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**ENTREPRENEURIAL LEADERSHIP AND INNOVATION BY
1-3 STAR RATED HOTELS IN KENYA**

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ENTREPRENEURIAL LEADERSHIP AND INNOVATION BY 1-3 STAR RATED HOTELS IN KENYA

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Abstract

Purpose: The study aimed to assess the effect of entrepreneurial leadership on innovation by 1-3 star rated hotels in Kenya.

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

Results: The findings revealed that entrepreneurial leadership and hotel innovation are positively and statistically related ($\beta=0.669$, $p=0.000$). This led to the rejection of the null hypothesis that; the effect of entrepreneurial leadership on innovation by 1-3 star rated hotels in Kenya is not statistically significant. The study concludes that hotel leadership plays a critical role in fostering hotel innovation. In this respect, the leadership offers hotel employees opportunity for learning new things; ensures employees attain the necessary skills and tools to perform their jobs; encourages employees to make mistakes and learn from the mistakes; is focused and guided towards the overall organizational goals; encourages teamwork among the employees in order to boost on their brainstorming abilities; empowers the employees through career development and provides protection of the employees' innovations.

Unique contribution to theory, policy and practice: Based on the study findings, the study also recommends leaders be involved in enhancing staff capacity, and this would mean Hand holding of staff to upscale them in knowledge. Likewise, staff members need to be allowed and encouraged into free sharing of knowledge among themselves. The study also recommends interdepartmental transfers meaning better understanding of the business.

Keywords: *Entrepreneurial leadership, innovation, 1-3 star rated hotels in Kenya*

1.0 INTRODUCTION

Hotels face stiff competition in the industry and it is prudent for them to maintain their competitiveness by distinguishing themselves from others through continuous improvements and innovations (Backman, Johan & Oner, 2017). Therefore, to address the competition challenge, hotels both collectively and individually will have to adopt a continuous innovation mode. Hotels' innovation has a big role to play in improving political environment internationally, and to provide a way of addressing natural calamities and disease outbreaks (Richter, 2013). In order to position their services and to attract the ever-changing categories of tourists, hotels must strategically innovate (Mattsson & Orfila-Sintes, 2014). Innovation can extend existing capacity in hotels through products and services. This improves quality and variety of services while reducing the time taken to provide services, thus efficiency.

Rapid advances in technology have however, helped the service industry businesses to come up with innovative ways to expand their customer base, reach and serve potential customers. How people currently access lodging services, has also been drastically changed by the introduction of Airbnb, the largest hotel chain in the world as the customers have now more efficient ways of booking the services and in addition have more, as well as different choices of services (Tucker, 2014). This Airbnb exponential growth around the globe is clear evidence that traditional ways of doing business are giving way to newer and innovative models.

For their innovativeness, Airbnb having been founded in 2008, became the largest lodging company and brand all over the world, with over 1 million properties in over 34,000 cities and 192 countries, with a valuation reported to be from \$10 billion to \$13 billion in 2013 and to \$24 billion in 2014 (Varma, Jukic, Pestek, Shultz & Nestrov, 2016). In Ghana, Xuhua, Spio-Kwofie, Udimal and Addai (2018) indicate that successful stories about small hotels do exist but they are quite rare. Small hotel managers/owners indicate that there is a strong correlation between innovative activities and patronage implying that at current level of patronage hotel managers could still achieve the same level of patronage by cutting down the level of innovation activities.

To create a competitive advantage and to be able to sustain it, in a hyper competitive environment, the hotel's entrepreneurial strategies ought to enable the hotels to holistically and continuously innovate by implementing institution, products, processes and services innovation. Thus, Kenyan hotels need to innovate, to help in expanding the otherwise narrow range of hotel offerings, and ensure that hotel facilities and destinations as a whole stand out in the midst of over saturated market given the infinite touristic destinations globally. The level of hotels' innovation in Kenya can therefore, be understood through assessing the hotels employees' entrepreneurial leadership and how it is harmonized to yield competitive advantage (Dzhandzhugazova et al., 2016).

1.1 Statement of the Problem

Innovation drives hotel competitiveness (Baporikar, 2014), in turn improving visitors' destination which directly and through multiplier effect contributes to improved GDP, increased foreign exchange earnings, improved tax revenue collection by the exchequer and the job creation thus, improving economic stability and thus reducing poverty (Murimi, Moses & Eric, 2019).

Findings from other studies (Mattson et al., 2014, Wandongo et al., 2010), reveal that the hotel sector has relatively low innovation orientation. Tourists' arrival in Kenya has also been declining as Kenya loses its market share to less endowed destinations mainly due to lack of innovation in line with global trends (World Bank, 2018). The hotels are considered rigid and non-innovative (Wikhamn, Armbrecht & Wikhamn, 2018) and that they lack explicit innovation strategy and only half of them produce at least one type of innovation. Lower category hotels are less innovative than higher category hotels (Murimi et al., (2019). This is evident from low level of research and development (R&D) in hotel establishments (Orfila-Sintes, Crespi-Cladera and Martínez-Roe, 2005). If this low performance trend is not urgently addressed, Kenya's economic performance will continue to be affected negatively, leading to increased poverty levels and other subsequent ills such as insecurity. From the reviewed literature, (Mattson et al., 2014, Wandango et al., 2010, Adamako, Danso, Boso and Narteh, 2018), little has been done on innovation and its drivers by hotels. The studies previously carried out on innovation were mainly in the areas of leadership and academic entrepreneurship, information technology, finance, and manufacturing. Thus, none of these studies addressed the role of entrepreneurial strategies as drivers of hotel innovation. This study seeks to fill in the gaps in the body of knowledge.

This study therefore reports that the 1- 3 star rated hotels in Kenya need innovation in their service provision as anchored on four theories; Entrepreneurial Orientation Theory, Dynamic capability theory, Technology Acceptance Model (TAM) and the Social Cognitive Theory, with Entrepreneurial Orientation Theory as the main theory. To help the hotels survive this hyper competition, this study proposes to assess the effects of entrepreneurial mindset, culture and leadership strategies and strategic organizational resources management as drivers of innovation by 1-3 star rated hotels in Kenya and to make recommendation thereof on how to adopt the strategies as a way of improving the hotels competitive edge.

1.2 Purpose of the study

The main purpose of this study was to explore the effect of entrepreneurial leadership on innovation by 1-3 star rated hotels in Kenya.

1.3 Research Hypothesis

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

2.0 LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 Social Cognitive Theory

This theory was initially coined by Bandura (1986) as an extrapolation of the social learning theory. The theory states that when individuals observe a model performing behavior and its outcome, they remember the sequence of occurrences and use this data to guide future behavior. Individuals ideally do not learn new behaviors, either succeeding or failing in them, by doing them alone, rather survival of humanity depends on copying other people's behavior (Bandura, 2009). According to Bandura (1986), personal (cognitive and biological) factors, behavior, and

environmental events working as link and causing effect to each other in both ways. Individuals have self-regulating abilities that expects self-satisfaction from fulfilling valued standards and responds in an evaluative manner to their own behavior (Bandura, 1992).

As part of their self-reflective capability, individuals verify their perceptions (self-reflexively) through four modes of thought; the persuasive, logical, vicarious, and enactive processes assess the adequacy between thought and the results of their actions. According to Swearer et al. (2014), self-efficacy is based on the principal assumption of psychological procedures, the social cognitive theory, in which the perceived self-efficacy influences the choice of activities and behavioral settings. The amount of effort spent and the persistence to face the obstacles is determined by individual's efficacy expectations. The concept of self-efficacy comes into sight in management and organization; it stimulates motivation and cognitive resources for a better individual achievement in every single aspect of life (Swearer et al., 2014). Self-efficacy is introduced as individual judgments regarding a particular phenomenon (Mokhber, 2016).

Renko et al. (2015) likewise acknowledged the use of social cognitive theory to define and measure entrepreneurial leadership as a construct that influences and directs the performance of group members towards recognizing and exploiting new opportunities. The study by Cai, Lysova, Khapova and Bossink (2019) was also largely drawn from the social cognitive theory. According to the authors, creative efficacy beliefs enable the development of workplace to flourish creative ideas. Thus, theoretically, the study proposed that team creative efficacy exerts a cross-level mediating influence on the relation between entrepreneurial leadership and employee creativity. This theory has thus been deemed relevant and instrumental to the current study since it informs the frameworks involving the leadership of the hotels. The theory informs the leadership of the hotels and other organizations to uphold good entrepreneurial leadership qualities since it plays a very critical role in employee development in terms of motivation as well as career advancements. In relation to innovation, a proactive and innovative leader is the driver of motivation behind the operations of the human resource which leads to certain aspects as the new ideas as a result of team work, brainstorming as well as benchmarking.

2.2 Empirical Review

2.2.1 Entrepreneurial Leadership and Hotel Innovation

Leadership generally describes a series of events, ways and techniques undertaken by a leader/representative to effect significant change in the attitudes and beliefs of people. In entrepreneurship, the entrepreneur is central figure within the organization who is permanently seeking for new opportunities. If their organizations are to survive, leaders must respond to and manage changing environments and innovation. The most important thing for an entrepreneur is to make the proper decision for the desired short-term and long-term outcomes. Good judgment is related to leadership. It is, therefore, strongly recommended to handle less and to lead more in order to deal with or overcome any problems or crisis (Hasan & Rjoub, 2017).

A leader is, therefore, more or less a strategic manager in business since the direction, vision and mission of the business relies on them and their decisions. Thus, the ability to link entrepreneurship to strategic management is very pronounced given an innovative leader and/or entrepreneur.

According to Seltzer, J., & Bass, B. M. (1990) transformational and transactional leadership are the most important leadership styles in which, as transformational leadership relies heavily on charisma, individual consideration and intellectual stimulation are transactional leadership based on management by exception and contingent reward. As a consequence, crucial decisions that impact the opportunity to maximize existing opportunities and recognize potential prospects are always taken by a team. The values and cognitive profile of the leadership team have a powerful impact on firm strategies and outcomes. This enhances the quality of leadership skills within an organization.

Therefore, the current study notes the significance of the entrepreneur to be both a leader and a strategist in the business world. This study based on the above backdrops sought to investigate the applicability of the same sentiments to the hotel context. This is done by investigating the impact of leadership nourishing, linking entrepreneurship to strategic management and protection of innovations.

2.2.4.1 Leadership Nourishing

Leadership nourishing is an entrepreneurial aspect that ensures a healthy orientation towards growth and individuals in lower-level positions to take up leadership roles for future prospects. In today's workplace, employees expect and even demand growth opportunities as well as learning and recognition. This is usually done by provision of training and mentorship programs, showing appreciation as well as giving increased responsibility to staff in a given organization (Roomi & Harrison, 2011).

2.2.4.2 Link Entrepreneurship and Strategic Management

Since companies require the capacity to create, maintain and operate growing a commercial enterprise, taking into account the risks in an attempt to make profit includes the proving of risk taking, operation, innovativeness, aggressiveness and flexibility in the fields of business growth and in particular the creation of market competition. It is a link between entrepreneurship and strategic management (Abou-Moghli, 2018).

2.2.4.3 Protect Innovations

Innovation refers to coming up with new ideas regarding the organizational products, processes, service and/or market. These innovations require protection since they are regarded as the intellectual property (IP). Therefore, recognizing and rewarding innovators for their successful technologies require protections such as by use of patent rights (WIPO, 2019).

2.2.4.4 Entrepreneurial Leadership effect on Hotel Innovation

Yusof and Jain (2017) analyzed and presented academic entrepreneurship as a leadership process that creates economic value, creates organizations, innovation or renewal within or outside the university which results to research and technology commercialization. The study used cross-sectional survey-based methodology. The study used entrepreneurship theory to link leadership behavior and the level of academic entrepreneurship. Self-administered questionnaire by researchers was used to collect the data for this study. The study targeted academic staff categorized as professors, associate professors and lecturers in the selected four public research

universities, as the population frame for the research. Proportional stratified random sampling method was used to derive the sample size.

The findings revealed that entrepreneurial behavior among academic leaders is a notable enabler to academic entrepreneurship in the local public research universities, and mainly when academic leaders are able to actualize their entrepreneurial mindset, thinking, potential and approach. This study's results are a confirmation that a higher level of academic entrepreneurship in these universities will result from a higher level of entrepreneurial behavior among academic leaders.

Despite the study being hinged on entrepreneurship theory, it did not show the extent and contribution offered by the theory. Instead of discussing the tenets of the theory and the type of link that exists between the model and the theory, the study only stated the theory. Based on the above argument then, the current study sought to justify the theory in details and to establish the reasons behind the choice of the theory and the variables.

Cai, Lysova, Khapova and Bossink (2019) sought to understand better how entrepreneurial leadership influences workplace creativity in firms from the compatibility perspective. The study was mainly drawn from the social cognitive theory and the data was collected from various sources which included 43 leaders and 237 employees from eight Chinese companies. According to the theory used, creative efficacy beliefs enable the workplace to develop flourish creative ideas (Tierney & Farmer, 2011). Entrepreneurial leadership promotes employees' creative self-efficacy to perform creatively (Chen, 2007), as well as team creative efficacy towards team creativity (Shin & Eom, 2014) thus the parallel motivational processes are effective at both the individual and the team levels (Chen & Kanfer, 2006). Theoretically, the study proposed that the team creative efficacy exerts a cross-level mediating influence on the association between entrepreneurial leadership and employee creativity.

The results by Cai, Lysova, Khapova and Bossink (2019), revealed that entrepreneurial leadership is positively associated to the employee and team creativity, and these associations are mediated by both employee creative self-efficacy and team creative efficacy. Team creative efficacy was however found to exert a cross-level mediating influence on the entrepreneurial leadership-employee relationship. This study proposes that employees and teams led by entrepreneurial leaders are likely to bring about creative outcomes. Further, the findings affirm the importance of creative efficacy beliefs, and their vital role in explaining how entrepreneurial leadership influences employees and team creativity, and how these beliefs serve as a within-level and across-level mediating mechanism in these associations. The use of the social cognitive theory was relevant to study since it offered a clear road map on how the leadership from a social background impacts on the creativity of the staff in any organization.

2.5 Operational Framework

The researcher developed measuring parameters of innovation by 1-3 star rated hotels in Kenya being the dependent variable, and entrepreneurial leadership as independent variable. The entrepreneurial leadership was measured by assessing the hotel's collective leadership willingness to nourish the entrepreneurial capabilities of the firm, protects change-instituting innovation from resistance by the employees and hotels' stakeholders. Further, the hotel entrepreneurial leadership

was rated through its abilities to infuse entrepreneurship, that is, opportunity seeking behaviour and exploitation to the hotel's strategies formulation and applications.

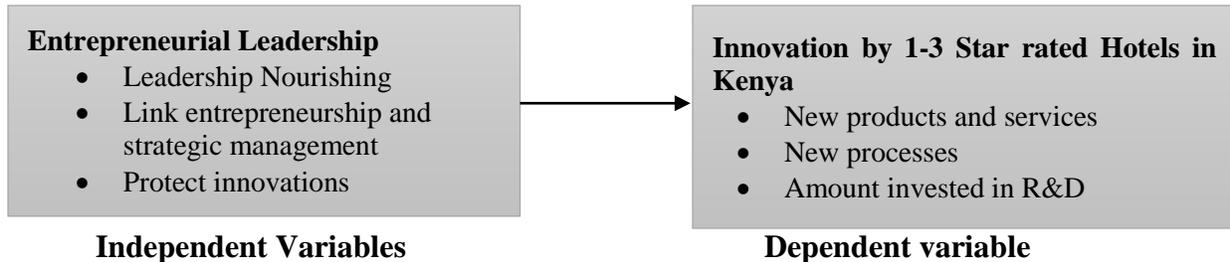


Figure 1: Operational Framework

3.0 RESEARCH METHODOLOGY

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

4.0 FINDINGS AND PRESENTATION

4.1 Response rate

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

Table 1: Response Rate

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

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

4.2 Pilot results

4.2.1 Reliability results

The research instrument's reliability test was done using Cronbach's alpha. This yielded Cronbach's alpha values of above 0.7 for all the study variable, thus the results were acceptable as per the thresholds given by Sekaran and Bougie (2019) who stated that coefficient greater than or equal to 0.7 is acceptable for basic research. Safari and Akpunar (2020) explain that reliability can be seen from two sides: reliability (the extent of accuracy) and unreliability (the extent of inaccuracy).

Table 2: Reliability Results

Variables	Cronbach's Alpha	Conclusion
Hotel innovation	0.773	Reliable
Entrepreneurial Leadership	0.757	Reliable

The pilot results proved that the variables statements were highly reliable with Cronbach's Alpha for the results being 0.757 and 0.773 for Entrepreneurial Leadership and Hotel innovation respectively

4.2.2 Construct Validity results

Factor analysis was used to test for construct validity performed using Kaiser-Meyer-Olkin (KMO) with interpretive adjectives for the KMO. The instrument was discussed with the supervisors from the Dedan Kimathi University of Technology who provided expertise and ensured the questions in the questionnaires measured the study variables. The KMO test has the following KMO Value/Degree of Common Variance: 0.00 to 0.49 unacceptable, 0.50 to 0.59 miserable, 0.60 to 0.69 mediocre, 0.70 to 0.79 middling, 0.80 to 0.89 meritorious and 0.90 to 1.00 marvellous (Simon & Goes, 2016; Andale, 2017).

Table 3: Factorial Test Results for Construct Validity

Variable	KMO	Bartlett's Test of Sphericity			Conclusion	Validity
		Approx. Chi-Square	df	Sig.		
Hotel innovation	0.510	61.097	32	0.006	miserable	Valid
Entrepreneurial Leadership	0.670	64.188	32	0.003	mediocre	Valid

KMO Bartlett's test for sphericity was done and yielded the following results, entrepreneurial leadership (KMO = 0.670, $p = 0.003$) and hotel innovation (KMO = 0.510, $p = 0.006$) which indicated a significant sampling adequacy for the dependent and independent variables (table 3).

4.3 Descriptive statistics for Entrepreneurial Leadership and Hotel Innovation

The study objective was to explore the effect of entrepreneurial leadership on innovation by 1-3 star rated hotels in Kenya. The respondents were asked to indicate the extent to which the hotel has engaged in the following aspects of entrepreneurial leadership from 2018 to 2020. Their responses were averaged as shown in Table 4:

Table 4: Entrepreneurial Leadership Performance 2018 to 2020

Year	Number of innovation workshops	Number of team-building sessions	Number of patents secured
2018	6	1	5
2019	5	1	4
2020	5	1	5

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

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

Statements	SD	D	NS	A	SA	Mean	S. D
Hotel leadership always offers hotel employees opportunity for learning of new things	5	26.8	24.7	23.8	19.7	3.26	0.08
Hotel leadership always ensures employees attain the necessary skills and tools to perform their jobs	7.1	5.4	19.2	41.4	26.8	3.75	0.07
The hotel leadership encourages employees to make mistakes and learn from them.	14.2	9.2	14.2	27.2	35.1	3.60	0.09
The hotel leadership is focused and guided towards the overall organizational goals	5.4	17.2	17.2	26.8	33.5	3.66	0.08
The leadership encourages teamwork among the employees in order to boost on their brainstorming abilities	6.7	8.8	21.8	35.1	27.6	3.68	0.08
Hotel leadership frequently seeks for new partnerships and networks to gain new opportunities and learn new ideas	6.7	16.7	17.2	26.4	33.1	3.62	0.08
The leadership empowers the employees through career development	9.2	10.9	14.2	24.3	41.4	3.78	0.09
The leadership provides protection of the employees' innovations	8.4	4.6	20.1	33.9	33.1	3.79	0.08
The leadership is participatory inclusive of the low-level employees	5.4	6.7	17.2	42.7	28	3.81	0.07
Average						3.66	0.08

The results in Table 5 revealed that 43.5% of the respondents agreed that the hotel leadership always offers the hotel employees opportunity for learning of new things. The results also exposed that 68.2% of the respondents agreed that the leadership always ensures employees attain the necessary skills and tools to perform their jobs. Additionally, 62.3% of the respondents agreed that the hotel leadership encourages employees to make mistakes and learn from them. The results also showed that 60.3% of the respondents agreed that the hotel leadership is focused and guided towards the overall organizational goals. Moreover, 62.7% of the respondents agreed that the hotel leadership encourages teamwork among the employees in order to boost on their brainstorming abilities. The results also showed that 59.5% of the respondents agreed that the hotel leadership frequently seeks for new partnerships and networks to gain new opportunities and to learn new ideas.

The results also indicated that 65.7% of the respondents agreed that the hotel leadership empowers the employees through career development. The results also exposed that 67.0% of the respondents agreed that the hotel leadership provides protection of the employees' innovations. Additionally, 70.7% of the respondents agreed that the hotel leadership is participatory including the low-level employees. In conclusion, the average mean of the responses was 3.66 when viewed on a scale of five points presenting a standard deviation of 0.08. This means that the majority of the respondents agreed that the leaders in the hotels have complimented innovation where the entrepreneurial leadership has influenced hotel innovation. These findings are consistent with Cai, Lysova, Khapova and Bossink (2019) who revealed that entrepreneurial leadership is positively associated to the employee and team creativity, and these associations are mediated by both employee creative self-efficacy and team creative efficacy. Team creative efficacy was however found to exert a cross-level mediating influence on the entrepreneurial leadership-employee relationship.

Murniningsih and Hanafi (2020) confirm that entrepreneurial leadership has a role in encouraging the innovation of a subordinate. A leader who is creative and able to face challenges by changing as an opportunity, will certainly encourage diversification of products through its features, so that it will make employees more innovative. This innovation process occurs continuously, it will encourage the desire to make changes easily and quickly. Consequently, this innovation will have a significant impact in creating competitive advantage. The competitive advantages of small and medium-sized businesses also require superior quality resources, such as the creative leadership role (Luciani et al., 2018).

Li et al. (2020) also indicates a significant positive effect of entrepreneurial leadership on employees' innovative work behavior. The study suggested that firm's innovative environment mediates the relationship between entrepreneurial leadership and the employees' innovative behavior. They go further to state that in a challenging business environment, an entrepreneurial leader can effectively direct the innovation process by facilitating their members in generating and realizing new ideas. Characteristics of the entrepreneurial leader also effectively improve the impact of other leadership styles on the innovation process of their businesses.

Table 6: Opinions towards entrepreneurial leadership

Question	Emerging Themes	Comments
In what other ways do you think the leaders in the hotel have complimented innovation?	Staff are allowed to freely come up with new ideas	Nurturing and encouraging innovation
	Staff members are trained	Staff motivated to think new

The respondents were given the opportunity to mention the areas in entrepreneurial leadership which have influenced hotel has implemented innovation but were not captured in the close ended questions. Different hotels had different statements captured differently but the common nuances are recorded in table 6. Some respondents indicated that Staff members are allowed to freely come up with new ideas meaning nurturing and encouraging innovation, while other respondents indicated that there is staff training which means Staff members are motivated to think new. Table 6 also gives statements to answer the open-ended question on how leadership has influenced hotel innovation.

Table 7: How leadership has influenced hotel innovation.

Question	Emerging Themes	Comments
In your own opinion, how else do you think leadership has influenced hotel innovation?	Involvement of experts to enhance capacity	Hand holding of staff to upscale in knowledge.
	Allowed free sharing of knowledge among staff	Enhanced knowledge
	Interdepartmental transfer	Better understanding of the business

The respondents were given the opportunity to mention the areas the entrepreneurial leadership has influenced hotel innovation but were not captured in the close ended questions. Different hotels had different statements captured differently but the common nuances are recorded in table 7. Some respondents indicated that experts are involved in enhancing staff capacity, and this would mean hand holding of staff to upscale them in knowledge. Other respondents indicated that staff members are allowed and encouraged free sharing of knowledge among themselves. The other respondents indicate there are Interdepartmental transfers meaning better understanding of the business.

4.4 Entrepreneurial Leadership and Hotel Innovation Correlation Analysis

Table 8: Correlation Analysis between Entrepreneurial Leadership and Hotel Innovation

Correlations		Hotel innovation	Entrepreneurial Leadership
Hotel innovation	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	239	
Entrepreneurial Leadership	Pearson Correlation	.642**	1
	Sig. (2-tailed)	0.000	
	N	239	239

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

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

The results in Table 8 show that there is a positive and significant association between entrepreneurial leadership and hotel innovation ($r=0.642^{**}$, $p=0.000$). The strong r value of 0.642 indicates a value of greater than 0 which implies that entrepreneurial leadership as a linear variable has a positive association with hotel innovation. This denotes that an increase in entrepreneurial leadership, results to an increase in the hotel innovation. The findings agree with Yusof and Jain (2017) who revealed that entrepreneurial behavior among academic leaders is a notable enabler to academic entrepreneurship in the local public research universities, and mainly when academic leaders are able to actualize their entrepreneurial mindset, thinking, potential and approach. This study's results are a confirmation that a higher level of academic entrepreneurship in these universities will result from a higher level of entrepreneurial behavior among academic leaders.

Li et al. (2020) also indicates a significant positive effect of entrepreneurial leadership on employees' innovative work behavior. The study suggested that firm's innovative environment mediates the relationship between entrepreneurial leadership and the employees' innovative behavior. They go further to state that in a challenging business environment, an entrepreneurial leader can effectively direct the innovation process by facilitating their members in generating and realizing new ideas. Characteristics of the entrepreneurial leader also effectively improve the impact of other leadership styles on the innovation process of their businesses.

4.5 Regression Analysis for Entrepreneurial Leadership

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

Table 9: Model of Fitness for Entrepreneurial Leadership

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.642a	0.413	0.410	0.351859

a Predictors: Constant, Entrepreneurial Leadership

The results in Table 9 present the fitness model of regression which is used in expounding the study phenomena. Entrepreneurial leadership was found to be satisfactory in the hotel innovation by 1-3 star rated hotels in Kenya as supported by the coefficient of determination, the R square of

0.413. This means that entrepreneurial leadership explains 41.3% of the firm's overall hotel innovation.

Table 10: ANOVA for Entrepreneurial Leadership

	Sum of Squares	df	Mean Square	F	Sig.
Regression	20.616	1	20.616	166.524	.000b
Residual	29.342	237	0.124		
Total	49.958	238			

a Dependent Variable: Hotel innovation

b Predictors: Constant, Entrepreneurial Leadership

The results in Table 10 show that the model was statistically significant implying that entrepreneurial leadership affects the hotel innovation by 1-3 star rated hotels in Kenya. This is further supported by the F statistic 166.524 where the value was greater than the critical value at 0.05 significance level, $F_{\text{statistic}} = 166.524 > F_{\text{critical}} = 3.888 (1, 237)$.

Table 11: Regression of coefficients for Entrepreneurial Leadership

	β	Std. Error	Beta	t	Sig.
Constant	1.236	0.191	–	6.466	0.000
Entrepreneurial Leadership	0.669	0.052	0.642	12.904	0.000

a Dependent Variable: Hotel innovation

Regression of coefficients results in the Table 11 revealed that entrepreneurial leadership has a positive and significant effect on hotel innovation by 1-3 star rated hotels in Kenya ($\beta = 0.669$, $p = 0.000$). This implies that improvement in 1 unit of the aspects related to entrepreneurial leadership leads to an improvement in the hotel innovation by 1-3 star rated hotels in Kenya by 0.669 units. These findings are in agreement with Subramaniam and Shankar (2020) that entrepreneurial leadership is a prerequisite for strategic entrepreneurship inside organizations. While entrepreneurial leaders' behaviors and styles have attracted attention, little is known about their mindsets—cognitive filters utilized to act—that shape their actions and decisions. The research discovered that entrepreneurial leaders are people-oriented, purpose-oriented, and learning-oriented, which makes them more at ease with uncertainty and ambiguity. Mindsets tend to be key in the effective implementation of strategic entrepreneurship as well. It is vital for the existence and sustenance of businesses to identify and cultivate such leaders. According to Huynh (2021), the dimensions of transformational leadership (intellectual stimulation, inspirational motivation, and individual consideration) have positive and significant influence employee strategic renewal behaviour and venture behaviour directly, and via job satisfaction and commitment to organizational change (affective commitment and normative commitment) thus affecting their orientation towards dynamism and new processes. Leitão (2021) likewise asserts that leadership affects goals, visions, strategy, social environment and employee motivation. Leaders need to be creative not only for survival, but also to compete quickly in an ever-changing world. The hospitality sector, competitiveness depends on the level of innovation in terms of high-quality and low-cost production of its services, which meet or exceed the customer's need with a certain level

of novelty, sophistication, inspirational and directional role of the leader towards innovation cannot be overstated.

4.6 Hypothesis Testing

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

Table 12: Hypotheses Test Results

Research objective	Tested Hypothesis	Rule	P-value	Results of the hypothesis
To explore the effect of entrepreneurial leadership on innovation by 1-3 star rated hotels in Kenya.	H_0 : The effect of Entrepreneurial leadership on innovation by 1-3 stars rated hotels in Kenya is not statistically significant.	When p value is less than 0.05, reject the null hypothesis	0.003	Rejected

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

5.0 SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary of the findings

5.1.1 Entrepreneurial Leadership and Hotel Innovation by 1-3 Star Rated Hotels in Kenya

The objective was to explore the effect of entrepreneurial leadership on innovation by 1-3 star rated hotels in Kenya. To achieve this objective, the respondents indicated their level of agreement to various statements on their entrepreneurial leadership. The study hypothesized that the effect of Entrepreneurial leadership on innovation by 1-3 stars rated hotels in Kenya is not statistically significant. The findings show that there is a positive and significant association between entrepreneurial leadership and hotel innovation ($r=0.642^{**}$, $p=0.000$). The r value of 0.642 indicates a value of greater than 0 which implies that entrepreneurial leadership as a linear variable has a positive association with hotel innovation. This denotes that an increase in entrepreneurial leadership, leads to an increase in the hotel innovation by 1-3 star rated hotels in Kenya. These findings were supported by the responses from the questionnaire where the majority of the respondents agreed that the leaders in the hotel have complimented innovation where the entrepreneurial leadership has influenced hotel innovation. Besides, entrepreneurial leadership and hotel innovation are positively and statistically related ($\beta=0.669$, $p=0.000$). This led to the rejection of the null hypothesis that; there is no significant relationship between entrepreneurial leadership and hotel innovation by 1-3 star rated hotels in Kenya.

The findings agree with Yusof and Jain (2017) who revealed that entrepreneurial behavior among academic leaders is a notable enabler to academic entrepreneurship in the local public research universities, and mainly when academic leaders are able to actualize their entrepreneurial mindset, thinking, potential and approach. This study's results are a confirmation that a higher level of academic entrepreneurship in these universities will result from a higher level of entrepreneurial behavior among academic leaders. Leitão (2021) likewise asserts that leadership affects goals, visions, strategy, social environment and employee motivation. Leaders need to be creative not only for survival, but also to compete quickly in an ever-changing world and since in the hospitality sector, competitiveness depends on the level of innovation in terms of high-quality and low-cost production of its services, which meet or exceed the customer's need with a certain level of novelty and sophistication, inspirational and directional role of the leader towards innovation cannot be overstated. Li et al. (2020) also indicates a significant positive effect of entrepreneurial leadership on employees' innovative work behavior. The study suggested that firm's innovative environment mediates the relationship between entrepreneurial leadership and the employees' innovative behavior. They go further to state that in a challenging business environment, an entrepreneurial leader can effectively direct the innovation process by facilitating their members in generating and realizing new ideas.

5.2 Conclusions

The study concludes that hotel leadership plays a critical role in fostering hotel innovation. In this respect, the leadership offers hotel employees opportunity for learning new things; ensures employees attain the necessary skills and tools to perform their jobs; encourages employees to make mistakes and learn from the mistakes; is focused and guided towards the overall organizational goals; encourages teamwork among the employees in order to boost on their brainstorming abilities; empowers the employees through career development and provides protection of the employees' innovations.

5.3 Recommendations

Based on the study findings, the study recommends leaders be involved in enhancing staff capacity, and this would mean hand holding of staff to upscale them in knowledge. Likewise, staff members need to be allowed and encouraged into free sharing of knowledge among themselves. The study also recommends interdepartmental transfers meaning better understanding of the business.

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