

## Effect of Innovation, Knowledge Sharing and Trust Culture on Hotels' SMEs Growth in Eswatini

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**How to cite this article:** Tefera, O. & Dlamini, W. (2021). Effect of Innovation, Knowledge Sharing and Trust Culture on Hotels' SMEs Growth in Eswatini. African Journal of Hospitality, Tourism and Leisure, 10(3): 881-894. DOI: <https://doi.org/10.46222/ajhtl.19770720-138>

### Abstract

Innovation, knowledge sharing and trust culture contribute significantly to hotel small and medium enterprises (SMEs) in the leisure and hospitality industry. However, most SMEs are family-owned, and staff cannot explore and contribute to business growth. This article describes the effect of innovation, knowledge sharing, shared value and trust culture on hotel SMEs growth in Eswatini (former Swaziland). The study used a mixed explanatory method where data collection and quantitative analysis occurred first, and followed by qualitative research. Overall the results revealed that innovation shared based, knowledge sharing, and trust culture have an impact on small and medium hotels growth in Eswatini. The in-depth follow-up interview provided reasons for these effects. The study's empirical findings also suggest that the innovations, knowledge sharing and trust culture contribute to the growth of the hotel small and medium sector in Eswatini. The implications of the findings in this study for the growth of this sector are that the sector should develop policies and strategies that would enhance growth in the business. The limitation of the study was that it only focused only on purposefully selected small and medium entrepreneur's hotel establishments in Eswatini. The study contributes to empirical studies on the hotel and tourism SMEs sector in developing countries.

**Keywords:** Innovation, shared value, knowledge sharing, trust culture, SMEs growth

### Introduction

Before the outburst of the COVID-19 pandemic which negatively impacted global tourism from 2020, the hotel small and medium sector was enjoying increased growth; thus the World Travel Tourism Council (WTTC) projected the industry growth of 3% per year globally. The hotels mall and medium enterprises (SMEs) effectively contribute to the socio-economic growth in developing countries like the Kingdom of Eswatini (Kala & Bagri 2014). In Eswatini, the sector created more than 2,000 jobs in 2015 and more five years later (Authority 2016). The indicators of growth in hotel SMEs include: (1) financial growth - in terms sales, profitability, assets and cash flow, (2) customer growth - in terms of repeat and new customers (3) Business growth – which is the increased rating of efficiency and effective customer service. Another indicator of SMEs growth is measured by the utilization of new technology and employees' acquisition of new skills. The main reason for innovation strategies is that the hospitality and tourism industry operates in a highly volatile global village with sophisticated, diverse customers based on culture and interest (Pešalj 2018). Therefore, management and staff

of small and medium hotels require continuous innovations, shared value/knowledge sharing and a trust culture that improve performance and growth (Terry Kim, Lee, Paek, & Lee, 2013). To survive in the dynamic competitive economy, Small and Medium Enterprises, including hotels, need to develop innovative competency and their creative capabilities (Gupta & Barua 2016). With such innovation competency, the hotels small and medium enterprises would establish knowledge sharing (Tang, Wang, & Tang, 2013). Knowledge sharing creates the flow of collective information and offers employees opportunities to disperse the knowledge of new service ideas. Delavari and Badizadeh (2018) state that shared value increase employee trust in the organisation and confidence, which, in turn, facilitates knowledge transfer. Furthermore, they observed that transformational leaders create a sense of shared value to motivate high satisfaction and productivity among their followers in the hotel and tourism SME sector. Eswatini Micro, Small, and Medium Policy defined SMEs in Eswatini as a small enterprise with 11 to 20 employees, having an asset value over R50,000 up to R2 million and a turnover of up to R3 million. Medium enterprise has 21 to 60 employees, have assets value over R2 million up to R5 million and turnover up to R8 Million. Tang, Wang and Tang (2013) state that knowledge sharing on service innovation capability in small and medium hotels does not consider combining types of services such as knowledge of technology, service, customers, and products.

Ibarra-Miche, Velarde, Olmos & Alvarado (2017) state that sustainable innovation could be successful if leaders and followers are involved in collaborative work and consensus in setting the organisation's objectives and goals using the balanced scorecard model. Kaplan and Norton (2001) describe a balanced scorecard as a helpful model in translating the vision and strategy, which help management to build confidence to execute the organisation's strategic plan. The strategic planning process enables management to understand better the performance measures, objectives, and targets management intends to achieve. Malagueño, Lopez-Valeiras, & Gomez-Conde (2018) state that the characteristics of a balanced scorecard provide innovative efficiency as it reflects a highly dispersed managerial practice that could offer an immediate environment for decentralisation decision making. The decentralisation occurred through the structures and written plans that support superior innovation (Quesado, Guzmán & Rodrigues, 2017). Unlike the large hotels such as Hilton Garden and Sun International, very few small and medium hotels in Eswatini have a strategic planning document for efficiently implementing their strategy (Dlamini, Migiro & Tefera, 2020). Quesado, Guzman and Rodrigus (2017) state that BSC, in its innovative aspects, generates strategic learning, gives a global vision of organisation performance, enhances organisation objectives, and reduces information overload by limiting measures used through the four perspectives.

The theories underpinned the study are innovation, knowledge sharing, shared values and trust culture. Ibarra, Velarde, Olmos and Alvarado's (2017) innovation theory suggests that entrepreneurs should introduce innovation to maximise profits. The share value theory suggests that any business strategy design to solve issue profitable. In the proposed conceptual framework, Dlamini, Migiro and Tefera (2020) hypothesised that innovation shared valued, knowledge sharing and the trust culture impact hotel SMEs growth. The innovation, shared values, knowledge sharing and trust culture theories improve hotels small and medium performance growth based on the balanced scorecard strategy and vision. This paper describes the impact of the principles of innovation, shared valued/knowledge sharing, and trust culture theories contribute to hotel SMEs growth in Eswatini. These principles incorporated the "practical application of balanced scorecard as performance measurement tool" Dlamini, Migiro & Tefera, 2020) describing how innovation, shared value/knowledge sharing and a trust culture contribute to hotel SMEs growth in Eswatini. The study aimed to examine the impact of innovation, knowledge sharing, and shared value and trust culture towards small and

medium hotels growth in Eswatini. The Eswatini Government, through the Small and Medium Enterprises Unit, adopts policies that develop and promote the culture of Entrepreneurship and Innovation to Micro, Small and Medium Enterprises. The objectives of the study included a plan: (1) to examine attributes of innovation, knowledge sharing, shared value, and trust culture theories that affect small and medium hotels growth; (2) to describe how design, shared value, and trust culture approaches contribute to hotel and tourism SMEs growth; (3) to examine the significant association between innovations, trust culture and shared value theories with BSC performance measures for hotel and tourism SMEs growth; (4) to explain how innovations, trust culture and shared value theories, are associated with BSC performance measures to enhance hotel small and medium performance and growth. The findings led to the development of the conceptual framework and discovery that there seem to be some effects of balanced scorecard link with organisational strategy to innovation, trust culture, and shared valued theories for small and medium hotels growth.

### **Literature review**

The literature reviews the relationships between the balanced scorecard model link and organisational vision and strategy. It also examines its effect on innovations, knowledge sharing, shared values and trust culture theories for small and medium hotel growth.

### ***Innovation***

The term 'innovation' is derived from the Latin word 'Novus', meaning new, young or novel (Hsu, 2005). Gima (2005); Hurley & Hult (1998); Yang et al., 2009) define service innovation as an ability to apply helpful knowledge from multiple resources and create new service, processes, and systems. Service innovation creates superior customer value (Tang, Wang, & Tang, 2013). Malagueño, Lopez-Valeiras and Gomez-Conde (2018) found that 201 SMEs hospitality and tourism in Spain use BSC as a feed-forward control to innovation, resulting in better financial performance and business growth than those which did not use it. Malagueño, Lopez-Valeiras and Gomez-Conde (2018), based on the clear performance measures, observed that these SMEs presented higher exploitative innovation levels, resulting in competitive advantage. Literature reveals that performance measures such as BSC significantly impact service innovation as a competitive advantage for hotels (Huang, 2013; Nicolau & Santa-Mari, 2013; Ottenbacher and Gnoth, 2005).

Gupta and Barua (2016) state that an organisation needs to develop innovative competency and develop their creative capabilities to survive in the dynamic competitive economy. Access to resources is crucial for SMEs' innovation activity in the hotels' sector. These require sufficient resources to sustain competition (Gupta & Barua 2016). Further, they state that without the latest tools, equipment and machinery, working capital, and skilled workers, an organisation would not perform innovative activities despite creative ideas. Many organisations fail to convert their images to final products due to a lack of the required resources. To be a highly competitive hotel and tourism SME, the organisation must continuously renew its services to customers and provide better service than its competitors (Tang, Wang & Tang, 2013). Since customer expectations and requirements are rapidly changing, it is imperative for hotels to continually develop new services for creating higher customer value and competitive advantages.

### ***Knowledge sharing***

Tag et al., (2013) and Srivastava et al., (2006) defined knowledge sharing as a team process in which "team members share task-relevant ideas, information, and suggestions with each other". Rutten, Blaas-Franken, & Martin (2016), also describe knowledge sharing "as the individual

willingness to share knowledge to other colleagues, friends and family members on what he/she acquired or created". Rutten, Blaas-Franken and Martin (2016) definition emphasise the significance of "willingness". Safa and Von Solms (2016) state that knowledge sharing plays an imperative role in information security, owing to its optimistic effect on employees' information security consciousness. They argue that security awareness knowledge is the most critical factor that mitigates the risk of information security breaches in organisations (Safa & Von Solms 2016).

Knowledge sharing is two-way communication, and it happens where a knowledgeable person is able and willing to help others and is also ready to learn from others (Intezari, Taskin & Pauleen, 2017). Organisations such as small and medium hotels should develop a strong culture that enhances knowledge sharing that spreads knowledge among employees. The culture that supports effective knowledge sharing refers to the attitudes and beliefs that motivate and encourage employees to aggressively conduct communication, translation, conversion and filtering knowledge available throughout the organisation (Intezari, Taskin & Pauleen, 2017). Tang, Wang and Tang (2013) highlight that management of hotels should adopt the job rotation, which would allow employees to gain and understand service delivery. The job rotation assists managers to identify suitable candidates and enable employees to gain a complete understanding of service delivery and help them to identify qualified candidates and necessary knowledge resources for successful services (Tang, Wang & Tang 2013). Moreover, job rotation inspires employees to learn where they could find the required support when creating new services or improving the existing services. Tang, Wang and Tang (2013) indicate that knowledge sharing could transform hotel employees' knowledge into innovation capabilities.

### ***Shared value***

Another social capital dimension relates to simple ideas and commitments employees share to achieve hotel service goals. Tang, Wang and Tang (2013) assert that shared values stand for values that guide individual and team actions towards having universal value, collective goals, and value creation to facilitate resource exchange from various contexts. Waal and Kourtit (2013) state that shared value is significant for internal coordination, promoting the efficiency and effectiveness of resource usage.

### ***Trust culture***

Tang, Wang and Tang (2013) state that shared value is significant for internal coordination, facilitating the efficiency and effectiveness of resource usage. Trust culture is critical for small and medium hotels to promote a relationship on sharing experience, especially on failure. Sometimes it is not easy for employees to share their service experience because the gained learning experience was from carrying out the painful and unpleasant situation (Tang, Wang and Tang, 2013). In a trust culture, service employees are not affected by mocking or humiliation. Therefore, the balanced scorecard link with vision and organisation strategy involves innovation, knowledge sharing and shared value and trust culture for hotel SMEs growth. However, Dlamini, Migiro and Tefera (2020) argue that most small and medium hotels do not have a formal and open strategy on employees linked to a balanced scorecard model. In a trust culture, service employees are not affected by mocking or humiliation. They like to share their experiences with their service failure and acquired remedies. In other words, trust culture is the core of social interaction, and this makes those participating in knowledge sharing feel at ease (Tang, Wang and Tang, 2013). Additionally, a trust culture makes employees feel enthusiastic about being the sources of desired knowledge that support other service colleagues for the hotel to offer better services (Tang et al., 2013; Levin and Cross 2004). Hussain, Konar

and Ali (2016) further state that team trust culture based on the norms, expectations and roles of each team player creates an energetic team that effectively contributes to the performance of the hotel and tourism SME sector. According to Sitawati (2015), the team members' trust culture enhances teamwork and social interaction with better communication, which results in better service innovation performance.

### ***Balanced scorecard link with the organisation vision and strategy***

Based on the four perspectives of the balanced scorecard (finance, customers, internal business process and learning and growth), the model ensures that financial and non-financial performance measures link the vision and strategy of the organisation (Kaplan & Norton 2001). The balanced scorecard model is a valuable performance measurement tool in translating the vision, communication and linking the strategy, integration of the business planning and provision of feedback and learning (Kala & Bagri 2014). Malagueño, Lopez-Valeiras and Gomez-Conde (2018) explain that a BSC as a strategic performance measurement system allows organisations to convert (or translate) a strategy into achievable objectives. Furthermore, they assume that each performance measure of the BSC is part of the balanced cause and effect relationship, leading steps such as non-financials drive future financial performance. The purpose lagging measures are the results of the past action. By tracking the firm's progress against these measures, managers and employees accomplish the firm's mission by identifying and correcting under-performing perspectives (Malagueño, Lopez-Valeiras & Gomez-Conde, 2018). Kaplan and Norton (2001) claim that the balanced scorecard enables management to create a balanced scorecard in two levels: executive management may focus on financial and customer perspectives. In contrast, other management focuses on the business processes and learning growth perspectives. (Kaplan & Norton 2001).

Furthermore, BSC linkage with organisational vision and strategy becomes useful for everyone to understand roles and responsibilities. As the high-level corporate scorecard cascades down to individual business units, all-embracing strategic objectives and measures are translated into objectives and actions appropriate to each group. These targets to individual performance and compensation systems produce "personal scorecards." Furthermore, as a result, individual employees will understand how their product supports the overall strategy (Kaplan & Norton 1996a). BSC clarifies how day-to-day actions affect the short-term and the long-term strategic objectives of the organisation. Kaplan & Norton (2001) and Quesado, Guzmán, & Rodrigues, (2017) argue that the translation of the strategy in operational terms in BSC assists the organisation to communicate its strategic objectives and link the goals to each other through the cause and effect relationship.

The BSC supports companies to integrate their business and financial plans since management may find it difficult to incorporate those diverse initiatives to achieve their strategic goals (Kaplan and Norton (1996b). Malagueño et al., (2018) found that a balanced scorecard usage for feed-forward has a positive relationship with financial performance and exploring innovation in the SMEs sector. Furthermore, they claim that such feed-forward improve monitoring and control of activities immediately after examining variances between actual versions based on past performance and the current one. Once the BSC is in action, it can communicate the company's plans, direct efforts in one direction and avoid dispersion. The Budget-strategy relationship allows the budget to be linked to the strategy by allocating adequate resources to achieve the objectives (Quesado, Guzmán, & Rodrigues 2017). Malagueño, Lopez-Valeiras and Gomez-Conde (2018) state a relationship between BSC and SMEs' business growth. Their study emphasises that more established SMEs attain higher financial performance since management structures usually practice by established companies that support the effective use of BSC.

Strategic performance gives companies the capacity to have strategic learning. The feedback and review of business processes focus on whether the company, its departments, or its employees have met the budgeted financial goals (Kaplan & Norton 2001). With the balanced scorecard at the centre of its management systems, a company can monitor short-term results from the three additional perspectives (customers, internal business processes, and learning and growth) and evaluate strategy in the Light of recent performance (Kamunge, Njeru & Tirimba, 2014; Abofaied, 2017). The scorecard enables companies to modify strategies to reflect real-time learning performance. According to Quesado, Guzmán, and Rodrigues<sup>3</sup> (2017), BSC can also use as a tool to learn about the business. They claim that the organisation can compare plans and the actual results, which would help management reassess and adjust both strategy and action plans. With the learning tool, the company can compare plans and results to evaluate and adjust objectives, indicators and action plans (Waal & Kourtit 2013).

## Methodology

The study employed an explanatory sequential mixed methodology that collected quantitative data in a survey instrument and analysed the data before conducting the follow-up interview (Creswell & Cresswell 2018). The study focused on small and medium hotels in Eswatini. The data was collected in two phases — the follow-up interview intended to investigate the survey's findings in-depth. The target population for the research were owners or directors, middle management, supervisory management and staff participating located between the two cities Manzini and Mbabane. Out of the 115 establishments, only 35 allowed the researcher to conduct the study. The average estimate of managers and staff involved in planning is ten people, translating to 350 respondents. Hence, 350 questionnaires that comprise close-ended research questions were distributed to research participants to address the two main objectives. The collected data were analysed using the Statistical Package for Social Sciences (SPSS) version 25. The descriptive statistical analysis in this study used the frequency table.

The analysis frequency was categorically on the research objectives and questions for the quantitative method. The non-parametric statistical analysis is the distribution-free test of hypotheses. It is useful when samples were from an unknown distribution or measured nominal or ordinal scale (Chavan & Kulkarni, 2017). The parametric test was not used mainly for three reasons. Firstly, the measurement scale used was ordinal and not the interval or ratio scale. Secondly, the samples were not obtained from the population that follows the normal distribution. Lastly, the hypothesis test was not a correlation analysis, regression, or ANOVA test because the mean is affected by the neutral variable in the Likert type scale. Quantitative results were integrated with qualitative results to explain in-depth the quantitative results (Creswell & Cresswell, 2018). The quantitative results informed the sampling procedure and guided the follow-up interview in selecting the qualitative questions asked in the second phase. Phase two was a follow-up interview that targeted senior management or SME owners where the phase one survey had been conducted. For the qualitative research interview, out of the 35 representatives of SMEs, 14 participated, comprising a 40% response rate. Interview data were collected face to face and through telephone interviews. Participants explained how innovation, shared value, and trust culture theories contribute to hotel and tourism SMEs growth? Secondly, participants were to explain how innovations, trust culture and shared value theories, associated with BSC performance measures for hotel and tourism SMEs growth? Qualitative data collection was then organised and analysed according to themes and categories using NVivo version 12. According to Creswell et al. (2003), qualitative research findings are interconnected into the narrative or developed into a theoretical model.

## Results

The study's primary purpose was to assess the effect of balanced scorecard towards creation, knowledge sharing and trust culture for small and medium hotels growth in Eswatini. The findings are presented following the following pillars for measuring growth in hotel SMEs: innovations, knowledge sharing, shared values and trust culture. The findings clearly state the effects of each pillar on the business growth in this sector.

### *Effect of innovation to SMEs hotels growth*

The results indicate that innovation contributes to growth of hotels small and medium in Eswatini (Table 1). On aggregate of 325 responded that innovation contributes to SMHs growth in Eswatini and the greed respondents (n=221, 67.9%), neutral respondents (n=65, 23.1%) and different view respondents (n=39, 11.9%). Specifically, the respondents indicated that customer feedback improving innovations was rated as the most contributing attribute (n=230, 70.7%), another service such entertainment and touring places (n=221, 68.2%) and followed by the staff innovations and initiatives) which contributes (n=213, 64.9%).

Table 1: Innovation effect on SMEs hotels growth

Variable	n	Disagree		Neutral		Agree	
		f	%	f	%	f	%
<i>Innovation theories</i>							
Staff innovation and initiatives are essential factors for hotel growth	328	50	15.2	65	19.8	213	64.9
Other services such as entertainment and touring around the country	324	37	11.4	66	20.4	221	68.2
Customer feedback improves innovations	325	30	9.2	65	29.2	230	70.7
<i>Aggregate</i>	<b>325</b>	<b>39</b>	<b>11.9</b>	<b>65</b>	<b>23.1</b>	<b>221</b>	<b>67.9</b>

The follow-up interviews with owners and senior managers in small and medium hotels explained how innovation, shared valued / knowledge sharing, and trust culture theories contribute to hotels small and medium enterprises growth. In Eswatini, participants argue that creation centred on the unique cultural events and activities such as Incwala Festive Culture and Reed Dance (Umhlanga) that occur annually. Participants confirm that innovation contributes to financial measures and the growth of small and medium hotels. They claim that innovation influences cash flow, economic development, and revenue because small and medium enterprises could not survive in the fourth digital generation without new ideas and new technologies.

### *Knowledge sharing and shared value effect to hotels SMEs growth*

Table 2 below reveals that, on aggregate, 331 respondents answered the knowledge sharing and share value statements. Furthermore, Table 2 also points out that knowledge sharing and shared value among employees contributes to hotel SME's growth in Eswatini (n=217, 65.5%). On aggregate some respondents were either neutral (n= 64, 19.4%) or having different perspective (n=50, 15.1%). Specifically, respondents indicated that information and knowledge sharing occur throughout the sections and departments (n=230, 70.7%). "Frontline staff collect feedback from customers and share it for continuous improvement" (n=228, 69.5%) was contributing more than "Information and knowledge sharing throughout sections and departments" (n=205, 61.5%).

Table 2: Effects of knowledge sharing and shared value on SMEs growth

Variable	n	Disagree		Neutral		Agree	
		f	%	f	%	f	%
<i>Shared value and knowledge sharing</i>							
Information and knowledge sharing occur throughout sections and departments	333	59	17.7	69	20.7	205	61.5
Frontline staff collect feedback from customers and share it for continuous improvement	328	41	12.5	59	18.0	228	69.5
<i>Aggregate</i>	<i>331</i>	<i>50</i>	<i>15.1</i>	<i>64</i>	<i>19.4</i>	<i>217</i>	<i>65.5</i>

In the follow-up interview section, participants indicated that knowledge sharing and share value are interlinks to innovation and trust culture since they contribute to small and medium growth. Participants revealed that when staff share their experiences and knowledge, their peers develop more interest to be innovative in the hotel small and medium sector.

### *Effects of trust culture on SMEs growth*

The information depicted in Table 3 shows that the aggregate majority (328) respondents' trust culture effects on hotels SMEs growth in Eswatini. On average, respondents confirmed that trust culture contributes to hotel small and medium growth in Eswatini (n=225, 68.7%). On aggregate, some respondents were either neutral (n= 58, 17.5%) or having a different opinion (n=45, 13.9%) that trust culture hotel small and medium for hotel and tourism SMEs growth. Specifically, the findings indicate that staff members are willing to support others (n=232, 71.4%) through knowledge sharing employees have developed a trust culture (n=218, 65.9%).

Table 3: Effects of trust culture on SMEs growth

Variable	n	Disagree		Neutral		Agree	
		f	%	f	%	f	%
<i>Trust culture fuel mutual interaction</i>							
Through knowledge sharing, employees have developed a trust culture	331	51	15.4	62	18.7	218	65.9
Staff members willing to support others	325	40	12.3	53	16.3	232	71.4
<i>Aggregate</i>	<i>328</i>	<i>45</i>	<i>13.9</i>	<i>58</i>	<i>17.5</i>	<i>225</i>	<i>68.7</i>

The follow-up interview also supports the previous findings that trust culture influence hotel small and medium growth in Eswatini. The majority of participants claim that the developed trust culture among employees improves customer satisfaction because employees share customer feedback reports and work out how they could improve their deficiencies going forward.

### *The Significance association between innovations, trust culture and shared value theories and hotel SMES growth*

The Pearson Chi-Square results reveal the significant association between innovations, trust culture, shared value theories, and balanced scorecard performance measures for hotels' small and medium sector growth. The summarised Pearson Chi-square results stated below. The results show an association between innovation, trust culture and shared value theories and hotel SME sector growth (Chi-square = 664.278, p=.000 ). The association between cluster, innovation, trust culture and shared value theories were as follows: innovation theories (Chi-square = 737.426, p=.000), shared value with employees (Chi-square = 890.219, p=.000), and trust culture fuel mutual interaction (Chi-square = 875.274, p=.000).



Table 4. Association between theoretical attributes theories (innovation, knowledge sharing / shared value and trust culture) and hotel small and medium growth

Attributes	Chi-square	df	p
Overall attributes	664.278	16	.000
Innovation theories	737.426	16	.000
Shared value with employees	890.219	16	.000
Trust culture fuel mutual interaction	875.274	16	.000

NB: df - degree of freedom  $p \leq .01$

## Discussion

Firstly, the findings revealed that innovation influence the hotel SMEs growth. This implies that staff innovation is considered one of the factors that influence hotel growth. However, the rating of innovation was lowest among the three factors tested in the study. The low ranking is consistent with the fact that the staff is partially involved in strategic planning, as most of these entities are family-owned. For instance, in the follow up interview, one manager of a hotel establishment said, "*Nowadays as the internet and social media is widely used; customers judge the business innovation level online by accessing the profile of any hotels in the trip advisor and bookings.com websites*". The study's findings concurred with Das (2019), resulting in the integration of strategy and operations support innovation and performance, encouraging both management and staff to be forward-thinking as they engage in long-term benefits and competitive advantages. The overall results are also consistent with Kaplan and Norton (1996b) balanced scorecard model of using the transition of vision, communication and linkage, business plan and feedback and learning approaches to stimulate innovation among staff and management for small and medium hotel growth. Most of the Balanced Scorecard model characteristics were relevant to enhance the small and medium hotel growth. However, the results (Table 1) indicate clearly that feedback and entertaining tourists are critical factors for small and medium hotel growth. The follow-up interview findings reveal that small and medium hotels could not survive in this century without innovation.

Secondly, the study reveals that knowledge sharing and shared valued has great effect to SMEs growth. The results of the study support previous findings that shared values and knowledge sharing enhanced organisational values which focus on quality and superior services (Delavari & Badizadeh 2018). The findings imply that sharing information between department and units on customer feedback in small and medium hotels contributes significantly to organisational growth since management and staff would become aware of what customers could need. The results support Hussain, Konar and Ali (2016) findings that knowledge sharing and shared value behaviour contribute towards the hotel's service performance and growth since it provides positive effects to all team members and becomes more innovative.

Thirdly, the study's findings indicate that trust culture is another contributing factor for hotel small and medium sector. The results imply that employees and staff in hotels small and medium enterprises have developed a trust culture which contributed to the organisational growth. Both survey and interview results were incongruent with Hussain, Konar and Ali's (2016) findings that trust culture inspires, encourage and satisfies employees to perform beyond expectation in the service hotel. The results of the current study reveal that trust culture influences small and medium sector growth. Based on the finding of the balanced scorecard align with its management strategy, team trust culture direct contributes to hotel small and medium growth (Hussain, Konar and Ali, 2016).

Fourthly, the findings of the study indicate the association among innovation, trust culture, and shared value theories. The results support Chiun Lo, Chai Wang, Justin Wah

Constance and Ramayah (2016) findings that there was an association between technology innovation with financial and non-financial small and medium enterprises of Malaysia. The results conclude that technology advancement allows SMEs to source technical information and new technologies suitable to business and come out with the latest business result that could not be easy to imitate (Chiun Lo, Chai Wang, Justin Wah Constance and Ramayah 2016). The results revealed that there is a strong connection between innovation and the presence of quality service in these establishments which also enhanced the trust culture, employees and customers' satisfaction, shared value and knowledge sharing.

***Quality customer service association with innovation*** – In the qualitative interview, participants were asked to explain why there was an association between quality customer service and innovation. Five participants confirmed that quality service is associated with innovation. At the same time, the other seven disagreed that quality customer service rendered is associated with innovation. However, two agreed that quality customer service rendered is associated with innovation to a certain extent. The finding implies that 50% of participants agreed, and 50% had different opinions on why there was an association between quality services and innovations. Participants stated an association between innovation and quality customer service because innovation attracts new customers and enhances repeat customers. They further claimed that quality customer service is associated with innovation is due to management seeking the latest information on how they could serve customers better to increase sales. Other participants also argue that quality service rendered is associated with innovation because new inventions improve the efficiency and effectiveness of processes and enhance customer satisfaction. Some participants say that quality customer service rendered might depend on innovations. Still, financial constraints and affordability could force owners not to be too innovative even if they like to.

Furthermore, about seven participants argue that hotel quality customer service rendered is not associated with innovation because of the business's financial resources constraints and potential growth, not innovation. Although there was 50% confirmation and 50% different opinions, the findings support the previous studies showing a positive relationship between customer services and exploratory innovations. Malagueño, Lopez-Valeiras and Gomez-Conde (2018) find that the association between experimental innovations and non-controlled results of strategy, research and development sales, research and development collaboration and intangible total asset ratios. The results supported the previous literature and studies that such variables positively affect the ability of a company to be innovative (Malagueño, Lopez-Valeiras and Gomez-Conde, 2018).

### ***Employees' satisfaction association with trust culture***

Participants explained why employee satisfaction level (learning and growth) is associated with trust culture for hotel and tourism small and medium enterprises growth. Nine participants stated that employees' satisfaction level is associated with trust culture. The more workers are satisfied with working conditions; the better is the trust developed among them. Another reason participants claim there was an association between employee satisfaction levels and trust culture is that employees opened up, and suggested new ideas that would benefit the hotel small and medium enterprises growth. Furthermore, participants claim there was an association between employee satisfaction levels and trust culture since employees trust culture increases when they work together to solve problems. Small and medium hotels have few young people who are more innovative and bring fresh ideas on how the activities are completed. One participant explained that trust culture plays a significant role because it replaces the financial gains drawn from customers. However, those participants argued that employee satisfaction is

not associated with trust culture for several reasons. Three participants explained that employees' satisfaction level association with trust culture was impossible since people are different; they have different needs and manage them; it is not an easy task. For example, one manager from the hotel sector noted that "*employees have specific job descriptions and responsibilities, so they do not have to trust another person*". Other participants argued that employees' satisfaction level associated with the trust culture could not be possible because customers give employees tips as individuals, not as a team. Therefore, the trust culture could have a limited impact on employees' satisfaction level. The findings support the previous studies that employees' satisfaction level is associated with trust culture. Sitawati (2015) claims that a hotel could struggle to attract customers without having a unique value for its competitive strategy. The business trust culture has a positive association with balanced scorecard performance measures. Service quality and trust culture are some of the skills that draw more customers into the business (Sitawati 2015).

### ***Customer satisfaction association with shared value/knowledge sharing***

Participants were to explain how the customer satisfaction rate is related to share value/knowledge sharing. The majority of participants acknowledged that there is an association between customer satisfaction and shared value. One of the reasons participants highlighted that the association occurs when staff and management receive feedback from customers on their deficiencies, they share the information on how to improve service condition. Another participant suggested that some employees and leadership share their experiences based on what he did in the past. Other participants stated that the customer satisfaction rate is associated with shared value because customer satisfaction depends on how effective knowledge sharing is. Another participant stated that the customer satisfaction rate is associated with share values because of the benchmarking and visitation of hotel and tourism establishments in South Africa that offer the same service. They said that when they come back, they share experiences and observations from that educational tour. The study results concurred with Fernández-Gámez, Gutiérrez-Ruiz , Becerra-Vicario and Ruiz-Palomo (2019), findings that show that investing more in social responsibility creativities generates a shared value between the hotel and tourism company and stakeholders. The current study results confirm that shared value has a direct association between social outcomes and financial performance.

In summary, the quantitative and qualitative results reveal that between theoretical attributes theories (innovation, knowledge sharing and shared value and trust culture) contribute to the growth of hotels SMEs in Eswatini. In all the variables (designs, share value and trust culture), the P-value .000 implies a strong association with scorecard performance measures. During the follow-up interview, participants explain how there was an association between quality customer service and innovation, employees satisfaction level with trust culture, customer satisfaction rate, shared value, and knowledge sharing. However, few participants had a different opinion regarding these associations. The majority was congruent with quantitative results that there was an association between innovation, shared value/knowledge sharing, and trust culture with balanced scorecard performance measures. The results findings lead to developing the conceptual framework based on balanced scorecard strategies to improve small and medium hotels and growth.

### **Implication of the study**

The study suggests the implication of the innovation, knowledge sharing/shared values and trust effect to hotels small and medium growth. Moreover, the report presents how innovation, knowledge sharing, shared value, and trust culture are associated with balanced scorecard performance measures. The article further suggests that innovations contribute effectively to

small and medium hotel' growth despite being ranked the lowest among the variable tested. The results imply that owners and managers of small and medium hotels should look up-to-date on tourism and hospitality environmental analysis. The latest tourism information means to access new information on events through communication and linkages channels, developing business models, getting feedback on the latest product and services, and communicating their visions based on the four perceives of the balanced scorecard. The practical implication indicates that small and medium hotels should develop their vision, mission and strategy based on the balanced scorecard to track the organisational performance. The follow-up interview with owners and senior give a vivid explanation of why innovation has a significant effect. The interview results suggest that owners should take advantage of unique cultural events and foster innovative products and services that attract local and international tourists.

The findings imply that continuously sharing information among department and units, small and medium hotel enhance growth. The results support the conceptual framework where the usage balanced scorecard model focusing on communication and linkage approach, business planning, feedback and learning, and vision transition affects knowledge sharing and shared value. The findings imply that small and medium hotels management and staff should share their experiences and knowledge when executing their daily activities. Although some participates argued that employee's satisfactions are not associated with trust culture, the majority concur with the results. Those who had different opinions indicated that job descriptions, specific tasks, and rewards are related to employee satisfaction. This article suggests that small and medium hotel owners and management should continually assess employees' satisfaction factors over the trust culture as their needs of employees frequently change with environmental factors. These Employees satisfaction implies that the management should continue communicating, translating the vision, building relevant business plans, and learning new things from employees' feedback when evaluating employees' satisfaction level. The findings also indicate that small and medium should network with their counterpart in the neighbouring Provinces of South Africa (Mpumalanga and KwaZulu-Natal) to learn how they improve their customer satisfaction. In that educational tour, they would observe how the staff offer services to customers and what products and services the hotel could copy and replicate in their establishment. There are very few small and medium hotels in Eswatini compare with South Africa since the country size is above 17,000square kilometres. Therefore, future studies should incorporate the neighbouring provinces of South Africa (Mpumalanga and KwaZulu-Natal) because the culture and values of these provinces are almost the same as that of Eswatini. Even in Eswatini, the study should cover other small and medium outside Manzini and Mbabane corridors.

## Conclusion

The study concludes that innovation, knowledge sharing/ shared value and trust culture influences the organisational growth. Although there were congruent results between the survey and follow up interviews, there were a few exceptions. The participants in the interview had a different view of quantitative results. However, most respondents and participants conclude that innovation contributes to small and medium hotels growth in Eswatini. One major conclusion and recommendation drew from the results was that model technology is a significant contributing factor for hotel small and medium enterprises growth. As results small and medium hotels which are not aligning to model technology such as the internet, there risk business opportunity with the hospitality and tourism sector globally. Therefore, from the study's findings, we recommend that hotels in the small and medium industry embrace the use of modern technologies in the industry.

In knowledge sharing and shared value, the mixed method results conclude that small and medium hotel employees share their knowledge, experience among the staff members. Furthermore, the employees give feedback to each other regarding customer service. Such feedback helps to improve future services. Based on the study's findings, we conclude that sharing knowledge and experience could result from using the balanced scorecard management strategies such as communication and linkages and feedback and learning approach, which contributed to small and medium hotel growth. Based on quantitative and qualitative research results, we recommend that small and medium hotels should enhance the culture of knowledge shared valued when rendering services in the organisation.

The small and medium hotels also have to establish a trust culture among the staff members. The findings revealed that there was an association between team trust culture and small and medium hotel growth. The results imply that employees and staff members have built a trust culture that could increase staff openness and contribute to innovation and shared value. Again there was an association among innovation, knowledge sharing/shared value and trust culture theories. Although the descriptive statistics analyses confirm the relationship, most follow-up interviews agreed to the findings while others have a different view. The follow-up results concluded an association between customer quality services and innovation, employees' satisfaction level and trust culture, customer satisfaction rate, and trust culture. However, few participants in the follow-up interview have different opinions on the association of employees' satisfaction and trust culture. They argued that there could be no association between employees' satisfaction level and trust culture because people are different; they have different needs and managing them differently. We then conclude that some employees' satisfaction could rely on teamwork but on individual responsibility. Therefore, we recommend that small and medium hotels continue building teams among staff members to ensure that employees' satisfaction and success depend on other team members' performance and trust culture. The findings of this study would contribute to the hotel and SMEs management in that it highlights the role played by incorporating the principles of the theories to encourage and support innovation in the business. Further this study has shown that sharing knowledge and develop trust culture among staff has a great impact to the business and financial growth of the entity. At a national level, the findings in this study have a potential to influence government in its regulatory and supportive role to this sector to enact policies and regulations that would improve the hotel SMEs growth. The study may ignite interest in further study on the contribution of innovation, knowledge sharing, shared valued and trust culture in the growth of other sectors in the national or global economy.

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