INFLUENCE OF ENTREPRENEURIAL MANAGEMENT ON THE GROWTH OF SMALL AND MEDIUM TOUR FIRMS IN KENYA

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ABSTRACT

This study focused on proprietors and business development managers of the 367 tour companies in Kenya members of Kenya Association of Tour Operators (KATO). The sample size was 256 proprietors and business development managers who were selected randomly from the population. To collect primary data a semi-structured questionnaire with both close-ended and open-ended questions was used. A pre-test was conducted to increase the reliability and validity of the data collection tool. The data collected was then analyzed using descriptive statistics. The researcher further employed a multivariate regression model to study the relationship between entrepreneurial management and growth of small and medium tour companies in Kenya. The study established that entrepreneurial management influences growth of business in the tour companies to a great extent. The study has also illustrated that resource gap identification, opportunity commitment, and social capital development and growth orientation influences growth of business of the small and medium tour companies in Kenya to a great extent. The study recommends that firms should in place mechanism to seek to establish slack in performance as a result of resources inadequacies, seizes any promising business opportunity, develop social capital to ensure business growth and continuity, and effect changes in the management systems employed in search of growth.

INTRODUCTION

For the past 10 years, small enterprise development has been identified as a priority area in development policy in general, and in Africa in particular. There is now considerable experience among international donor agencies with interventions aimed at the development of the small enterprise sector. Increasingly, small enterprise development is regarded as crucial to the achievement of broader objectives such as poverty alleviation, economic development, and the emergence of more democratic and pluralistic societies. The trend in recent years has been to target a greater proportion of international aid resources to small enterprise development (Working Group on Business Development Services, 1997). In Africa, entrepreneurship development has been embraced by many countries notably South Africa, Nigeria, Uganda, Ethiopia Malawi and Kenya. The latter has been recognized for its entrepreneurship and innovation in Africa and indeed all over the world.

The success of every venture depends on the entrepreneur's personality structure and on many other influences such as internal and external factors. If entrepreneurship is important for growth—that is, if entrepreneurship is an activity to be promoted then it is necessary to identify ways to encourage entrepreneurship. Palifka, (2006) divided these into three groups: psychological factors, social factors, and economic factors. Entrepreneurial management in business is a prerequisite for success of the venture. Shane and Venkataraman (2009) identified that entrepreneurial management tend to center around the pursuit of an opportunity and organization of resources for success of a business venture. In the course of the entrepreneurial process, the entrepreneurial manager creates new value through identifying new opportunities, attracting the resources needed to pursue those opportunities, and building an organization to manage those resources (Wickham, 2009). An entrepreneurial manager seizes any promising business opportunity irrespective of the level and nature of resources currently controlled (Stevenson, 2010). Consequently, an entrepreneurial manager is someone who acts with ambition beyond that supportable by the resources currently under his or her control, in relentless pursuit of an opportunity (Stevenson 2010).

Although there has been increasing interest in entrepreneurial management little has been done in Kenya to provide empirical evidence in the linkage between entrepreneurial management and business growth. Questions arise as to the ability of entrepreneurial management to steer the sector to come up with novel products or services to penetrate new markets in the competitive local and global market (Ming-Huei & Yan-Jun, 2009).

Concept of Entrepreneurial Management

Shane and Venkataraman (2009) define entrepreneurial management as a "mode of management" that is proactive, opportunity-driven, and action-oriented. In this regard, entrepreneurial management style is evidenced by the firm's strategic decisions and operating management philosophies. The entrepreneurial management tries to establish and balance the innovation abilities of the organization with the efficient and effective use of resources. It can both initiate changes and react to changes quickly and flexibly.

Entrepreneurial management facilitates resource recombination to allow for entry into new markets or market segments by making it possible for organizational members to take entrepreneurial initiatives and by re-warding such efforts. Further, it is not a direct measure of entrepreneurship if that is defined in terms of resource re-combinations or entry into new markets or market segments (Moran & Ghoshal, 2009).

Tourism in Kenya

The Kenyan government's Economic Strategy for Wealth and Employment Creation 2003–2007 (Government of Kenya [GOK], 2002) places emphasis on tourism, identifying it together with manufacturing and trade as the main drivers of the economy in the planned period. Tourism is Kenya's largest single source of foreign exchange earnings, with receipts accounting to about 10% of the country's GDP (Kenya National Bureau of Statistics, 2011).

Tourism represents one of the major national development sectors in Kenya. Following wide consultation with Kenyan experts, stakeholders, policy makers and investors during the preparation of our Vision 2030, tourism was identified as one of the top priority sectors for realizing the development blue print –Vision 2030. The Government therefore earmarked tourism as one of the six key growth sectors of the economic pillar of Vision 2030 and charged the sector with the task of making Kenya one of the top ten long-haul tourist destinations globally. Vision 2030 recognizes that attaining the top ten long-haul destination status (National Tourism Strategy, 2013).

The Tourism Sector in Kenya has experienced steady growth since independence. Having experienced steady growth for over a decade, tourism revenues plummeted to a record low in the wake of the unrest that followed the disputed 2007 elections. By 2010 the industry was already on a recovery path with tourism revenues reaching KShs.97.9 billion in 2011 up from KShs.73.78 billion in 2010, KShs.62.46 billion in 2009 and KShs.65.4 billion in 2007, testifying to the resilience of the industry (National Tourism Industry, 2013). Tourism has been adapted as an unemployment reduction strategy since it is labour intensive. It is also seen as source of revenue to the Kenyan government (KNBS, 2013).

Kenya is one of the world‘s most popular tourism destinations thanks to its natural attractions, unique historical and archaeological sites, improving touristic infrastructure and its tradition of hospitality. The tourism industry has been one of the most important drivers behind Kenya‘s economic development over recent decades by reducing unemployment, raising national GDP and improving the country‘s balance of payments. Tourism is Kenya‘s third largest foreign exchange earner after tea and horticulture, and a major employer, accounting for about 12% of the total wage employment and 13.7%of the gross domestic product (GDP) (KNBS, 2013).

The industry is comprised of various private and public players in various sub-sectors, including: accommodations, tourist attractions, food and beverage facilities, ground transport, in-bond shopping, crafts, and tour services that link the various components of a trip, including national parks and city tours. The tourism industry is based on a diverse range of natural, social, human and physical resources which include sun, sea and sand for resort tourism and reefs for snorkeling and diving; wildlife for safari tourism; mountains, lakes, rivers, forests and valleys for nature, scenic and adventure tourism; and cultural assets in the form of the built environment (monuments, old cities), a living heritage expressed in distinctive local customs and song, dance, cuisine, history, art and handicrafts, etc., and museums that reflect the local cultural heritage or a wider global heritage (National Tourism Strategy, 2013).

Statement of Problem

Tourist arrivals in Kenya have shown significant growth between the years 2008 to 2011. In 2008 the tourist arrivals was at 1,230,200, 1.490,400 in 2009, 1,609,100 in 2010 and 1,822,900 in 2011. However, the arrivals of the tourists started to decline in 2012 where it declined to 1,710,800 and then to 1,519,600 in 2013 (KNBS, 2012, 2014). Similarly, tourism earnings behaved in a similar way in the same period. The earnings grew from KSHS 52,710M in 2008, to KSHS 62,500M in 2009, to KSHS 73,700M in 2010 and 97,890M in 2011. The earnings however started to decline in 2012 with earnings registered at KSHS 96,020M and then 93,970M in 2013 (KNBS, 2012, 2014). The decline may be attributed to the onset of terror attacks in Kenya after the Kenyan army KDF entered Somalia to fight militias in Somalia that were responsible of attacks and kidnappings in Kenya.

These data point out the existence of some problems from the year 2012 to the current year manifested by declining values. This indicates that there are some challenges affecting the tourism sector and this lowers their output. A post-election period of civil unrest in 2008 and the global economic crisis in 2009 only made inbound international tourism business more challenging. Despite periods of recovery such as 2004–2007 and 2010, prolonged poor performance has characterized the last two decades, raising the concern of key stakeholders. There appears to be systemic and strategic issues and challenges that may be undermining the competitiveness and sustainability of Kenya's tourism industry (United Nation World Tourism Organization (UNWTO, 2009).

These happenings lead to a lot of businesses closure, a case in point is the closure of all tourist hotels in Lamu after a terror attacks. This has cost tourism industry a great deal of earning. Further, the country has lost in foreign exchange. This has lead to loss of jobs and livelihood for many families. Since players in tourism industries have invested a lot in these businesses, there need to be some solutions that aim at reengineering the business to ensure that they are profitable despite the terror tides. Entrepreneurship management may offer these businesses the required solution.

Further, the Kenyan tourism sector is faced with a problem of attracting people with the right skills and therefore faces high turnover (National Tourism Strategy 2013-2018). The tourism infrastructure in most mature tourism destinations is often relatively old and needs refurbishment in order to meet changed consumer expectations. In order to gain a competitive position as the leading tourism region in the world, Kenya would benefit from better branding, to reflect its core values and to adequately differentiate itself from other world destinations. Moreover, improved regional branding could strengthen the cohesion within Eastern Africa, by focusing on commonalities between different parts of Eastern Africa as well as on their distinct national and regional identities (National Tourism Strategy 2013-2018).

The tourism industry in Kenya has not yet made the transition to the knowledge economy. In addition to the lack of good market knowledge and skills, many entrepreneurs in the tourism industry are self-made men and women with no specific educational background in tourism or management. Although they have built up the necessary skills to run a business, they often fail to capitalize on opportunities, as they are not always aware of their own position in the tourism industry (National Tourism Strategy 2013-2018).

There have been empirical probes into matters that relate to entrepreneurial management. Pascale, Millemann and Gioja (2010) indicates that entrepreneurial management helps firms to be proactive in managing uncertainty to create long-term value because uncertainty has upside potential as well as a downside exposure. Brown, Davidsson & Wiklund (2010), highlight that entrepreneurial management is positively related to business outcomes. Therefore it can be considered that entrepreneurial management may provides solution to entrepreneurial problem that are facing tourism in Kenya despite the wake of terror attacks. This study therefore sough to establish the influence of resource gap identification, commitment to opportunities, development of social capital and growth orientation on growth of tourism in Kenya.

RESEARCH OBJECTIVE

The study sought to establish the influence of entrepreneurial management on the growth of small and medium tour companies in Kenya.

Specific Objectives

The study sought to achieve the following specific objectives;

1. To establish the influence of resource gap identification on the growth of small and medium tour companies in Kenya.

2. To find out the influence of commitment to opportunities on the growth of small and medium tour companies in Kenya.
3. To determine the influence of development of social capital on the growth of small and medium tour companies in Kenya.
4. To assess the influence of growth orientation on the growth of small and medium tour companies in Kenya.

LITERATURE

Resource Based View Theory

Resource-based view (RBV) theory is used to provide a theoretical foundation to explore the antecedents that affect system quality and service. This theory suggests that organizational resources that are costly or hard to imitate help organizations retrieve competitive advantage. One resource-based research stream has how resources are channeled and utilized to bring competitiveness (Ravichandran & Lertwongsatien, 2013). This stream agrees that resource availability determines organizational growth (Ray, Muhanna & Barney, 2010).

Several authors when referring to the Resource-Based View (RBV) do it more in a strategic context, presenting resources and capabilities as essential to gaining a sustained competitive advantage and, consequently, to a superior performance and hence growth of an organization (Janney & Dess, 2010). The foci of RBV are competitive advantages generated by the firm, from its unique set of resources. According to RBV a firm's internal strengths and weaknesses rest on two fundamental assumptions. First, building on Penrose (1959), this work assumes that firms can be thought of as bundles of productive resources and that different firm possesses different bundles of these resources. This is the assumption of firm resource heterogeneity. Second, drawing from Selznick (1957) and Ricardo (1966), this approach assumes that some of these resources are either very costly to copy or inelastic in supply. This is the assumption of resource immobility.

In relation to this study, having identified that resources are key for performance and growth, the absence of these resources would thus mean low performance and slow growth or none at all. Therefore, a firm requires an entrepreneurship manager who is able to identified gaps in supply of resources. With this identification, lapse in production that could have arisen due to the absence of the resources is avoided as the resources are refilled in time. Further, gap in resources could also be in form of specialized knowledge and skills that a firm may require for its enhanced growth. When this is pointed in time, the firm seeks for such resources to ensure that operation of the organization does not stall.

Empirical Review

This section will present review of past literature. The variables discussed here include resource gap identification, commitment to opportunities, development of social capital and growth orientation

Resource Gap Identification

Since provision of resources is not part of entrepreneurship, as resources – including capital – can be obtained from markets, Timmons (2011) indicated that an entrepreneurial manager is someone who acts with ambition beyond that supportable by the resources currently under his or her control, in relentless pursuit of an opportunity. In fact Rao and Drazin (2012) noted that resource constraints can be enabling in certain conditions for entrepreneurship managers. Furthermore, Katila and Shane (2010) revealed that innovation capacity in general is greater in markets that are crowded, resource-poor, and small. Katila and Shane hence cracked the conventional wisdom that low-competition, resource-rich, and high-demand environments support innovation. However, for entrepreneurial manager Agarwal, Sarkar and Echambadi, (2012) noted that resource may serve as important starting points, however, the scarcity of skills, time, and resources imply constraints. In this regard, resource constraints can be enabling when the management develops resource acquisition strategies to overcome these constraints (Rao & Drazin, 2012).

Commitment to Opportunities

According to Stevenson (2010) an entrepreneurial manager seizes any promising business opportunity irrespective of the level and nature of resources currently controlled. Consequently, an entrepreneurial manager is someone who acts with ambition beyond that supportable by the resources currently under his or her control, in relentless pursuit of an opportunity. Further, Wickham (2009) indicated that an entrepreneurial management seeks to establish and balance the innovation abilities of the organization with the efficient and effective use of resources. It can both initiate changes and react to changes quickly and flexibly. In the course of the entrepreneurial process, the entrepreneurial manager creates new value through identifying new opportunities, attracting the resources needed to pursue those opportunities, and building an organization to manage those resources (Bhave, 2010).

Development of Social Capital

Entrepreneurship researchers have specifically focused on social aspect of entrepreneurial managers (Hite, 2013; Floyd & Wooldridge, 2010; Hansen, 2011; Hortoványi & Szabó, 2010). These researchers indicated that information provided through weak ties enable entrepreneur managers to identify opportunities; hence they are rich sources of entrepreneurial ideas. Having identified an opportunity, the entrepreneur needs to determine which interpersonal relationships are crucial for support; and most of his or her time must be spent on building, negotiating, and maintaining these relationships (Byers, Kist and Sutton, 2013). As a result, a new social network emerges, in which the entrepreneurial manager becomes a central figure.

The interpersonal relationships of entrepreneurial managers, as agents of the firm, with other individuals and organizations can provide "the conduits, bridges, and pathways through which the firm can find, access, and mobilize external opportunities and resources" (Hite, 2013). Woo Folta and Cooper (2012) observed that entrepreneurial managers utilized personal and professional sources of information to a greater extent than public sources of information. Uzzi (2009) also observed that personal networks are especially favorable for long-term economic success of business. Entrepreneurial managers are found to be skilled at using their time to develop relationships with people who are crucial to the successful exploitation of their perceived opportunity (Cook, 2009; Larson & Starr, 2013). Moreover, they are described as calculative. They make strategic choices regarding their network; they add new ties, upgrade weak ties to strong ties, or drop ties according to the changing needs (Elfring & Hulsink, 2012; Hite, 2013; Szabó, 2010). Moreover, social networks are best viewed dynamically, not statically. Entrepreneurs are ready to move beyond their close, initial core networks if they are to meet their changing resource needs (Hite & Hesterly, 2011; Eisenhardt & Schoonhoven, 2010). If entrepreneurs find themselves closed off in clusters without indirect ties to the resources and opportunities they need, they can actively engage in breaking out of clusters.

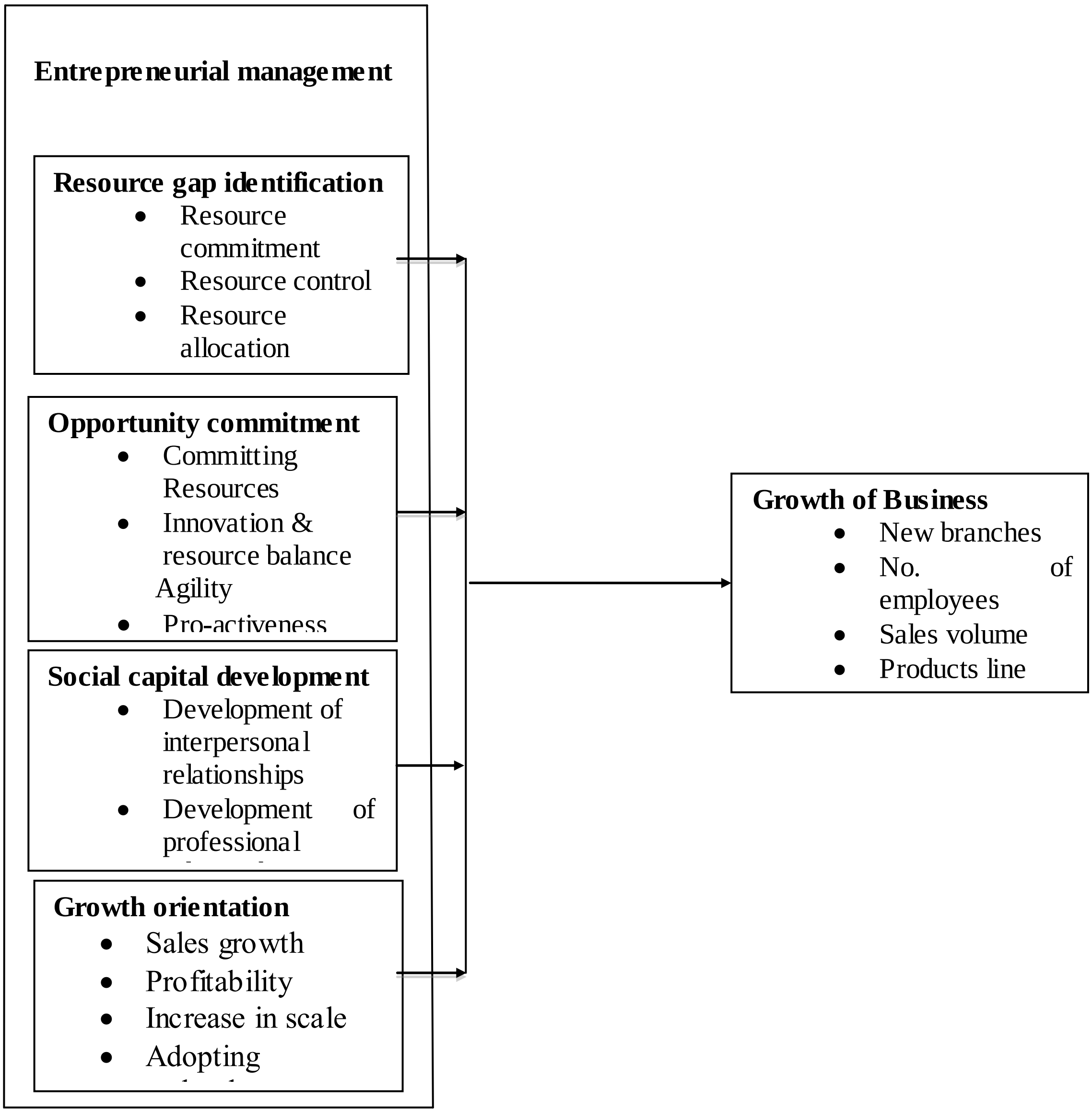
Growth Orientation

Beyond the start-up and survival phases of an enterprise's life lies the potential for enterprise growth. According to Schumpeter (1980), an entrepreneur should always link a market problem with innovation. Processes and organizational structures evolve in line with the growth of the organization. In seeking to combine all of the factors that distinguish high-growth firms from non-high growth firms, the work of Barringer, Jones, and Neubaum (2010) captures the various elements that need to be addressed. Barringer et al found that the characteristics of the founder, along with firm attributes, business practices, and HRM practices are all important in helping a firm achieve rapid firm growth.

Flamholtz and Randle (2010) noted that in order for ventures to grow, there is a need for the entrepreneur to effect change in the management systems employed. One key area that has been noted in the literature is that of human resource management. Interventions are necessary on the part of the entrepreneur, a key goal which is the recruitment of others and delegation of responsibilities (Kao & Tan, 2011). There is also a need for the entrepreneur to employ technology to facilitate growth in their firms. One particular area is in information and Internet technology to be able to capitalize on new technology such as e-communications and customer relations (Carlson, Upton & Seaman, 2011).

Conceptual Framework

According to Shields and Tajalli (2006), a conceptual framework is a basic structure that consists of certain abstract blocks which represent the observational, the experiential and the analytical/synthetical aspects of a process or system being conceived. The interconnection of these blocks completes the framework for certain expected outcomes. Donald (2006) indicated that conceptual framework is the result of when a researcher conceptualizes the relation between variables in the study and show the relationship graphically or diagrammatically. According to Pinto and Kharbanda (1996), a conceptual framework as a research tool intended to assist a researcher to develop awareness and understanding of the situation under scrutiny and to communicate this. They posit that a conceptual framework is a presentation on how the independent and dependent variables are related. It is a theoretical structure of assumptions, principles, and rules that holds together the ideas comprising a broad concept. It is used in research to outline possible courses of action or to present a preferred approach to an idea or thought. The independent variables of this study will be resource gap identification, commitment to opportunities, development of social capital and growth orientation. These four factors are components of entrepreneurial management and therefore have an influence in growth of small and medium tour companies in Kenya (dependent variable). The study will seek to establish to the relationship between the factors (independent) and growth of small and medium tour companies in Kenya.



Independent Variable **Dependent Variable**

Figure 2.1: Conceptual framework

Critical Review

According to Mishina et al., (2010), slack may encourage suboptimal firm behavior, and often lead to sub-optimal organizational behavior. Also, Rao and Drazin (2012) noted that resource constraints can be enabling in certain conditions for entrepreneurship managers. Shane (2010) also revealed that innovation capacity in general is greater in markets that are crowded, resource-poor, and small. However, its critical to note here that resources are the beginning point for success and progress of any businesses. Businesses have to have optimal levels of resources to ensure to steer their operations. Infacts, Agarwal, Sarkar and Echambadi, (2012) noted that resource serve as important starting points, however, the scarcity of skills, time, and resources imply constraints which may spell doom for businesses. Resources are key in pursuit of opportunities. Wiseman and Bromiley (2013) highlighted that slacks negatively influences performance.

According to Stevenson (2010) an entrepreneurial manager seizes any promising business opportunity irrespective of the level and nature of resources currently controlled. This proposition is however not necessarily true since firms seek to exploit opportunities as allowed by the resources at their disposal whether owned or borrowed. Stevenson (2010) further indicated that an entrepreneurial manager is someone who acts with ambition beyond that supportable by the resources currently under his or her control, in relentless pursuit of an opportunity. This implies that, such an ambitious entrepreneurial manager may lead the organization into indebtedness especially if he had not thoroughly thought through the opportunity in terms of return rates. Fuller (2013) observes that business needs strong entrepreneurial management to ensure optimal resource allocation for enhanced business performance.

Summary

Companies identify gaps in the industry positioning map, decides to fill them, and the gaps grow to become the new mass market. Redefining either explicitly or implicitly the definition given long time ago to the business – like: who is the target customer segment? What are our core capabilities and what specific need can we best satisfy? Then who will be the right customer to approach? – not just improves resilience but also helps to spot gaps in the market. As the literature pointed out, entrepreneurial managers in their effort to overcome these constraints often turn the initial drawbacks into competitive advantage (Christensen, 2013) by not playing "the game better than competition" but developing an altogether different game.

Entrepreneurial managers show a remarkable degree of confidence along the way the opportunity unfolds. They are confident in assuming that the missing elements of the pattern will take shape, and in expecting that the return envisioned from pursuing an opportunity is certainly worth the sacrifices, the investments, and even the short-term losses. To summarize, entrepreneurial commitment is characterized by firmness of purpose and relentless pursuit of an opportunity. People with the "right" mix of embedded ties can more effectively mobilize their network's resources to achieve their goals than people or groups with less influential social connections can.

Gap in Knowledge

The recent literature reveals a general although certainly not complete consensus around the position that successful corporate entrepreneurship is linked to improvement in firm performance (Antoncic & Hisrich 2010). Most research about corporate entrepreneurship and firm's performance is based on Covin and Slevin's (2011) concept of entrepreneurial orientation that consists of three dimensions or behaviours: innovativeness, proactiveness and risk taking. Entrepreneurs are people who have a high need for achievement coupled with competitive spirit, strong selfconfidence and independent problem solving skills, and preference of taking calculated risks.

RESEARCH METHODOLOGY

This study employed a descriptive survey. A descriptive study attempts to describe or define a subject, often by creating a profile of a group of problems, people, or events, through the collection of data and tabulation of the frequencies on research variables or their interaction (Cooper & Schindler, 2003). Descriptive research is more rigid than an exploratory research and seeks to describe uses of a product, determine the proportion of the population that uses a product, or predict future demand for a product. Kombo and Tromp (2006) noted that the choice of descriptive survey research design is made in a study when the research is interested in the state of affairs already existing in the field and no variable would be manipulated. This study aimed at establishing the state of affairs in entrepreneurial management in tour companies in Kenya. It focused on determining the influence of resource gap identification, commitment to opportunities, development of social capital and growth orientation among the traders on the growth of small and medium tour companies in Kenya. Therefore, the study sought to establish the influence of entrepreneurial management on the growth of small and medium tour companies in Kenya without varying any factor.

Population

. This study focused on proprietors and business development managers of the 367 tour companies in Kenya members of Kenya Association of Tour Operators (KATO) (see appendix). The target population was 734 proprietors and business development managers of these companies.

Sample size and sampling technique

The sample of the study was picked through random sampling technique. To determine the sample size, the researcher used formula by Kathuri and Pals (1993) for sample size determination (See Appendix for sample size determination table). The sample size was 256 proprietors and business development managers and was selected randomly from the population.

$$n = \frac{\chi^2 NP\,(1-P)}{\sigma^2\,(N-1) + \chi^2\,P\,(1-P)}$$

Where:

n = required sample size

N = the given population size from the sampling frame

σ^2 = the degree of accuracy; σ value is 0.05

χ^2 = Table value of chi-square for one degree of freedom, which is 3.841

P = Population proportion, assumed to be
0.50

Naoum (2007) defines a sample size as finite part of a statistical population whose properties are studied to gain information about the whole. Orodho (2003), Kombo and Tromp (2006) define sampling as selecting a given number of subjects from a defined population as representative of that population. Any statements made about the sample should also be true of the population. It is however agreed that the larger the sample the smaller the sampling error (Mugenda and Mugenda, 2003). This study use random sampling to get a study sample. The sample size for the study was drawn from proprietors and business development managers of tour companies in Kenya members KATO.

3.5.2 Data Collection Procedures

The researcher collected quantitative data using a self-administered questionnaire. The researcher informed the respondents that the instruments being administered is for research purpose only and the responses from the respondents was kept secret and confidential. The researcher obtained an introductory letter from the university to collect data from the respondents then with the help of research assistants delivered the questionnaires to the respondents. The researcher had the questionnaires filled in and then collected them later through drop and pick later method.

RESERCH FINDING AND DISCUSSION

Reliability Analysis

A pre-test study was carried out to determine reliability of the questionnaires. Reliability analysis was subsequently done using Cronbach’s Alpha which measures the internal consistency by establishing if certain item within a scale measures the same construct.

Table 4.1: Reliability Analysis

Scale	Cronbach's Alpha	Number of Items
Resource gap identification	0.807	10
Commitment to opportunities	0.844	5
Development of social capital	0.823	9
Growth orientation	0.909	4

Gliem and Gliem (2003) established the Alpha value threshold at 0.7, thus forming the study’s benchmarked. Cronbach Alpha was established for every objective which formed a scale. The table above shows that growth orientation had the highest reliability (α= 0.909), followed by commitment to opportunities (α=0.844), development of social capital (α=0.823) and resource gap identification (α=0.807). This illustrates that all the four variables were reliable as their reliability values exceeded the prescribed threshold of 0.6.

MODEL SUMMARY

Table4.2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.923	0.852	0.789	0.6273

The four independent entrepreneurial management variables that were studied, explain only 85.2% of enhancement of growth of business as represented by the R^2. This therefore means that other entrepreneurial management factors not studied in this research contribute 14.8% of growth of business in small and medium tour companies in Kenya. Therefore, further research should be conducted to investigate the other entrepreneurial management factors (14.8%) that influence growth of business in small and medium tour companies in Kenya.

ANOVA

Table4.3: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.534	2	1.267	9.475	.0179[a]
	Residual	9.307	35	2.327		
	Total	3.465	37			

The significance value is 0.0179 which is less that 0.05 thus the model is statistically significance in predicting how resource gap identification, commitment to opportunities, development of social capital and growth orientation influence growth of business in small and medium tour companies in Kenya. The F critical at 5% level of significance was 3.31. Since F calculated (value = 9.475) is greater than the F critical (3.31) this shows that the overall model was significant.

4.4 Coefficient of determination

Table4.2: Coefficient of determination

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
			Std. Error	Beta		
1	(Constant)	1.139	1.2235		1.615	0.367
	Resource gap identification	0.752	0.1032	0.152	4.223	.0192
	Commitment to opportunities	0.887	0.3425	0.054	3.724	.0169
	Development of social capital	0.445	0.2178	0.116	3.936	.0351
	Growth orientation	0.539	0.1937	0.263	3.247	.0254

Multiple regression analysis was conducted as to determine the relationship between business growth and the four variables. As per the SPSS generated table above, the equation ($Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$) becomes:

$Y= 1.139+ 0.752X_1+ 0.887X_2+ 0.445X_3+ 0.539X_4$

According to the regression equation established, taking all factors into account (resource gap identification, commitment to opportunities, development of social capital and growth orientation) constant at zero, business growth will be 1.139. The data findings analyzed also shows that taking all other independent variables at zero, a unit increase in resource gap identification will lead to a 0.752 growth in business; a unit increase in commitment to opportunities will lead to a 0.887 growth in business, a unit increase in development of social capital will lead to a 0.445 growth in business and a unit increase in growth orientation will lead to a 0.539 growth in business. This infers that commitment to opportunities contribute most to growth in business in small and medium tour companies followed by resource gap identification. At 5% level of significance and 95% level of confidence, resource gap identification had a 0.0192 level of significance, commitment to opportunities showed a 0.0169 level of significance, development of social capital showed a 0.0351 level of significance, and growth orientation showed a 0.0254 level of significance hence the most significant factor is commitment to opportunities.

SUMMARY OF FINDINGS

The study established that entrepreneurial management influences growth of business in the tour companies to a great extent. Also, the study indicates that the companies experienced growth in profits, number of employees, sales volume and had opened new branches in the last five years. Also, the study indicated that there was an increase in products line in their company.

The study has also illustrated that resource gap identification influences growth of business of the small and medium tour companies in Kenya to a great extent. The study highlights that, when faced with resource scarcity, firms' devises new ways of operation to match the available resources and that organization adjusts its business operations to match resources available to avoid loss making. Further, the findings show that inadequate resources have a negative impact on the performance of their organization. Further, to ensure that the business in running at all times, tour firms sources for resources from vendors based on the type of the resource. Also, in the tour companies, scarcity of resources triggers innovation and hence adoption of new business ideas to ensure business survival. Also, the study has indicated that resource commitment, resource control, resource allocation, HR management and training and development influence business growth in the tour companies.

On opportunity commitment, the study established that it influences growth of business to a great extent. Further, it was established that committing resources, innovation and resource balance and agility influences business growth to a great extent. Also, pro-activeness and embracing new market were also indicated to influences business growth for the tour companies to a great extent.

According to the findings, social capital development influence business growth to a great extent. The findings also indicates that social capital acts as conduits, bridges, and pathways through which firms can find, access, and mobilize external opportunities and resources and that entrepreneurial managers make strategic choices regarding their network; they add new ties, upgrade weak ties to strong ties, or drop ties according to the changing need. Further, the findings shows that network of entrepreneurial managers tends to have more weak ties and more structural holes to provide sufficient resources through potential partners and that entrepreneurial managers collaborate with partners and have more stakes in the collaboration than pure return of investment. The findings also indicates that entrepreneurial managers utilized personal and professional sources of information to a greater extent than public sources of information and that entrepreneurship management lessens the ownership criteria therefore allowing skilled and seasoned entrepreneurs to be hired as business managers. Also, the findings shows that personal networks are especially favorable for long-term economic success of business and thatentrepreneurial managers are skilled at using their time to develop relationships with people who are crucial to the successful exploitation of their perceived opportunity.

The study indicates that growth orientation by entrepreneurial managers influence business growth in the tour company in Kenya to a great extent. The findings also indicate that focus on sales growth, focus on profitability, focus on increase in scale and adoption of technology influence business growth in the tour company in Kenya.

From the regression analysis the following regression equation was formulated; $Y= 1.139+ 0.752X_1+ 0.887X_2+ 0.445X_3+ 0.539X_4$

From the above regression equation, it can be deduced that commitment to opportunities contribute most to growth in business in small and medium tour companies in Kenya followed by resource gap identification. At 5% level of significance and 95% level of confidence, the most significant factor is resource gap identification.

CONCLUSIONS

The study sought to establish the influence of resource gap identification on the growth of small and medium tour companies in Kenya. To this objective, the study concludes that resource gap identification influences growth of business of the small and medium tour companies in Kenya to a great extent. It was concluded that when faced with resource scarcity, the tour firms devises new ways of operation to match the available resources. The firms also adjust its business operations to match resources available to avoid loss making. The study also concluded that inadequate resources have a negative impact on the performance of their organization.

On the influence of commitment to opportunities on the growth of small and medium tour companies in Kenya, The study concludes that commitment to opportunities influences growth of business to a great extent. The study has also concluded that committing resources, innovation and resource balance, activeness, embracing new market and agility influences business growth for the medium and small tour companies in Kenya.

The study also concludes that development of social capital influences growth of small and medium tour companies in Kenya to a great extent. It also concluded that social capital acts as conduits, bridges, and pathways through which firms can find, access, and mobilize external opportunities and resources. The study also concludes that entrepreneurial managers make strategic choices regarding their network; they add new ties, upgrade weak ties to strong ties, or drop ties according to the changing need. The study also concludes that entrepreneurial managers use their time to develop relationships with people who are crucial to the successful exploitation of their perceived opportunity.

Finally, the study concludes that growth orientation by entrepreneurial managers influence business growth in the tour company in Kenya to a great extent. Also, the study concludes that that focuses on sales growth, profitability, increase in scale and adoption of technology influence business growth in the tour company in Kenya.

RECOMMENDATIONS

The study recommends that business development managers and proprietors in the tour companies in Kenya should put in place mechanism to seek to establish slack in performance as a result of resources inadequacies. This will enhance the resource allocation to ensure that there is growth in business. Further, in regard to slack in resources allocation, the business development managers and proprietors should ensure that available resources are utilized efficiently to growth of business. Further, business development managers and proprietors should plan ahead to ensure that there is available resources at all times and therefore are able to beat competition at all times.

The study also recommends that business development managers and proprietors in the small and medium tour companies should seizes any promising business opportunity irrespective of the level and nature of resources currently controlled. The business development managers and proprietors should work with ambitions and therefore balance the innovation abilities of the organization with the efficient and effective use of resources. Entrepreneurial manager in the tour companies should creates new value through identifying new opportunities, attracting the resources needed to pursue those opportunities, and building an organization to manage those resources.

Entrepreneurial manager in the tour companies should seek to develop social capital to ensure business growth and continuity. This is because, information provided through weak ties enable entrepreneur managers to identify opportunities. The entrepreneur should determine which interpersonal relationships are crucial for support; and most of his or her time must be spent on building, negotiating, and maintaining these relationships. The firms should embrace the concept of social capital as it allows skilled and seasoned entrepreneurs to be hired as business managers and therefore promise business growth.

The study also recommends that the entrepreneurs should be growth oriented. Therefore, the managers should seek to effect changes in the management systems employed to bring about growth. These changes should be in the lines of human resources, information technology and management practices such as planning, marketing, finance etc. Such changes like adoption of new technology ensure that organization is able to perform better as opposed to when it was using older technologies.

5.4.1 Recommendations for Further Studies

The study also recommends that another similar study should be done to establish influence of entrepreneurial management on the performance of companies in hospitality industry in Kenya. The results will augment the current study findings in that it will seek to eliminate barriers that may be optimum hindering performance of the tour companies.

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