

Entrepreneurial Culture and Innovation by 1-3 Star Rated Hotels in Kenya

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Abstract

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Purpose: The main purpose of this study was to assess the effect of entrepreneurial culture as a driver of innovation by 1-3 star rated hotels in Kenya.

Methodology: This study considered positivism philosophy, a quantitative measurement paradigm. The study targeted 111 hotels (1-3 star rated) through census, of which 3 respondents per hotel (CEO, Finance manager, and Operations manager) were considered, from the hotels' list provided by the Kenya Tourism Regulatory Authority (TRA). A cross-sectional survey was conducted where the self-administered questionnaire was used. Both the reliability and validity tests were done before the data analysis. The collected data was analyzed using descriptive and inferential statistics with the help of Excel and SPSS version 25.0. The hypotheses were presented and tested using multiple analysis and accepted at 95 percent confidence level.

Results: The study hypothesized that the effect of entrepreneurial culture on innovation by 1-3 stars rated hotels in Kenya is not statistically significant. The study revealed that entrepreneurial culture has a positive and significant effect on hotel innovation by 1-3 star rated hotels in Kenya ($\beta=0.567$, $p=0.000$). This implies that improvement in 1 unit of the aspects related to entrepreneurial culture leads to an improvement in hotel innovation by 1-3 star rated hotels in Kenya by 0.567 units. This implies that an increase in entrepreneurial culture results in an increase in hotel innovation by 1-3 star rated hotels in Kenya. The study concludes that there is an entrepreneurial culture that can be concluded to enhance the innovation of the hotels. This has been noted where the hotel management always appreciates new business ideas from employees and other stakeholders. The management portrays the visionary leadership style that ensures the continuity of the business. In extension, the hotels that have excelled in innovation, encourage and support employees to continue pursuing new opportunities even when their previous ones had failed to pick up as expected; values communication as a tool for effective innovative strategies; appreciates the use of modern technology as a mechanism to offer reinforcement to innovation; employs risk management strategies in the course of innovation process and always embraces new changes that come with new ideas discovered and exploited.

Unique contribution to theory, policy and practice: The study recommends that hotel entrepreneurs be proactive in seeking new product ideas and customer product information which will in turn enable them to create ideas for coming up with innovative products. Studies have shown that there is a positive and significant impact of entrepreneurial culture on all the perceived performance measures, with the exception of perceived financial performance measures.

1.1 INTRODUCTION

Entrepreneurial culture has been a fruitful area of study in management science for several years following the rise of technology-based business ventures. In the sense of business, an entrepreneurial culture can be defined as the behaviour, beliefs, skills, and power of a community or person operating in an enterprise that is marked by risk. While considering the entrepreneurial culture of an organization, innovation is one of the most important elements for its growth and success, research on the subject is particularly needed in an entrepreneurial context (Kang, Matusik, Kim, & Phillips, 2016). Schein (1985) explains that the culture of an institution consists of a set of common, agreed values that can be expressed by the members of the institute and exchanged with current and recent members. In a specific context, self-confidence is centred on the expectations of persons of their competence and abilities to show the inner thoughts of a person as to whether or not they have the capacity to fulfil the various tasks assigned to them (Bandura, 1997). The culture that businessmen build plays a crucial role as the community of an enterprise is strongly connected to that of an enterprise (Bandura, 1997).

Therefore, according to Bayraktar (2016) and Hofstede (2001), culture can be described as a collective indoctrination of the awareness that can differentiate the members of one group or set of people from another. This is the element related to the continuous seeking of opportunities. Montani and Boudrias (2017) acknowledge that organizational culture is optimized where employees create and implement new ideas at work and suppress their interest in achieving organizational success. This in turn, results in a culture of competitiveness (Danish, Asghar, Ahmad & Ali, 2019). Since innovation is considered to be an important source of sustainable competitive advantage, innovation culture is therefore becoming a resourceful intangible strategic asset that leads to increased adaptability (Ramón & Koller, 2016). Continuous engagement in the above-mentioned aspects cultivates a culture of innovativeness towards futuristic entrepreneurship. As such, it generates adaptive advantages as it promotes collaboration and interaction with the environment of the company (Yu, 2017). Additionally, it promotes initiative instead of obedience and dependence and stimulates strategies like creativity, freedom of thought, openness, and flexibility, all of which increase innovative activity (De Oliveira Teixeira & Werther Jr, 2013). Likewise, the social learning theory and cultivation theory complement the zeal behind optimized entrepreneurship by indicating that continuous practicing and engaging in certain ways of life cultivates behavior in a given context.

Innovation is becoming a critical component in the performance of the hotel industry at local and international levels as it also improves the political environment internationally while providing a way of addressing natural calamities and disease outbreaks (Richter, 2013). Response to changes in various segments has made hotels focus on changes made by innovation, the basis of which businesses operate (Chivandi et al., 2017), and that continuous innovation by hotels helps to counter the effects of eroded competitive advantages which makes hotels' innovation critical for the survival of individual enterprises and the growth of tourism industry in general. The increased investment in the hotel industry is mainly focused on emerging and developing economies, relative to the already established economies, thus higher growth is expected more from hotels in the developing and emerging economies (Harris et al., 2011). According to Pikkemaat et al. (2018), about 90% of all the hotels in Tyrol, Austria are small and supported by 10 employees and below. In contrast, large hotels are below 1% but are supported by above 250 employees, an indicator that

the need for innovation is dependent upon among other factors, the management structures and the individuals involved. The innovativeness of the tourism industry and especially that of hotels is smaller, compared with that of the manufacturing sector (Mattsson & Orfila-Sintes, 2013).

Application and optimization of innovation capabilities is still low among African countries. Holiday Inn and Miekles in Zimbabwe and Hilton and Protea in South Africa are big hotel brands that are perceived to dominate in hotel services (Kim & Oh, 2004; Ncube, Sibanda & Maunganidze, 2013). Developing and emerging economies were expected to record higher growth in hotels than developed economies (Harris et al., 2011). In Ghana, Xuhua et al. (2018) indicated that successful stories about small hotels do exist, but they are quite rare. For instance, Sector Skills Bodies (SSBs) have been developed to facilitate capacity building with senior staff in TVET and tertiary education institutions to increase innovation, commercial activities, and engagement with the sector (ILO, 2020). In Nigeria, Anwuri and Nzei (2022) indicate that the hospitality business has invested deeply in digital marketing initiatives such as planning on quality accommodation service delivery, quality catering service delivery, repackaging of structures, modern customer-and employee relationship enhancing customer orientation initiatives as a form of innovativeness.

Firms in Rwanda have taken up rapid digitalization especially after the COVID-19 pandemic to enhance the availability of technology, such as e-commerce infrastructure to ensure the provision of technology-related business services (UNCTAD, 2022). Hotels in Rwanda have been able to take on more responsibilities as new online information and communications have made bundling easier. The Rwandan government has also concentrated on international services sectors, tourism, and other aspiring service-led developers: Meetings, Incentives, Conferences, and Events (MICE), and Finance, Insurance, and Real Estate (FIRE) and the Rwanda Association for Professional Conference Organizers (RAPCO), established to develop an accreditation system for professional conference organizers (Behuria, & Goodfellow, 2019).

Kenyan 1-3 star rated hotels, however, continue to record low levels of performance, due to the weak entrepreneurial practices applied in their research and development (Cytonn Investments, 2016). Nevertheless, the economic benefits of an innovation are progressive and never fully realized until the innovation works and is adopted to partial or full capacity by the target audience (Rajapathirana & Hui, 2018). With the technological prowess, however, sustainable tourism has enjoyed its advancements and developments through innovation, entrepreneurship, and technology, facts and figures, from articles, and case studies dating back to the past decades. Innovation practices represent the provision of solutions to market threats and opportunities, thus creating the basis for the survival and success of the firm into the future. Thus, the a need to support the critical role tourism plays in driving socio-economic growth and development via tourism (Sharma et al., 2021; World Bank, 2017). Therefore, based on the emphasis placed on continuous activities, the current study sought to investigate the culture of an entrepreneur specifically by understanding the continuity in opportunity seeking, continuity in advantage seeking as well as positivity towards the culture of innovation. This is done by investigating the influence of entrepreneurial culture regarding continuous opportunity seeking, continuous advantage seeking, and positivity towards innovation.

1.1.1 Continuous Opportunity Seeking

Continuous opportunity seeking has been used in this study to refer to the ongoing cycle of evaluating, determining, and carrying out market-based initiatives that the organization finds beneficial. This is done by way of observing trends and how customers interact with products; solving problems that arise and solving them and finally identifying the existing market gaps.

1.1.2 Continuous advantage-seeking

In addition, Teixeira and Werther Jr (2013) define continuous advantage-seeking as the resilient and ongoing process that entrepreneurs undertake to ensure that the business stays relevant and superior amidst its competitors both current and future competitors. Therefore, to ensure the above is met, the businessperson needs an optimistic culture towards the future of the business. In this volatile world, the sustainability of reactive businesses depends on the adaptability of the entrepreneurs to anticipatory creative serial systems.

1.1.3 Positivity towards innovation

A corporate culture that adopts innovation can be referred to as innovation culture. In practice, this means that the employees are given the freedom to come up with new ideas without fear of failure thus jointly promoting innovation. Innovation culture should therefore be considered most in innovation management as the foundation of any successful innovation activity. Not only are all organizational combinations unique, but they change over time and the fact that organizations can change their cultures indicates that leaders can transform the culture and make them more resilient (Tanwar, 2013).

1.1.4 Hotels Innovation Drivers

Innovation has currently gained popularity in the areas of manufacturing, information technology, and finance sectors but has little been discussed or explored in the hotel industry (Meira, Anjos, & Falaster, 2019). Santacreu, and Zhu, (2018) observed that manufacturing is the largest sector in terms of exports, innovation, and productivity growth and that the share of exports in the manufacturing sector, R&D spending (as a percentage of value added), and productivity growth were 92.01, 64.86 and 42.32 percent respectively as compared to 1.09, 33.90 and 24.77 percent respectively in the service sector. Santacreu, and Zhu, (2018) further observed that expansion in world trade was mainly driven by manufacturing products and that technological advances have taken place in the manufacturing sector.

The highly competitive environment of the hotel industry drives the search for entrepreneurial practices that would help introduce innovations that make hotels competitive. Amid global competition, services are globally affected by the increased change in practices of marketing the destinations, thus need to seek for innovative ways to make service marketing organizations competitive (Zott & Amit, 2009). The hotels' internal marketing and market orientation have been identified as one of the major drivers of innovation capability (Divisekera & Nguyen, 2018; Pascual-Fernández et al., 2021). Further technology innovations have been identified as the best innovative drivers especially to motivate the willingness of youth to stay in an innovation test/programme in the hotel. Internal key players including leading entrepreneurs and tourism practitioners also stimulate innovativeness in destinations. Likewise, external best practices such as competition in the industry, organization network, benchmark tourism enterprises practices etc.,

are also perceived as stimulating factors bringing innovation (Pikkemaat et al., 2018). Thus, among the stated and identified drivers of innovation, the current study also sought to investigate their level of implementation in the context of the 1-3-star rated hotels in Kenya.

1.2 Statement of the Problem

Innovation drives hotel competitiveness (Baporikar, 2014), in turn improving visitors' destinations which directly and through multiplier effect contributes to improved GDP, increased foreign exchange earnings, improved tax revenue collection by the exchequer and the job creation thus, improving economic stability and reducing poverty (Murimi, Moses & Eric, 2019). Findings from other studies (Mattson et al., 2014, Wandongo et al., 2010), reveal that the hotel sector has relatively low innovation orientation. Despite most of the small hotels continued increase in number, to provide accommodation, innovation is declining leading to a possible closure (Xuhua et al., 2018). Tourists' arrival in Kenya has also been declining as Kenya loses its market share to less-endowed destinations mainly due to a lack of innovation in line with global trends (World Bank, 2018).

The hotels are considered rigid and non-innovative (Wikhamn, Armbrecht & Wikhamn, 2018) and they lack explicit innovation strategy and only half of them produce at least one type of innovation. Tourist players including the 1 -3 star rated hotels in Kenya have not been optimizing the use of digitization to diversify their output in products, services and markets (Kingiri & Fu, 2020). Lower-category hotels are less innovative than higher-category hotels (Murimi et al., 2019). This is evident from the low level of research and development (R&D) in hotel establishments (Orfila-Sintes, Crespi-Cladera and Martínez-Roe, 2005). The 1-3 star rated hotels in Kenya have been left out by 4-5 star rated hotels in Kenya in innovations which include and not limited to Last Minute Mara an online booking platform offering last-minute deals to Kenya's leading nature reserve, the Maasai Mara; Pitchkambi a new travel website for campers and nature lovers, where they can find and book campsites and simple nature-based experiences across Kenya; Karibu Taxi an Online Travel Agency able to list all airport transfer providers in one online portal and; Cloud9 XP an online marketplace where tourists can book experiences from one portal, whether it is a scuba diving experience, kayaking, or even camping (Strathmore University, 2021).

If this low-performance trend by 1-3 star rated hotels in Kenya is not urgently addressed, Kenya's economic performance will continue to be affected negatively, leading to increased poverty levels and other subsequent ills such as insecurity. From the reviewed literature, (Mattson et al., 2013, Wandango et al., 2010, Adamako et al., 2018), little has been done on innovation and its drivers by hotels. The studies previously carried out on innovation were mainly in the areas of leadership and academic entrepreneurship, information technology, finance, and manufacturing. Thus, none of these studies addressed the role of entrepreneurial practices as drivers of hotel innovation. This study seeks to fill in the gaps in the body of knowledge.

This study therefore reports that the 1- 3 star rated hotels in Kenya need innovation in their service provision. Anchored on Entrepreneurial Orientation Theory, Dynamic capability theory, Technology Acceptance Model (TAM), and the Social Cognitive Theory, this study seeks to address these imminent challenges. To help the hotels survive this hyper-competition, this study assessed the effects of entrepreneurial culture strategies as drivers of innovation by 1-3 star rated

hotels in Kenya and to make recommendations on how to adopt the strategies as a way of improving the hotels' competitive edge.

1.3 Purpose of the study

The main purpose of this study was to assess the effect of entrepreneurial culture as a driver of innovation by 1-3 star rated hotels in Kenya.

1.4 Research Hypothesis

H₀: The effect of entrepreneurial culture on innovation by 1-3 stars rated hotels in Kenya is not statistically significant.

2.0 LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 Social Cognitive Theory

This theory was initially coined by (1986) as an extrapolation of the social learning theory. The theory states that when individuals observe a model performing conduct and behavioral implications, they remember the sequence of occurrences and use this data to direct subsequent behavior. Influencing of behaviour in the business environment is largely influenced by the type of leadership is an important factor affecting followers' attitudes and behaviors (Herbert & Bambacas, 2002). In the workplace, followers interact look up to their leaders to acquire cues to form cognition or thinking that shapes their motivation and behavior toward innovativeness (Wood & Bandura, 1989). In essence, followers take the initiative and regulate their actions according to the style of leadership that organizations provide (Bandura, 2006, 1986; Herbert & Bambacas, 2011). Therefore, the theory emphasizes the need for organizations to identify the appropriate leadership style for cultivating proactive behavior. In the current context where innovativeness is a key factor, leaders are very effective in inducing the entrepreneurial culture towards innovation by such qualities as proactiveness, innovative culture, brainstorming, teamwork, etc.

Individuals ideally do not learn new behaviors, either succeeding or failing in them, by doing them alone, rather survival of humanity depends on copying of other people's behavior. The individual may decide whether to reproduce conduct depending on whether individuals are punished or rewarded for their conduct and the results of the conduct. Media offers models in many distinct environments for a wide range of individuals (Pajares et al., 2009). According to Bandura (1986), personal (cognitive and biological) factors, behavior, and environmental events work as a link and affect to each other in both ways. Even though the factors differ, in their strength and influences they do not always operate at the same time. Meaning is assigned to symbols and texts, thus most external influences affect behavior through cognitive processes, further Individuals have self-regulating abilities that expect self-satisfaction from fulfilling valued standards and respond in an evaluative manner to their behavior (Bandura, 1992).

Individuals verify their perceptions (self-reflexively) through four modes of thought as part of their self-reflective capability, these modes are the persuasive, logical, vicarious, and enactive processes that assess the adequacy between thought and the results of their actions. Vicarious (an action felt or enjoyed through imagined participation in the experience of others) learning begins in infancy (Bandura, 1992). Vicarious thrills experienced through comparisons with experiences on television can foster shared misconceptions of people, places, or things. According to Swearer et

al. (2014), self-efficacy is based on the principal assumption of psychological procedures, the social cognitive theory, in which perceived self-efficacy influences the choice of activities and behavioral settings. The amount of effort spent and the persistence to face the obstacles is determined by an individual's efficacy expectations. The concept of self-efficacy comes into sight in management and organization; it stimulates motivation and cognitive resources for better individual achievement in every single aspect of life (Swearer et al., 2014). Self-efficacy is introduced as individual judgments regarding a particular phenomenon (Mokhber, 2016). Renko et al. (2015) likewise acknowledged the use of social cognitive theory to define and measure entrepreneurial leadership as a construct that influences and directs the performance of group members toward recognizing and exploiting new opportunities. The study by Cai, Lysova, Khapova, and Bossink (2019) was also largely drawn from the social cognitive theory. According to the authors, creative efficacy beliefs enable the development of the workplace to flourish creative ideas (Tierney & Farmer, 2011). The parallel motivational processes are effective at both the individual and the team levels (Chen & Kanfer, 2006). That is, entrepreneurial leadership fosters employees' creative self-efficacy to perform creatively (Chen, 2007), as well as team creative efficacy toward team creativity (Ford, 1996; Shin & Eom, 2014).

Thus, theoretically, the study proposed that team creative efficacy exerts a cross-level mediating influence on the relationship between entrepreneurial leadership and employee creativity. This theory has thus been deemed relevant and instrumental to the current study since it informs the frameworks involving the leadership of the hotels. The theory informs the leadership of the hotels and other organizations to uphold good entrepreneurial leadership qualities since it plays a very critical role in employee development in terms of motivation as well as career advancements. In relation to innovation, a proactive and innovative leader is the driver of the motivation behind the operations of the resource which leads to certain aspects as new ideas because of teamwork, brainstorming as well as benchmarking.

2.2 Empirical Review

Culture is shared values and belief systems and is based on a form of group taste or preference (Foreman-Peck & Zhou, 2013). In the sense of business, an entrepreneurial culture can be defined as the behaviours, beliefs, skills and power of a community or person operating in an enterprise that is marked by risk (Kang, Matusik, Kim, & Phillips, 2016). Entrepreneurial culture has been a fruitful area of study in management science for several years following the rise of technology-based business ventures and while considering the entrepreneurial culture of an organization; innovation is one of the most important elements for its growth and success (Kang, Matusik, Kim, & Phillips, 2016). Schein (1985) explains that the culture of an institution consists of a set of common, agreed values that can be expressed by the members of the institute and exchanged with current and recent members. In a specific context, self-confidence is centered on the expectations of persons of their competence and abilities to show the inner thoughts of a person as to whether or not they have the capacity to fulfil the various tasks assigned to them (Bandura, 1997). The culture that businessmen build plays a crucial role as the community of an enterprise is strongly connected to that of an enterprise (Bandura, 1997).

Therefore, according to Bayraktar (2016) and Hofstede (2001), culture can be described as a collective indoctrination of the awareness that has the power to differentiate the members of one group or set of people from another. Montani and Boudrias (2017) acknowledge that

organizational culture is optimized where employees create and implement new ideas at work and suppress their interest in achieving organizational success. This, in turn, results in a culture of competitiveness (Danish, Asghar, Ahmad & Ali, 2019). Since innovation is an important source of sustainable competitive advantage, innovation culture is therefore becoming a resourceful intangible practice asset that leads to increased adaptability (Ramón & Koller, 2016). Continuous engagement in the above-mentioned aspects cultivates a culture of innovativeness towards futuristic entrepreneurship. As such, it generates adaptive advantages as it promotes collaboration and interaction with the environment of the company (Yu, 2017). Additionally, it promotes initiative instead of obedience and dependence and stimulates practices like creativity, freedom of thought, openness, and flexibility, all of which increase innovative activity (De Oliveira Teixeira & Werther Jr, 2013).

The variable has been operationalized into: entrepreneur support system, continuous advantage seeking, and positivity towards innovation. Entrepreneur support system in entrepreneurial culture implies the structural, innovative, and specific system through which the general cultural dimensions operate. In this context, these systems operate as “engines of explanations and reinforcement” (Hewitt, Sims, & Harris, 2014), thereby seeking to provide insight into why and how certain causal relationships and outcomes occur. Entrepreneurship development is a process of supporting and encouraging people to become entrepreneurs and the more favorable and supportive the entrepreneurial environment is the greater the number of entrepreneurs' growth and development will depend on how favorable and supportive entrepreneurial environment is (Bhatti et al., 2010). To stimulate and facilitate entrepreneurial activities, increase the formation of new businesses and reduce the number of business failures, entrepreneurs' support system through entrepreneurship education design is ideal (Jusoh, Ziyae, Asimiran, & Kadir, 2011). Following this perspective, it is not a certain cultural orientation itself but the actual underlying systems that foster entrepreneurial behaviors in established firms.

Leal-Rodríguez et al. (2017) conceptualize corporate entrepreneurship as a reflection of an innovation-supportive culture, defined as a “working environment that supports innovation” and an organizational capability to support initiatives such as new ways of doing things and improving product quality (Danish et al., 2019). Consequently, corporate entrepreneurship is directly reflected by certain organizational culture orientations, thereby essentially seeing systems such as fostering creativity and experimentation (Bau & Wagner, 2015), comprehensive and structured planning, involvement with the customer, and a clearly articulated strategy (Hsu et al., 2014) as constituent factors of corporate entrepreneurship – intrapreneurship culture (Arz, 2017).

Advantage-seeking behavior is the disruption of existing competitive conditions or the creation of new market spaces (Ireland et al., 2003). Teixeira and Werther Jr (2013) define continuous advantage-seeking as the resilient and ongoing process that entrepreneurs undertake to ensure that the business stays relevant and superior amidst its competitors both current and future competitors. Further, the businessperson needs an optimistic culture towards the future of the business and the sustainability of reactive businesses depends on the adaptability of the entrepreneurs to anticipatory creative serial systems.

Culture influences the distribution of responsibility for action, for instance, attitudes toward action and inaction may derive in part from culture, and positivity towards innovation depends on undisrupted hierarchy (Albarracin et al., 2018). Managerial behaviour has been considered the

most effective way to have organizations embrace innovation (Tóth, Migliore, Balogh, & Rizzo, 2020). A corporate culture that adopts innovation can be referred to as innovation culture. In practice, this means that the employees are given the freedom to come up with new ideas without fear of failure thus jointly promoting innovation. Innovation culture should therefore be considered most in innovation management as the foundation of any successful innovation activity (Tian et al., 2018). Not only are all organizational combinations unique but change over time and the fact that organizations can change their cultures indicates that leaders can transform the culture and make them more resilient (Tanwar, 2013). Therefore, based on the emphasis placed on continuous activities, the current study sought to investigate the culture of an entrepreneur specifically by understanding the continuity in the entrepreneur support system, continuity in advantage seeking as well as positivity towards the culture of innovation. This is done by investigating the influence of entrepreneurial culture regarding entrepreneur support system, continuous advantage seeking, and positivity towards innovation.

Danish et al. (2019) analyzed the factors influencing entrepreneurial culture with creativity playing the mediating role. The study used quantitative data. Self-administered questionnaires were distributed among employees of various firms engaged in the information technology business through a physical channel. The study targeted a sample size of 300 from a population that included all firms in the capital city of the province of Punjab. The findings present a notable and direct association among variables such as openness to change, and self-efficacy and that they have a positive influence on entrepreneurial culture given the presence of creativity as a mediator. The study lacks robust findings and opinions since the focus is much narrower and only superficial information can be accessed given that it concentrates on the use of quantitative data. To take care of this, the current study sought to supplement the findings by incorporating qualitative techniques. The study likewise was narrowed to only one measure of entrepreneurial culture (innovative culture), thus the current study sought to incorporate other measures (such as the use of organizational factors, entrepreneurs' attitudes, perceptions, and mindsets as well as the macro-economic measure as government intervention) to increase the scope of the study.

Gebriel Taha and Espino-Rodríguez (2020) analyzed the impact of the organizational culture on the level of outsourcing and sustainable performance. That is the effect of culture on innovation management in the hotel industry using the Competing Values Framework, which divides organizational culture into four typologies: hierarchical, group, rational, and development cultures. A personal questionnaire was administered to the directors or managers of 114 hotels located in two Egyptian cities: Hurgada and Sharm El Sheikh. The results of the structural model suggest the negative impact of the hierarchical and development cultures on the level of outsourcing. The results show a positive influence of the four types of organizational culture on sustainable performance, suggesting that these hotels have a strong interest in sustainability and the environment. The findings reveal a negative relationship between the level of outsourcing and sustainable performance. However, it was shown that the management's meaning lies in the importance of corporate culture to the internal organization, as it could reinforce supervisors' leadership styles and further affect innovative behaviors and the overall organizational innovativeness.

Ikwaye et al. (2019) sought to assess the influence of socio-cultural practices on community empowerment along the coastal tourism circuit in Kenya. The study used primary data obtained

from 210 respondents (hotel managers, employees from the local community, suppliers of goods and services) using questionnaires. The findings showed that sociocultural practices adopted by the hotel enterprises influenced community empowerment, with the influence of the promotion of local heritage being significant. At the same time, it was illustrated that social innovation partially mediates the influence of the practices on community empowerment. Based on the findings, the study recommends enhanced adoption of elements of preservation of local culture and adherence to the legal framework to improve on the influence of socio-cultural practices on community empowerment. Lastly, it recommends enhanced adoption of elements of social innovation to improve its mediating effect.

Lomberg et al. (2017) studied the effect of entrepreneurial orientation (EO) on product innovativeness in manufacturing SMEs. The study’s focus was risk-taking and pro-activeness as the culture of the enterprises. The study used a cross-sectional survey design with 196 as a sample size. Using standard multiple linear regression (MLR), pro-activeness and risk-taking dimensions of EO, as independent variables were regressed on product innovativeness as the dependent variable. The results indicated that pro-activeness and risk-taking were positively and significantly associated with product innovativeness, thus concluding that pro-activeness enhances SMEs’ potential to introduce new products featuring more differentiated characteristics for the market. Risk-taking also enables SMEs to deliver new and unique products that enable them to surmount fierce competition.

The researcher recommends that owners/managers of SMEs must be proactive in seeking new product ideas and customer product information which will in turn enable them to create ideas for coming up with innovative products. An in-depth review of the study however finds out that the study fails to explain the results from a theoretical base. It is very important for a study to have theoretical implications to have a flow toward a practical approach. In addition, it helps in informing the perceptions, perspectives, contexts, and interpretations of a given study as to make the findings sensible. As the study lacks the context and interpretation in this case, the current study sought to reinforce the findings by drawing conclusions from various theories including the Dynamic capability theory and the Technology Acceptance Model which inform the basis of innovation. The study assessed EO and EM of small-scale firms and these had different characteristics from the large-scale firms. To test the entrepreneurial culture across the hotel industry and its contribution, the study hypothesizes as follows: **H₀**: The effect of Entrepreneurial culture on innovation by 1-3 stars rated hotels in Kenya is not statistically significant.

2.3 Operational Framework

The researcher developed measuring parameters of innovation by 1-3 star rated hotels in Kenya being the dependent variable, entrepreneurial culture as the independent variable (see Figure 1).

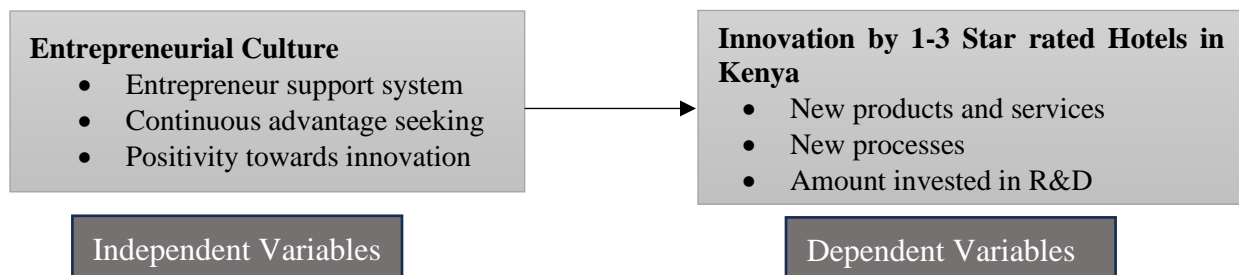


Figure 1: Operational Framework

3.0 RESEARCH METHODOLOGY

This study considered positivism philosophy, quantitative measurement paradigm. The study was anchored on Dynamic capability theory. This study considered positivism philosophy measurement paradigm and adopted a descriptive research design. Both the reliability and validity tests were done before the data analysis. A census study was done targeting 333 respondents, three per hotel (Chief executive officer (CEO)), Finance manager and Operations manager) from 111 hotels (1-3 star rated) from the hotels' list provided by the Kenya Tourism Regulatory Authority (TRA). From the identified 333 respondents, 239 comprising of 162 and 77 males and females respectively responded. A cross sectional survey was conducted where the self-administered questionnaire was used. The collected data was analyzed using descriptive and inferential statistics with the help of Excel and SPSS version 25.0. The hypotheses were presented and tested using multiple analysis and accepted at 95 percent confidence level.

4.0 FINDINGS AND PRESENTATION

4.1 Response rate

The results in Table 1 give the level of respondents' cooperation on their view regarding the questions asked.

Table 1: Response Rate

Response	Frequency	Percentage
Returned	239	72%
Unreturned	94	28%
Total	333	100%

The total questionnaires given were 333 of which 239 were properly filled and returned. The return of these questionnaires was 72% of the total questionnaires given out, thus meeting the threshold of Allen (2016) and also Rindfuss (2015), who posit that a response rate of above 50% is adequate for a descriptive study.

4.2 Pilot results

4.2.1 Reliability results

The research instrument's reliability test was done using Cronbach's alpha. This yielded Cronbach's alpha values of above 0.7 for all the study variable, thus the results were acceptable as per the thresholds given by Kilic (2016).

Table 2: Reliability Results

Variables	Cronbach's Alpha	Conclusion
Hotel innovation	0.773	Reliable
Entrepreneurial culture	0.719	Reliable

The pilot results proved that the statements on Entrepreneurial culture were highly reliable with Cronbach's Alpha of 0.719.

4.2.2 Construct Validity results

Factor analysis was used to test for construct validity performed using Kaiser-Meyer-Olkin (KMO) with interpretive adjectives for the KMO. The instrument was discussed with the supervisors from the Dedan Kimathi University of Technology who provided expertise and ensured the questions

in the questionnaires measured the study variables. The KMO test has the following KMO Value/Degree of Common Variance: 0.00 to 0.49 unacceptable, 0.50 to 0.59 miserable, 0.60 to 0.69 mediocre, 0.70 to 0.79 middling, 0.80 to 0.89 meritorious and 0.90 to 1.00 marvellous (Simon & Goes, 2016).

Table 3: Factorial Test Results for Construct Validity

Variable	KMO	Bartlett's Test of Sphericity			Conclusion	Validity
		Approx. Chi-Square	df	Sig.		
Hotel innovation	0.510	61.097	32	0.006	miserable	Valid
Entrepreneurial culture	0.656	65.942	32	0.002	mediocre	Valid

KMO Bartlett's test for sphericity was done and yielded the following results, Entrepreneurial culture (KMO = 0.656, p = 0.002) and hotel innovation (KMO = 0.510, p = 0.006) which indicated a significant sampling adequacy for the dependent and independent variables (Table 3).

4.3 Descriptive statistics for Entrepreneurial Culture and Hotel Innovation

The respondents were asked to indicate the extent to which the hotel has engaged in the following aspects on entrepreneurial culture from 2018 to 2020. Table 4 indicates that on average, 1-3 Star Rated Hotels in Kenya have about 5 innovation events per year, 8 innovation champions per year and 6 innovation meetings per year:

Table 4: Entrepreneurial Culture Performance 2018 to 2020

Year	Number of innovation events	Number of innovation champions	Number of innovation meetings
2018	5	8	6
2019	5	7	6
2020	5	8	6

Table 4 indicates that on average, 1-3 Star Rated Hotels in Kenya have about 5 innovation events per year, 8 innovation champions per year, and 6 innovation meetings per year. The respondents were likewise, asked to indicate whether they agreed or disagreed with the following statements relating to entrepreneurial culture and hotel innovation by 1-3 star rated hotels in Kenya. The conclusions on the Likert responses were made by combining SD and D to imply disagreement, NS to imply neutral decision and A and SA to imply agreement. The results are shown in Table 5:

Table 5: Entrepreneurial Culture in Percentages, means and standard deviations

Statements	SD	D	NS	A	SA	Mean	S. D
The hotel management always appreciates new business ideas from employees and other stakeholders	5	5.9	17.6	35.1	36.4	3.92	0.07
The hotel has a vision, a mission statement and core values that guides all the stakeholders towards opportunity seeking	11.3	7.5	18.4	31.8	31.0	3.64	0.08
We often encourage and support employees to continue pursuing new opportunities even when their previous ones had failed to pick up as expected	10.9	7.1	14.6	30.5	36.8	3.75	0.08

The hotel management values communication as a tool for effective innovative strategies	9.6	13	27.2	28.5	21.8	3.40	0.08
The management appreciates the use of modern technology as a mechanism to offer reinforcement to innovation.	7.9	10.9	14.2	24.7	42.3	3.82	0.08
The hotel values quality of service as a means of providing satisfaction to the customers	10.9	15.9	12.6	29.3	31.4	3.54	0.09
The management employs risk management strategies in the course of innovation process	6.7	10	21.3	27.6	34.3	3.73	0.08
The hotel management always embraces new changes that come with new ideas discovered and exploited	2.9	4.6	22.6	25.5	44.4	4.04	0.07
The hotel values the moral and ethical considerations as a reputable image to the company.	5.4	8.4	25.5	29.3	31.4	3.73	0.07
Average						3.73	0.08

The results in Table 5 show that 71.5% of the respondents agreed that the hotel management always appreciates new business ideas from employees and other stakeholders (mean = 3.92 \approx 4). This implies that on a scale of 1 to 5 (where 1 is strongly disagree and 5 is strongly agree), on average, the respondents indicated agreement. Majority of the respondents (62.8%) also agreed that the hotel has a vision, a mission statement and core values that guide all the stakeholders towards opportunity seeking (mean = 3.64 \approx 4). This implies that on a scale of 1 to 5 (where 1 is strongly disagree and 5 is strongly agree), on average, the respondents indicated agreement. Moreover, 67.3% of the respondents agreed that they often encourage and support employees to continue pursuing new opportunities even when their previous ones had failed to pick up as expected (mean = 3.75 \approx 4). This implies that on a scale of 1 to 5 (where 1 is strongly disagree and 5 is strongly agree), on average, the respondents indicated agreement. Majority of the respondents (50.3%) also agreed that hotel management values communication as a tool for effective innovative strategies (mean = 3.40 \approx 4). This implies that on a scale of 1 to 5 (where 1 is strongly disagree and 5 is strongly agree), on average, the respondents indicated agreement. Besides, 67.0% respondents thought that the management appreciates the use of modern technology as a mechanism to offer reinforcement to innovation (mean = 3.82 \approx 4). This implies that on a scale of 1 to 5 (where 1 is strongly disagree and 5 is strongly agree), on average, the respondents indicated agreement. Majority of the respondents (60.7%) also agreed that the hotel values quality of service as a means of providing satisfaction to the customers (mean = 3.54 \approx 4). This implies that on a scale of 1 to 5 (where 1 is strongly disagree and 5 is strongly agree), on average, the respondents indicated agreement. Likewise, 61.9% of the respondents indicated that the management employs risk management strategies in the course of innovation process (mean = 3.73 \approx 4). This implies that on a scale of 1 to 5 (where 1 is strongly disagree and 5 is strongly agree), on average, the respondents indicated agreement.

Moreover, 69.9% of the respondents agreed that the hotel management always embraces new changes that come with new ideas discovered and exploited (mean = 4.04 \approx 4). This implies that on

a scale of 1 to 5 (where 1 is strongly disagree and 5 is strongly agree), on average, the respondents indicated agreement. Besides, 60.7% respondents thought that the hotel values the moral and ethical considerations as a reputable image to the company (mean = 3.73≈4). This implies that on a scale of 1 to 5 (where 1 is strongly disagree and 5 is strongly agree), on average, the respondents indicated agreement. In summary, the average mean of the responses was 3.73 on a scale of five points with a standard deviation of 0.08. The low standard deviation close to zero implies that the data points are closely clustered to the mean. The mean of 3.73 implies means that the majority of the respondents described the culture of the hotel as innovation-oriented. The findings are consistent with Falahat, Tehseen and Van Horne (2018) who revealed that there was positive and significant impact of innovativeness on all the perceived performance measures, with exception of perceived financial performance measure. Fernandes and Pires (2021) also indicates that managers ought to provide their employees with adequate environmental support (e.g., time, budget, and brainstorming sessions) and promote a supportive innovation organizational culture (e.g., loose coupling and error tolerance). Creation of a dynamic culture in an organization sets off an innovative culture in hotels (which can be labeled as: technological innovation; innovativeness and innovation strategy; knowledge and employee innovative behavior; and performance). Along the same vein, Gürlek and Tuna (2018) indicate that green organizational culture has a positive effect on green innovation and competitive advantage which is a key determinant for green innovation and competitive advantage. Specifically, green organizational culture can be used to predict green innovation, which in turn predicts competitive advantage of hotels. Table 6 gives statements to answer the open-ended question on options towards entrepreneurial culture.

Table 6: Opinions towards entrepreneurial culture

Question	Emerging Themes	Comments
In your own opinion, how else do you think entrepreneurial culture has influenced hotel innovation?	Improvement of hotel services	Cost efficiency and efficient services to customers
	Improved staff productivity	Optimization of human capital

The respondents were given the opportunity to mention the areas where entrepreneurial culture has influenced the hotel innovation but were not captured in the close ended questions. Different hotels had different statements captured differently but the common nuances are recorded in table 6. Some respondents indicated that there was an improved hotel service meaning cost efficiency and efficient services to customers. The other respondents indicated that there was improved staff productivity, meaning optimization of human capital. Table 7 gives statements to answer the open-ended question on options towards hotel as innovation oriented.

Table 7: Opinions towards hotel as innovation oriented

Question	Emerging Themes	Comments
In what other ways would you describe the culture of the hotel as innovation-oriented?	Quarterly capacity building meetings where staff air their ideas without fear intimidation.	Generation of new business ideas.
	Reward of new ideas every end of year	Creation of hotel competitive edge.

The respondents were given the opportunity to mention the areas in entrepreneurial culture of the hotel as innovation-oriented which were not captured in the close ended questions. Different hotels had different statements captured differently but the common nuances are recorded in table 7. Some respondents indicated that quarterly capacity building meetings are held where staff airs their ideas without fear intimidation, thus generating new ideas. The other respondents indicated that new ideas are rewarded every year, thus creation of hotels' competitive edge.

4.4 Correlation between Entrepreneurial Culture and Hotel Innovation Correlation Analysis

Table 8: Correlation Analysis between Entrepreneurial Culture and Hotel Innovation

Correlations		Hotel innovation	Entrepreneurial Culture
Hotel innovation	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	239	
Entrepreneurial Culture	Pearson Correlation	.543**	1
	Sig. (2-tailed)	0.000	
	N	239	239

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

*Correlation is significant at the 0.05 level (1-tailed).

The results in Table 8 show that entrepreneurial culture and hotel innovation by 1-3 star rated hotels in Kenya have a positive and significant relationship ($r=0.543^{**}$, $p=0.000$). The strong r value of 0.543 indicates a value of greater than 0 which implies that entrepreneurial culture as a linear variable has a positive association with hotel innovation. This implies that an increase in entrepreneurial Culture process results in an increase in hotel innovation. These findings are in agreement with Danish, Asghar, Ahmad and Ali (2019) who acknowledged a notable and direct association among variables such as openness to change, self-efficacy and that they have a positive influence on entrepreneurial culture given the presence of creativity as a mediator. Fernandes and Pires (2021) also indicates that managers ought to provide their employees with adequate environmental support (e.g., time, budget, and brainstorming sessions) and promote a supportive innovation organizational culture (e.g., loose coupling and error tolerance). Creation of a dynamic culture in an organization sets off an innovative culture in hotels (which can be labeled as: technological innovation; innovativeness and innovation strategy; knowledge and employee innovative behavior; and performance).

In essence the current study's results are not just limited to the internal context of innovation but also taking care of the external surrounding. This is because, the hospitality industry just like the tourism industry takes keen interest in the green innovation. Along the same vein, Gürlek and Tuna (2018) indicate that green organizational culture has a positive effect on green innovation and competitive advantage which is a key determinant for green innovation and competitive advantage. Specifically, green organizational culture can be used to predict green innovation, which in turn predicts competitive advantage of hotels.

4.5 Effect of Entrepreneur Support System, Continuous advantage seeking and Positivity towards Innovation on Hotel Innovation

The results in Table 9 presents the fitness of regression used in explaining the study phenomena. entrepreneur support system, continuous advantage seeking and positivity towards innovation are

essential in the hotel innovation. This is evident, as shown by the R square value which 0.304. This implies that entrepreneur support system, continuous advantage seeking and positivity towards innovation explain 30.4% of hotel innovation.

Table 9: Model of Fitness for Entrepreneurial Culture Variables

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.551a	0.304	0.295	0.385

a Predictors: entrepreneur support system, continuous advantage seeking and positivity towards innovation

Table 9 shows that the model was statistically significant implying that entrepreneur support system, continuous advantage seeking and positivity towards innovation affect hotel innovation. This is further supported by the F statistic 34.162 where the value was greater than the critical value at 0.05 significance level, $F_{\text{statistic}} = 34.162 > F_{\text{critical}} = 3.841$ (3, 235).

Table 10: ANOVA for Entrepreneurial Culture Variables

	Sum of Squares	df	Mean Square	F	Sig.
Regression	15.171	3	5.057	34.162	.000b
Residual	34.787	235	0.148		
Total	49.958	238			

a Dependent Variable: Hotel innovation

b Predictors: entrepreneur support system, continuous advantage seeking and positivity towards innovation

Table 10, revealed that entrepreneur support system and hotel innovation by 1-3 star rated hotels in Kenya have a positive and significant relationship ($\beta=0.145$, $p=0.000$). This implies that improvement in 1 unit of the aspects related to entrepreneur support system improves hotel innovation by 1-3 star rated hotels in Kenya by 0.145 units. Likewise, continuous advantage seeking and hotel innovation by 1-3 star rated hotels in Kenya have a positive and significant relationship ($\beta=0.221$, $p=0.000$). This implies that improvement in 1 unit of the aspects related to continuous advantage seeking improves hotel innovation by 1-3 star rated hotels in Kenya by 0.221 units. Positivity towards innovation and hotel innovation by 1-3 star rated hotels in Kenya were also found to have a positive and significant relationship ($\beta=0.200$, $p=0.000$). This implies that improvement in 1 unit of the aspects related to positivity towards innovation improves hotel innovation by 1-3 star rated hotels in Kenya by 0.200 units.

The findings are consistent with Fernandes and Pires (2021) who indicate that managers ought to provide their employees with adequate environmental support (e.g., time, budget, and brainstorming sessions) and promote a supportive innovation organizational culture (e.g., loose coupling and error tolerance). Creation of a dynamic culture in an organization sets off an innovative culture in hotels (which can be labeled as: technological innovation; innovativeness and innovation strategy; knowledge and employee innovative behavior; and performance).

Table 11: Regression of Coefficients for Entrepreneurial Culture Variables

Variable	β	Std. Error	Beta	t	Sig.
Constant	1.577	0.216		7.318	0.000
Entrepreneur support system	0.145	0.032	0.249	4.574	0.000
Continuous advantage seeking	0.221	0.032	0.378	6.922	0.000
Positivity towards innovation	0.200	0.037	0.297	5.451	0.000

a Dependent Variable: Hotel innovation

4.6 Regression Analysis for Entrepreneurial Culture

The study also sought to investigate the causal effect of the independent variable on the dependent variable. The findings represent the model of fitness, ANOVA tests and the regression of coefficients.

Table 12: Model of Fitness for Entrepreneurial Culture

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.543a	0.295	0.292	0.385618

a Predictors: Constant, Entrepreneurial culture

Table 12 presents the fitness of model of regression used in explaining the study of phenomena. Entrepreneurial culture was found to be essential in hotel innovation by 1-3 star rated hotels in Kenya. This was further supported by the coefficient of determination R square of 0.295 which links the relationship. This shows that entrepreneurial culture explains 29.5% of hotel innovation by 1-3 star rated hotels in Kenya. While this is a moderate R Square, it suggests that there are other factors influencing the dependent variable that are not captured by the model.

Table 13: ANOVA for Entrepreneurial Culture

	Sum of Squares	df	Mean Square	F	Sig.
Regression	14.716	1	14.716	98.963	.000b
Residual	35.242	237	0.149		
Total	49.958	238			

a Dependent Variable: Hotel innovation

b Predictors: Constant, Entrepreneurial Culture

The results in Table 13 show that the model was statistically significant implying that entrepreneurial culture influences hotel innovation by 1-3 star rated hotels in Kenya. This is further supported by the F statistic 98.963 where the value was greater than the critical value at 0.05 significance level, $F_{\text{statistic}} = 98.963 > F_{\text{critical}} = 3.888 (1, 237)$.

Table 14: Regression of coefficients for Entrepreneurial Culture

	β	Std. Error	Beta	t	Sig.
Constant	1.572	0.214	–	7.348	0.000
Entrepreneurial Culture	0.567	0.057	0.543	9.948	0.000

a Dependent Variable: Hotel innovation

Table 14 shows the regression of coefficients table which revealed that entrepreneurial culture has a positive and significant effect on hotel innovation by 1-3 star rated hotels in Kenya ($\beta=0.567$, $p=0.000$). This implies that improvement in 1 unit of the aspects related to entrepreneurial culture leads to an improvement in hotel innovation by 1-3 star rated hotels in Kenya by 0.567 units. The findings are consistent with Falahat, Tehseen and Van Horne (2018) who revealed that there was positive and significant impact of innovativeness on all the perceived performance measures, with exception of perceived financial performance measure. Fernandes and Pires (2021) also indicates that managers ought to provide their employees with adequate environmental support (e.g., time, budget, and brainstorming sessions) and promote a supportive innovation organizational culture (e.g., loose coupling and error tolerance). Creation of a dynamic culture in an organization sets off

an innovative culture in hotels (which can be labeled as: technological innovation; innovativeness and innovation strategy; knowledge and employee innovative behavior; and performance).

4.6 Hypothesis Testing

The acceptance/rejection format was that, if the p-value is less than 0.05, the H_0 is not accepted but if it's greater than 0.05, the H_0 fails to be rejected. The null hypothesis H_0 : was that the effect of entrepreneurial culture on innovation by 1-3 stars rated hotels in Kenya is not statistically significant.

Table 15: Hypotheses Test Results

Research objective	Tested Hypothesis	Rule	P-value	Results of the hypothesis
To evaluate the effect of entrepreneurial culture as a driver of innovation by 1-3 star rated hotels in Kenya.	H_0 : The effect of Entrepreneurial culture on innovation by 1-3 stars rated hotels in Kenya is not statistically significant.	When p-value is less than 0.05, reject the null hypothesis	0.000	Rejected

Based on the multiple regression findings (Table 11), alternative hypothesis was rejected since the P values were less than 0.05 and thus, there is a significant effect between entrepreneurial culture and innovation by 1-3 stars rated hotels in Kenya.

5.0 SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary of the findings

The objective was to evaluate the effect of entrepreneurial culture as a driver of innovation by 1-3 star rated hotels in Kenya. To achieve this objective, the respondents indicated their level of agreement to various statements on their entrepreneurial culture. The study hypothesized that the effect of entrepreneurial culture on innovation by 1-3 stars rated hotels in Kenya is not statistically significant. The findings revealed that entrepreneur support systems and hotel innovation by 1-3 star rated hotels in Kenya have a positive and significant relationship ($\beta=0.145$, $p=0.000$). This implies that improvement in 1 unit of the aspects related to entrepreneur support system improves hotel innovation by 1-3 star rated hotels in Kenya by 0.145 units. Likewise, continuous advantage seeking and hotel innovation by 1-3 star rated hotels in Kenya have a positive and significant relationship ($\beta=0.221$, $p=0.000$). This implies that improvement in 1 unit of the aspects related to continuous advantage seeking improves hotel innovation by 1-3 star rated hotels in Kenya by 0.221 units. Positivity towards innovation and hotel innovation by 1-3 star rated hotels in Kenya were also found to have a positive and significant relationship ($\beta=0.200$, $p=0.000$). This implies that improvement in 1 unit of the aspects related to positivity towards innovation improves hotel innovation by 1-3 star rated hotels in Kenya by 0.200 units.

In general, it was indicated that entrepreneurial culture and hotel innovation by 1-3 star rated hotels in Kenya have a positive and significant relationship ($r=0.543^{**}$, $p=0.001$). The r value of 0.543 indicates a value of greater than 0 which implies that entrepreneurial culture as a linear variable has a positive association with hotel innovation. This implies that an increase in entrepreneurial culture resulted in an increase in the hotel innovation by 1-3 star rated hotels in Kenya. These findings were supported by the responses from the questionnaire where the majority of the respondents described the culture of the hotel as innovation oriented. The regression findings

indicate that entrepreneurial culture and hotel innovation are positively and significantly related ($\beta=0.567$, $p=0.000$). This led to the rejection of the null hypothesis that; there is no significant relationship between entrepreneurial culture and hotel innovation by 1-3 star rated hotels in Kenya

These findings are in agreement with Danish, Asghar, Ahmad and Ali (2019) who acknowledged a notable and direct association among variables such as openness to change, self-efficacy and that they have a positive influence on entrepreneurial culture given the presence of creativity as a mediator. Fernandes and Pires (2021) also indicates that managers ought to provide their employees with adequate environmental support (e.g., time, budget, and brainstorming sessions) and promote a supportive innovation organizational culture (e.g., loose coupling and error tolerance). Creation of a dynamic culture in an organization sets off an innovative culture in hotels (which can be labeled as: technological innovation; innovativeness and innovation strategy; knowledge and employee innovative behavior; and performance). Along the same vein, Gürlek and Tuna (2018) indicate that green organizational culture has a positive effect on green innovation and competitive advantage which is a key determinant for green innovation and competitive advantage. Specifically, green organizational culture can be used to predict green innovation, which in turn predicts competitive advantage of hotels.

5.2 Conclusions

The study concludes that there is an entrepreneurial culture that can be concluded to enhance the innovation of the hotels. This has been noted where the hotel management always appreciates new business ideas from employees and other stakeholders. The management portrays the visionary leadership style that ensures the continuity of the business. In extension, the hotels that have excelled in innovation, encourage and support employees to continue pursuing new opportunities even when their previous ones had failed to pick up as expected; values communication as a tool for effective innovative strategies; appreciates the use of modern technology as a mechanism to offer reinforcement to innovation; employs risk management strategies in the course of innovation process and always embraces new changes that come with new ideas discovered and exploited.

5.3 Recommendations

Hotel management should actively promote and enhance entrepreneurial support systems within the organization. This involves creating a supportive environment that encourages and facilitates employees to bring forth new business ideas. Establishing channels for feedback, mentorship, and resource allocation can contribute to a more robust entrepreneurial support system. Continuous training programs should be implemented to enhance the advantage-seeking behavior among hotel employees. These programs can focus on fostering a mindset of continuous improvement, adaptability to market changes, and proactive identification of opportunities. This will contribute to a culture that actively seeks and capitalizes on advantages for innovative endeavors.

Hotel management should work towards creating a positive atmosphere that embraces innovation. Encouraging a positive attitude towards change and experimentation is crucial. Recognition and rewards for innovative contributions can further motivate employees to adopt a positive stance towards innovation. Hotel leaders should actively demonstrate and emphasize the importance of innovation. This involves setting a vision that prioritizes innovation, communicating its significance, and aligning organizational goals with a culture that values and rewards innovative efforts.

Hotels should recognize the inherent risks associated with innovation and encourage the development and implementation of effective risk management strategies. Creating a culture that acknowledges the potential for failure but values the learning derived from such experiences can foster a more innovative environment. Management should actively embrace changes that come with new ideas and continuously adapt to evolving market trends. A culture that is open to change and flexible in its approach can better position hotels to respond to customer needs and industry shifts. These recommendations aim to create a conducive environment for entrepreneurial culture and innovation within 1-3 star rated hotels in Kenya, contributing to their long-term sustainability and competitiveness in the industry.

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