & Nalbuff, 1997:143)
In addition to the different actors in the value net, there are also governmental agencies, educational institutions, and industry associations.

Frost (2001) states that the critical resources that promote innovation are not only found within the organization but also found outside of it through the interaction with suppliers, customers, other companies, universities, and research institutes. Leiponen and Helfat (2010) point out that numerous studies have shown the importance of external sources of knowledge for the development and commercial success of innovation. Capaldo (2007) notes that firms benefit from business ideas that arise beyond organizational boundaries especially when the capability to repeatedly innovate is a requirement for competing successfully. Chen and Lin (2003) also posit that knowledge from outside the organizational boundary offers potential for new combinations that foster innovation by integrating previous disparate knowledge elements.

Bougrain and Haudeville (2002) argue that SMEs must not only be able to develop their internal development activities, but also strengthen their abilities to collaborate with other companies as well as with customers. This is in line with what Jørgensen and Ulhøi’s (2010) observation that participation in innovation networks has been offered as a solution for increasing SMEs’ abilities to transform their new ideas into practice. Previous studies by Miles (in Schilling & Werr, 2009) identify a move in the service innovation research away from studying innovations in individual service firms towards studying service innovations as created in innovation networks and systems. He states that service firms need to join and be members of innovation networks if they are to be more innovative. He suggests that they can work closely with other players in their environment like clients and others involved in innovation. Customers have been found to be important contributors to innovation in service firms. They can contribute to service innovation by providing ideas for new services or service improvements (Schilling & Werr, 2009). It can be
concluded that managing a network of relationships is one of the key innovative measures in the management of business. However, little is known and understood about how hotels manage a network of relationships particularly in small to medium size hotels. Most innovation literature has focused in the service sector in general. It is important to extend research to small to medium size independent hotels. Therefore the study explored and assessed how small to medium size independent hotels managed a network of relationships in managing business.

2.8.6 Formalising the innovation process

A number of studies have been conducted on the need for formalization of the innovation process in service firms. Kelly and Storey (in Schiuling & Werr, 2009) have investigated whether service firms use systematic procedures to generate and screen ideas for new services. They noted that half the sample of firms in different service sectors in the United Kingdom had a formal new service development strategy. Gottfriendsson (in Schiilling & Werr, 2009) notes that in small firms specifically, the service development process is largely unstructured and organized informally around specific individuals in the service firm. He further states that these conditions support the development of customized services in small firms. Froehle, Roth, Chase and Voss (2000), indicate that increased speed in new service development is achieved through a more formalized innovation process. deBrentani (2001) has also identified formal and planned programs for launching service innovations as a success factor governing the outcome of new service projects.

While some scholars emphasise the need for formalized innovation, others question what a formalized innovation process should include. So far, there are few studies that have been more
specific about what a formalized innovation process is. Oke (2007) who investigated management practices in different types of innovations in the United Kingdom service sector, listed the following formal management practices as important for supporting innovation: an innovation strategy, routines for creativity and idea management, appropriate practices for Human Resource Management, routines for managing and implementing service portfolio and new service selection. Hull (2004) stresses the importance of a system that organizes people from diverse functions, a defined common process and available tools for them to use. Schilling and Werr (2009) emphasised the need to make available resources that were key to innovation. It would therefore, appear that the views are a bit divergent though they all see the need for formalising the innovation process. Whether such divergence was manifest in the use made of systematic procedures to generate and screen ideas for new services in the management of business by small to medium size independent hotels in Harare, was another focus area of the study as little is known about small to medium size independent hotels.

2.8.7 Customer involvement

Isaksen and Ekvall (2010) define customer involvement management as the extent to which the customer is involved in the value creation and delivery process. He explains that it is the interaction and/or collaboration between channel members (including customers and users) and company personnel during the course of product development that actualises a commercial product. Rohrbeck, Steinhoff and Peerder (2010) explain customer involvement as an approach that takes customer orientation a step further than customer relation management. He points out that it is about identifying and developing possibilities to involve customers in the business and product development process, such as design, marketing, sales and customer service. With
customer involvement management, the product is regarded as a subset which meets the customer’s need of identification, problem solving, and consumption. Rohrbeck et al (2010) further states that a powerful means to reduce uncertainty and failure rates is integrating the customer in the innovation process. Integrating the customer in the innovation process is believed to increase the revenue from new products. Isaksen and Ekvall (2010) argue that the benefits of integrating the customer in the innovation process have to be weighed against the costs as the position of the customer has significantly changed over the last decades from passive recipient to an action co-designer in the creation value.

According to Chen and Lin (2003), the possibility to influence the design and consumption itself is assumed to be of great importance for the customers’ buying decision and loyalty. Kristenssen, Matthing and Johansson (in Schilling & Werr, 2009) also noted that in today’s increasingly competitive market, customers are recognised as operand resources for organizational service production.

According to Rohrbeck et al (2010), customer involvement is a tool from which innovation can be sourced through partnerships and reporting to achieve higher competitiveness and enhanced customer satisfaction and retention. Isaksen and Ekvall (2010) suggest that in managing client relationships, organizations should consider the relative effectiveness of individual relationship building strategies in fostering customer loyalty, which is a precursor of customer retention. According to Alrubaiee and Nahl (2010) studies of hotel services markets suggest that the use of relationship marketing can generate higher returns from customers. Parvatiyar and Sheth (2001) view relationship marketing as the on-going process of engaging in cooperative and collaborative activities and programmes with immediate and end-use customers to create or enhance mutual economic value at reduced cost. Input of customers in the service innovation process as a tool for
innovation has also been the focal point of a number of previous studies. Magnusson, Matthling and Kristensson (in Schilling & Werr, 2009) investigated the impact of customer involvement on service innovation based on empirical data from the Swedish telecom sector. The findings of their study revealed that involving the users made new service ideas more original and perceived as of higher value for the users than services developed solely by professional developers. Therefore it can be concluded that customer involvement is one of the critical elements in value creation and process delivery. However, there is need to also extend these studies to small to medium size independent hotels in order to assess whether the results are also applicable. Studies on small to medium size independent hotels have not been found. This study assessed how small to medium size independent hotels in Harare embraced customer involvement in managing business and in an effort to create competitiveness.

2.8.8 Staff involvement

A number of studies have found that involving front-line employees was beneficial for achieving service innovations that are valued by customers. According to deBrentani (2001) study one success factor governing the outcome of service innovation projects is the involvement of expert front-line personnel in the innovation process. Ramirez (in Nicolau and Santa-Maria, 2013) sees such involvement of employees from customer service in service development as a challenge to management as it implies breaking institutionalized authority structures. For this reason, involving frontline employees in the innovation process may be challenging for the organization and specifically for management who needs to be willing to give up some of their formal power.

Isaksen and Ekvall, (2010) differentiated between centralized and decentralized innovation where the former is usually generated by the marketing or Research and Development department, while the latter is generated by front-line employees. To them, the former type of
innovation was insufficient because centralized innovation will always be limited by the available talent, insights and instincts of the managing group. Thus, they suggested that organizations needed to foster decentralized innovation because front-line employees, those closest to the customers and the work of delivering products and services, had some of the freshest ideas and thoughts. Similarly, Ottenbacher and Harrington (2007) stressed the importance of human factors in hospitality innovation, noting that “because of the simultaneity of production and consumption and the importance of human factors in service delivery, employees played a more important role in fine dining innovation than in other product innovation situations”.

From the research done it can therefore, be concluded that involving front line employees can be an important factor for developing and launching service innovations that are well received by customers although this can be challenging as it may go against existing institutional structures in the service firm. However, studies on staff involvement in small to medium size independent hotels are scant. Therefore, the study explored how small to medium size independent hotels employed this innovative measure in the management of business.

2.8.9 Creating appropriate organisational environment for innovation

One important aspect of managing for innovation which enables people to share ideas and build upon one another’s ideas and suggestions is promoting an enabling environment for innovation is (Isaksen & Ekvall, 2010). Promoting an enabling climate is one of the major challenges faced by managers of organizations (Isaksen & Ekvall, 2010). The issue of an enabling environment that promotes creativity and innovation has been the focus of studies for many years (Johns, 2006). In
a recently published meta-analysis and review of 42 such studies including data from 14,490 participants, climate assessments were found to evidence sizable, non-trivial relationships with creative achievement across studies (Hunter, Bedell & Mumford, 2007). The study concluded that all the dimensions commonly examined in the climate studies produced sizeable effects with respect to measures of creativity and innovation. The climate dimensions are presented in Table 3.
<table>
<thead>
<tr>
<th>Dimension</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Challenge/Involvement</td>
<td>The degree to which people are involved in daily operations, long-term goals, and vision. High challenge/involvement implies better levels of engagement, commitment and motivation.</td>
</tr>
<tr>
<td>Freedom</td>
<td>The degree of independence shown by the people in the organization. High levels of freedom imply more perceived autonomy and ability for individual discretion</td>
</tr>
<tr>
<td>Trust/Openness</td>
<td>The emotional safety in relationships. In high Trust/Openness situations, people feel more comfortable sharing ideas and being frank and honest with each other.</td>
</tr>
<tr>
<td>Idea-Time</td>
<td>When Idea-Time is high, people can explore and develop new ideas that may not have been included in the original task.</td>
</tr>
<tr>
<td>Playfulness/Humour</td>
<td>The spontaneity and ease displayed within the workplace. Good-natured joking and laughter and a relaxed atmosphere (lower stress) are indicators of higher levels of Playfulness and Humour.</td>
</tr>
<tr>
<td>Conflict</td>
<td>The presence of personal and emotional tensions (a negative dimension – in contrast to the Debate dimension). When Conflict is high, people engage in interpersonal warfare, slander and gossip, and even plot against each other.</td>
</tr>
<tr>
<td>Idea-Support</td>
<td>The way new ideas are treated. In a high Idea-Support situation, people receive ideas and suggestions in an attentive and professional manner. People listen generously to each other.</td>
</tr>
<tr>
<td>Debate</td>
<td>The occurrence and open disagreement between viewpoints, ideas, experiences and knowledge. In the Debating situation, many different voices and points of view are exchanged and encouraged.</td>
</tr>
<tr>
<td>Risk-Taking</td>
<td>The tolerance of uncertainty and ambiguity. In a high Risk-Taking climate, people can make decisions even when they do not have certainty and all the information desired. People can and do, go out on a limb’ to put new ideas forward.</td>
</tr>
</tbody>
</table>

Adapted from Isaksen and Ekvall (2010:149)
Davis (2000) conducted a global innovation survey and found that those organizations with better scores on the climate dimensions had higher levels of growth in market capitalization, revenues and profitability. The climate dimensions had been able to discriminate between best- and worst-case work environments (Isaksen, Lauer, Ekvall and Britz, 2001), most and least creative teams (Isaksen, Lauer, Ekvall & Britz, 2001), and levels of perceived support for innovation (Isaksen, Lauer, Ekvall & Britz, 2001). The climate dimensions had also been shown to discriminate working environments that are more stress free and have higher levels of job satisfaction (Talbot, Cooper & Barrow, 1992; Turnipseed, 1994).

Though a considerable amount of research and literature exists on innovative management in the service industry, very few studies have focused on innovation in the tourism industry especially in small to medium size hotels in developing countries like Zimbabwe. Tourism being a large contributor to gross domestic product and employment in most developing countries, the economic importance of the service sector cannot be underestimated. Studying small to medium size independent hotels is particularly important as the tourism industry is an industry with a high growth potential in most countries and is a major currency earner. The study explored how small to medium size independent hotels in Harare created an appropriate climate that enabled people to share and build upon each other’s ideas and suggestions in order to bridge the gap.

2.9 Challenges faced by small to medium size business in embracing innovation

Several studies have been conducted on obstacles to innovation in SMEs. However there are limited studies on small to medium size independent hotels. Freel (2000) identified some of the obstacles as the lack of financial resources, inadequacy of management and marketing, lack of skilled workers, weakness in external information and linkages, and difficulty in coping with
government regulations as some of the factors that limited their competitiveness. He further argued that SMEs may be unable to exploit new products because of the limited organizational and marketing capabilities.

Ortega-Argiles et al (2009) agree with the obstacles to innovation noted above. In study of SMEs they reported that SMEs, unlike large firms, exhibited lack of financial assets, had weaker competencies and absorptive capacity, and did not enjoy benefits of scope and scale. The issue of financial resources as a barrier to innovation was also echoed by Lesáková (2009) in a study of innovations in small and medium enterprises in Slovakia. Lesáková (2009) identified that lack of financial resources was the main barrier to developing innovation activities in small and medium enterprises in Slovakia. Lack of awareness about the impact of innovations on the economy was also identified as the other barrier. Lesáková (2009) argued that small and medium enterprises did not perceive innovations as a competitive advantage. He also noted lack of innovation infrastructure as another barrier to innovation in small to medium enterprises in Slovakia.

Other studies have pointed out cultural barriers such as reluctance to change, tendency to ignore procedure, focus on short-term requirements, lack of strategic vision and the diffusion of a blame culture (Freel, 2000) as a challenge to innovation. McAdam, McConvery and Armstrong (2004) identify organizational structure, owner-manager leadership issues, lack of empowerment, and lack of use of employees’ ideas as other cultural barriers to innovation.

Lack of economies of scale was reported as another hindrance to innovation in small businesses. Peters and Weiermair (2002) posited that small businesses lacked economies of scale and were not able to raise profit margins which allowed small units to reinvest in Research and Development, market research, product development, skill or creativity enhancement. They further stated that small and medium size enterprises in tourism were still reluctant in terms of
cooperation or strategic alliances with other competitors: thus, they were not able to gain economies of scope which increased product and services variation and thus customers’ freedom of choice.

Dependence on a large supply of semi-skilled and cheap manpower had also been noted as another hindrance to innovation especially in the hotel industry, Peters and Weiermair (2002) argued that as long as economies in which tourism played a major role had ample supplies of relatively cheap tourism manpower there would be little need for rationalization-investment and innovation substituting capital for labour. They also argued that available and easy access to highly qualified manpower resources and technologies could boost both productivity and the innovative potential of an industry.

Another hindrance to innovation activities in small to medium size hotel industry noted by Pikkemaat and Peters (2005) in their findings is a high stable percentage of loyal conservative customers. They stated that a high and stable percentage of loyal conservative customers seemed to hinder innovation activities. According to Pikkemaat and Peters (2005) innovative and thus flexible customers forced markets and entrepreneurs to be innovative and creative.

Jørgensen and Ulhøi (2010) noted lack of expertise, lack of specialization, lack of the resources for development, and lack of internal innovation capability as the main challenges to innovation in SMEs. While much has been researched about challenges faced by small to medium size business in embracing innovation, no literature known to the researcher specifically addresses the challenges faced by small to medium size independent hotels in Harare. Most of the literature focused on developed countries. It is important to extend this research to developing countries like Zimbabwe in order to see whether the same challenges hold true. Understanding the
challenges would help provide a more comprehensive view of how to manage these different factors with the ultimate aim of raising the competitiveness of the hotel industry.

2.10 Strategic innovative measures for improving the operations of small to medium size independent hotels.

There is a dearth of studies on the strategic measures for improving the operations of small to medium size independent hotels. In their study to establish the link between innovation cluster deployment and various changes in hotel performance, Tseng, Kuo and Chou (2008) reported that innovativeness was very important for increasing hotel value and that effectively managing technological, organizational, and human capital enhanced firm innovativeness. They also reported that company organizational culture, information system, operation process, and human resources influenced innovation activity. They emphasised that innovative firms that could use innovation to differentiate their products and services from those of their competitors outperformed other firms.

In a different study of “low-tech” service industry in Dutch hospitality industry, Hertog, Gallouj and Segers (2009) reported that higher innovation intensity was associated with better performance and that a majority of firms did not address innovation in a more integrated and systematic way. They argued that firms in this industry should pay more attention to what may be labelled innovation “behind the scenes” or in processes which are not directly visible from the on sight. They further reported that innovation efforts in this industry were relatively more focused on innovations in assortment and technological innovations and less so on conceptual and process type innovations. According to them, this called for management practices that more explicitly addressed and facilitated broader types of innovations and a need to address the inward
looking character of entrepreneurship in this industry. They also pointed out that initiatives to
more actively assess new developments and trends in other industries and in (potential) group of
customers as well as initiatives to co-operate more and more systematically with external
knowledge partners needed to be supported. They observed that entrepreneurs were too much
focused on their own industry when innovating and should develop a wider view on innovation,
looking for cues and inspiration across industries.

McAdam, McConvery and Armstrong’s (2004) study on barriers to innovation within small
firms in a peripheral location within the European Union aimed to explore how innovation was
successfully incorporated or hindered in SMEs within an EU peripheral region. In their study
they concluded that SMEs should strategically plan for innovation and move beyond continuous
improvement, and such plans should avoid quick fixes and address the underlying cultural
barriers to innovation, such as organisational structure, owner-manager leadership issues, a lack
of empowerment and lack of incorporation of employees’ ideas and suggestions for innovation.

Konsti-Laakso, Pihkala and Kraus’ (2012) study on Facilitating SME Innovation Capability
through Business Networking noted that participation in innovation networks enhanced SMEs
abilities to transform their new ideas into practice. Hiring people who will help to take the
company in the right direction was also another strategy for enhancing innovation. Blumentritt
(2004) claimed that most successful innovative change efforts succeeded because of the people
who were involved in making the change a reality. According to Blumentritt (2004) there were
three main characteristics to look for when hiring a new person into an increasingly innovative
culture: curiosity, talent and motivation. Curiosity was important because people who were
curious generally asked a lot of questions and usually had a very creative mentality that helped to
stimulate innovation. Likewise, talent was needed in order to understand how things worked, and motivation was necessary so that innovative efforts were not only devised, but also carried out to completion. In addition, one should also look for those newly hired who had diverse work experiences, education, demographics, knowledge, skills and abilities so as to bring new perspectives to the firm. Newly hired employees could also bring excitement, which could help build support and energy for the change initiative. If one chose to hire new employees it was critical that the newly hired fitted with the budding new innovative culture in order to maintain it (Kotter & Cohen, 2002).

Careful and correct allocation of resources based on the beliefs and understanding of the innovation orientation as determined by the firm’s philosophy, strategic direction, and transfunctional acclimation was another strategic measure for improving the operations of small to medium size hotels (Murray & Donegan, 2003). Loof and Heshmati (2002) also contend that innovation-oriented firms direct resources specifically toward innovative ideas, regardless of the employee’s job title, and reduce bureaucratic red tape needed to get approval to pursue an idea. Henard and Szymanski (2001) stated that these firms provided sufficient resources to fully develop and sustain innovation within the organization at a higher rate than competitors. The innovative process was a long-term investment requiring commitment. In the context of this study, an evaluation of the strategies used by small to medium size hotels in Harare in enhancing innovation is made.
2.11 Summary

This chapter discussed the theoretical framework that informed the study which included the resource-based theory of innovation, the dynamic capability innovation theory and the Abernathy and Clark model. Literature covering an array of issues that were raised in the research questions centering on the innovative measures employed by small to medium size independent hotels in the management of business were reviewed. From the discussions it emerged that measures such as designing a strategy for innovation, knowledge management, implementing human resource practices that encourage innovation, managing human capital, managing a network of relationships, customer involvement in product development, staff involvement in decision making and creating an appropriate environment for innovation were key in the management of business. It also emerged that there were limited studies conducted on the challenges faced by small to medium size independent hotels in the management of business. From the discussions it emerged that some of the major challenges that affected innovation included challenges such as lack of financial resources, inadequacy of management and marketing, lack of skilled workers and weaknesses in external information and linkages. The chapter also reviewed literature on strategic measures that could improve the operations of SMEs. It was noted that there was also a dearth of studies in small to medium size independent hotels. From the reviews it emerged that innovativeness was very important for increasing hotel value and that effectively managing technological, organizational, and human capital enhanced firm innovativeness. It also emerged that company organizational culture, information system, operation process, and human resources influenced innovation activity and that innovative firms that could use innovation to differentiate their products and services from those of their competitors outperformed other
firms. The next chapter will present and justify the research methodology and design adopted for the study.
CHAPTER THREE

RESEARCH METHODOLOGY AND DESIGN

3.1 Introduction

The previous chapter presented the theoretical framework that informed the current study and reviewed related literature on major issues related to innovation and hotels. This chapter provides an in-depth discussion of the research methodology and design adopted in the study.

3.2 Research paradigm

Bryman and Bell (2007) define a paradigm as a cluster of beliefs and practices associated with a particular worldview about how scientific practice should take place. Saunders, Lewis and Thornhill (2008) referred to it as the philosophical framework that guided the researchers in carrying out their research. The philosophical approach that has informed this study is the interpretivist or constructivist approach (associated with qualitative research approaches). The ontology of the interpretivist philosophy is that there is no single reality since the world is socially constructed and subjective. The epistemology of this paradigm is that the researcher is part of what is being observed actively participating in the life of the subject of observation and gaining insights by means of introspection. The methodology of research adopted by the interpretivist paradigm is based on an inductive logic typically through discussions in interviews and/or focus groups in a process of theory construction or generation. Small samples are targeted and validity of information through in-depth verification of data is focused on (Easterby-Smith, Thorpe & Jacksonl, 2014).

Therefore the research philosophy that one adopts contains important assumptions about the way
in which one views the world (Punch, 2009). These assumptions underpin one’s research strategy and the methods one chooses as part of the strategy. Interpretivism’s main tenet is that research can never be objectively observed from the outside rather it must be observed from inside through the direct experience of the people (Cohen, Manion, & Morrison, 2011). Furthermore, Cohen et al. (2011) observed that the role of the scientist in the interpretivist paradigm is to understand, explain, and demystify social reality through the eyes of different participants. Researchers in this paradigm seek to understand rather than explain social reality. Therefore understanding innovativeness in hotels would require an assessment of the innovative measures employed by small to medium size independent hotels.

The study adopted an interpretivist position as a fundamental approach to the study as it was found to be suitable in investigating and understanding how innovation in small to medium size independent hotels was managed from the perspective of the hotel staff. The individual perception (thoughts and feelings) that exist in small to medium size independent hotels in Harare with respect to innovative measures employed in managing business were explained and interpreted in the context of the academic literature on innovation in hotels. The emphasis was on understanding the individual and shared meaning rather than explaining and identifying causal effects. Efforts were made to build an understanding between the researcher and the participants on the subject of innovation. Qualitative data were generated through interviews and focus group discussions. The study was inductive rather than deductive as themes were developed from the data generated and conclusions drawn from the findings. There was limited opportunity to generalise the findings of the study since it was highly contextual.
3.3. Research approach

There are three main research approaches namely, the quantitative, qualitative and mixed methods approaches. The study adopted the qualitative approach. Qualitative research encompasses the collection, analysis and interpretation of comprehensive narrative and visual (nonnumeric) data to gain insights into a particular phenomenon of interest. It is often viewed as less scientifically rigorous but can examine the reality of a situation with a greater depth of understanding. Phillimore and Goodson (2005) note that qualitative research methods are not so much a distinct set of methods for doing research, but rather a new way of conceptualising and approaching social studies particularly taking an emic perspective to inquiry. Methods used to collect qualitative data include informal and in-depth interviewing, sample observation, focus group discussions and document reviews. The data gathered generally applies to specific or small groups and results are not intended to represent the wider population (Neuman, 2006). Its key features include defining the problem, but not necessarily at the start of the study; studying contextual factors in participants' natural setting; collecting data from a small number of non-probabilistic selected participants and using nonnumeric, interpretive approaches to provide narrative descriptions of the participants and their contexts. Babbie and Mouton (2013) further explain that qualitative designs are normally appropriate for studies that seek to gain insight about the nature of a particular phenomenon. Trochim (2006) emphasises that the use of the qualitative approach enables researchers to develop an understanding of individuals and events in their natural settings. The design primarily employs an inductive research strategy.

The study adopted the qualitative approach because of the nature of the study. The study sought to gain an in-depth understanding on the innovative measures employed by small to medium size
independent hotels in managing business in Harare. The researcher generated comprehensive narrative (nonnumeric) data from a small number of purposely selected participants from the hotels. The generation of data was done through interacting with the purposively selected hotel staff. The methods used to generate data were in-depth interviews and focus group discussions. Interviews provided an opportunity for the researcher to investigate ideas and beliefs of participants further and to gather data which may not have been obtained by other methods such as observation or survey. Interviews had also the potential to provide greater depth of information. The interviews were done in a natural setting at their work environment. The generated data was analysed and interpreted. Thoughts and perceptions of hotel managers and hotel employees on the issue of innovation management in hotels in Harare were then described and analysed. The researcher used inductive reasoning in searching for patterns in the data generated.

3.4 Research design

According to Bryman and Bell (2007) the design of a research project provides a framework for the collection and analysis of data. Henn, Weinstein and Foard (2009) note that a research design places the researcher in the empirical world by linking the research questions to data. Bryman and Bell (2007) further argues that the choice of a specific research design reflects the importance placed on the measurement of several elements in the research process such as determining causal relationships between variables, generalising findings using samples, understanding behaviour of respondents and evaluating social phenomena over a period of time. Creswell (2009) describes the research design as plans and procedures for research that span the decisions from broad assumptions to detailed methods of data collection and analysis. It involves
the intersection of philosophical assumptions, strategies of inquiry and specific methods. The study adopted the multiple-case study design. Case studies are widely used in tourism studies due to the uniqueness of each tourist destination studied. The differences between culture, location, history and degree of tourism development of destinations necessitated the intensive examination of each one.

3.4.1 Multiple-Case study design
The central issue of “innovation and competitiveness” is the focus of this study, investigated across multiple bounded cases. As such, a multiple-case study design was adopted in this study. Managers and junior staff members from the five hotels in this study were treated as a bounded case. This allowed for an in-depth understanding of the phenomenon innovation and sustainability in small to medium size independent hotels in Harare. A multiple case study design offered the researcher a deeper understanding of the phenomenon (Yin, 2013), in this case, innovation and sustainability. The use of multiple-case study was appropriate for the study because it allowed the researcher to analyse within each setting and across settings.

3.5. Population, Sample and Sampling procedures
This section presents and discusses the study population, sample and sampling procedures for the study.

3.5.1. Study population
Wegner (2010) says that a population or a universe represents every possible item that contains the data value or measurement of the random variable. Fraenkel, Norman and Hyun (2014) note
that a target population is a population about which information is sought. A population can be a group of people that share one or more characteristics from which data can be gathered and analysed. The population for the study comprised managers and junior staff members in the selected independent hotels in Harare. There were seventy five altogether.

3.5.2. Sample and Sampling procedures

In research, a sample is a group of individuals, items, events that represents the characteristics of the larger group from which the sample is drawn (Gay, Mills & Airasian, 2009). The method of selection may be based on probability or a non-probability approach. The process of selecting a sample is known as sampling (Bryman & Bell, 2007). A probability sample is a sample that has been selected using random selection so that each unit in the population has a known chance of being selected while a non-probability sample is a sample that has not been selected using a random selection method which implies that some units in the population are more likely to be selected than others (Bryman & Bell, 2007). Qualitative research samples are generally different, smaller and less representative compared to samples selected for quantitative research because the two approaches have different aims and needs. Since the study is qualitative in nature, a non-probability sampling technique was applied in drawing the sample in this study. The sampling technique adopted in this study was purposive sampling. Purposive sampling is a non-probability form of sampling (Johnson & Christensen, 2012). The sampling units are chosen on the basis of some of their characteristics. In this study purposive sampling enabled the researcher to use his judgment to select cases that best enabled him to answer the research questions and achieve research objectives. This form of sample is often used when working with very small samples such as in case study research design and when one wishes to select cases that are particularly
informative. However, the sample cannot be considered to be statistically representative of the population. The logic on which one bases one’s strategy for selecting cases for a purposive sample should be dependent on one’s research questions and objectives. For this study the criteria for selection of participants were: all managers in the five independent hotels within Harare Central Business District, and thirty junior staff members from different departments of the five hotels who had served the longest period. Table 4 illustrates the breakdown of research participants.

**Table 4: Breakdown of research participants**

<table>
<thead>
<tr>
<th>Participant type</th>
<th>Sample type</th>
<th>Number of participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td>Purposive</td>
<td>14</td>
</tr>
<tr>
<td>Junior staff</td>
<td>Purposive</td>
<td>30</td>
</tr>
<tr>
<td>Total number of participants</td>
<td></td>
<td>44</td>
</tr>
</tbody>
</table>

The codes that were used for the sample are illustrated on table 5 below:

**Table 5: Sample codes**

<table>
<thead>
<tr>
<th>Data collection instrument</th>
<th>Codes</th>
</tr>
</thead>
</table>
| Focus Group Discussions    | FGH1, FGH2, FGH3, FGH4, FGH5  
(Where FGH1= focus group discussion from participants in hotel 1, FGH2= focus group discussion from participants in hotel 2, FGH3= focus group discussion from participants in hotel 3, FGH4= focus group discussion from participants in hotel 4, FGH5= focus group discussion from participants in hotel 5) |
| Interviews                 | M1, M2, M3, M4, M5  
(Where M1= manager 1, M2= manager 2, M3= manager 3, M4= manager 4, M5= manager 5)  
H1, H2, H3, H4, H5  
(H1= HOTEL1, H2= hotel2,H3= hotel, H4= hotel4 H5= hotel5) |
3.6 Data generation instruments and procedures

A series of individual interviews and focus group discussions were conducted from the five independent hotels within and surrounding Harare Central Business District. The data was generated from the fourteen managers and thirty junior staff members from the five independent hotels in Harare. The researcher used different methods of data collection such as interviews and focus group discussions in this study so as to get a better understanding of phenomenon being investigated through methodological triangulation. Triangulation is the use of different data collection techniques within one study in order to ensure that the data are telling you what you think they are telling you (Silverman, 2005). With two or three such referent points, the researcher will be able to know where the “truth” lies (Silverman, 2005). In methodological triangulation more than one method is used when investigating a topic. The researcher recognized the value of using multi-methods for the corroboration of findings and for enhancing the validity of data. Before generating data, the university wrote an introductory letter granting the researcher permission to collect data (Appendix 4). The researcher used the letter obtained from the university to seek permission from the general managers of the hotels concerned to conduct the study. The letter informed them about the research and its purpose. After permission was granted, the researcher made appointments with the managers. The managers also helped to locate the relevant junior staff members and to organize them in groups. Below are the data generating instruments that were used.

3.6.1 Qualitative interviews

This research employed qualitative interviews in collecting data. The study comprised a series of individual interviews with the hotel managers. Each manager was interviewed individually by
me in his or her office. Each interview lasted between 40 to 50 minutes. All interviews were recorded on audio tape and transcribed for analysis. The interviews were of less structured type where the interviewer entered into the session with a plan to explore a specific topic and ask specific open-ended questions. The topics and questions were structured in an interview guide. However, the interview did not necessarily follow the themes or questions in the set order. In some instances the researcher changed the wording and sequence of some questions listed in the interview guide (Johnson & Christensen, 2012). The aim of qualitative interviews was to see the world from the eyes of the participants. The interviewer kept the interview process on track and did not allow the interviewee to go off topic. The guide assisted in making interviewing different people systematic and comprehensive by deciding in advance the issues to be explored (Patton, 2014). The qualitative interview data collection method allowed the hotel managers to provide deep knowledge and expertise about managing innovation in their business.

The open-ended nature of the questions defined the topic under investigation, but also provided opportunities for the interviewer and interviewee to discuss some topics in more detail. If the interviewee had difficulty answering a question or provided only a brief response, the interviewer used cues or prompts to encourage the interviewee to consider the question further. The interviewer also had the freedom to probe the interviewee to elaborate on the original response or to follow a line of inquiry introduced by the interviewee.

The major advantages of using interviews in this study were flexibility and adaptability (Babbie & Mouton, 2013). The interviews allowed the researcher to probe further so as to solicit in depth information from the interviewee. In this study vague statements were clarified when the researcher made follow up questions which helped respondents to get clarity on what
information the researcher needed. This aspect helped the researcher to solicit greater depth of information from the respondents. The interviewer made effort to build trust and rapport with respondents thus making it possible to obtain information that the individual probably would not reveal through other data collection methods (Babbie & Mouton, 2013).

Haralambos and Holborn (2008) note that interviews have many setbacks in that the responses given may not be accurate and may not reflect real behaviour. Participants may tell lies or they may not have the relevant information the researcher will be looking for. They may also give misleading data if they are aware of the researcher’s perspective (Paton, 2014). In this study, the researcher was sensitive and never forced participants to answer questions that they did not want to answer. Paton (2014) also notes that interviewees may be influenced by the presence of the interviewer and the answers given may be influenced by the way interviewees define the situation. For this study, the researcher ensured that answers given by the participants were not influenced by the way interviewees defined the situation. Interviews are also time consuming since a lot of time is required to transcribe and interpret recorded data. Several mechanisms were put in place to alleviate the limitations. Bias was reduced by avoiding gestures that were suggestive such as the nodding of one’s head, giving remarks such as “yes or no”, to authenticate or reject participants’ responses.

3.6.2. Focus Group Discussions
A focus group discussion is a carefully planned series of discussions designed to obtain perceptions on a defined area of interest in a permissive and non-threatening environment. Focus group interviews were based on the assumption that group interaction would be productive in widening the range of responses, activating forgotten details of experience and realising
inhibitions that may otherwise discourage participants from disclosing information on the management of innovation (Maree, 2007). Focus group discussions also allowed for an in-depth discussion that led to insights that might not otherwise have come to light through the one-to-one conventional interview.

The researcher opted for this design to understand meaning from the junior staff members’ point of view in a non-controlling and open way (Patton, 2014). The topics and questions were structured in an interview guide. The interview guide (Appendix 3) was used mainly to increase the reliability of the research in general (Yin, 2013) and it provided an outline of the discussions to be held during focus group sessions. The interviewer tried to keep the interview process on track and did not allow the interviewees to go off topic. The guide helped in making interviewing different groups systematic and comprehensive by deciding in advance the issues to be explored (Patton, 2014). The guide also kept the groups’ interactions focused and specific to the topic while allowing individuals’ reactions to emerge.

When planning for the focus group discussions the first thing the researcher did was to identify the type of people he wanted to participate in the study and what he wanted to achieve. Participants were selected on the basis of their interest and experience in the organization. Each department was represented by one of the junior staff. Five focus group discussions were conducted, one from each hotel. Each focus group discussion comprised six members and each interview session lasted one hour to one hour thirty minutes. The size was made small enough to allow participants to get an opportunity to share experiences yet large enough to allow for diversity. This was also in line with Krueger and Casey’s (2009) assertion that focus group
discussion should be composed of five to ten people. Efforts were made to control interaction in
the group and discourage the overly dominant participants so that even the less articulate could
also share their views.

The discussions were held in venues which were spacious such as meeting rooms. The
environment was stress-free and as near natural as possible (Kenny, 2005). The participants were
free to spell out their views on the management of innovation in their business. The researcher
ensured that all participants had an equal opportunity to participate and at the same time keeping
the session moving so that the participants would not spend a lot of time discussing on one
aspect. The researcher asked one question at a time and gave them turns to answer. The table
below is a data collection plan for the study.
Table 6: Data collection plan

<table>
<thead>
<tr>
<th>Data collection tool</th>
<th>Target participants</th>
<th>Research question</th>
</tr>
</thead>
</table>
| Interviews (Semi-structured) | Managers | • How can small to medium size independent hotels in Harare be characterised?  
• What types of innovations are implemented by small to medium size independent hotels in Harare in the management of business?  
• What innovative measures are employed by small to medium size independent hotels in the management of business?  
• What challenges do small to medium size independent hotels in Harare face in embracing innovation?  
• How could operations of small to medium size independent hotels in Harare be improved through use of innovative measures?  
• How can a model of innovation for small to medium size independent hotels be constructed? |
| Focus groups | Employees | • What types of innovations are implemented by small to medium size independent hotels in Harare in the management of business?  
• What innovative measures are employed by small to medium size independent hotels in the management of business?  
• What challenges do small to medium size independent hotels in Harare face in embracing innovation?  
• How could operations of small to medium size independent hotels in Harare be improved through use of strategic innovative measures? |

First the researcher introduced himself to the focus group and spelt out the objectives of the research. Some ground rules were set up so as to maintain order in the group. Permission was sought from the participants to audio record the interviews. During the discussions the
researcher’s role was to audio record, facilitate the discussions and take notes.

Although there is a danger that note taking disrupts the flow of an interview, the emphasis during this phase was on the researcher’s impressions of an interaction rather than on recording verbatim sections of the participants’ response. The subsequent presence of the audio-recording allowed the researcher to complete the participants’ response in greater detail following the interview process. Reflective journaling immediately after an interview was the next step. Soon after the interview, when reflections were fresh, the researcher reviewed the field notes and expanded on the initial impressions of the interaction with more considered comments and perceptions. Reflections of the conduct of the interview and extraneous variables particular to the interaction were also noted. Major ideas, concepts, or issues raised by participants were documented.

The last step involved listening to the audiotape and amending or revising field notes and observations. The audiotape was reviewed in consultation with the researcher’s notes. The purpose of this phase was to ensure that the notes provided an accurate reflection of the interaction. The researcher listened to the audiotape several times, comparing it with the field notes and amending the notes until they provided a thorough and descriptive representation of the interaction.

Focus group discussions brought rigour in the study that comes by way of triangulating information collection methods (King & Horrocks, 2010). They also yielded a large amount of interaction on the topic in a limited time (Babbie & Mouton, 2013). This helped the researcher since time was an issue of concern when collecting data. Focus group discussions were an
essential data gathering tool for this study in that the responses provided in-depth view about how innovation was managed in small to medium size independent hotels in Harare. Focus group discussions rely on the interaction within the group (Barbour, 2008). For this study the environment was stress-free and as near natural as possible so as to elicit enough views on the subject under discussion as they think more deeply about answers and reflect upon them in their responses to others (Krueger & Cassey, 2009). The group interviews allowed diverse categorisations and sentiments to emerge, showing how participants reconstruct viewpoints in response to challenges (Maree, 2007).

Maree (2007) maintains that information collected from focus group interviews may be biased through group processes such as domination of the discussion by the most outspoken individuals. In this study the researcher overcame this problem by encouraging every member of the focus group to contribute as he directed the questions that needed explanation. The researcher did this without making the participants feel discouraged and making sure that the group did not divert its focus from the topic under discussion. Haralambos and Holborn (2008) note that the views or ideas of an individual can be influenced by the presence of other people. Chabaya (2007) observes that some participants may be reluctant to state their views in public or there may be power struggles in the group which this spoils the discussions. In this study the researcher was able to take care of this since he gave the focus group participants the ground rules before the interviews commenced. The researcher also gave each participant an equal chance to participate.

3.6.3. The role of the researcher as a research instrument

The university wrote an introductory letter granting the researcher permission to collect data (Appendix 4). The researcher used the letter obtained from the university to seek permission
from the general managers of the hotels concerned to conduct the study. The letter informed them about the research and its purpose. After permission was granted, the researcher made appointments with the managers. The managers also helped to locate the relevant junior staff members and to organise them in groups.

The researcher was the major research instrument for data collection. He asked probing questions, then listened and then asked more probing questions to get to deeper levels of understanding. Innovativeness were viewed in its entirety or holistically. The researcher did not impose his assumptions and limitations upon emerging data. The researcher’s role was to record what he collected from subjects in their natural environment. Reality existed as the subjects saw it. The researcher recorded fully, accurately and unbiased, that reality as seen through the eyes of subjects.

The interview protocol (appendices 2 and 3) guided the discussions and made sure that the questions were answered. It contained an outline script and a list of questions that helped one to answer research questions. The protocol included the following components: a heading; instructions for the interviewer to follow so that standard procedures were used from one interviewer to another; the introduction; key questions; probing questions and closing questions; space between the questions to record responses and a final thank-you statement to acknowledge the time the interviewee spent during the interview.

The researcher recorded information from interviews by making hand written notes and by audio recording with permission from respondents. Audio recording allowed the interviewer to freely engage in conversation without worrying much about note taking. He also took brief notes
during the interview, in the event that the recording equipment failed. The interviewer first got informed consent from the interviewees to audio record the interview. The interviewer discussed the possibility of audio recording before scheduling the interview. It was emphasized that the interview will be recorded so that none of their important insights and discussions were missed. The interview was not to be recorded if the participants did not prefer it to be. Audio recording was not going to have their names on it and was to be kept in a secure location. After collecting data any identifying information was to be kept in a locked place or password protected computer, which ensured that no one had access to the confidential responses. Once the data were collected, any identifying information that was associated with it was to be removed. When typing tape recorded interviews each respondent was to be assigned a unique number in the word document. Table 7 shows the alignment of data collection methods to research questions. Five focus group discussions were held and fourteen qualitative interviews were conducted in this study.
Table 7: Alignment of data collection methods to research questions

<table>
<thead>
<tr>
<th>Research questions</th>
<th>Theme</th>
<th>Data collection tool</th>
<th>Nature of data collected</th>
</tr>
</thead>
<tbody>
<tr>
<td>How can small to medium size independent hotels in Harare be characterised?</td>
<td>Characteristics of small to medium size hotels</td>
<td>Qualitative interviews</td>
<td>Qualitative data</td>
</tr>
<tr>
<td>What types of innovations are implemented by small to medium size independent hotels in Harare in the management of business?</td>
<td>Types of innovation</td>
<td>Qualitative interviews and focus group discussions</td>
<td>Qualitative data</td>
</tr>
<tr>
<td>What innovative measures are employed by small to medium size independent hotels in the management of business?</td>
<td>Innovative measures</td>
<td>Qualitative interviews and focus group discussions</td>
<td>Qualitative data</td>
</tr>
<tr>
<td>What challenges do small to medium size independent hotels in Harare face in embracing innovation?</td>
<td>Challenges of small to medium size hotels</td>
<td>Qualitative interviews and focus group discussions</td>
<td>Qualitative data</td>
</tr>
<tr>
<td>How could operations of small to medium size independent hotels in Harare be improved through use of strategic innovative measures?</td>
<td>Strategic innovative measures</td>
<td>Qualitative interviews and focus group discussion</td>
<td>Qualitative data</td>
</tr>
<tr>
<td>How can a model of innovation for small to medium size independent hotels be constructed?</td>
<td>Model of innovation</td>
<td>Qualitative interviews</td>
<td>Qualitative data</td>
</tr>
</tbody>
</table>

3.7. Data presentation, analysis and interpretation procedures

Qualitative content analysis was employed to analyse the interview transcripts. Data were analysed for content using thematic analysis. Qualitative content analysis has been defined as a research method for the subjective interpretation of the content of text data through the
systematic classification process of coding and identifying themes or patterns (Hsieh & Shannon, 2005). Hsieh and Shannon (2005) also observe that there are three approaches to qualitative content analysis. These are based on the degree of involvement of inductive reasoning. The first approach is conventional qualitative content analysis, in which coding categories are derived directly and inductively from the raw data and the approach is used for grounded theory development. The second approach is directed content analysis, in which initial coding starts with a theory or relevant research findings and during data analysis the researchers immerse themselves in the data and allow themes to emerge from the data. The purpose of this approach usually is to validate or extend a conceptual framework or theory. The third approach is summative content analysis which starts with the counting of words or manifest content, then extends the analysis to include latent meanings and themes. The study adopted the directed content analysis approach. Data were coded according to the predetermined themes from literature. New themes that emerged from the interviews were coded separately and then merged into a bigger system (Easterby-Smith et al., 2014).

In this research, data were generated in the form of handwritten notes and tape recorded. The tape recorded data were transcribed. The researcher defined the unit of analysis. Individual themes were used as the unit of analysis. The main task of the researcher was to categorise ideas, responses into various themes and sub categories. The researcher took necessary precautions in coming out with themes so as to minimise challenges inherent in the analysis of the data. Great care was also taken to rephrase the themes. Since coding proceeded while new data were being collected, new themes and concepts that emerged were added to the coding manual. After coding the entire data set, the researcher re-checked the consistency of the coding. The researcher drew
conclusions from the coded data. This involved making sense of the themes identified. Inferences were also made and this involved exploring the properties and dimensions of categories, identifying relationships between categories, uncovering patterns, and testing categories against the full range of data. Tables were created to display themes and sub-themes. It was the duty of the researcher to keep trustworthiness in reporting the findings.

### 3.8 Trustworthiness (credibility; transferability; dependability; confirmability)

Silverman (2005) describes how qualitative researchers can incorporate measures that deal with issues of validity and reliability. Trochim (2006) and many others have attempted to respond directly to the issues of validity and reliability in their own qualitative studies. Many naturalistic investigators have preferred to use different terminology to distance themselves from the positivist paradigm. One such author is Guba (1981), proposes four criteria that he believes should be considered by qualitative researchers in pursuit of a trustworthy study. These include credibility (in preference to internal validity), transferability (in preference to external validity/generalisability), dependability (in preference to reliability) and confirmability (in preference to objectivity). The following are the provisions that the researcher employed to meet the criteria.

#### 3.8.1 Credibility

Credibility was achieved by the researcher adopting appropriate and well recognised research methods. Thus, the specific procedures employed, such as line of questioning pursued in the data gathering sessions and the methods of data analysis were derived from those that have been successfully utilised in previous comparable projects.
Credibility was also attained by having to develop an early familiarity with the culture of the participating hotels before the first data collection took place. This was achieved through preliminary visits to the hotels themselves. This was done in order for both the researcher to gain an adequate understanding of the hotels and to establish a relationship of trust between the researcher and the parties.

Triangulation through the use of different methods was also meant to enhance creditability. Focus group discussions with junior staff and individual interviews with the managers constituted the major data collection strategies for the study. While focus groups and individual interviews suffered from some common methodological shortcomings, their distinct characteristics also resulted in individual strengths. Guba (1981) noted that the use of different methods compensates for their individual limitations and exploit their respective benefits. The use of a wide range of participants was another form of triangulating in this study. This was via different data sources. Individual viewpoints and experiences from managers were verified against those of the junior staff and ultimately, resulting in a rich picture of the views and behaviours based on the contributions of a range of people. Site triangulation was achieved by the participation of informants from the five different hotels so as to reduce the effect on the study of particular local factors peculiar to one hotel.

Tactics were also employed to help ensure honesty in participants when generating data. Each person approached was given an opportunity to refuse to participate so as to ensure that the data collection sessions involved only those who were genuinely willing to take part and prepared to offer data freely. Specific strategies were incorporated to uncover deliberate lies. This included
the use of probes to elicit detailed data and iterative questioning, in which the researcher returned to matters previously raised by an informant and extracted the related through rephrased questions. In both cases, where contradictions emerged, falsehoods were detected and the researcher discarded the suspected data. The researcher also organized frequent debriefing sessions between him and the supervisor and the participants. Through discussion, the vision of the researcher widened. Such collaborative sessions were used by the researcher to discuss alternative approaches. The meetings provided a sounding board to the researcher to test his developing ideas and interpretations, and helped him to recognize his own biases and preferences.

The researcher also evaluated the study as it developed. This was done through a reflective commentary, part of which was devoted to the effectiveness of the techniques that had been employed. The reflective commentary was used to record the researcher’s initial impressions of each data collection session, patterns appearing to emerge in the data collected and theories generated. Guba and Lincoln (1998) posit that the commentary play a key role in what they term “progressive subjectivity”, or the monitoring of the researcher’s own developing constructions, which is considered critical in establishing credibility. The researcher also conducted checks relating to the accuracy of the data on spot in the course and at the end of the data collection dialogues. Participants were asked to read any transcript of dialogues in which they participated. The emphasis was whether the participants considered that their words match what they actually intended in the study. Guba and Lincoln (1998) assert that a member check is the single most important provision that can be made to bolster a study’s credibility.
Last a detailed description of the phenomenon under scrutiny that is small to medium size independent hotels in Harare has been an important provision for promoting credibility in this study as it helps convey the actual situations that have been investigated and, to an extent, the contexts that surround them. Without this insight, it might be difficult for the reader of the final account to determine the extent to which the overall findings “ring true”.

3.8.2. Transferability

According to Guba and Lincoln (1998) external validity is concerned with the extent to which the findings of one study can be applied to other situations. In a positivist study, the concern often lies in demonstrating that the results of the work at hand can be applied to a wider population. Since the findings of a qualitative study are specific to a small number of a particular environment and individuals, it is impossible to demonstrate that findings and conclusions are applicable to other situations and populations. Many naturalistic inquirers believe that, in practice, even conventional generalisability is never possible as all observations are defined by the specific context in which they occur (Guba & Lincoln, 1998). Denscombe (2011) offer a contrasting view by suggesting that, although each case may be unique, it is also an example within a broader group and, as a result, the prospect of transferability should not be immediately rejected. Gray (2009) proposes that if practitioners believe their situations to be similar to that described in the study, they may relate the findings to their own positions. A similar argument is presented by Lincoln and Guba (1998) who suggest that it is the responsibility of the investigator to ensure that sufficient contextual information about the fieldwork sites is provided to enable the reader to make such transfer. They both maintain that since the researcher knows only the “sending context”, he or she cannot make transferability inferences.
In this study, provision of background data to establish context of the study was made to allow comparisons to be made. The researcher provided sufficient contextual information about the fieldwork sites to enable readers to determine how far they can be confident in transferring to other situations the results and conclusions presented. Information on the number of organizations that took part in the study and where they are based, the number of participants involved in the fieldwork, the data collection methods that were employed, the number and length of data collection sessions, and the time period over which the data was collected have been given. The results of the study must be understood within the context of the particular characteristics of the organisations and perhaps, geographical area in which the fieldwork was carried out.

3.8.3 Dependability

In addressing the issue of reliability, the positivists employ techniques to show that, if the work were repeated, in the same context, with the same methods and with the same participants, similar results would be obtained. Marshall (2011) contends that the changing nature of the phenomenon scrutinised by qualitative researchers renders such provisions problematic in their work. Guba and Lincoln (1998) stress the close ties between credibility and dependability, arguing that in practice a demonstration of the former goes some distance in ensuring the later. This study achieved this through the use of “overlapping methods”, such as focus group and individual interviews. In order to address the issue of dependability, the process within the study was reported in detail, thereby enabling future researchers to repeat the work, if not necessarily to gain the same results. Such in-depth coverage allows readers of the research report to develop
a thorough understanding of the methods and their effectiveness. The text included sections devoted to the research design and its implementation; the operational detail of data gathering and reflective appraisal of the project.

3.8.4 Confirmability

The concept of confirmability is the qualitative researcher’s comparable concern to objectivity. In order to ensure that the work’s findings were the result of the experiences and ideas of the participants rather than the characteristics and preferences of the researcher, the researcher triangulated to reduce effects of researcher bias and provided in-depth methodological description to allow integrity of research results to be scrutinised.

3.8.5. Triangulation

According to Johnson and Chistensen (2012), triangulation in research is when a researcher seeks convergence and corroboration of results from different methods when studying the same phenomenon. This substantially increases credibility or trustworthiness of the findings. In this study, triangulation was effected through the use of more than one data source namely: interviews and focus group discussion. The use of multiple sources of data helped in dealing with the problem of uncertainty and unclarified issues as these provided answers to the main research question through responses from research instruments. Briggs and Coleman (2007) note that being rigorous, careful and utterly accurate in processing information is the mark of a credible researcher. They insist that researchers should be transparent to participants and the public in order to enhance trustworthiness.
3.9. Ethical issues

Researchers need to anticipate the ethical issues that may arise during their studies (Hesse-Biber & Leavey, 2011). These issues arise primarily in specifying the research problem, identifying purpose statement and research questions; and collecting, analyzing and writing up the results of data (Creswell, 2009). All key ethical issues related to research process, such as anonymity, voluntary participation and withdrawal, privacy, deception, accuracy and confidentiality should be addressed (Hesse-Biber & Leavey, 2011).

3.9.1. Anonymity and confidentiality

Anonymity and confidentiality are ethical standards applied in research in order to protect the privacy of the research participants (Lincoln & Guba, 2005). Participants are assured of anonymity and confidentiality by the researcher. Anonymity means that the participant will remain anonymous throughout the research, even to the researcher himself. The researcher did this through use of codes and pseudonyms throughout the research instead of actual names (Trochim, 2006). Confidentiality is guaranteed when the researcher can identify a given person’s response but promises not to divulge the information to anyone. The researcher made the participants aware of this and pledged to keep the promise. This meant their personal information was and will not be divulged and that I will not share the information that they shared with others in ways that would reveal their identities. Lincoln and Guba (2005) also emphasised confidentiality of locations. In line with this the researcher guaranteed the anonymity of individuals and organisations in any published documents arising from the research unless participants gave explicit consent to identify them by name. All information disclosed during the research was treated as confidential, and was not disclosed to other participants or people not
connected with the research.

3.9.2. Voluntary participation
The principle of voluntary participation prohibits securing consent to participate in any form of research through coercion. Flick, Von Kardorff and Steinke (2005) say coercion means forcing participation by exercise of the social dominance of the researcher especially when dealing with vulnerable populations. In this study I informed all the participants through the consent form that all participation in the study was voluntary, with the option of quitting at anytime. Informed consent was sought and obtained from the participants before they participated in the study.

3.9.3. Informed consent
Flick, Von Kardorff and Steinke (2005) note that prospective research participants must be fully informed about the purpose of the study, procedures and risks involved in research and must endorse their consent to participate despite the inherent dangers. Gray (2009) posits that participants, gatekeepers and sponsors need to be informed about the aims of the research, who will be undertaking it, who else is being asked to participate, what kind of information is being sought, how much of participants time is being required, that participation is voluntary throughout, that responding to all questions is voluntary, who will have access to the data once it is collected and how anonymity will be preserved. Undercover research is in a way barred as participants should be well informed about the research and are made aware of the fact that they can withdraw from the study at any time during the research (Flick et al, 2005). In this study I informed the participants about the purpose of my research and the procedures. The research
participants then completed an informed consent form (Appendix 1). The form served to acknowledge that the participants’ rights were protected throughout the research.

**3.9.4 Deception**

According to Gray (2009) deception is when individuals participate in research under false pretences. False pretences can be that the true nature of research is withheld from the participants or that they are deliberately deceived or misled. For this study, the researcher debriefed the participants after the study was over (Babbie & Mouton, 2013). The researcher made as much effort as possible to avoid deception by informing participants about the purpose of the research, procedures and to clarify incidentals.

**3.9.5 Human rights**

Ethical standards require that researchers should not put participants into harm by exposing them to risky situations. According to Babbie and Mouton (2013) harm can be viewed as both physical and psychological. Participant’s human rights need to be protected. This is in line with Stroebe Hansson, Stroebe and Schut in Balk and Corr (2009) who assert that the most basic ethical principle in research is the protection of the participants’ rights, dignity and well-being. Since interviewing was the main method of data collection no psychological risks were inherent.

**3.9.6 Accuracy**

Accuracy is another issue of concern in research. This study ensured that all the data were
accurate. Denzin and Lincoln (2005) noted that fabrications, fraudulent materials, omissions and contrivances are both non-scientific and unethical. A serious attempt was made by the researcher to report accurately on the research findings by using a substantial amount of verbatim accounts of participants.

3.10 Chapter summary

The chapter presented the research methodology and design of the study. The paradigm that informed the study is the interpretivist paradigm due to its use of qualitative approach to research. The chapter further examined the research design adopted in this study which is the multiple-case study. The chapter also looked into the population, sample and sampling techniques that were involved in the study. This gave insights into the population from which respondents were solicited. The chapter also defined the actual sample and the technique that was followed to arrive at this sample. Thereafter data collection instruments were detailed and these included qualitative interviews and focus group discussions. Issues of trustworthiness, data analysis and ethical considerations were also discussed in this chapter. Chapter four will look at data presentation, analysis, discussion and interpretation of the findings.
CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, DISCUSSION AND INTERPRETATION

4.1 Introduction

The previous chapter outlined the methodological approach adopted for the study. The purpose of this chapter is to present, analyse, discuss and interpret data gathered. The study sought to assess the innovative measures employed by small to medium size independent hotels in the management of business in Harare. The presentation and analysis of data would be done in line with the research questions of the study.

4.2 Description of research sites and participants

Small to medium size independent hotels in Harare operate in a highly competitive environment. Most of them either have a one star rating or a two star rating. Most of them are very old and it is only the ownership that has been changing. They compete with quite a number of big chain hotels like Holiday Inn, Crown Plaza, and Ambassador Jameson hotel and most of them are either four or five star hotels offering quite a range of services like world class services or mid-range services. The business environment is alsoseriously affected by the economic crunch. Most of the time the business activity is generally low because there is not much cash in circulation. Generally the economic crisis in the country is also contributing to poor performance of hotels as reported by the low occupancy rates. In some instances big chain hotels offer discounts or reduce their prices to the level being charged by these small to medium size independent hotels in order to attract more customers to sustain themselves. This has given small to medium size independent hotels a tough time to operate and to sustain themselves.
4.2.1 Ownership and size

Small to medium size independent hotels in Harare are either family owned or owned by a small consortium. They did not have identifiable management affiliation with other properties. They also did not have any relationship to another hotel regarding policies, procedures, marketing or financial obligations. They also did not get the advantage of board advertising, exposure or management insight and consultancy of an affiliated property unlike the chain hotels who usually have certain minimum standards, rules, policies, and procedures to restrict affiliate activities. The staff compliment generally was small. It ranged from ten to seventy employees on average. The number of rooms was also generally small. They ranged from twenty to fifty rooms on average. The atmosphere was quite friendly and the staff will always want to give one every comfort with that personal touch. They were also keen to offer visitors local knowledge and recommend places to visit.

4.2.2 Organisation Structure

Small to medium size independent hotels in Harare had a limited organizational structure. They had few managers and were run or headed by a General Manager who happened to be the overseer. The general manager was also responsible for the general maintenance of the hotel, security and marketing. The management structure is generally flat as illustrated in Figure 6.
Below the general manager we have area or departmental managers. Area managers work in between areas or departments and most of them are multi-skilled. Most of these hotels have three area managers. There was a Food and Beverages Manager, Front Office Manager and Accounts Manager. Most of the Food and Beverage managers in small to medium size independent hotels in Harare were responsible for the kitchen, bars, restaurant, conferencing, and banqueting. The Front Office Managers were responsible for front office and housekeeping that is security, front office and reservations. The Accounts Manager was responsible for book-keeping, night auditing, stores, buying and issuing, and stock.

Below the area managers small to medium size independent hotels in Harare had junior staff who report to the respective area managers. For example food and beverage and housekeeping there were chambermaids, ground staff, maintenance staff, barmen and cooks. Front office staff included waiters. The Accounts department included book-keepers, stores keepers and night auditors. It was also noted that these hotels had no supervisors because of their small size.
Managers were hired based on formal qualifications whereas the junior staff were hired based on experience. Most of them had no formal qualifications. These hotels also hired some hotel trainees from various institutions of higher learning as part of their staff.

4.2.3 Product Portfolio

Small to medium size independent hotels in Harare generally offered a limited range of services and facilities ranging from accommodation, conference facilities, restaurants, banqueting, bar lounge and business centres for secretarial services. The facilities and services offered varied from one hotel to the other. Some even had leisure facilities like swimming pools, health spas, and fitness centres. However most of them did not provide a full hotel service. The level of service offered was generally limited. Most of the rooms were en-suites with few executive rooms.

4.2.4 Target market

Generally the target market for small to medium size independent hotels in Harare were mainly business travellers. These were travellers who were mainly travelling on a business mission who normally specifically needed some kind of shelter. The other reason why they served this market most of the time was that they had limited facilities.
4.2.5 Research participants

Participants in this study comprised of the general managers in the five hotels; fourteen departmental/ area managers in the five hotels; and thirty junior staff members. One most experienced junior staff member from the following hotel departments was purposefully selected: kitchen, bar, restaurant, banqueting and conferencing, bookings and reservations, security, house-keeping, book-keeping, night-auditing and stores. Data from the management staff was gathered through qualitative interviews while data from the junior staff was gathered through focus group discussions.

4.3. Theme one: Innovative measures employed by small to medium size independent hotels in Harare

This section presents analyses and interprets the results on the innovative strategies employed by small to medium size independent hotels in Harare in managing business. Table 8 below summarises the issues raised on each sub-theme.
Table 8: Innovative measures employed by small to medium size independent hotels in Harare central business district in the management of business.

<table>
<thead>
<tr>
<th>Sub-themes</th>
<th>Issues raised</th>
</tr>
</thead>
<tbody>
<tr>
<td>Designing a business strategy for innovation</td>
<td>• No clear vision, strategies and values for innovation.</td>
</tr>
<tr>
<td>Knowledge management</td>
<td>• Held regular in-house training workshops for employees as a strategy to boost their knowledge and competence.</td>
</tr>
<tr>
<td></td>
<td>• Held regular meetings with staff members to keep them informed about the performance of the organization and its expectations and goals.</td>
</tr>
<tr>
<td></td>
<td>• Explored and made use of knowledge from customers in improving the quality of services.</td>
</tr>
<tr>
<td>Human Resource Practices</td>
<td>• Hired and engaged employees who lacked basic hotel and catering skills and experience.</td>
</tr>
<tr>
<td></td>
<td>• Hired and engaged semi-skilled managers with limited management skills and experience.</td>
</tr>
<tr>
<td></td>
<td>• Biased reward schemes</td>
</tr>
<tr>
<td></td>
<td>• Implemented a systematic performance appraisal to employees.</td>
</tr>
<tr>
<td></td>
<td>• Conducted in-house training and workshops for the newly recruited staff.</td>
</tr>
<tr>
<td>Managing a network of relationships with other organizations</td>
<td>• Were members of various organizations and associations.</td>
</tr>
<tr>
<td></td>
<td>• Took part in various activities like exhibitions; tourism forum; World Tourism Day celebrations.</td>
</tr>
<tr>
<td></td>
<td>• Worked hand in hand with institutions of higher learning.</td>
</tr>
<tr>
<td>Managing a network of relationships with customers</td>
<td>• Created customer data base.</td>
</tr>
<tr>
<td></td>
<td>• Regularly communicated with customers</td>
</tr>
<tr>
<td>Customer involvement</td>
<td>• Encouraged staff to be always in close contact with customers.</td>
</tr>
<tr>
<td></td>
<td>• Welcomed suggestions and views from customers.</td>
</tr>
<tr>
<td></td>
<td>• Engaged customers in new product development.</td>
</tr>
<tr>
<td>Staff involvement</td>
<td>• Actively involved staff in decision making</td>
</tr>
<tr>
<td>Creating appropriate organisational environment for innovation</td>
<td>• Sustained a positive working climate.</td>
</tr>
<tr>
<td></td>
<td>• Organized staff inductions and staff evaluations</td>
</tr>
</tbody>
</table>

Source: Field data
4.3.1 Sub-theme one: Designing a business strategy for innovation

Both managers and staff were asked to explain their organisation’s vision, goals, strategies and values for innovation. Managers either said they were reviewing them and some indicated that they were relatively new in their hotels such that they were still working on them. One of the managers M1 from hotel H2 indicated:

*I am still new in this organisation. We are currently working on our goals, strategies and values. A company cannot function effectively without the vision, goals and strategies.*

Staff members interviewed were also asked the same question during their focus group discussions and they also indicated that they were not aware of their organisational vision, strategy, and values for innovation. They even stated that they were not even sure whether their organisations had any of them in place. One of the focus group members FGH3 remarked:

*We have no idea. We do not even know whether they are there or not. No one has ever explained them to us.*

Other members also agreed with him. It is only in Hotel H2 where they indicated that they were there written somewhere but they could not recall them. This is what one of the members of the focus group FGH2 indicated:

*We do have them but I cannot remember them. They are written in one of the documents.*

Other members also expressed the same statement. This suggested that small to medium size independent hotels were not guided by their vision, goals and strategies in their operations and day to day business.
4.3.2 Sub theme two: Knowledge Management

From the data collected it emerged that managers of small to medium size independent hotels served their booked customers with feedback forms or questionnaires and encouraged them to comment on the quality of service they received during their stay in the hotel before they checked out. Manager M1 from hotel H1 noted:

*We always issue our customers with questionnaires to complete before they leave and ask them to comment on the quality of service they received during their stay. They normally comment and come up with suggestions on how best we could improve our services.*

This was also supported by junior members in various hotels during focus group discussions. *One of the members in FGH1 indicated:*

*Before our customers leave we kindly ask them to complete some questionnaires. We ask them to comment on the quality of service and also ask them to give suggestions on what we should improve in terms of our services. Most of them do comply and we tend to learn a lot from their comments.*

Manager M2 from hotel H3 also stated:

*We always encourage our clients to tell us what we need to improve in our hotel in order to improve the quality of services we offer.*

Managers of small to medium size independent hotels in Harare also indicated that they had established social relationships with outside organisations in order to learn from one another. They indicated that from time to time they interacted with other organisations such as the Hospitality Association of Zimbabwe, Zimbabwe Tourism Authority, and the local colleges and
universities. They also pointed out that they participated in the tourism policy forum. One of the managers M3 from hotel H2 noted:

As a hotel we have established good relations with various organisations. From time to time we interact with them and we get good ideas from them. For instance we always interact with lecturers and feed each other on new developments. Mostly it’s their theory against the industry.

The same views were also shared by other managers in other hotels. Managers also made efforts to stimulate and improve their employees’ level of knowledge so that they were in a better position to address a changing environment and innovate in the areas where they decided to invest and compete through various means. They held regular meetings with their staff members in order to keep them informed about the performance of the organisation, its expectations and goals. Staff were encouraged to come up with suggestions on how best service delivery could be improved. One of the managers M2 from hotel H3 remarked:

We normally hold regular meetings with our employees and update them on the menu and on how the company is performing and where we are going with the company and why we do certain things the way we do as they cannot guess.

It also emerged from the staff members during focus group discussions that managers organized in-house training workshops for employees from time to time to boost their knowledge and competence. They also indicated that in some instances trainers were outsourced to facilitate training. One focus group member FGH4 noted:

From time to time the management organises training workshops for us to attend. They facilitate the training and at times they get a facilitator from another hotel to come and
facilitate. Most of the times they get the facilitators from large chain hotels to come and facilitate. We really benefit a lot from these workshops.

This was shared by staff from various hotels. The results suggested that small to medium size independent hotels in Harare were aware that customers were a critical resource for a firm's innovation performance. The findings also suggested that managers of small to medium size independent hotels realised the importance of equipping their staff with the right knowledge where they needed it and when they needed it so that they become competent in discharging their duties. The findings above suggested that small to medium size independent hotels in Harare managed their knowledge-based resources and applied the collective knowledge within and outside the organization to generate new ideas and to achieve specific organisational goals. The findings also suggested that small to medium size independent hotels in Harare were quite cognisant that knowledge management was one of the sustainable innovative measures in the management of business.

4.3.3 Sub-theme three: Implementing human resource practices that encourage innovation

From the data generated it emerged that small to medium size independent hotels in Harare implemented some human resource practices that encouraged innovation. One of the managers M3 from hotel H4 remarked:

We normally organise induction and training workshops for our employees to motivate them and equip them with some knowledge and skills on how best they can improve the quality of service. We also encourage them to actively participate when we hold meetings. They normally come up with very good suggestions. Each time there are new developments we communicate to them.
The same views were shared by various managers from different hotels. Members of staff also indicated that new members were always given a warm welcome when they join the organisation. One of the focus group members FGH1 noted:

_The management normally organises workshops for staff to attend. Newly recruited members are also inducted on their conditions of service and on how to perform their duties. Newly recruited employees are also given service manuals which are meant to help them know and understand the expectations of the organisation. Managers at times go through the manuals with them in order to ensure that they understood._

Members from other hotels also shared the same sentiments.

In an effort to retain and motivate staff manager M3 from hotel H2 remarked:

_We normally arrange that our employees go on attachment in some of the big chain hotels. We have established good relationships with these hotels. This is meant to motivate our employees and at the same time they learn new ideas. These hotels include hotels such as Crown Plaza, Holiday Inn and Rainbow towers. Our employees seem to like the idea._

This was also supported by the members of staff during the focus group discussion. One of the members in FGH2 indicated:

_From time to time we get attached to these big hotels. The management normally arranges with these hotels that for a certain period we are attached to them. It seems they have established good relations. We normally learn a lot of things and get new ideas._
Small to medium size independent hotels in Harare also implemented a systematic performance appraisal to employees in an effort to motivate and retain competent staff. The system was based on process and group performance. Manager M4 from hotel H1 noted:

*Departmental managers normally sit down with their staff and come up with departmental targets and individual targets. After a certain period they review their progress and they conduct some appraisals. Members who excel in their performance are rewarded in order to motivate them and keep their spirits high. This also enables them to remain focused.*

Some members complained and indicated that the rewards at times were biased: A member from FGH4 remarked:

*We are not happy with the way some of these appraisals are conducted. You find that some staff who do not deserve rewards are rewarded and those who deserve are not rewarded. There is a lot of favouritism. This is also discouraging to those who are hard working.*

The other strategy implemented by small to medium size independent hotels to retain and motivate their staff was paying employees on time. One manager M2 from hotel H4 remarked:

*We always pay our employees on time. Times are hard and this encourages them to stay with us.*

This was also supported by the members of staff. One of the members in FGH4 remarked:

*We are always paid on time. This is quite motivating and encouraging. Because of this I do not feel like looking for a job elsewhere.*
Some small to medium size independent hotels introduced medical and funeral schemes for their employees as a strategy to improve their working conditions and to retain them. One of the managers M3 from hotel H1 noted:

*We have introduced medical and funeral schemes to our employees so that they feel secured. That is also something that motivates them to stay with us.*

Managers also indicated that when there are vacant posts they advertise them internally and when they fail to get the right candidate that is when they advertise in the public press. Manager M4 from hotel H4 remarked:

*Each time we have a vacant post we advertise internally. If we fail to get the right candidate that is when we look for candidates outside. We always give our staff first preference.*

From the data generated it emerged that small to medium size independent hotels made use of interns. They assessed them during their stay in the hotel and those who performed very well were then absorbed by the hotel as permanent staff once they completed their studies. One of the managers M2 indicated:

*Most of my staff are interns. I normally get a lot of them from various colleges and universities. This helps me to cut on costs. Normally we do not pay them. However once they have completed their programmes we do absorb some of them who would have performed well.*
It also emerged from the data generated that the following human resource practices were not implemented by small to medium size independent hotels: employment security, broad career paths and attractive compensation package and variable rewards and hiring of qualified and experienced staff. It was noted that most staff from the small to medium size independent hotels in Harare were not impressed by the following human resource practices such as: lack of employment security, lack of broad career paths and lack of attractive compensation packages.

One of the members from FGH2 remarked:

   We do not have any security in our jobs. At times when it is not busy we are asked go on unpaid leave and only called when the situation improves. The salaries we get are also very low and we are always struggling in trying to make ends meet.

It was also noted that small to medium size independent hotels hired mostly hotel interns and unqualified staff with no formal qualifications and who lacked basic hotel and catering skills and experience to fill up junior positions. Formal qualifications were not considered as critical or a priority or a requisite in filling up the positions. The philosophy was hire and train for skill. One manager M2 from hotel H3 stated:

   It is difficult to attract qualified and skilled personnel. We do not have the capacity to attract and pay high salaries that can attract qualified and skilled personnel due to the small size of our hotel.

Another observation made was that small to medium size independent hotels had a tendency to hire and engage semi-skilled managers who were limited in terms of management skills and
experience. This suggested that small to medium size independent hotels could hardly provide quality in their hotels. One the managers M1 from hotel H1 remarked:

_Some of our managers are not well qualified. Most of them are semi-skilled. We do not have the capacity to hire skilled and experienced managers. Once we hire them they soon leave for bigger hotels._

The above findings suggested that small to medium size independent hotels understood how critical some human resource practice were in encouraging innovation in their organizations though some human resources practices that encouraged innovation were not implemented.

### 4.3.4 Sub-theme four: Managing a network of relationships with other organisations

During the face to face interviews managers were asked how they managed a network of relationships with other organisations. The study revealed that to a greater extent managers of the small to medium size independent hotels in Harare managed a network of relationships with other organisations. Manager M1 from H2 noted:

_We have established social relationships with outside organisations and we work closely with other institutions like the Hospitality Association of Zimbabwe (HAZ), Zimbabwe Tourism Authority (ZTA), local tertiary colleges and universities._

This suggested that managers were aware of the importance of working closely with outside organizations. They treated the outside organisations as crucial sources of external knowledge for the development and commercial success of innovation. Manager M3 from hotel H3 also remarked:
“We are a member of the Hospitality Association of Zimbabwe and from time to time the association organises meetings for its members on service excellence. We also send delegates to attend”

Managers also indicated that their hotels were registered with ZTA the regulatory body. They noted that from time to time ZTA inspected their facilities for further upgrading and it was during these visits that the managers shared ideas with the ZTA staff on how best they could improve their facilities and service delivery. The managers also noted that from time to time, ZTA organized exhibitions and other tourism events like the World Tourism Day. Manager M4 from hotel H1 remarked:

*We pay levy to the ZTA while at the same time ZTA does the marketing and grading of hotels. They are always here and they want to know where we can improve to get a better grade. They give us recommendations and we share ideas. We also have to register with them.*

Managers also indicated that they participated in the tourism policy forum and during the fora they shared ideas with other hotel manages. Managing a network of relationships with other organisations was viewed as very crucial by managers when it came to sharing of ideas. Manager M3 from hotel H1 remarked that the hotel industries by the nature of its people who are hospitable it made it easy for managers to approach each other and discuss business issues and share ideas. His words were:

*Being in the hotel industry, I think we are one of the free industries where I gonna check in another hotel and say to the general manager let’s talk and share ideas. We are just like one family.*
Managers also indicated that their hotels worked closely with institutions of higher learning. They noted that their hotels had established some good relationship with some institutions of higher learning like the Bulawayo School of Hospitality Management, Chinhoyi University of Technology, Midlands State University, University of Zimbabwe and other colleges that offered hospitality programmes. They indicated that within these institutions they had contact lecturers whom they contacted from time to time updating each other about new developments in the industry and sharing ideas on the best practices of delivering quality services. One of the managers M1 from hotel H1 remarked:

“We always interact with lecturers and feed each other on new developments. Mostly it’s their theory against the industry”

Managers also noted that the institutions also sent their students for attachment to their hotels. When the lecturers visited the students for assessment they also found time to discuss and share information with the hotel staff on new developments in the hospitality industry and on how best hotel products and services could be improved. The findings suggested that managers realised the need for working closely with outside organizations.

4.3.5 Sub-theme five: Managing a network of relationships with clients.

Managers were also asked how they managed a network of relationships with clients. The study revealed that to a greater extent, small to medium size independent hotels managed a network of relationships with their clients. Managers indicated that they had created a customer database. From time to time they communicated with their customers electronically via email, telephones and facebook page. They said they updated them on the new developments and events in the hotel. One manager M3 from hotel H1 noted that this served to retain customers and to create
customer loyalty. Manager M3 also noted that some customers contacted him on google mail and WhatsApp when they had left: His words were:

Most of my customers pick me on whatsapp, facebook and we chat and exchange ideas on how best service delivery could be improved. We have also created a data base for our customers. From time to time we communicate with them and update them in terms of our new services.

The issue of creating a data base for customers and regularly communicating to them was shared by a number of managers.

Small to medium size independent hotels invited their clients for special meals and events and during those occasions, they shared ideas with them and got to know from them what areas needed improvement. One of the managers M1 from hotel H2 remarked:

We normally invite our regular customers when we have special occasions. They normally come and it is during these occasions that we share some ideas.

The findings suggested that small to medium size independent hotels were aware that customers were a critical asset for a firm’s innovation performance and that firms benefited from business ideas that arose beyond organizational boundaries. The findings also suggested that small to medium size independent hotels managed a network of relations with the customers through several means such as creating database for their clients and from time to time communicating and updating clients on new products.
4.3.6 Sub-theme six: Customer involvement

Managers were asked how they productively marketed their products and services to their clients. From the data generated it emerged that small to medium size independent hotels engaged their customers in new product development through various means. Manager M1 from hotel H2 remarked:

*We always encourage our staff to be always in close contact with customers. We also welcome suggestion and views from them on how best we could improve our services. Suggestions from the customers are brought to our intention for consideration. We try to integrate their ideas in new product development. At times we encourage customers to give suggestions on how best service delivery could be improved through filling of questionnaires before they check out.*

This was supported by the junior staff. One member from FGH3 noted:

*We are always in close contact with our customers. We ask them how they feel about our services. They normally give us comments and we try to improve our services from the comments they give us.*

Manager M2 from hotel H4 also remarked:

*“If you do not give people what they want, they will go elsewhere.”*

At times small to medium size independent hotels invited their clients for special meals and special events. Manager M3 from hotel 3 noted:

*We have days when we have special occasions. We normally invite our regular customers. During these occasions they share ideas with us and we get to know how*
best we can improve. This also enables us to retain our customers and to get repeat business and new customers through referrals.

This suggested that to a large extent, small to medium size independent hotels in Harare encouraged behavioural patterns of continuous re-purchase to retain customers. They achieved this through engaging in conversations with customers about their hotel experiences and preferences among other ways. Manager M4 from hotel H1 noted:

*Some customers pick me on whatsapp and google mail and they share their hotel experiences with me*

Another manager said that she created customer loyalty through interacting with guests by walking around during the breakfast, buffet and casually engaging hotel guests to see how they felt about their stay. Some of the words from manager M3 from hotel H1 were:

*Being social is an important part of being a hotel manager. When you see first-hand how your hotel is operating, you quickly identify areas that may need attention*

Managers also tried to offer the best service to clients by being always in close contact with the guests. Manager M2 from hotel H2 remarked:

*We are in regular contact with our customers through emails and customer visits.*

*We also make follow-up calls and business development calls.*

The manager also noted that when one talked to or visited established clients or customers, one often found there were referrals made which potentially provided new business. The other strategy used by small to medium size independent hotels in creating customer loyalty was
through letting customers know what the hotel was doing for them. They did this through emailing or calling existing customers.

The above findings suggested that small to medium size independent hotels in Harare realised the need and importance of integrating the customer in the innovation process as a powerful means to reduce uncertainty and failure rates from new products and to increase the revenue. The findings also revealed that small to medium size independent hotels engaged their customers in new product development.

4.3.7 Sub-theme eight: Staff involvement

Small to medium size independent hotels in Harare involved their employees in decision making. Manager M2 from hotel H1 remarked:

*It is crucial to include our staff since they have the ability to repair the quality of the service and are always aware of customers’ needs. Junior staff can analyze the customer’s demands, and they know how they should be fulfilled and they also have the necessary knowledge and experience to develop the new service.*

The small to medium size independent hotels in Harare were aware of how beneficial it was to involve their employees in innovations that were valued by customers. Manager M3 from hotel H2 also noted:

*Involving staff in decision making makes them remain committed in delivering the brand*

What the managers noted was also supported by junior staff. One of the junior staff in FGH1 noted:
We normally attend regular meetings with the management and during these meetings we come up with suggestions on how best service delivery could be improved. Our suggestions are normally considered.

The above findings revealed that small to medium size independent hotels involved staff in decision making as one of the sustainable measures in managing innovation in business. The findings also revealed that it was quite impossible to leave out employees in decision making since they had the ability to repair the quality of the service and were always aware of customers’ needs.

4.3.8 Sub-theme nine: Creating appropriate organisational environment for innovation

The study showed that small to medium size independent hotels created appropriate organizational climate for innovation. Sustaining a positive working climate was viewed by the managers as key to delivering a high quality customer service and a means of enhancing staff retention. Most of the staff indicated that their hotels had a positive working environment and this had been achieved through a combination of formal and informal measures explained below.

One member from FGH3 noted:

We have staff performance appraisals in place. Members from each department normally sit together and sat their performance targets. Members who achieve their targets are rewarded accordingly.

One manager pointed out that performance appraisals helped to reduce friction among the members of staff and enabled them to be focused. Other measures taken by small to medium size
independent hotels to create an appropriate organisational environment included staff inductions and staff evaluations. A member from FGH4 noted:

\begin{quote}
When new staff arrive, they get induction packages which set out what they should expect in the first few days of work and their initial training programme. They are then trained for all departments. The staff are placed in the department where they are best suited and happy.
\end{quote}

The managers made deliberate effort to be seen as approachable and friendly to all members of staff. This was strongly reflected in the focus group discussions with staff members who all viewed their managers as open and approachable and their main point of contact if they had any issues. One member from FGH2 explained:

\begin{quote}
There is someone there who always listens to any complaints. You will never feel you have to wait because our manager is so approachable; he is who I would go to. He is responsible for all the staff. That, I think, suits most people because he is very approachable.
\end{quote}

Creating a family atmosphere was also seen as an important element in creating a positive working environment. One of the staff from FGH4 noted:

\begin{quote}
The staff here is made to feel very welcome straight away. They are not isolated and I feel that is very important. It would be strange to arrive somewhere like this and just be dumped in the staff block. Here someone will straight away start showing you around the hotel and showing you all the main things and getting you uniform.”
\end{quote}
From the above findings it emerged that small to medium size independent hotels in Harare made efforts to create an appropriate organisational environment for innovation.

From the findings, it emerged that the managers made deliberate efforts to be seen as approachable and friendly to all members of staff. The findings suggested that small to medium size independent hotels created an appropriate climate for innovation that allowed staff to freely generate and share ideas and suggestions on how best they could improve service delivery.

4.3.9 Summary of the findings

It can be concluded that small to medium size independent hotels employed the following innovative measures in the management of business:

- Small to medium size independent hotels in Harare managed their knowledge-based resources and they applied the collective knowledge within and outside the organization to generate new ideas and to achieve specific organisational goals.

- Small to medium size independent hotels in Harare effectively managed a network of relationships with other organizations through establishing social relationships with the organizations which suggested that they were aware of the importance of external sources of knowledge for the development and commercial success of innovation.

- Small to medium size independent hotels effectively managed a network of relationships with their clients suggesting that small to medium size independent hotels were aware that customers were a critical resource for a firm’s innovation performance and that firms benefited from business ideas that arose beyond organisational boundaries.

- Small to medium size independent hotels engaged their customers in new product development suggesting that most small to medium size independent hotels in Harare had
realized the need and importance of integrating the customer in the innovation process as a powerful means to reduce uncertainty and failure rates from new products as well as to increase business revenues.

- Small to medium size independent hotels in Harare involved their employees in decision making suggesting that most small to medium size independent hotels in Harare were aware of how beneficial it was to involve their employees in achieving innovations that were valued by customers.
- Small to medium size independent hotels created appropriate organizational climate for innovation suggesting that sustaining a positive working climate was viewed by the managers as key to delivering a high quality customer service and a means of addressing the issue of staff retention.
- Managers effectively communicated with staff new developments in the organisation.

In can also be concluded that the small to medium size independent hotels did not implement the following innovative measures in the management of business:

- Small to medium size independent hotels in Harare operated with no clear business strategy for innovation.
- Small to medium size independent hotels did not fully and effectively implement human resource practices that encouraged innovation like hiring unqualified and inexperienced staff, hiring and engaging semi-skilled managers, biased performance rewards and other practices.
4.4 Theme Two: Types of innovations implemented by small to medium size independent hotels in Harare.

This section presents analyses and interprets the findings on the types of innovations that were implemented by small to medium size independent hotels in Harare in the past five years. Table 9 summarises the issues raised.

**Table 9: Innovation types of small to medium size independent hotels in Harare**

<table>
<thead>
<tr>
<th>Sub-themes</th>
<th>Issues raised</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing innovations</td>
<td>• Marketed through networking with other organisations&lt;br&gt;</td>
</tr>
<tr>
<td></td>
<td>• Used the social media as a marketing communications tool&lt;br&gt;</td>
</tr>
<tr>
<td></td>
<td>• Segmented the market&lt;br&gt;</td>
</tr>
<tr>
<td></td>
<td>• Competitive pricing&lt;br&gt;</td>
</tr>
<tr>
<td></td>
<td>• Offered personalised services&lt;br&gt;</td>
</tr>
<tr>
<td>Product innovations</td>
<td>• Increased recreational facilities for example spa and gym.&lt;br&gt;</td>
</tr>
<tr>
<td></td>
<td>• Introduced ethnic cuisine and local traditional cuisine</td>
</tr>
<tr>
<td>Process innovations</td>
<td>• Computerised based bookings system&lt;br&gt;</td>
</tr>
<tr>
<td></td>
<td>• Connected the internet</td>
</tr>
<tr>
<td>Management innovations</td>
<td>• Used computerised management system (CCTV)&lt;br&gt;</td>
</tr>
<tr>
<td></td>
<td>• Managed across areas or departments</td>
</tr>
</tbody>
</table>

**Source: Field data**

4.4.1 Sub-theme One: Marketing innovations

From the data generated the study revealed that small to medium size independent hotels in Harare implemented various marketing strategies. Small to medium size independent hotels in Harare neither had a marketing officer nor a marketing department due to their small size. Marketing was mainly done by the general manager. One of the marketing strategies adopted was networking with other organizations. In an interview of the managers M2 from hotel H3 noted:
We have got one or two people in government whom we work with and they try and get business for us from the ministries.

Another marketing innovation noted was the use of the social media as a marketing communications tool. Managers indicated that they had moved away from the traditional methods of marketing. They regularly updated their clients through facebook; whatsapp; twitter and linked-in. They noted that some customers preferred giving their feedback and comments on service quality through the social media rather than filling in questionnaires. Social media and networking were viewed by the small to medium size independent hotels in Harare as very powerful marketing communications tools in this age of modern technology. Moving away from traditional marketing methods to modern methods was identified as one of the innovations achieved by small to medium size independent hotels in the past five years. Manager M1 from hotel H1 remarked:

We have also moved away from just traditional marketing to mainly focusing on social media like facebook page where you talk to people about what’s happening in your hotel. You also get feedback from the person who was here last night whom you did not have a chance to meet and chat and in turn you get feedback from him/her on facebook.”

Segmenting the market was another notable marketing innovation by small to medium size independent hotels in Harare. One of the managers M4 from hotel H3 noted:

We have two types of bars for our hotel. Of the two bars one is referred to as a noisy bar and the other as a quiet bar. The noisy bar attracts middle aged
working class group. For the quite bar it does not have a television and it attracts top government and top corporate executives.

Offering personalised services was another marketing strategy adopted by small to medium size independent hotels in Harare. Small to medium size independent hotels in Harare believed that being small made them have a competitive advantage over their competitors as they offered more personalised services than big hotels. Managers argued that their products and services and work processes were not affected by the strategies of their competitors. They argued that their strength lied in giving their customers that personal touch through providing more personalized services unlike the big chain hotels. One of the managers M3 from hotel H1 remarked:

*Our competitive advantage is that we are small and once people come through here they get more attention than in a big hotel whereby there are so many people. We create a home away from home for our customers. We create an environment, product, process, service that feels like home to our customers. We are also more flexible and responsive to the needs of our customers. Guests are the lifeblood of the business and one must do everything within his power to ensure that they have a pleasant day.*

Competitive pricing was another marketing strategy employed by small to medium size independent hotels in promoting products and services. When small to medium size independent hotels set their price they considered the competition around, facilities offered, location and the target market. One of the managers M1 from hotel H1 remarked:

*We focus solely on what the competitors are charging and strive to meet or beat those prices though it’s a difficult strategy for small businesses to maintain,*
because it provides very narrow profit margins that make it challenging for the
business to achieve momentum to grow

From the above findings it can be concluded that small to medium size independent hotels in Harare a number of activities in terms of marketing innovations.

4.4.2 Sub-theme Two: Product innovations

The study revealed that in the past five years small to medium size independent hotels in Harare had done fairly well in terms of product innovations. They had made some efforts to enhance their product portfolio through a number of ways. One manager M4 from hotel H4 noted that his hotel had recently got a gym and a recreational area which was a mini spa where there was a hairdresser, manicurist and beauty therapist. His words were:

We identified some area in the hotel which was not being fully utilised and we decided to utilise it. We renovated some of the rooms to become spa and we changed one of the rooms upstairs to become a gym.

In one of the focus group discussion FGH3, one member noted;

Our rooms used to be carpeted but now they have since been tiled. Our rooms also used to share toilets but they are now en-suites.

This was also agreed to by other members.

Another development noted was in the area of culinary arts. It was noted that some hotels kept on improving their cuisine making it special and unique for their customers. One manager M2 from hotel H1 noted:
We have introduced a variety of cuisine such as ethnic cuisine, like the Italian cuisine, East African cuisine and local traditional cuisine, in an effort to spread our market. We also have a special traditional dish and we are quite popular for serving tsuro (rabbit) with our traditional rapoko sadza. We always have repeat business from our loyal customers who enjoy our dish.

This was also supported by FGH1 members who echoed the same statement. From the above findings the study suggested that small to medium size independent hotels in Harare were making great efforts to enhance their product portfolio by carpeting the rooms that were tiled, converting them to en-suites and setting up gyms and recreational areas in their hotels.

4.4.3 Sub-theme Three: Process innovations

The study revealed that small to medium size independent hotels in Harare had made much effort to improve their operations in the past five years. They had improved their operations by shifting away from the manual system of bookings to computer based system. One of the managers M2 from hotel H3 noted:

Most of the work was done manually and physically and so much work now is computerized. We now have more time managing people and meeting with people as opposed to doing paper work which is now automatically captured in the system when a customer checks in. Everything is managed online.

Another manager, M1 from hotel H2 noted:

We now have internet, unlike before we could email quotations to our customers and also place our orders online.
From the data generated it could be concluded that small to medium size independent hotels in Harare had done much to improve their delivery processes in the past five years.

4.4.4 Sub-theme Four: Management/ Organizational innovations

The study revealed that small to medium size independent hotels in Harare did not do much in terms of management or organisational innovations. Most of the small to medium size independent hotels had come up with an organisational structure which was completely different from the usual hotel structure shown in Figure 6. It was noted that because of their small size, departments had been merged such that managers managed across departments. One of the managers M2 from hotel H1 noted:

*Because of our small size we manager across departments. I as a front office manager I am responsible for front office activities and house-keeping while the food and beverages manager is responsible for the kitchen, bars, restaurants, conferencing and banqueting. Most of these hotels have done away with the post of supervisors.*

Another notable management innovation was computerised management system. It was noted that one hotel managed its employees through a Closed Circuit Television (CCTV). The system was installed in the general manager’s office and it allowed him to monitor the hotel’s activities and operations from one point. The system was viewed as a cost cutting measure. According to the manager there was no need for the organization to employ many managers. If ever there was anything that needed to be drawn to the attention of the staff, the manager just picked a telephone and advised him or her of what needed to be done over the telephone. The manager appeared
also to be excited about the system. When asked about the efficiency and effectiveness of the system M3 from H4 remarked:

*The system is very effective and efficient. Just last week I fired one member of staff whom I caught stealing. I picked it on the camera. If I am away, when I come back I replay the tape so as to see what has been taking place in my absence.*

The above findings suggested that small to medium size independent hotels in Harare had done little in terms of management or organisational innovations in the past five years.

**4.4.5 Summary of the findings**

The following is a summary of the findings on the types of innovations implemented by small to medium size independent hotels in Harare in the past five years. In terms of market innovations the study revealed that various types of innovations were implemented such as marketing through networking, use of the social media as a marketing tool, segmenting the market and focusing on niche market, competitive pricing and offering personalised services to the customers. On the issue of product innovations the study revealed that hotels introduced recreational facilities and also introduced ethnic and local traditional dishes. On process innovations most of the hotels introduced computerised booking systems and internet services. In terms of management innovations hotels were managing across departments and some had introduced computerised management system.
4.5 Theme three: Challenges faced by small to medium size independent hotels in Harare in embracing innovation.

The following section presents analyses and interprets the findings on the challenges faced by small to medium size independent hotels in embracing innovation. Table 10 shows a summary of the challenges faced by small to medium size independent hotels in Harare in embracing innovation.

Table 10: Challenges faced by small to medium size independent hotels in embracing innovation

<table>
<thead>
<tr>
<th>Sub-themes</th>
<th>Issues raised</th>
</tr>
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<tbody>
<tr>
<td>Human capital</td>
<td>Could not afford paying high salaries that attract and retain highly skilled and knowledgeable employees.</td>
</tr>
<tr>
<td>High staff turnover</td>
<td>High staff turnover due to relatively low salaries paid to staff</td>
</tr>
<tr>
<td>Economic slump</td>
<td>Current country’s economic crisis has led to a poor sales.</td>
</tr>
<tr>
<td>Small size of the hotel</td>
<td>Some people still felt they can only get best services from the big hotels.</td>
</tr>
<tr>
<td>Insufficient resources</td>
<td>Challenge of raising enough financial resources to implement some of the innovations</td>
</tr>
<tr>
<td>Price sensitivity</td>
<td>Slight increase in price results in a serious drop in demand</td>
</tr>
</tbody>
</table>

Source: Field data

4.5.1 Sub-theme one: Human capital

The study suggested that one of the challenges faced by small to medium size independent hotels in Harare in embracing innovation was lack of human capital. One of the managers M1 from hotel H1 confessed:
We are a small hotel and we cannot afford paying competitive salaries that can attract skilled and experienced employees. This is one of the constraints we have in implementing innovations that require highly skilled and experienced workforce. We therefore resort to hiring mostly unqualified and inexperienced junior staff which makes it difficult to implement the innovations that required highly trained workforce.

4.5.2 Sub-theme two: High staff turnover

From the data generated, the study revealed high staff turnover as another challenge faced by small to medium size independent hotels in embracing innovation. This was indicated by most of the managers. One of the manager M4 from hotel H3 remarked:

*We have a serious problem of high staff turnover. Because of high level of turnover in the workforce, we are reluctant to invest much in training and this affects us greatly in implementing those innovations that require a highly trained workforce or additional training.*

4.5.3 Sub-theme three: Economic crunch

The study revealed that another challenge faced by small to medium size independent hotels in Harare in embracing innovation was the country’s economic crisis which led too poor sales turnover and this was indicated by most of the managers. One of the managers M3 from hotel H1 remarked:

*People do not have cash and business is low. We cannot think of any new developments. Things are really tough.*
4.5.4 Sub-theme four: Small size of the hotel

The study revealed that the small size of the hotel was another challenge faced by small to medium size hotels in embracing innovation. One of the managers M2 from hotel H3 noted:

“We are a small hotel and this limits us from implementing some of the good ideas that we have in mind. Though we offer personalized services, some people still feel they can only get best services from the big hotels. So at times we lose business to these big hotels because of these perceptions”

4.5.5 Sub-theme five: Insufficient Resources

The study revealed that insufficient resources were also a hindrance in embracing innovation in small to medium size independent hotels particularly financial resources. This also came from a most of the managers. One manager M1 from H2 noted:

Because of the current economic crisis in the country we face a serious challenge of raising enough financial resources to implement some of the innovations. It’s even difficult to secure financial assistance from the financial institutions.

4.5.6 Sub-theme six: Price sensitivity

Price sensitivity was also noted as another challenge faced by small to medium size independent hotels in embracing innovation. One of the managers M4 from hotel H1 noted:

A slight increase in price results in a serious drop in demand and this also results in the business realising very low profit margins. This is all due to the current harsh economic conditions prevailing in the country
From the findings above it can be concluded that the major challenges faced by small to medium size independent hotels in Harare in embracing innovation included human capital, high staff turnover, economic crisis, small size of the hotel, insufficient resources and price sensitivity of customers.

4.5.7 Summary of findings

It can be concluded from the study that the major challenges faced by small to medium size independent hotels in embracing innovation in small to medium size independent hotels in Harare included human capital, high staff turnover, economic crisis, small size of the hotel, insufficient resources and price sensitivity of customers.

4.6. Theme four: Strategic innovative measures to improve operations of small to medium size hotels

The section below presents analyses and interprets the findings on the strategic measures to improve operations of small to medium size independent hotels in Harare. Table 11 shows a summary of the strategic innovative measures to improve operations of small to medium size independent hotels in Harare.
Table 11: Strategic innovative measures

<table>
<thead>
<tr>
<th>Sub-themes</th>
<th>Issues raised</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel and catering training</td>
<td>Hire and engage employees with basic hotel and catering skills and experience.</td>
</tr>
<tr>
<td>Reward strategy and schemes</td>
<td>Implement unbiased reward schemes.</td>
</tr>
<tr>
<td></td>
<td>Reward schemes should focus on the entire organization.</td>
</tr>
<tr>
<td>Service guarantees</td>
<td>Implement service guarantees to motivate operational efficiencies and effectiveness.</td>
</tr>
<tr>
<td>Resource allocating strategies</td>
<td>Adopt resource allocating strategies that push for the implementation of continuous improvements in operations.</td>
</tr>
</tbody>
</table>

Source: Field data

4.6.1 Sub-theme one: Hotel and catering training

The study revealed that one of the strategic measures that could be implemented to improve the operations of small to medium size independent hotels was through basic hotel and catering training. Most managers indicated that their employees lacked basic hotel and catering skills in food service skills, culinary expertise, wine service skills, housekeeping, facilities management skills and customer care. One of the managers M2 from hotel H4 noted:

*We need to embark on training programmes as a way of imparting new skills and knowledge, thereby empowering and motivating employees*
4.6.2 Sub-theme two: Reward strategy and schemes

From the data collected most employees reported that there was need to adopt reward strategies and schemes that were unbiased. It was noted that the reward schemes adopted were biased because service and quality were sacrificed at the expense of profits as owners hoped for quality but rewarded financial performance. Furthermore it was reported that the reward schemes focused on managers instead of the entire organization. One of the staff members in FGH3 noted:

*Most reward schemes are focusing on profit achievements and are not incorporating the non-financial achievements such as service quality. The reward schemes are also focused on managers instead of cascading down the entire organization.*

From the findings, it also emerged that the reward schemes were biased and that there was need for reward schemes to cascade down the entire organization and not just focus on managers. The findings suggested that there was a need to implement proper reward schemes that not only focused on profit achievements but also incorporated non-financial achievements such as service quality.

4.6.3 Sub-theme three: Service guarantees

From the data generated the study revealed that there was need for service guarantees to motivate operational efficiency and effectiveness. One manager M1 from hotel H1 noted:

*There should be service guarantees to motivate operational efficiencies and effectiveness as service quality and business performance strategies in small*
4.6.4 Sub-theme four: Adopt resource allocating strategies that pushed for continuous improvements in operations.

The study revealed that there was need to adopt resource allocation strategies that pushed for the implementation of continuous improvements in operations. One of the managers M3 from hotel H3 noted:

There is need for resource allocating strategies that push for continuous improvements in operations.

The above findings suggested a number of strategic measures that could be implemented by small to medium size independent hotels in improving hotel operations such as hiring and engaging employees with basic hotel and catering skills and experience, implementing unbiased reward schemes, implementing service guarantees to motivate operational efficiencies and effectiveness and adopting resource allocating strategies that push for the implementation of continuous improvements in operations.

4.6.5 Summary of the findings

It can be concluded from the study that the strategic measures that could be employed by small to medium size independent hotels in embracing innovation in Harare include hiring and engaging employees with basic hotel and catering skills and experience, implementing unbiased reward schemes, having reward schemes that focus on the entire organization, implementing service guarantees that motivate operational efficiencies and effectiveness and adopting resource allocating strategies that push for the implementation of continuous improvements in operations.
4.7 Discussion of the research findings

The section discusses the key findings of the study in relation to literature and theories of innovation of small to medium size independent hotels in Harare. Findings on innovative measures employed by small to medium size independent hotels in Harare and types of innovation implemented by small to medium size independent hotels are presented and discussed. The section also discusses the challenges faced by small to medium size independent hotels in embracing innovation. The section ends up by discussing strategic measures that could be put in place to improve the operations of small to medium size independent hotels in Harare.

4.7.1 Theme one: Innovative measures employed by small to medium size independent hotels in the management of business.

The following section discusses the findings in relation to literature on the innovative measures employed by small to medium size independent hotels in managing business in a dynamic and competitive environment.

4.7.1.1 Knowledge management

The study revealed that one of the measures employed small to medium size independent hotels in managing business in Harare was knowledge management. The study revealed that small to medium size independent hotels in Harare managed their knowledge-based resources and applied the collective knowledge within and outside the organization to generate new ideas and to achieve specific organizational goals. This suggested that small to medium size independent hotels in Harare were quite cognisant that knowledge management was one of the sustainable
innovative measures in the management of business. The findings are in line with Abu-Khadair’s affirmations (in Mubaideen, 2012). Abu-Khadair (in Mubaideen, 2012) noted that the benefits of knowledge management were improved decision making process, better implementation of these decisions, increased employees’ knowledge and increased organisational capability to satisfy customers. Improved decision making process led to decisions being made by lower administrative levels using minimum human resources. Better implementation of these decisions was because of the shorter communication links. Increased employees’ knowledge enhanced their job capabilities and capabilities in other duties related to their jobs. Increased employees’ awareness enhanced overall organizational effectiveness while improved internal processes led to decreased costs in the organization.

In managing knowledge based resources and applying the collective knowledge within and outside the organization to generate new ideas, all the cases interviewed showed that small to medium size independent hotels managed their knowledge based resources through various means. Some hotels served their customers with questionnaires before they checked out and encouraged them to comment on the quality of service they received during their stay in the hotel so that they get their views on service delivery. Others created customer data base and regularly communicated with customers, encouraged staff to be always in close contact with customers, welcomed suggestions and views from customers, and engaged customers in new product development.

The study also revealed that small to medium size independent hotels established social relationships with outside organizations. Some of the hotels are members of the Hospitality
Association of Zimbabwe (HAZ). From time to time the association organized conferences and hospitality fairs for its members and small to medium size independent hotels sent delegates to attend. It is during these events that members shared ideas with other delegates and industry captains on service excellence. The findings are in line with Frost (2001) who observes that critical resources for a firm’s innovation performance are found not only within the organization but also outside of it in interaction with suppliers, customers, other companies, universities, and research institutes.

Capaldo (2007) also notes that firms benefit from business ideas that are generated beyond organizational boundaries especially when the capability to repeatedly innovate is a requirement for competing successfully. Miller et al. (2007) also note that knowledge generated from outside the organizational boundary offers potential for new combinations that foster innovation by integrating previous disparate knowledge elements.

4.7.1.2 Designing a vision and strategy for innovation

Also of great concern, the findings of the study showed that small to medium size independent hotels operated with no clear vision and strategy for their organisations’ innovation although the managers underscored the importance of the vision and strategy to their operations. They indicated that a company could not function effectively without the vision, goals and strategies of the organization. The findings revealed that managers and junior staff were not able to articulate the vision and strategy for innovation for their organizations. From these findings one would conclude that small to medium size independent hotels were operating with no clear vision and strategy for their organisations. This is contrary to Lawson and Samson’s (in Schilling
& Werr, 2009) warning that operating without a vision and strategy for the organisation is non-competitive. To Lawson and Samson (in Schilling & Werr, 2009), strategy determines the configuration of resources, products, processes and systems that firms adopt to deal with the uncertainty existing in their environment. They further argue that successful innovation requires a clear articulation of a common vision and the firm expression of the strategic direction. They maintain that the link between vision, strategy and innovation is important for effective innovation management and they consider this a critical step in institutionalizing innovation. Oke (2007) also concurs with Lawson and Samson (2001) in seeing innovation strategy as a requisite for successful innovation in an organization. He asserts that innovation strategy is one of the formal management practices important for supporting innovation in an organization. As noted by Oke (2007), it is important for small to medium size independent hotel managers in Harare to come up with vision and strategies for innovation that will determine the configuration of resources, products, processes and systems to deal with the uncertainty existing in their environment. This will also ensure the competitiveness of their organizations.

### 4.7.1.3 Staff involvement in decision making

With regard to staff involvement, the findings revealed that small to medium size independent hotels involved staff in decision making as one of the sustainable measures in managing innovation in business. The findings also revealed that it was quite impossible to leave out employees in decision making since they had the ability to repair the quality of the service and were always aware of customers’ needs. They also indicated that it was crucial to involve staff so that they can have a buy-in in the business strategy. The findings revealed that employees were involved in decision making through various ways. It was noted that staff attended meetings
organized by their departments from time to time. They were encouraged to come up with suggestions on how best service delivery could be improved. During the focus group discussions staff also echoed the same sentiments that they participated in meetings. The findings resonate with deBrentani’s (2001) view that one success factor determining the outcome of service innovation projects is the involvement of expert front-line personnel in the innovation process. Similarly, Ottenbacher and Harrington (2007) stress the importance of human factors in hospitality innovation, noting that “because of the simultaneity of production and consumption and the importance of human factors in service delivery, employees play a more important role in fine dining innovation than in other product innovation situations.” Isaksen and Ekvall, (2010) also emphasise that organizations need to foster decentralized innovation because front-line employees, those closest to the customers and the work of delivering products and services, have some of the freshest ideas and thoughts.

4.7.1.4 Managing a network of relationships

On the issue of managing a network of relations, the data showed that small to medium size independent hotels managed a network of relations with the customers through several means. Small to medium size independent hotels created database for their clients and from time to time communicated and updated clients of new products. At times they invited their customers during special occasions. They also created customer loyalty through engaging in conversations with customers on their hotel experiences and preferences. This was done either through the internet or social media. The findings are in line with Rohrbeck et al’s (2010) observation that integrating the customer in the innovation process is a powerful means to reduce uncertainty and failure rates and to increase the revenue from new products. The findings also support Welch and
Wilkison’s (2002) assertion that developing a good working relationship with customers is a means by which a firm understands and serves customers’ needs and co-develops new products and services.

With regard to managing relationships with competitors, findings revealed that small to medium size independent hotels had a generally weak relationship with their competitors. It was noted that small to medium size independent hotels hardly had any cooperative relationships with their competitors. Only managers would meet and share ideas by visiting each other in their organisations. This was contrary to the assertions by Welch and Wilkison (2002) that cooperative relationships among competitors may be developed for various purposes. Also of great concern was the poor management of relationships with suppliers. From the data gathered there were no indications that small to medium size independent hotels in Harare managed relationships with suppliers. This is despite Dyer and Singh’s (1998) assertion that relationships with suppliers of strategically valuable products and services can be an important and durable source of competitive advantage and one that is hard for others to imitate or steal.

On the issue of managing relationships with complementors again the findings revealed that the relationship was quite fair. The study revealed that small to medium size independent hotels in Harare managed a network of relationships with other organizations and were quite cognisant that it was one of the sustainable innovative measures in managing business. They participated in these innovation networks through various ways. They established social relationships with outside organizations like local universities; colleges; Zimbabwe Tourism Authority and Hospitality Association of Zimbabwe. This idea is in line with Dyer and Singh (1998) who say firms develop relationships with many other types of firms whose outputs or functions increase
the value of their own outputs for instance joint marketing schemes, whereby firms cooperate in reaching out to customers in the form of joint promotion agreements. They also note that suppliers of complementary products and services may also be innovation partners, as new products can arise from recombining their outputs in productive ways. These relationships include relationships with government agencies that can be important in entering new markets or in keeping informed about legislative developments.

In conclusion, small to medium size independent hotels in Harare acknowledge that a firm’s innovation performance is found not only within the organization but also outside of it, in interaction with suppliers, customers, other companies, universities, and research institutes. The findings confirm Bougrain and Haudeville’s (2002) view that SMEs must not only be able to develop their internal development activities but they also have to be able to strengthen their abilities to collaborate with other companies as well as with customers. The findings also corroborate Jørgensen and Ulhøi’s (2010) idea that participation in innovation networks is a solution for increasing SMEs’ abilities to transform their new ideas into practice. Miles (2000) also emphasises that service firms that want to be innovative need to think of themselves as part of innovation networks. He argues that service firms can interact and exchange resources, knowledge and ideas with actors in their environment such as customers and innovation partners.

4.7.1.5 Customer involvement in value creation

Of interest also was the issue of customer involvement in managing innovation in small to medium size independent hotels in Harare. It emerged from the findings that small to medium size independent hotels involved their customers in the value creation and delivery process as
one of the sustainable measures in managing innovation. Small to medium size independent hotels encouraged staff to be always in close contact with customers and to welcome suggestions and views from them. Suggestions from the customers were brought to the attention of the management for consideration. Customers were encouraged to give suggestions on how best service delivery could be improved. Before checking out customers were given questionnaires to complete and comment on the quality of service they got during their stay.

Findings also revealed that small to medium size independent hotels engaged their customers in new product development. They invited some of their guests to visit the hotel for some special occasions like when launching a new product. This they said enabled them to get repeat business and new customers through referrals. In some instances the hotel managers took time to interact with guest. They walked around during the breakfast, buffet and casually engaged hotel guests to see how they felt about their stay. The findings above support Isaksen and Ekvall, (2010) who stated that customer involvement is crucial during the course of product development to actualize a commercial product. Rohrbeck et al. (2010) also emphasise that integrating the customer in the innovation process is a powerful way to reduce uncertainty and failure rates and to increase the revenue from new products.

It can be concluded that small to medium size independent hotels in Harare realized the importance of customer involvement in value creation as a sustainable innovative measure in the management of business.
### 4.7.1.6 Implementing human resource practices that encourage innovation

The need for proper human resource practices that encourage innovation cannot be overemphasized in managing innovation in small to medium size independent hotels in Harare. It emerged from the study that certain human resources practices that encourage innovation were being implemented by small to medium size hotels in Harare. These included practices like employee participation, communication, performance measurement, teamwork, and training.

On the issue of employee participation emerged that it was quite impossible to leave out employees in decision making since they had the ability to repair the quality of the service and were always aware of customers’ needs. It also emerged that employees could not be left out since they analysed the customers’ demands, and they knew how they should be fulfilled and they also had the necessary knowledge and experience to develop the new service.

With regard to performance measurement it emerged that a systematic performance appraisal to employees motivated and helped to retain competent staff. The system was based on process and group performance. It also emerged that for the staff members who excelled in their performance, they were rewarded while those who failed to realise their targets were further trained so they could cope in future. The findings support Chen and Hung’s (2010) idea that improving the competence of workforce through training and development activities is a way of creating a competitive advantage. Training is employed not only to improve an employee’s current skills, but also to prepare each employee for future responsibilities.

On the issue of training, the results showed that managers organized in-house training workshops
from time to time for employees. It emerged that training helped to equip employees with necessary skills and knowledge that made them to be more competent in delivering services. The findings are in line with Jackson and Schuler’s (2005) idea that competitive organizations use training and development practices to improve the ability of the workforce to implement their business strategy. Although it was noted that small to medium size independent hotels in Harare made efforts to implement human resources practices that encourage innovation, it also emerged from this study that some practices were not fully and effectively implemented. Of great concern was the hiring of unqualified staff. The findings revealed that most junior staff had no formal qualifications. Most of the staff had been given on the job training. The managers noted that the relative low wages that they offered their employees as small hotels did not attract and retain highly qualified and experienced employees which led them to resorting to unqualified personnel. Qualified and experienced employees soon left for bigger and more paying hotels. Shafique (2012) also asserts that recruitment should be proactively focused on bringing the specific kind of skills and experiences in the organization and not simply be a question of filling gaps. Khandekar and Sharma (2005) also observe that the key HR activities directly relevant to organisational capability are attracting and retaining individuals with the skills related to the core competencies of the organization. In terms of communication the findings revealed that small to medium size independent hotels communicated with their employees on a regular basis through meetings, memorandums and daily briefings.

The findings also established that a number of small to medium size independent hotels in Harare had no attractive compensation packages and rewards to retain staff. Staff motivation was generally low among these hotels. Staff complained of long working hours, nights and weekend
schedule and low job security. Khandekar and Sharma (2005) note that the key HR activities directly relevant to organisational capability are attracting and retaining individuals with the skills related to the core competencies of the organization. Jackson and Schuler (2005) also posit that total compensation system must provide pay that is sufficient to attract and retain key employees and keep them motivated to perform at the best of their competences. Unless the total compensation programme is perceived as internally fair and externally competitive, good employees are likely to leave (Jackson & Schuler, 2005).

As noted by Jimenez-Jimenez, Sanz-Valle and Hernandez-Espallardo (2008) failure to fully implement human resource practices that encourage innovation proves to be non-sustainable for the organizations. Jimenez-Jimenez, Sanz-Valle and Hernandez-Espallardo (2008) provides evidence of a positive relation between Human Resource Management and innovation and assert that the adoption of human resource management practices encourage innovation in business. They observe that human resource management practices that enhance innovation include flexibility in job definition, autonomy, employee participation, communication, teamwork, training and use of polyvalence and organizational culture’s fit as criteria for selecting people, employment security, broad career paths, systematic performance appraisals based on process and group performance, attractive compensation package and variable rewards.

**4.7.1.7 Creating an appropriate organizational climate for innovation**

From the findings it emerged that small to medium size independent hotels in Harare made efforts to create an appropriate organizational climate for innovation. Managers viewed sustaining a positive working climate as key to delivering a high quality customer service and as a means of addressing the issue of staff retention. They viewed an appropriate climate for
innovation as one of the sustainable measures in managing innovation. Staff indicated that they had a positive working environment achieved through a combination of measures.

Some hotels had launched staff appraisal systems such that members of each department sat together and set their performance targets. Other measures included staff inductions and staff evaluations. When new staff arrived, they got induction packages which set out what they should expect in the first few days of work and during their initial training programme. They were then trained for all departments. The staff members were placed in the departments where they were best suited and happiest. In addition regular staff meetings were held. From the findings, it emerged that the managers made deliberate efforts to be seen as approachable and friendly to all members of staff. This was strongly reflected in the focus group discussions with staff who all viewed their managers as open and approachable and their main point of contact if they had any issues. The findings suggest that small to medium size independent hotels created an appropriate climate for innovation that allowed staff to freely generate and share ideas and suggestions on how best they could improve service delivery.

The findings corroborate the assertions by Isaksen and Ekvall, (2010) who posit that an appropriate climate for innovation enabled people to share and build upon each other’s ideas and suggestions. Davis (2000) also asserts that those organizations with better scores on the climate dimensions have higher levels of growth in market capitalisation, revenues and profitability.

It can be concluded that small to medium size hotels in Harare are conscious of creating an appropriate organisation climate for innovation as one of the sustainable innovative measures for managing business.
4.7.2 Theme two: Types of innovations implemented by small to medium size independent hotels in Harare

This section discusses the findings on types of innovations implemented by small to medium size independent hotels in Harare in the past five years.

4.7.2.1 Marketing innovations

The study revealed that small to medium size independent hotels in Harare generally focused more on marketing innovations than on any other forms of innovation. In the context of this study, marketing innovations are meant to help the firm understand the clients’ needs and help boost sales.

In an effort to productively market their products and services most of these hotels have adopted various strategies. Small to medium size independent hotels marketed their products and services through networking. They also adopted the social media as a marketing communications tool. They have moved away from the traditional methods of marketing. They regularly update their clients on new developments through facebook; whatsapp; twitter and linked-in. One manager noted that some customers preferred giving their feedback and comments on service quality through the social media. Social media and networking were viewed by the small to medium size independent hotels in Harare as very powerful marketing tools in this age of modern technology. Moving away from traditional marketing methods to modern methods was noted as one of the innovations achieved in the past five years.
Another marketing innovation achieved by small to medium size hotels in the past five years was segmenting the market. The findings revealed that some hotels were now mainly targeting two main groups, the middle class group as well as top class executives like top government executives and top corporate executives. The hotels have come up with two types of bars. The setup of the two bars is different. Of the two bars, one is referred to as a noisy bar and the other as a quiet bar. It emerged that the noisy bar attracted middle aged working class group and the quite bar had no television in it and it attracts top government executives and top corporate executives. This suggests that there is need for these hotels to articulate the different needs for the different market segments.

Offering personalised services was another marketing strategy adopted by small to medium size independent hotels in Harare. Most of the small to medium size independent hotels in Harare believed that being small gave them a competitive advantage over their competitors as they could offer more personalized services. Some of the managers pointed out that their products and services and work processes were not affected by the strategies of their competitors. They argued that their strength lay in giving their customers that personal touch through providing more personalized services unlike the big chain hotels.

Competitive pricing was another marketing strategy employed by small to medium size independent hotels in promoting their products. These hotels set their price considering the competition around; facilities offered; location and the target market.
The study findings indicated that small to medium size independent hotels were making efforts in addressing customers’ needs with the objective of increasing the hotel’s sales. The findings affirm what Hankinton (2004) noted that marketing innovations are meant to enhance the relationship between the firm and its clients resulting in better sales.

4.7.2.2 Product innovations

With regard to product innovations, the study revealed that small to medium size independent hotels in Harare had made some efforts to enhance their product portfolio. The rooms that were carpeted had been tiled and rooms that used to share toilets had been converted to en-suites. It also emerged that some hotels had recently got gyms and recreational areas which area mini spa where there is a hairdresser, manicurist and beauty therapist.

Another development noted has been in the area of culinary arts where small to medium size independent hotels have improved their cuisine by offering special and unique cuisine for their customers. The findings revealed that in the past five years some hotels had introduced a variety of cuisine like the Italian cuisine, East African cuisine and local traditional cuisine. The findings suggest that small to medium size independent hotels in Harare are conscious that product innovation is an essential component of competitiveness and a fundamental instrument of growth as alluded to by Gunday et al (2011) who says product innovation is an essential component of competitiveness. They further consider product innovation as one of the fundamental growth strategies to enter new markets, to increase the existing market share and to provide the company with a competitive edge. However, it is worrying to observe that among the products developed by small to medium size independent hotels in Harare, none of the new tourism products
developed in recent years had been noted. These included loyalty programmes and environmentally sustainable accommodation facilities noted by Hjalager (2010).

4.7.2.3 Process innovations

In terms of process innovations, the findings show that in the past five years there has been some process innovations, though little, done by small to medium size independent hotels in Harare. The findings revealed that small to medium size independent hotels have shifted away from the manual system of booking to computer based system.

It also emerged that managers used to operate without internet but they now had internet and they were able to email their quotations and made orders online. It was also encouraging to note that some hotels had introduced some major process innovations in tourism like computerized management and monitoring systems. The system was viewed as a cost cutting measure. The findings indicate that small to medium size independent hotels realise how crucial process innovations are in the management of business as confirmed by Hjalager (2010) who notes that process innovations are intended to lower costs and enhance service quality.

4.7.2.4 Management/ Organizational innovations

The study revealed that small to medium size independent hotels in Harare had done little in terms of management or organisational innovations in the past five years. They came up with an organizational structure which was completely different from the usual hotel structure. It was noted that because of their small size departments had been merged such that managers managed
across departments or areas for instance the Front office manager was responsible for front office activities and house-keeping while the Food and Beverages manager was now responsible for the kitchen, bars, restaurants, conferencing and banqueting. The hotels had done away with the post of supervisors.

The fact that little had been done in terms of management or organizational innovations suggested that probably small to medium size hotels had a challenge in realising the importance of management innovations in improving a firm’s performance as alluded to by Ottenbacher and Gnoth (2005) who note that organisational innovations increase a firm’s performance by reducing administration costs or transaction costs, improving workplace satisfaction, gaining access to non-tradable assets or reducing costs of supplies. Hjalager (2010) also notes that management innovations consist of new job profiles, collaborative structures, and authority systems often in combination with the introduction of new products, services and production technologies. They deal with ways of organizing internal collaboration, directing and empowering staff, building careers and compensating work with pay and benefits. The findings also suggest that probably the management is not well conversant with the management innovations and their importance in the management of business.

4.7.3 Theme three: Challenges faced by small to medium size independent hotels in embracing innovation

The following section discusses the findings in relation to literature on the challenges faced by small to medium size independent hotels in embracing innovation.
4.7.3.1 Lack of resources

The findings revealed that insufficient resources, particularly financial resources, were one of the challenges faced by small to medium size independent hotels in Harare. The findings showed that because of the current economic crisis in the country small to medium size independent hotels faced a serious challenge in raising enough financial resources to implement innovations. The harsh economic environment also caused serious cash flow problems. It also emerged that it was difficult to secure financial assistance from the financial institutions and this limited the implementation of the innovations. The findings support Ortega-Argiles et al’s (2009) assertion that compared to large firms, SMEs exhibit lack of financial assets, have weaker competencies and absorptive capacity, and are not able to enjoy benefits of scope and scale.

4.7.3.2 Lack of economies of scale

With regard to economies of scale, the study revealed that small to medium size independent hotels in Harare did not enjoy the economies of scale and this limited them from implementing innovations in their organizations. From the findings, it emerged that big hotels enjoyed the economies of scale and had a tendency to lower their price to match those of small hotels. Once the price of big hotels matched those of small hotels, customers preferred going to big hotels as big hotels had better standards. This resulted in small hotels further lowering their price to attract business and by so doing affecting their profit margin. The findings are in line with Peters and Weiermair’s (2002) observation that small businesses lack economies of scale and are not able to raise profit margins which allow small units to reinvest in research and development, market research, product development, skill or creativity enhancement. They further state that small and medium size enterprises in tourism are still reluctant in terms of cooperation or strategic alliances.
with other competitors. They are therefore, not able to gain economies of scope which increases product and services variation and thus customers’ freedom of choice.

4.7.3.3 Lack of innovation infrastructure

The study revealed that the difficulty in accessing certain technologies was another hindrance in embracing innovation in small to medium size independent hotels in Harare. The findings indicated that due to insufficient resources managers could not afford acquiring certain technologies that could boost both productivity and the innovative potential of their organisations. Peters and Weiermair (2002) note that technologies can boost both productivity and the innovative potential of an industry.

4.7.3.4 Human capital

Another challenge faced by small to medium size independent hotels in Harare in embracing innovation was lack of human capital. The findings revealed that small to medium size independent hotels could not afford paying those salaries that attracted and retained qualified personnel due to their small size. Qualified and experienced staff soon left for bigger and better paying organizations. This resulted in them hiring mostly unqualified and inexperienced junior staff which made it difficult to implement those innovations that required highly trained workforce. Most of the junior staff had no formal qualifications. According to Lynn (2002), human capital includes the skills and abilities owned by the employees within organizations that create and preserve an organisation’s wealth and is also one of the key resources of intellectual capital. Piiazza-George (2002) considers human capital as the stock of personal skills that
economic agents have at their disposal. Chen and Lin (2003) defines human capital as the investments made by the company in talents and technologies that benefit competitive advantage and that are valuable and unique, and are to be kept out of reach of other companies.

Subramaniam and Youndt (2005) argue that human capital is a source for new ideas in an organization because it is in these individuals that organizations find the greatest diversity of skills, the most flexibility to acquire new knowledge, and enhanced ability to question the prevailing norms and create new ways of thinking. Literature has also shown that innovation activity can stem from exchanging and combining existing knowledge (Rodan & Galunic, 2004; Tai, 2001) suggesting that the higher the level of employees’ knowledge, skills and abilities, the greater the opportunities will be for these processes to occur. Peters and Weiermair (2002) also note that dependence on a large supply of semi-skilled and cheap manpower is another hindrance to innovation especially in the hotel industry.

4.7.4 Theme four: Strategic innovative measures for improving operations of small to medium size independent hotels.

The following section discusses the findings on strategic measures that could be employed to improve the operations of small to medium size independent hotels in a dynamic and competitive environment.

4.7.4.1 Basic hotel and catering training

The study revealed that one of the strategic measures that could be implemented to improve the
operations of small to medium size independent hotels was through basic hotel and catering training. The findings showed that employees lacked basic hotel and catering skills and experience in food service skills, culinary expertise, wine service skills, housekeeping, facilities management skills, customer care and supervisory skills. These findings depict the lack of sufficiently qualified personnel to initiate and support innovation and the need for training as, according to Chen and Hung, (2010) improving the competence of workforce through training and development activities is a way of creating competitive advantage. Training is employed not only to improve an employee’s current skills, but also to prepare each employee for future responsibilities. According to Jackson and Schuler (2005) competitive organizations use training and development practices to improve the ability of the workforce to implement their business strategy.

4.7.4.2 Unbiased reward strategy and schemes

From the findings, it emerged that the reward schemes were biased and that there was need for reward schemes to cascade down the entire organization and not just focus on managers. The findings also revealed that the quality was sacrificed at the expense of profits as owners hoped for quality but rewarded financial performance. The findings suggest that there is a need to implement proper reward schemes that not only focus on profit achievements but also incorporate non-financial achievements such as service quality. There is a need for an unbiased reward strategy and schemes in order to improve the operations of small to medium size enterprises.
4.7.4.3 Adopting resource allocation strategies that would enhance innovation

The study revealed that there was a need to adopt resource allocation strategies that pushed for the implementation of continuous improvements in operations. The findings are in line with Loof and Heshmati (2002) who note that innovation-oriented firms direct resources specifically towards innovative ideas, regardless of the employee’s job title, and reduce bureaucratic red tape needed to get approval to pursue an idea. Henard and Szymanski (2001) also state that these firms provide sufficient resources to fully develop and sustain innovation within the organization at a higher rate than competitors and recognize that the innovative process is a long-term investment requiring commitment.

4.7.4.4 Engagement of qualified and experienced staff

From the findings it emerged that there was need to engage qualified and experienced staff in order to improve the operations of small to medium size independent hotels. The findings are in line with Blumentritt (2004). He notes that hiring people who will help to take the company in the right direction is a strategy for enhancing innovation. Blumentritt (2004) claims that most successful innovative change efforts succeed because of the people who are involved in making the change a reality. According to Blumentritt (2004), there are three main characteristics to look for when hiring a new person into an increasingly innovative culture: curiosity, talent and motivation. Curiosity is important because people who are curious generally ask a lot of questions and usually have a very creative mentality that helps to stimulate innovation. Likewise, talent is needed in order to understand how things work and finally motivation is necessary so that innovative efforts are not only devised, but also carried out to completion. In addition, he argues that one should also look for new hires that have diverse work experiences, education,
demographics, knowledge, skills and abilities so as to bring new perspectives to the table. Newly hired employees can also bring excitement, which can help build support and energy for the change initiative. If one chooses to hire new employees it is critical that the new hires fit with the budding new innovative culture in order to maintain it (Kotter & Cohen, 2002).

4.7.5 Theories of innovation

The following section discusses theories of innovation in relation to the study’s findings.

4.7.5.1 Resource Based Theory of innovation.

In this study, it was found that organizational resources were one of the factors that determined the innovation capacity of small to medium hotels in Harare. The findings revealed that small to medium size independent hotels in Harare faced challenges in embracing innovation and these included lack of both material and financial resources, lack of economies of scale, lack of innovation infrastructure and lack of adequate human capital. Small to medium size independent hotels faced serious challenges in raising enough financial resources to implement innovations. They had difficulties in accessing certain technologies that could boost both productivity and the innovative potential of their organisations. They could not afford paying those salaries that attracted and retained qualified personnel due to their small size and due to low profit margins resulting in them hiring mostly unqualified and inexperienced junior staff which made it difficult to implement those innovations that required highly trained workforce.

The findings of the study confirm the resource based theory of innovation which is based on the fundamental premise that organizational resources and capabilities determine a firm’s capacity for innovation (Teece & Psano, 1994; Helfat, 1997) and that competitive advantage lies in the
resources an organisation can access and exploit, not in its ability to manage the environment (Barney, 1991; Campbell, Stonehouse & Houston, 2004; David, 2007; Dess, Lumpkin & Eisner, 2007; Idris & Hussain, 2003; Kolk & Pinkse, 2006; O’Regan & Ghobadian, 2004; Riahi-Belkaoui, 2003). Superior competitive advantage is derived from the set of resources and capabilities controlled by a firm that are valuable, rare, imperfectly imitable, and non-substitutable (VRIN) (Barney, 1991). Barney (1991) further states that if a resource possesses all the four attributes, then it is considered to be highly heterogeneous and immobile, making it a strategic source of superior competitive advantage. The presence of different organizational resources and capabilities can positively affect the outcome of the innovation process (Leonard-Barton, 1995). This means that relevant resources and capabilities must exist together in order to create a superior competitive advantage for the small tourism firms. Eisenhardt (1989) argue that dynamic capabilities should be conceptualized as tools that manipulate resource configurations; since long-term competitive advantage lies in resource configurations via dynamic capabilities and not in the actual dynamic capabilities themselves. According to Bowman and Ambrosini (2003) dynamic capabilities are regarded as the firm’s ability to renew its existing resources in response to environmental changes. Helfat et al. (2007) viewed dynamic capabilities as the ability of a firm to continuously develop its resource base.

Within this perspective, organizational resources (tangible and intangible) are taken to provide the input that in turn is combined and transformed by capabilities to produce innovative forms of competitive advantage (Leonard-Barton, 1995).

4.7.5.2 The Dynamic Capability Innovation theory

The findings of the study also revealed that implementation of innovation capabilities in the
management of business enhanced the innovation and sustainability of small to medium size independent hotels in Harare. The innovation capabilities included measures like designing a vision and strategy for the hotel, knowledge management, customer involvement in value creation, staff involvement in decision making, implementing human resources practices that encourage innovation; creating an appropriate organizational climate for innovation and managing a network of relationships.

The findings confirm the dynamic capability innovation theory which is built upon the resource based theory (Teece et al, 1990). Teece et al (1997) defines dynamic capabilities as the firm’s ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments while Wang and Ahmed, (2004) define innovative capability as a firm’s ability to develop new products and/ or markets, through aligning strategic innovative orientation with innovative behaviours and processes. Dodgson et al. (2008) define it as bundles and patterns of skills used by firms to formulate and implement an innovation strategy involving the creation, extension and modification of those resources used for innovation while Bell (2009) defines innovation capabilities as the capabilities needed to imagine, develop and implement new configurations of product and process technology and to implement changes and improvements to technologies already in use.

4.8 Chapter summary

From the data generated, the study revealed that small to medium size independent hotels in Harare were family owned or owned by a small consortium and they offered limited services and facilities. The target market was mainly business travellers. The study also revealed that small to
medium size independent hotels in Harare employed a number of innovative measures in managing business such as knowledge management, implementing human resources that encourage innovation, managing a network of relationships with other organisations, managing a relationship with customers, customer involvement in product creation, creating an appropriate environment for innovation. The study also revealed that small to medium independent hotels did not implement some of the innovative practices that encouraged innovation such as designing a business strategy for innovation, hiring unqualified staff, hiring and engaging semi-skilled managers and biased performance rewards. On the types of innovations the study revealed that small to medium size independent hotels implemented innovations such as marketing innovations, product innovations, process innovations and management innovations. In terms of challenges the study revealed that small to medium size independent hotels faced challenges such as human capital, high staff turnover, small size of the hotel, price sensitivity and insufficient resources in embracing innovation. In terms of the strategic measures the study revealed that there was need for small to medium size independent hotels in Harare to hire and engage employees with basic hotel and catering skills, implement unbiased reward schemes, implement service guarantees to motivate operational efficiencies and effectiveness and adopt resource allocation strategies that pushed for the implementation of continuous improvements in operations. The following chapter presents the summary, conclusions and recommendations of the study.
CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The previous chapter presented the discussion of the key findings of the study in relation to literature on innovation in small to medium size independent hotels in Harare. This chapter presents a summary of the main ideas, summary of the main findings, conclusions of the study, contributions of the study, limitations of the study, recommendations for practice and recommendations for further research.

5.2 Restating of the research questions

The purpose of the study was to explore and seek an in-depth understanding of how small to medium size independent hotels in Harare managed innovation in a dynamic and competitive environment.

5.2.1 Research objectives

The study sought to achieve the following objectives:

- To establish the characteristics of small to medium size independent hotels in Harare.
- To assess the types of innovations implemented by small to medium size independent hotels in the management of business.
- To assess the innovative measures employed by small to medium size independent hotels in the management of business.
• To investigate the challenges faced by small to medium size independent hotels in enhancing innovation.

• To establish the strategic innovative measures that can improve the operations of small to medium size independent hotels.

• To design a model of innovation for small to medium size independent hotels.

The following research questions guided the study:

5.2.2 Main research question
How do small to medium size independent hotels in Harare manage innovation in their business?

5.2.3 Research sub-questions

• What innovative measures are employed by small to medium size independent hotels in the management of business?

• What types of innovations are implemented by small to medium size independent hotels in Harare in the management of business?

• What challenges do small to medium size independent hotels in Harare face in embracing innovation?

• How could operations of small to medium size independent hotels in Harare be improved through use of strategic innovative measures?

5.3 Summary of findings
The following section presents a summary of the findings for the study.
5.3.1 Characteristics of small to medium size independent hotels in Harare

The study revealed that small to medium size independent hotels in Harare were characterised by flat structures and offered very limited services and facilities. Their target market were mainly business travellers.

5.3.2 Sustainable innovative measures employed in the management of business

The study revealed that the following innovative measures were employed by small to medium size independent hotels in managing business in Harare:

- Small to medium size independent hotels in Harare managed their knowledge-based resources and they applied the collective knowledge within and outside the organisation to generate new ideas and to achieve specific organisational goals.

- Small to medium size independent hotels in Harare effectively managed a network of relationships with other organizations through establishing social relationships with the organizations which suggested that they were aware of the importance of external sources of knowledge for the development and commercial success of innovation.

- Small to medium size independent hotels managed a network of relationships with their clients suggesting that small to medium size independent hotels were aware that customers were a critical resource for a firm’s innovation performance and that firms benefited from business ideas that arose beyond organisational boundaries.

- Small to medium size independent hotels engaged their customers in new product development suggesting that most small to medium size independent hotels in Harare had realised the importance of integrating the customer in the innovation process as a
powerful means to reduce uncertainty and failure rates from new products as well as to increase the revenue.

- Small to medium size independent hotels in Harare involved their employees in decision making suggesting that most small to medium size independent hotels in Harare were aware of how beneficial it was to involve their employees in achieving innovations that were valued by customers.

- Small to medium size independent hotels created appropriate organisational climate for innovation suggesting that sustaining a positive working climate was viewed by the managers as key to delivering a high quality customer service and a means of addressing the issue of staff retention.

- Managers communicated new developments in the organisation with staff.

The study also revealed that the following innovative measures were not employed by small to medium size independent hotels in the management of business.

- Small to medium size independent hotels in Harare operated with no clear business strategy for innovation.

- Small to medium size independent hotels did not fully and effectively implement human resource practices that encouraged innovation. This was manifested in hiring unqualified and inexperienced staff, hiring and engaging semi-skilled managers and biased performance rewards.

### 5.3.3 Types of innovations implemented by small to medium size independent hotels

The study showed that small to medium size independent hotels implemented various types of innovations such as marketing innovations, product innovations, process innovations and
management innovations. Marketing innovations included innovations such as marketing products and services mainly through networking, using social media as a marketing communications tool, segmenting the market, competitive pricing and offering personalized services. Product innovations included innovations such as developing recreational facilities for example spa and gym, introducing ethnic dishes and local traditional dishes. Process innovations included innovations such as introducing computerising bookings systems and use of the internet. Management innovations included innovations such use of computerised management system for example CCTV and managing across areas or departments.

5.3.4 Challenges faced by small to medium size independent hotels in embracing innovation

The study revealed that small to medium size independent hotels in Harare faced challenges such human capital, high staff turnover, economic crisis, small size of the hotel, insufficient resources and price sensitivity in trying to embrace innovation.

5.3.5 Strategic innovative measures to improve operations of small to medium size independent hotels

The study revealed that the strategic innovative measures that could be employed by small to medium size independent hotels in Harare in embracing innovation included measures such as hiring and engaging employees with basic hotel and catering skills and experience, implementing unbiased reward schemes, focusing reward schemes on the entire organization, implementing service guarantees to motivate operational efficiencies and effectiveness and adopting resource allocation strategies that push for the implementation of continuous improvements in operations.
5.4 Conclusions of the study

The study sought an in-depth understanding of the innovative measures employed by small to medium size independent hotels in the Harare in managing business in a dynamic and competitive environment. The study was anchored in the interpretivist paradigm and underpinned by the resource based theory and the dynamic capability innovation theoretical framework. It adopted a qualitative multiple case study design. A purposive sample of fourteen managers and thirty junior staff was drawn from five small to medium sized independent hotels in Harare. Data were collected using qualitative interviews and focus group discussions and were analysed for content using thematic analysis. The conclusions of the study are below:

5.4.1 Characteristics of small to medium size independent hotels

It can be concluded from the study that small to medium size independent hotels have their own unique characteristics from those of chain hotels.

5.4.2 Sustainable innovative measures employed in the management of business

It can be concluded from the study that small to medium size independent hotels in Harare not implemented a variety of innovative measures in the management of business. However there was a problem in the implementation of human resources practice as some human resource practices that encouraged innovation where not implemented. It can also be concluded that small to medium size independent hotels operated with no clear direction since they operated with no clear articulation of a common vision and strategy for innovation. It was also noted that small to medium size independent hotels had a generally weak cooperative relationship with their competitors. The study revealed that small to medium size independent hotels hired unqualified
junior staff with no formal qualifications. The hotels did not have attractive compensation packages and rewards to retain staff and attract competent staff.

5.4.3 Types of innovation implemented by small to medium size independent hotels

The study revealed that small to medium size independent hotels in Harare generally focused more on marketing innovations than on any other forms of innovation. There were limited numbers of innovation activities implemented in other areas like product innovation, process innovation and management or organizational innovations. From the findings it can be concluded that there is a positive relationship between innovative measures employed by small to medium size independent hotels and the innovation activities implemented by these hotels.

5.4.4 Challenges faced by small to medium size independent hotels in embracing innovation

The findings revealed that small to medium size independent hotels in Harare faced a number of challenges in embracing innovation. These comprised lack of resources, absence of economies of scale, lack of innovation infrastructure and human capital. The challenges also compromised the management of innovation and competitiveness in small to medium size independent hotels. From the findings it can be concluded that there is a negative relationship between the challenges faced by small to medium size hotels and the innovation and competitiveness of these hotels.

5.4.5 Strategic innovative measures to improve operations of small to medium size independent hotels

The study revealed that strategic innovative measures like basic hotel and catering training, unbiased reward strategy and schemes, adoption of resource allocation strategies that pushed for
innovation and engagement of skilled managers and qualified and experienced staff could improve the operations of small to medium size independent hotels. From the findings it can be concluded that implementation of strategic measures improves the operations of small to medium size independent hotels.

5.5. Implications and recommendations

5.5.1 Implications

The findings of the study reflected that there was a need for owner/ managers of small to medium size independent hotels to re-strategise the way they managed innovation and competitiveness in their hotels in order to remain competitive in the market. That is, small to medium size independent hotels should engage qualified and competent staff in order to effectively manage innovation and should develop a vision and strategies for innovation.

5.5.2 The Potential Contribution to the study

Though carried out on a small scale, the study potentially provided insights on how small to medium size independent hotels managed business and innovation in a dynamic and competitive environment. The proposed model for managing innovation and competitiveness of small to medium size independent hotels in figure 7 informs various stakeholders on how small to medium size independent hotels could manage business in a dynamic and competitive environment. It outlines the strategic measures that could be used to improve the operations of small to medium size independent hotels.
5.5.3 Recommendations emanating from the study

An analysis of the findings presents the recommendations that could improve the operations of small to medium size independent hotels in Harare.

- SMEs must strategically plan for innovation and move beyond continuous improvement, and such plans must avoid quick fixes and address the underlying cultural barriers to innovation, such as organisational structure, owner-manager leadership issues, a lack of empowerment and lack of use of employees’ ideas and suggestions for innovation.
- Small to medium size hotels should participate in innovation networks as a solution for increasing their abilities to transform their new ideas into practice.
- Small to medium size independent hotels should hire people who will help to take the company in the right direction. They should look for new hires that have diverse work experiences, education, demographics, knowledge, skills and abilities so as to bring new perspectives to the table.
- Small to medium size independent hotels should address innovation in a more integrated and systematic way.
- Small to medium size independent hotels should use innovation to differentiate their products and services from those of their competitors so as outperform them.
- Small to medium size independent hotels should cooperate or form strategic alliances with other competitors in order to enjoy the economies of scale. Inter-organisational partnerships have become a useful cooperative strategy that can improve business success of small firms.
- Small to medium size independent hotels should provide opportunities for learning and develop fair wages; benefits; and career advancements in order to attract and retain
competent staff. The industry is becoming increasingly more complex and requires
greater skills from all levels of employees.

In addition to the above recommendations the study also presents and discusses a proposed
model that could also be used for managing innovation and competitiveness in small to medium
size independent hotels. The assumption is that the model could help managers of small to
medium size independent hotels in Harare enhance innovation and competitiveness in their
organisations.
Figure 7: Proposed model for managing innovation and competitiveness in small to medium size independent hotels.

Source: Field data
• **Design a vision and strategy for innovation**

The management for small to medium size independent hotels will need to design a vision and strategies for innovation for their organisations that will determine the configuration of resources, products, processes and systems to deal with the uncertainty existing in their environment. In designing the vision and strategies they have to involve staff since staff should have a buy-in in the vision and strategy. Staffs are also the implementers of strategy and they are closest to the customers and have some of the freshest ideas and thoughts on customers’ needs.

• **Provide resources for innovation**

After designing the vision and strategies for innovation, management should provide the resources for innovation. Organizational resources are one of the factors that determine the innovation capacity of small to medium size hotels. Shortages of resources will hinder the implementation of innovation in an organization.

• **Implementing human resource practices that encourage innovation**

Small to medium size independent hotels need to implement human resource practices that encourage innovation as there is evidence of a positive relationship between human resource management and innovation. These include performance based pay, training and development, performance evaluation, encouragement of employee participation in decision making and strategic recruitment and selection.

• **Involve staff in decision making**

Small to medium size independent hotels should involve staff in decision making as one of the sustainable measures in managing innovation in business. Employees should not be left out since they have the ability to repair the quality of the service and are always aware of customers’
needs. It is also crucial to involve staff so that they can have a buy-in in the business strategy.

- **Knowledge management**

Small to medium size independent hotels should manage their knowledge-based resources and apply the collective knowledge within and outside the organization to generate new ideas and to achieve specific organisational goals. They should focus on expanding the organisational knowledge base; either by learning from others for example colleagues, partners and third party content, or by creating new knowledge through innovation. They should ensure that staff have the knowledge they need, where they need it, when they need it - the right knowledge, in the right place, at the right time.

- **Manage a network of relationships**

Small to medium size independent hotels should think of themselves as part of innovation networks and should interact and exchange resources, knowledge and ideas with stakeholders in their environment. Critical resources for a firm’s innovation performance are found not only within the organisation but also outside of it, in interaction with suppliers, customers, other companies, universities and research institutes.

- **Create an organisational environment for innovation**

Managers of small to medium size independent hotels should create and maintain an appropriate organisation climate for innovation as it enables people to share and build upon each other’s ideas and suggestions.
• **Involve customers in value creation**

Small to medium size independent hotels should involve their customers in the value creation and delivery process as integrating the customer in the innovation process is a powerful means to reduce uncertainty and failure rates and to increase the revenue from new products. Customer involvement is a tool from which innovation can be sourced through partnerships and reporting which consequently leads to higher competitiveness and enhanced customer satisfaction and retention.

5.6 **Achievement of objectives**

The section below explains how the objectives of the study were achieved.

5.6.1 **Characteristics of small to medium size independent hotels in Harare**

The study sought to establish the characteristics that characterised small to medium size independent hotels in Harare. The study revealed most small to medium size hotels were either privately owned or owned by a small consortium or company. The study also revealed that they had a flat structure and that most of them hired unqualified and semi-skilled managers. The study also revealed that small to medium size independent hotels in Harare offered limited services and facilities.

5.6.2 **Innovative measures employed by small to medium size independent hotels in the management of business**

The study sought to explore the innovative measures employed by small to medium size independent hotels in the management of business. The objectives were successfully achieved.
The study successfully unveiled the following innovative measures employed by small to medium size independent hotels in the management of business: designing a business strategy for innovation, implementing human resource practices that encourage innovation, managing a network relationship with other organisations, managing a network of relationship with customers, customer involvement in product development. Staff involvement in decision making and creating an appropriate environment that encourages innovation.

5.6.3 Types of innovations implemented by small to medium size independent hotels in Harare

The study sought to explore the types of innovations implemented by small to medium size independent hotels in Harare in the management of business. The study revealed that small to medium size independent hotels in Harare implemented the following types of innovations; marketing innovations, product innovations, process innovations and management innovations.

5.6.4 Challenges faced by small to medium size independent hotels in Harare in embracing innovation

The study sought to explore the challenges faced by small to medium size independent hotels in Harare in embracing innovation. The study successfully revealed the challenges the following were the major challenges faced by small to medium size independent hotels in Harare in embracing innovation: human capital, high staff turnover, economic crisis, small size of the hotel, insufficient resources and price sensitivity of customers.
5.6.5 **Strategic measures to improve operations of small to medium size hotels**

The study sought to explore the strategic measures that could be put in place to improve the operations of small to medium size independent hotels in Harare. The objective was successfully achieved. The study successfully revealed that following needs to be implemented: hiring and engaging employees with basic hotel and catering skills, implementing unbiased reward schemes, implementing service guarantees to motivate operational efficiencies and effectiveness, adopting resource allocation strategies that push for the implementation of continuous improvements in operations.

5.6.6 **Proposed model for managing innovation in small to medium size independent hotels**

The study also sought to design a model for managing innovation in small to medium size independent hotels. The study managed to design the model for managing innovation in small to medium size independent hotels.

5.7 **Recommendations for further research**

The context of this study was small to medium size independent hotels in Harare. Single industry studies were criticised for being too narrow in scope and consequently presenting problems in generalising the results and using the findings for theory building. On the other hand, single industry studies offer greater control over extraneous variations such as industry characteristics and problems that are specific to the industry. As such there are benefits in limiting the study to a single industry and later replicating the study across a number of industries and comparing the results across different industries (cross sectional studies) and in the same industry over time.
(longitudinal studies). Therefore it is recommended that further studies be conducted across a number of industries and compare the results across different industries and in the same industry over time.

The study assessed only the views of staff and managers in small to medium size independent hotels and did not consider customers. Therefore it is recommended that further research be done taking into consideration customer perspectives as well. The study was conducted in Harare and it is recommended that further research be conducted in other parts of the country in order to assess whether the results are also applicable.

5.8 Chapter summary
The chapter has presented the summary, conclusions and recommendations of the study. On the characteristics that characterise small to medium size independent hotels in Harare the study revealed that small to medium size independent hotels in Harare were privately owned or owned by a small consortium or company, had flat organisational structures, hired unqualified and semi-skilled managers and offered limited services and facilities. The chapter also presented a summary of the findings on the innovative measures employed by small to medium size independent hotels in managing business which included knowledge management, implementing human resources that encourage innovation, managing a network of relationships with other organisations, managing a relationship with customers, customer involvement in product creation, creating an appropriate environment for innovation. The chapter also presented a summary of the challenges faced by small to medium size independent hotels which included human capital, high staff turnover, economic crisis, small size of the hotel, insufficient resources
and price sensitivity of customers. A summary of the types of innovations implemented by small to medium size independent hotels was also presented and it included innovations such as marketing innovations, product innovations, process innovations and management innovations. A summary of strategic measures was also presented and it included measures such as hiring and engaging employees with basic hotel and catering skills, implementing unbiased reward schemes, implementing service guarantees to motivate operational efficiencies and effectiveness, adopting resource allocation strategies that push for the implementation of continuous improvements in operations. The chapter also presented the conclusions to the study. It concluded that small to medium size independent hotels had their own unique characteristics from those of chain hotels and that they implemented a variety of innovative measures in managing business.
References


Appendix 1

Consent to Participate in Research

Research Topic: An assessment of the innovative measures employed by small to medium size hotels in Harare, Zimbabwe.

Researcher: Nehemiya Ndhlovu

Supervisor: Professor Cosmas Maphosa

I have read and understood the information provided about this research study.

I have had an opportunity to ask questions and to have them answered.

I understand that the interview will be audio-taped and transcribed.

I understand that I may withdraw myself or any information that I have provided for this study at any time prior to completion of data collection, without being disadvantaged in any way.

If I withdraw, I understand that all relevant tapes and transcripts, or parts thereof, will be destroyed.

I agree to take part in this research.

Participant signature: .................................................................

Participant name: .................................................................

Date: ..................................................................................
Appendix 2

Interview guide for managers

The following interview questions seek to gather information on the following:

a) Innovative measures employed by small to medium size independent hotels in Harare in the management of business.

b) Innovative activities employed by small to medium size independent hotels in Harare

c) Challenges faced by small to medium size independent hotels in Harare in embracing innovation

d) Strategic measures that could be implemented to improve operations of small to medium size independent hotels in Harare.

1) What is your organisation’s vision, goals, strategies and values for innovation?
   Prompt: Where do you derive your vision, goals, strategies and values from?
   Prompt: How important are these to your operations?
   Prompt: Do you think a company can function effectively without these?

2) How do you communicate your organization’s vision, goals, strategies and values to your employees?
   Prompt: Why is it important for employees to be aware of the organization’s vision, goals, strategies and values?
   Prompt: How do you ensure that employees understand and operate in line with the organisation’s vision, goals, strategies and values?

3) How do you involve employees in designing your business strategy?
   Prompt: What is the importance of involving employees in designing of the organisation’s business strategy?
   Prompt: Are there any challenges in involving employees in this?
4) How do you align new initiatives with your overall business strategy?
   
   *Prompt: What is the importance of this alignment?*

5) How do you communicate the implementation of an innovation in your organization?
   
   *Prompt: What is the importance of effective communication of the implementation innovations?*

   *Prompts: Are there any examples of some innovations that you have implemented in your organization in the past five years.*

6) How do you monitor the effectiveness and efficiency of innovation activities in your organization?
   
   *Prompts: How successful are some of the strategies?*

   *Prompts: Are there any challenges in this regard?*

7) To what extent are your products/services and work processes affected by the strategies of your competitors?

8) How do you maintain your market competitiveness?

9) How do you respond to competition?

10) How do you productively market your products and services?
    
    *Prompts: How successful are some of the strategies?*

    *Prompts: Are there any challenges in this regard?*

11) How do you network with other organisations?
    
    *Prompts: Why is it important to network with other organizations?*

12) How do you manage a network of relationships with your clients and other organizations?
    
    *Prompts: Why is important to manage a network of relationships with your clients?*
13) How do you hire, retain and motivate your staff?

*Prompts: Why is it important to motivate your staff?*

14) How do you enhance the skills development of your employees?

*Prompts: In your view, what is the importance of this skills development?*

15) To what extent do you engage your employees and customers in new product development?

*Prompts: In your view, why is it important to engage them?*

16) What strategic measures can be implemented to improve the operations of small to medium size independent hotels?
Appendix 3

Interview guide for the junior staff

The following questions are meant to guide the interviewer in gathering information on the innovative measures employed by small to medium size independent hotels in Harare in managing business.

1) To what extent does your organization involve you in decision making?
2) To what extent is senior management accountable to new product results?
3) How do you network with other employees in other organizations?
4) How supportive is the management to the generation of new ideas?
5) To what extent are your ideas incorporated in the running of the business?
6) How do you handle suggestions raised by your clients?
7) How do you address complaints from your clients?
8) To what extent are you empowered in making decisions?
9) What strategic measures can be implemented to improve the operations of small to medium size independent hotels?
Appendix 4
University clearance letter

ZIMBABWE OPEN UNIVERSITY
“Empowerment Through Open Learning”

Ref: HD/21
11 July 2014

To whom it may concern

MR NEHEMIYA NDHLOVU (P1326804A) DIRECTORATE REFERENCE (D/NOV/12/15/18)

The bearer, Nehemiya Ndhlovu, P1326804A, Directorate Reference Number D/NOV/12/15/18 is a bona fide Higher Degrees candidate registered for the Doctor of Philosophy programme with this University. He is conducting research under the theme: "An Assessment of the innovative measures employed by small to medium size hotels in Harare, Zimbabwe."

Any assistance offered to him to facilitate his study will be most appreciated.

Dr A.S. Chikasha
Director, Higher Degrees Directorate
Appendix 5

Language editor’s certificate

TO WHOM IT MAY CONCERN

I hereby confirm that I have proof read and edited the following PhD Thesis using Windows ‘Tracking’ System to reflect my comments and suggested corrections for the student to action:

AN ASSESSMENT OF THE INNOVATIVE MEASURES EMPLOYED BY SMALL TO MEDIUM SIZE HOTELS IN HARARE, ZIMBABWE

BY NEHEMIYA NDHLOVU P1326804A

THESIS SUBMITTED IN FULFILMENT OF THE REQUIREMENTS FOR DOCTOR OF PHILOSOPHY IN TOURISM AND HOSPITALITY MANAGEMENT TO ZIMBABWE OPEN UNIVERSITY.

Although the greatest care was taken in the editing of this document, the final responsibility for the product rests with the author.

Sincerely

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01.06.2015

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SIGNATURE DATE