

Understanding Innovative Measures Employed by Small to Medium Size Independent Hotels in Managing Business in the Harare Central Business District in Zimbabwe

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ABSTRACT The study sought an in-depth understanding of innovative measures employed by small to medium size independent hotels in the management of business in Harare, Zimbabwe. Underpinned by the Resource Based theoretical framework, the study adopted a qualitative case study design located in the interpretive research paradigm. A purposive sample of five hotels was drawn from eight small to medium sized independent hotels in Harare. Data was collected using semi-structured interviews and focused group discussions and was analysed for content using thematic analysis. The study found that small to medium size independent hotels in Harare seemed not to fully and effectively implement the innovative measures in the management of business. The study concludes that there is a relationship between innovative measures implemented by small to medium size hotels and the innovativeness of these hotels. The study recommends that small to medium size hotels should strategically plan for innovation and address innovation in a more integrated and systematic way in order to remain competitive in a dynamic and competitive environment.

INTRODUCTION

Small to medium firms dominate both developed and developing economies in terms of employment and number of companies (Zindiye et al. 2012). They are increasingly viewed as an important engine for employment creation and economic growth. In Zimbabwe economic indigenisation, which is often synonymous with the promotion of small to medium enterprises (SMEs) is being hailed for its pivotal role in promoting grassroots economic growth and equitable sustainable development. The development of small to medium enterprises is seen as accelerating the achievement of wider economic and socio-economic objectives (Chidoko et al. 2011). 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 own-

ership of resources in the economy (Chidoko et al. 2011).

Small to Medium size enterprises are seedbeds for indigenous entrepreneurship as they are responsible for mobilizing ingenerated capacity, are labour intensive, and contribute to the decentralization of industry and contribute more to equitable distribution of the national income (Chidoko et al. 2011). Other economic advantages of small to medium-scale businesses include supplying dynamism (that is, 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.

SMEs in Zimbabwe face a dynamic and competitive business environment (Chidoko et al. 2011). There has been stunted growth and sluggish development regardless of increasing targeted government assistance streamlined to benefit firms operating in this sector (Maseko et al. 2012). Most SMEs are struggling to survive and grow (Maseko et al. 2012). Some even end up closing down although some have received both financial and non-financial assistance. The failure rate is very high and it is upon this background that the study seeks to understand the innovative measures employed by small to me-

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dium size hotels in the management of business in a dynamic and competitive environment.

Literature Review

A considerable amount of research exists on problems and issues related to innovation management and processes in the manufacturing and service industry (Hjalager 2002). Very few studies have been carried out on innovation in the tourism industry particularly in small to medium size independent hotels (Hjalager 2002; Weiermair and Peters 2002). Pikkemaat and Peters (2005) noted 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 pointed 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, not 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 hotels, thereby creating a gap in knowledge. Freel (2000) as well as Jong and Vermeulen (2006) argued 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.

Innovative Measures in Managing Business

Vision and Strategy for Innovation

Schilling and Werr (2009) considered vision and strategy for innovation as a very critical

innovative measure in the management of business. They argued that a strategy determines the configuration of resources, products, processes and systems that firms adopt to deal with the uncertainty existing in their environment and that successful innovation requires a clear articulation of a common vision and the firm expression of the strategic direction. They considered this as a critical step in institutionalizing innovation. Davila et al. (2006) pointed out several internal factors that influence the selection of an innovation strategy which 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. Little is known about how small to medium size hotels implement this innovative measure in developing countries like Zimbabwe and therefore it is important to extend this research to small to medium size hotels.

Knowledge Management

Knowledge management is another critical innovative measure in managing business. Mubaideen (2012) described knowledge management as the application of the collective knowledge of the entire workforce to achieve specific organizational goals. He further stated that knowledge management does not manage all knowledge in the organisation but rather manages just the knowledge most important to the organization and that it 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 viewed knowledge as an essential organizational driver and key factor in value creation.

Darwaza (2008) viewed knowledge management as 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.

Mubaideen (2012) identified the benefits of knowledge management application as the 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. Osenieks and Babauska (2013) stated that the effective application of knowledge management can facilitate and enhance innovations in an organization and knowledge is considered as a source of innovation. They further stated that the growth in knowledge in organizations has increased the complexity of innovation and that knowledge is needed for all the "new" to manage innovation. Osenieks and Babauska (2013) also noted 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 and that the process may take several years from the knowledge development to a response received from the market.

According to Schilling and Werr (2009) ownership of knowledge is important because it determines who can access and use knowledge in an organization. They further stated that 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. Schilling and Werr (2009) also argued 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. They also stated that engaging and hiring employees who are very learned can help generate that knowledge that can sustain innovation of services. Studies on knowledge management and innovation in small to medium hotels are quite

limited and there is a need to extend research on this innovative measure.

Human Resource Practices

In a study to examine the link between Human Resource Management and innovation, Jimenez-Jimenez et al. (2008) concluded that there was a positive relation between Human Resource Management practices and innovation. Their 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 where firms competed on differentiation.

Zheng et al. (2009) maintained 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 while Shafique (2012) maintained 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. Chen and Hung (2010) maintained that one way of creating a competitive advantage is improving the competence of workforce through training and development activities. They further argued that training improves the employee's current skills and also prepares the employee for future responsibilities.

A notable study in the hospitality industry was conducted by Chang et al. (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. The study therefore seeks to assess how small to medium hotels implement this innovative in managing business.

Managing Human Capital

Managing human capital is viewed as one of the important innovative measures in managing business. 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) considered human capital as the stock of personal skills that economic agents have at their disposal. Chen and Lin (2003) defined 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 et al. (2004) have emphasised the issue of human capital which they refer to as individuals’ knowledge, skills and abilities in generating innovation. Subramaniam and Youndt (2005) argued that sources 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 et al. (2008) stated 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 and 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 (Walsh

et al. 2008; Dwyer and Edwards 2009). Chang et al. (2011) argued 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.

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 hotels manage human capital are scant. Therefore this study will also attempt to address the gap by exploring how small to medium hotels implement this innovative measure in the management of business.

Managing a Network of Relationships

Managing a network of relationships is also viewed as another important innovative measure in managing business. Ritter et al. (2004) defined 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 et al. (2004) also maintained that the relationships may vary in their properties. They argued 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.

Frost (2001) stated that the critical resources that promote innovation are not only found within the organisation but are also found outside the organisation through the interaction with suppliers, customers, other companies, universities, and research institutes. Leiponen and Helfat (2010) pointed out that numerous studies have shown the importance of external sources of knowledge for the development and commercial success of innovation. Capaldo (2007) noted that firms benefit from business ideas that arise beyond organisational boundaries especially when the capability to repeatedly innovate is a requirement for competing successfully. Chen and Lin (2003) also posited 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) argued 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 and 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 stated that service firms need to join and be members of innovation networks if they are to be more innovative. He suggested 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 and 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 small to medium size hotels.

Customer Involvement

Customer involvement has been noted as one of the crucial innovative measures in managing innovation. Isaksen and Ekvall (2010) defined customer involvement management as the extent to which the customer is involved in the value creation and delivery process. They explained 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 et al. (2010) explained customer involvement as an approach that takes customer orientation a step further than customer relation management. He pointed 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 manage-

ment, the product is regarded as a subset which meets the customer's need of identification, problem solving, and consumption. Rohrbeck et al. (2010) further stated 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) argued 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.

Rohrbeck et al. (2010), further stated that 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) suggested 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. Magnusson et al. (in Schilling and 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 hotels in order to assess whether the results are also applicable. Studies on small to medium hotels have not been found.

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), 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 institutionalised 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 above arguments 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 hotels are scant. Therefore, the study explored how small to medium hotels employed this innovative measure in the management of business.

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 (Isaksen and Ekvall 2010). They further

stated that promoting an enabling climate is one of the major challenges faced by managers of organizations. 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 et al. 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 included challenge/ involvement, freedom, trust/openness, idea-time, playfulness/humour, conflict, idea-support, debate and risk-taking.

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 et al. 2001), most and least creative teams (Isaksen et al. 2001), and levels of perceived support for innovation (Isaksen et al. 2001). The climate dimensions had also been shown to discriminate working environments that are more stress free and have higher levels of job satisfaction.

Objectives

The study sought to accomplish the following objectives:

- ♦ To assess the types of innovations implemented by small to medium size independent hotels in the management of business.
- ♦ To establish the strategic innovative measures that can improve the operations of small to medium size independent hotels.

RESEARCH METHODOLOGY

The study was anchored in the interpretive paradigm. Underpinned by the Resource based theory and the Dynamic capability innovation theoretical framework the study adopted a qualitative multiple case study design located in the interpretive research paradigm. A purposive sam-

ple of five hotels was drawn from eight small to medium sized hotels in Harare. Data was collected using semi-structured interviews and focus group discussions and was analysed for content using thematic analysis.

RESULTS

This section presents the results on innovative strategies employed by small to medium hotels in Harare, Zimbabwe in managing business. Themes and sub-themes are summarised in Table 1.

Sub-theme One: Designing a Business Strategy for Innovation

The study reveals that most small to medium hotels in Harare operate with no business strategy for innovation. It has been noted that most of the small to medium size hotels have no clear

business strategies for innovation. Most staff members interviewed could not clearly point out their organizational vision, strategies, and values about innovation. They were not even sure whether their organizations had any of these. For the managers, most of them indicated that they were either working on them or reviewing them suggesting that most of the small to medium hotels in Harare are operating without a business strategy for innovation.

Sub-theme Two: Knowledge Management

The study reveals that to a greater extent small to medium hotels in Harare manage their knowledge-based resources. They apply the collective knowledge within and outside the organization to generate new ideas and to achieve specific organizational goals.

From the data collected it was noted that most of the small to medium size hotels manage their

Table 1: Participants' views on innovative measures employed by small to medium size independent hotels in Harare central business district in the management of business

<i>Sub-theme</i>	<i>Issues raised</i>
<i>Designing a Business Strategy for Innovation</i>	<ul style="list-style-type: none"> • No clear business strategies for innovation • No clear vision, strategies, and values about innovation.
<i>Knowledge Management</i>	<ul style="list-style-type: none"> • Holding regular in-house training workshops for employees as a strategy to boost their knowledge and competence • Holding regular meetings with staff members to keep them informed about the performance of the organization and its expectations and goals. • Exploring and making use of knowledge about customers in improving the quality of services.
<i>Human Resource Practices</i>	<ul style="list-style-type: none"> • Hiring mostly junior staff with no formal qualifications. • Hiring mostly hotel trainees as junior staff. • Hiring Management staff on the bases of formal qualifications and experience. • Implementing a systematic performance appraisal to employees. • Conducting in-house training and workshops for the newly recruited staff.
<i>Managing a Network of Relationships with Other Organizations</i>	<ul style="list-style-type: none"> • Being members of various organizations and associations. • Taking part in various activities like exhibitions; Tourism forum; World tourism day celebrations. • Working hand in hand with institutions of higher learning.
<i>Managing a Network of Relationships with Customers</i> <i>Customer Involvement</i>	<ul style="list-style-type: none"> • Creating customer data base. • Regularly communicating with customers • Encouraging staff to be always in close contact with customers • Welcoming suggestions and views from customers. • Engaging customers in new product development. • Actively involve staff in decision making
<i>Staff Involvement</i> <i>Creating Appropriate Organizational Climate for Innovation</i>	<ul style="list-style-type: none"> • Sustaining a positive working climate. • Organizing staff inductions and staff evaluations
<i>Customer Relation Management</i>	<ul style="list-style-type: none"> • Encouraging behavioural patterns of continuous re-purchase and retaining customers to last longer
<i>Effective Communication with Staff</i>	<ul style="list-style-type: none"> • Keeping staff informed of new developments.

knowledge based resources. Booked customers are served with feedback forms or questionnaires before they check-out and they are encouraged to comment on the quality of service they received during their stay in the hotel. They are also encouraged to bring forward suggestions on how best services could be improved. This suggests that small to medium size independent hotels in Harare are aware that customers are a critical resource for a firm's innovation performance.

Small to medium hotels in Harare have also established social relationships with outside organizations. From time to time they interact with other organizations like the Hospitality Association of Zimbabwe; Zimbabwe Tourism Authority; the local colleges and universities. One manager also pointed out that they also participate in the Tourism policy forum. This suggests that small to medium size independent hotels realize the importance of external sources of knowledge for the development and commercial success of innovation. One manager noted:

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

It was also noted that most of the small to medium size independent hotels in Harare make effort to stimulate and improve their employees' level of knowledge through various means so that they are in a better position to address a changing environment and innovate in the areas where they decide to invest and compete. Most of the small to medium size independent hotels hold regular meetings with staff members in order to keep them informed about the performance of the organization; its expectations and goals. Staff is encouraged to come up with suggestions on how best service delivery could be improved. In one of the interviews the manager of small to medium size hotel remarked:

"We have regular meetings where we update our employees on what's up menu, 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."

Small to medium hotels also try to ensure staffs have the knowledge they need, where they need it and when they need it. The management organizes in-house training workshops for its employees from time to time to boost their knowledge and competence. In some instances trainers are outsourced to facilitate training.

Sub-theme Three: Human Resource Practices

The study reveals that the issue of human resource practices is not well addressed especially the one on hiring junior staff. From the data gathered it was noted that most of the small to medium size hotels in Harare hire mostly hotel trainees and experienced staff with no formal qualifications to fill up junior positions. Basically, it was noted that they do not consider formal qualifications as a requisite to fill up junior positions. Formal qualifications for the junior staff are not considered to be critical or a priority. Their philosophy is hire for skill and train for skill. One manager noted that it was difficult for them to hire highly qualified and skilled personnel as they had no capacity to pay those salaries that are commensurate with higher qualifications due to the size of their hotel. He further noted that the salaries they offer do not also attract the highly qualified personnel. This suggests that these hotels are somehow affected in addressing a challenging environment and innovating in the areas where they decide to invest and compete because of their less qualified personnel.

Most of the time posts are advertised internally. Failure to get the right candidate the post is then advertised in the public press. Candidates who meet the requirements apply and they are shortlisted. Those who pass the interviews are appointed to fill up the vacant posts.

For the hotel trainees, they are assessed during their stay in the hotel and those who seem to perform very well are then absorbed by the hotel as permanent staff once they complete their programme.

For the newly recruited staff, small to medium size hotels in Harare organise induction and training workshops for them. In some instances some small to medium size independent hotels issue the newly recruited staffs with service manuals which are meant to help the employees know and understand the expectations of the organization. At times they even go through the manuals with them in order to ensure that they understand.

For the management staff or those holding key positions, small to medium size hotels in Harare tend to hire qualified staff with formal qualifications. They also prefer those who are multi-skilled as most of them are to work across areas or departments.

During off-peak season some of the small to medium size hotels in Harare send staffs on unpaid leave and calls them back when the situation improves.

Most of the small to medium size independent hotels have come up with strategies to retain and motivate their staff. One of the small to medium size independent hotels normally sends its employees on attachment to the big chain hotels from time to time. The hotel manager organises with the hotels and has established some good relations with the hotels. The employees seem to like the idea and seem to be appreciating the arrangement.

Other small to medium size hotels in Harare implement a systematic performance appraisal to its employees in an effort to motivate and retain competent staff. The system is based on process and group performance. Employees who excel in their performance are rewarded while those who fail to realize their targets are further trained so that they are able to cope in future. Those who excel are given various rewards in order to motivate them and keep their spirits high.

The other strategy that has been adopted by some small to medium size independent hotels in order to retain and motivate their staff is paying employees on time. One manager pointed out that this has been a good strategy for them to retain staff.

Some small to medium size independent hotels have come up with some medical and funeral schemes for their employees as a strategy to improve their work conditions and to retain them. It was also noted again by one of the managers that the strategy helped their employees to feel quite secure.

Sub-theme Four: Managing a Network of Relationships with Other Organizations

The study reveals that to a greater extent most of the small to medium size hotels in Harare manage a network of relationships with other organizations. They have established social relationships with outside organizations which suggest that they are aware of the importance of external sources of knowledge for the development and commercial success of innovation.

During the interviews most of the managers noted that they are working closely with other institutions like the Hospitality Association of Zimbabwe (HAZ); Zimbabwe Tourism Authority;

local tertiary colleges and universities and even their competitors. Most of them indicated that they are members of the Hospitality Association of Zimbabwe and from time to time the Association organizes meetings for its members which they also attend.

Managers also indicated that their hotels are registered by Zimbabwe Tourism Authority the regulatory body. They echoed that from time to time Zimbabwe Tourism Authority as a regulatory body organizes exhibitions and other tourism events like the World Tourism Day and they always participate. One manager also noted that the Zimbabwe Tourism Authority as a regulatory body also from time to time inspects the facilities for further upgrading and they work closely with them. He further indicated that it is also here that managers share ideas with the ZTA staff on ideas to improve their facilities. Managers also pointed out that they pay tourism levy to the authority while at the same time Zimbabwe Tourism Authority does the marketing and grading of hotels. One of the manager's words were:

"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."

Most of the small to medium size independent hotels also participate in the tourism policy forum. Managers meet and share ideas. Managing a network of relationships with other organizations is viewed as crucial when it comes to sharing of ideas by managers of small to medium size independent hotels. One of the managers noted that the hotel industries by the nature of its people who are hospitable managers normally make it easy to approach each other to discuss business issues and share ideas:

"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."

Most of the small to medium size independent hotels also work closely with institutions of higher learning. One manager of the small to medium size hotels noted that the hotel has established some good relationship with some educational institutions like the Bulawayo School of Hospitality Management and University of Zimbabwe. He pointed that within these institutions they have contacted lecturers whom

from time to time meet the hotel staff and contacted lecturers update each other about new developments in the industry and also share ideas on the best practices of delivering quality services. The manager's words were:

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

The manager also noted that the institutions also send their students for attachment to the hotel. When the lecturers visit the students for assessment they also find time to discuss and share information with the hotel staff on new developments in the hospitality industry and on how best they can improve the quality of the products and services.

Sub-theme Five: Managing a Network of Relationships with Clients

The study reveals that to a greater extent most small to medium size independent hotels are managing a network of relationships with their clients. This suggests that small to medium size independent hotels are aware that customers are a critical resource for a firm's innovation performance and that firms benefit from business ideas that arise beyond organizational boundaries.

From the interviews most managers indicated that they create customer data base. From time to time these hotels communicate with their customers through various means. Some communicate electronically via email; telephone or through their Facebook page to update them of the new developments and events in the hotel in a special way. One manager noted that this serves to retain customers and to create customer loyalty. The manager also noted that some customers pick him on google mail and WhatsApp when they have 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."

Some small to medium size independent hotels invite their clients for special meals and events and during these occasions they share ideas with them and get to know from them what areas need to be improved.

Sub-theme Six: Customer Involvement

The study reveals that to a greater extent most small to medium size independent hotels

engage their customers in new product development. From the data generated it suggests that most small to medium size hotels in Harare have 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.

Most of the small to medium size hotels in Harare encourage staff to be always in close contact with customers and welcome suggestions and views from them. Any suggestions from the customers are brought to the attention of the management for consideration. Customers are encouraged to give suggestions on how best service delivery could be improved. Before they check out they are given questionnaires to comment on the quality of service and to bring forward suggestions on how best the services could be improved.

At times small to medium size hotels invite their clients for meals and during these occasions they share ideas with them and get to know from them what areas need to be improved. According to one manager this has enabled them to get repeat business and new customers through referrals.

It was also noted that small to medium size independent hotels make effort to engage their customers in new product development. One manager remarked:

"If you do not give people what they want, they will go elsewhere."

Sub-theme Seven: Staff Involvement

The study reveals that to a greater extent small to medium size hotels in Harare involve their employees in decision making. From the data generated it suggests that most small to medium size hotels in Harare are aware of how beneficial it is to involve their employees in achieving innovations that are valued by customers. Most small to medium size hotels in Harare actively involved staff in some decision making. One of the managers remarked:

"It is imperative to leave out 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."

Another manager also noted:

“Involving staff in decision making makes them remain committed in delivering the brand.”

Sub-theme Eight: Creating Appropriate Organizational Climate for Innovation

The study reveals that to a greater extent small to medium size hotels create appropriate organizational climate for innovation. From the data generated it suggests that sustaining a positive working climate is viewed by the managers as key to delivering a high quality customer service and as a means of addressing the issue of staff retention. Most of the staff indicated that their hotels have positive working environment and this has been achieved a combination of measures.

Most small to medium size independent hotels have a staff performance appraisal system in place. Members from each department normally sit together and set their performance targets. One manager pointed out that this helps to reduce friction among the members of staff and enables the members to be focused. Members who achieve their targets are rewarded accordingly.

Other measures taken by small to medium size independent hotels include staff inductions and staff evaluations. When staff initially arrives, 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 staffs tend to be placed in the department where they are best suited and happiest. In addition there are regular staff meetings that are held. Also perhaps of greatest contribution to positive working environment is the presence of the manager. The managers make 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, as one of them explains:

“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.”

Creating a family atmosphere is also seen as an important element in creating a positive working. One of the staff members noted:

“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 uniforms.”

It could be concluded that from the data generated small to medium size independent hotels to some extent try to create an appropriate climate so that people can share and build upon each other's ideas and suggestions.

DISCUSSION

Knowledge Management

The study revealed that small to medium size 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. This suggests that small to medium size hotels in Harare do realise the importance of knowledge management as one of the sustainable innovative measures in the management of business as articulated by Abu-Khadair (2009), Capaldo (2007) and Miller et al. (2007). Abu-Khadair (2009) affirmed that the benefits of knowledge management application include improvement of the decision making process and better implementation of these decisions. Capaldo (2007) also noted that when the capability to repeatedly innovate is a requirement for competing successfully, firms benefit from business ideas that arise beyond organizational boundaries and Miller et al. (2007) also maintained that knowledge from outside the organizational boundary offers potential for new combinations that foster innovation by integrating previous disparate knowledge elements.

Designing a Vision and Strategy for Innovation

Of great concern, the findings of the study showed that some small to medium size hotels operated with no vision nor strategy for innovation for their organizations. One would conclude that small to medium size hotels were not aware of the need and importance of a vision and strategy for innovation in their organisations as articulated by Oke (2007) and Lawson and Sam-

son (2001). Lawson and Samson (2001) contended that operating without a vision and strategy for the organisation is non-sustainable. They further maintained that strategy determines the configuration of resources, products, processes and systems that firms adopt to deal with the uncertainty existing in their environment and that successful innovation requires a clear articulation of a common vision and the firm expression of the strategic direction. Oke (2007) also asserted that innovation strategy is one of the formal management practices important for supporting innovation in an organization.

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. The findings suggest that managers of small to medium size hotels realise the need and importance of staff involvement in promoting innovation in their organisations. The findings corroborate with deBrentani (2001) who identified the involvement of expert front-line personnel in the innovation process as one success factor governing the outcome of service innovation projects. 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 play a more important role in fine dining innovation than in other product innovation situations.

Managing a Network of Relationships

On the issue of managing a network of relationships, the findings showed that small to medium size independent hotels effectively managed a network of relations with the customers. The findings are in line with Rohrbeck et al. (2010) who contended 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 (2002) who asserted that developing a good working relationship with customers is a means by which a firm understands and serves cus-

tomers' needs and co-develops new products and services.

However, with regard to managing a network of relationships with competitors, the findings revealed that small to medium size hotels had a generally weak relationship with their competitors. The findings suggest that small to medium hotels did not realise the importance of networking with competitors in promoting innovation in their organisations. This was contrary to the assertions by Welch and Wilkison (2002) who maintained that cooperative relationships among competitors may be developed for various purposes, beyond the typical collusion to control and subvert competition.

On the issue of managing relationships with competitors the findings revealed that the relationship was weak. The findings suggest that the organizations were not quite cognizant that it was one of the sustainable innovative measures in managing business. The findings seem not to corroborate Jørgensen and Ulhøi (2010) who contended that participation in innovation networks is a solution for increasing SMEs' abilities to transform their new ideas into practice.

Customer Involvement in Value Creation

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. Data also unveiled that small to medium size independent hotels engaged their customers in new product development. The findings suggest that small to medium size hotels were quite aware of the importance of customer involvement in promoting innovation within their organisations. The findings are in line with what was pointed out by Ernst (2004) and Rohrbeck et al. (2010). Ernst (2004) who maintained that customer involvement is crucial during the course of product development to actualise a commercial product and Rohrbeck et al. (2010) emphasised that integrating the customer in the innovation process was a powerful means to reduce uncertainty and failure rates and to increase the revenue from new products.

Implementing Human Resource Practices that Encourage Innovation

The study revealed that small to medium size hotels implemented some of the human resourc-

es practices that encourage innovation and ignored some. The practices that were being fully and effectively implemented included practices like employee participation, communication, performance measurement, teamwork and training. Implementation of human resources practices encourage innovation support which was pointed out by Chen and Hung (2010). Chen and Hung (2010) maintained that improving the competence of workforce through training and development activities is seen as a way of creating a competitive advantage.

Although it was noted that small to medium size independent hotels in Harare made efforts to implement human resources practices that encourage innovation, this study also revealed that some practices were not fully and effectively implemented. Of great concern was the hiring of unqualified staff. The findings revealed that there was a tendency to engage semi-skilled managers who were limited in terms of management skills and experience. They also hired unqualified staff with no formal qualifications and who lacked basic hotel and catering skills and experience to fill up junior positions. The findings are contrary to Shafique (2012) who maintained that recruitment should not simply be a question of filling gaps, but should be proactively focused on bringing the specific kind of skills and experiences in the organization. Jimenez-Jimenez and Sanz-Valle (2008) also noted that failure to fully implement human resource practices that encourage innovation proves to be non-sustainable for the organizations.

Creating an Appropriate Organizational Climate for Innovation

From the findings it emerged that small to medium size independent hotels in Harare made efforts in creating an appropriate organisational 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. 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 maintained that an appropriate climate for innovation enables people to share and build upon each other's ideas and suggestions.

CONCLUSION

It emerged from the study that small to medium size hotels in Harare were not effectively addressing the issue of innovation as evidenced by the non-implementation of certain innovative measures in the management of business. The study concluded that there is a relationship between innovative measures implemented by small to medium size hotels and the innovativeness of these hotels.

RECOMMENDATIONS

The study recommended that small to medium size hotels should strategically plan for innovation and address innovation in a more integrated and systematic way in order to remain competitive in a dynamic, challenging and competitive environment.

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