BALANCED SCORECARD USAGE AS PERFORMANCE MEASUREMENT TOOL FOR HOTEL AND RESTAURANT SME'S GROWTH STRATEGY

By

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A thesis submitted in fulfilment of the requirements for the degree

of

Doctor of Business Administration

Graduate School of Business and Leadership

College of Law & Management

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Date: December 2020

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# ACKNOWLEDGEMENTS

Firstly, thanks to the almighty God our creator for the proper healthy, wisdom, knowledge and understanding the business concepts and model and the guidance through Holy Spirit for the successful completion of this PhD thesis, despite all the challenges faced.

Secondly, appreciation goes to the supervisory team, Professor Stephen O. Migiro and Dr Orthodox Tefera for their support throughout the research and for patiently reading through the chapters of this thesis and providing valuable comments and feedback that led to the completion of this thesis. All thanks to Dr O. Terefa for his immediate availability to support during Supervisor Professor. S. Migiro hospitalized, and we thank almighty for his speedy recovery and ensure the completion of the thesis in line with the schedule.

Thirdly, thanks to Senior Pastor, Abner Tembe, leadership and men's fellowship of Light for the World Ministries, close family members, relatives and friends for their constant support and prayers throughout the years of this study. Appreciation also goes to Associated Professor Nomsa Mndebele Dean of the Faculty of Commerce at the University of Eswatini for encouragement for the venture into Doctorate journey. We thank the University of KwaZulu-Natal for all support; in particular, the research department and Graduate school of business Leadership without the institutional support it would have been challenging to complete this thesis.

Special thanks, also go to Dr K. E. Mthethwa-Kunene and Dr V. T. Dlamini- Akintola for all their editorial support, guidance and motivation in this journey. Their continuously review and edit the document before sending to supervisors helped to fast track the process of completing this dissertation.  Moreover, to other colleagues, friends and those cannot name one by one, thank all.

Finally, dedication this thesis go to Nomvuyo Dlamini, sons Simphiwe and Sibusisiwe, daughter Fundile and Grandson Mpilwenhle for their overwhelmed and encouragement during this challenging time, for believing and encouraging that there is a light at the end of the tunnel.

# ABSTRACT

Performance measurement and management is very critical for any business growth and success. The study assessed the balanced scorecard (BSC) usage as a performance measurement tool for hotel and restaurant small and medium enterprises (SMEs') growth strategy. BSC is a widely used performance measurement system that had contributed to the growth of many organizations. The study used explanatory sequential mixed method. This method requires the collection of quantitative data first and analysed before qualitative data collection and analysis. The overall results indicated that the majority of hotel and restaurant SMEs (57%) used the balanced scorecard perspectives for organizational growth strategy in Eswatini. The Chi Square results indicated a significant association between non-financial and financial measures (p= .000). The findings also revealed that of hotel and restaurant SMEs (68.8%)  used financial and non-financial critical success factors The  Chi Square test indicated the significance association between financial and non-financial critical success factors (p= .000). The study findings revealed that majority of hotel and restaurant SMEs (68.9%) had adopted innovation, shared valued, trust culture and cluster theories for organizational growth strategy. The Chi Square tests results also revealed a significant association between theoretical attributes (p= .000). The findings revealed that majority of hotel and restaurant SMEs (63.3%) recognised financial and non-financial factors for hotel and restaurant growth. The results revealed the association between financial and non-financial factors for hotel and restaurant SMEs growth strategy (p= .000). The follow up interview results give a clear reason why the hotel and restaurant SMEs sector used the balanced scorecard as performance measurement tool. Majority of participates cited reason such as customer service demands, new information,  innovation, shared vision, trust culture, improve teamwork and improve employees fair working conditions contributes to hotel and restaurant SMEs growth strategy. However, participants acknowledged hotel and restaurant SMEs deficiency in skills development and employees non-participatory to financial planning affects the growth strategy. The study contributed to general knowledge through the development of Conceptual Framework, Performance Measurement Framework and Implementation Plan, hotel and restaurant SMEs could endorse for monitoring and evaluating their growth strategy.

**Key words**: Balanced Scorecard, Hotel and Tourism SMEs, Financial, Customer Perspectives, Internal Business process, Learning and Growth, Critical success factors, Innovations, trust culture, shared value, cluster (location) finance and non-financial factors, performance measures.

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# CHAPTER 1- ORIENTATION

The chapter discusses the introduction, background, problem statement, aims and objectives of the study, significance of the study, delimitation of the study, limitations, and definition of keywords.

## 1.1 Introduction and Background

The tourism industry is the fast-growing industry in many countries, and it is one of the drivers of their economic growth. This sector has created many employment opportunities, and increased government financial base through different taxes imposed. According to the World Travel and Tourism Council (WTTC) (2018), travel and tourism had a high impact on the economic and social growth of several countries globally. Hotels and tourism small and medium-sized enterprises (SMEs) drive economies by creating employment in developed and developing countries (Sitawati, 2015; Manzo, Turner; and Jus, 2019). According to the Small Enterprise Development Company (SEDCO) of Eswatini, Small enterprises are enterprises with an asset base value between ZAR 50,000 and ZAR 2 million and have the turnover of about ZAR 3 million with a staff complement of 4 to 10 people.

On the other hand, Medium enterprises have the assets base value of ZAR 2 -5 million and the turnover of up to 8 million and several employees of up to 100 people. The WTTC reported that this sector had accounted for 10.4% of global Gross Domestic Product (GDP) by creating 319 million jobs which were 10% of total global employment in the year 2018. The global growth of the travel and tourism sector had reached 3.9%. In Eswatini, the travel and tourism sector contributed R387 million to the country's revenue, and this was 1% of the country's GDP (Authority, 2018). This contribution is insignificant when compared to other countries such as Malaysia where tourism is the second industry that contributes to GDP.

Furthermore, the Eswatini Tourism Authority agent reported that travel and tourism had declined by 5.1% between the years 2017 and 2018. This decline had affected the performance and growth of small and medium enterprises of the tourism sector, particularly within Manzini-Mbabane corridors (Authority, 2018). The decline illustrates that even though the sector is lucrative and contributes to the country's GDP; it does have challenges that impact its growth.

To respond to such challenges, the Eswatini Minister of Finance's budget speech of 2019, highlights that the government intended to come up with initiatives on how to promote hotel and tourism small and medium enterprises in the country. However, the Eswatini government's contribution does not seem to be adequate, particularly when compared with other states, such as the government of Malaysia which reported to have presented numerous development programs in helping hotel and restaurant SMEs to grow and attain their vision of being one of the high-income nations in the developed countries by 2020 (Chiun Lo, M., Chai Wang, Y., Justin Wah Constanc. E, R. & Ramayah, T. 2016). Despite His Majesty, King Mswati III's proclamation that Eswatini should attain First World (developed country) Status by 2022, the government had not outlined how to support hotel and tourism industry investments would be strategized to support SMEs. The Kingdom of Eswatini has a diverse range of tourist attraction sites and activities which altogether draw tourists into the country (Authority, 2018). These include the International Bush Fire festival, International Trade Fair, national cultural activities, such as the reed dance festival, Incwala as well as social activities that take place during the Easter holidays. The other reasons tourists visit Eswatini apart from participation to the events mentioned above, they enjoy peace, safety, and stable atmosphere. In addition to these attractions, tourists do expect accommodation quality standards of lodges, guest houses, bed and breakfast facilities and small hotels (Authority, 2018).

The World Bank study on Harnessing Tourism for Growth and Improved Livelihoods in Sub Sahara Africa, found that there were several existing constraints influencing Tourism Potential in Sub-Sahara Africa (Christie.I. Fernandes; E., Messerli H. & Twining-Ward, L., 2013). These include land availability, investor finance, tax on tourism investment, low levels of tourism skills, lack of security, safety and high crime, public health, visa requirements, red tape, and bureaucracy. There are also constraints relating to accommodation capacity, particularly the number of guest houses in the sub-Sahara region was only 10% of the numbers found in developed countries which is about 390,000 hotel rooms, and half of these establishments were from South Africa. Christie et al. (2013), also claim that some of the small and medium accommodations in the sub-Saharan region are neither branded nor graded. In the Kingdom of Eswatini several accommodation establishments had no graded according to the star ranking.

Manzo (2018), claims that in today's globalized market, every tourism product competes with each other at its price point and decisions made by individual travellers. He further argues that world tourism industry determines the size of the flow of tourists to a particular destination, represented by tour operators, travel agents, and transport services in countries of tourist origin. In supporting this argument, Christie et al. (2013) highlight that tourists influence external industry managers through valid and conditioning promotion and marketing campaigns and further state that the industry could be thriving if there were high-quality products to sell that are competitive in value and not just price. They recommended that Sub-Sahara Africa tourism sectors must maintain competitiveness through the quality of their tourism assets, high standards in visitor accommodation, efficiency and safety in transport too, from and within the country, adequacy of variety of infrastructure components and receptiveness of local populations to tourists. The issue of skills of a range of officials and employees within which tourists come in contact and the safety and security the destinations offer visitors are vital as well. The present study assessed the balanced scorecard performance measures that hotel and restaurant SMEs use to evaluate their performance in the Kingdom of Eswatini.

The performance of the tourism sector in terms of the number of visitors coming into Eswatini indicated a 3% increase of European tourists in the 2015-2016 financial year which had improved the 7% decline of visitors in the 2014-2015 financial year (Authority, 2016). Contrasting to the Europeans, North America visitors declined by 3.8% in 2015-2016 financial years and further declined by 1.2 % in 2014 -2015 financial years. The World Bank Report of 2018 alluded that precise performance measurement and growth systems such as a balanced scorecard determine factors influencing the decline of  Europeans and USA tourists visiting the Kingdom of Eswatini (Christie et al., 2013). According to Authority (2016), the Royal Swazi Spar hotel was the only hotel with a performance measurement system in Eswatini. However, the performance measurement tool, the hotel uses to evaluate its performances, was unknown to the reporter. It would be appropriate that an easy to use a performance measurement system to determine the quality standard of the hotels from learning growth, internal business processes, customer services which would result to the financial growth of the business (Christie et al., 2013. Countries such as the United Kingdom reported being already conscious about the accommodation grades (Authority, 2016). The report stated that 78 Europe and USA tourists come for a holiday, and they often make bookings to stay in the hotels, guest houses and game reserves lodges (Authority, 2016). The report reflected that Europeans and USA tourists do not come back after they had visited Eswatini. In the tourism research report of 2016, 86% of European tourists were first visitors while 14 were repeaters. On the other hand, visitors from North America composed of 84% first visitors and 16% repeaters visitors. Christie, reports that in the financial year 2012-2013, African first visitors reported to be about 14 % and repeaters were over 86% visiting the Southern Africa region.

The decline of visitors to the Kingdom of Eswatini hotel and restaurant SMEs might have resulted from the non-grading of SMEs in Eswatini, unlike in the Republic of South Africa. The non-grading is likely to be significantly affecting the performance and growth of this industry as evidenced by the fact that hotel and restaurant SMEs accommodation had only 40% full capacity in 2018 (Authority, 2018). The balanced scorecard measuring performance in this present study assessed the performance measures hotel and tourism used. A balanced scorecard is performance management and management tool that had been widely used by different industries (Hoque, 2014). The balanced scorecard measures business using the four perspectives; namely, finance, customers, business process and learning and growth (Quesado, P., Guzmán, B. A. & Rodrigues, L. L. 2017). According to Elbannaa, Eidb and Kamel (2015), a balanced scorecard uses four perspectives to set strategic objectives in conjunction with the vision and mission statements of the organization. The study evaluated how the balanced scorecard performance measures had improved the performance and growth of hotel and restaurant SMEs even though the balanced scorecard usage in a range of industries, very little research carried out on its usage in the small and medium hotel and tourism sector in developing countries like the Kingdom of Eswatini (Elbannaa et al., 2015).

## 1.2 Problem statement

In the last ten years, there has been a high influx of tourists in the Kingdom of Eswatini (formerly Swaziland), and this has resulted in the development of the hospitality and tourism industry; more specifically the increase in the number of small and medium hotels in the country. Therefore, hotel and tourism small and medium entrepreneurs are now converting their homes and rental houses to accommodation services. However, these hotel and tourism small and medium enterprises (SMEs) seem to have no formal performance measurement system or model such as a balanced scorecard (BSC) to monitor and evaluate their growth strategy. A balanced scorecard model is a management and measurement performance tool that uses finance, customers, internal business processes, and learning and growth perspectives to evaluate performances (Kaplan & Norton, 1996). BSC is a framework that has been widely used and successfully implemented by small and large organizations. Its successful use has changed the perception that SMEs survive and exist between 3 and 5 years (Kala & Bagri, 2014).

Previous research studies done in other countries reveal the successful usage of BSC lead to manage long term strategy (Abofaied, 2017). Kaplan and Norton (2001), emphasize that BSC is an essential tool for the strategic framework for future action focusing on all resources of the organization. Its usage implies that the entire organization contributes to the achievement of strategic objectives through the four perspectives unlike in the past where only financial measurements were considered necessary, yet this only reflects the past. Besides, the BSC approach allows the visualization of the strategy deployment through the design of strategy maps (Quesado; et al., 2017).

In this study, financial and non-financial performance measures such as a balanced scorecard could be used and implemented by hotel and tourism small and medium enterprises to improve performance and growth. The study examined the usage of the balanced scorecard for hotel and tourism small and medium enterprises growth in Eswatini. This study intended to examine the balanced scorecard measures used and implemented, critical success factors, cluster theories and factors contributors to hotel and tourism small and medium performance growth.

## 1.3. Aim /Purpose of the study

The primary purpose of the study was to investigate the usage of the balanced scorecard as a performance measurement tool for hotel and tourism small and medium enterprises growth strategy in Eswatini.

### 1.3.1 Objectives of the study

The following objectives guided this study:

i. To examine the four BSC perspectives used and implemented by the hotel and restaurant SMEs sector in the Mbabane-Manzini corridor of Eswatini
ii. To assess the significance of the association between financial and non-financial performance measures for hotel and restaurant SMEs growth;
iii. To examine financial and non-financial critical success factors influencing BSC performance measures;
iv. To assess the significance of the association between financial and non-financial critical success factors;
v. To examine the cluster (location), innovations, trust culture, shared value/knowledge sharing theories contribution to BSC performance measures;
vi. To examine the significance of the association between clusters (location), innovations, trust culture, shared value/knowledge sharing with BSC performance measures.
vii. To assess financial and non-financial factors influencing BSC performance measures;
viii. To examine the significance of the association between financial and non-financial factors influencing BSC performance measures;

### 1.3.2 Quantitative Research questions

The following research questions featured in the quantitative research questionnaire:

i. Which of the four BSC performance measures were used and implemented in the hotel and restaurant SMEs' sector in the Mbabane-Manzini Corridor of Eswatini?
ii. Was there any significance of the association between financial measures with non-financial measures for hotel and restaurant SMEs growth?
iii. Which of financial and non-financial critical success factors influenced the BSC performance measures for hotel and restaurant SMEs" growth?
iv. Was there any significance of the association between financial and non-financial critical success factors with BSC performance measures for hotel and restaurant SMEs growth?
v. Which of the attributes of the cluster, innovation, knowledge sharing, Shared value, and trust culture theories contributed to BSC performance measures for hotel and restaurant SMEs growth?
vi. Was there any significance of the association between clusters, innovations, trust culture and Shared value theories with BSC performance measures for hotel and restaurant SMEs growth?
vii. Which of the financial and non-financial factors influenced hotel and restaurant SMEs' growth?
viii. Is there any significance of the association between financial and non-financial factors with BSC performance measures for hotel and restaurant SMEs' growth?

## 1.4. Significance of the study

The primary beneficiaries of the study are owners and management of the small and medium enterprises in the hotel and tourism industry of the Eswatini. The government ministry responsible for hotels and tourism would able to know the gaps of policies, regulations and legislations they should review and implement to promote tourism.

The study is vital to SMEs in the hotel and tourism sector as it would help them to improve their performance measurement system for growth and eventually attract and retain local and international tourists explain how. It also identifies the research gaps and factors influencing the adoption of the balanced scorecard. The study proposed a model on how the BSC could be used as a tool for the hotel and tourism sector to measure performance and growth. The proposed strategy resulted in attracting and retaining potential visitors to come to the Kingdom of Eswatini. The study contributed to the body of knowledge by increasing the number of research publications on how the BSC practices can improve organization and people's performance in the hotels and tourism sector of small and medium enterprises. A proposed conceptual framework was developed hotel and restaurant SMEs use and implement to improve the performance and growth.

The usage of the findings of the study could be a guidance for SMEs in the tourism industry to identify SMEs deficiency and develop strategies for improvement. For instance, the performance measurement tool would help SMEs to improve the quality of accommodation. Consequently, the study envisioned that there is continuous improvement of quality standards which in turn contributes to hotel and restaurant SMEs sector performance.

The Balanced scorecard such as the internal business process is beneficial to the government's capacity to propagate policies and regulations that enhance performance operations of the hotel and tourism SME sector in the Kingdom of Eswatini. Some of the findings would also assist SMEs in the tourism industry to identify their deficiencies, and become more efficient in providing better services to tourists as well as becoming more effective and efficient in their operations, job creation and economic growth initiatives.

The research study assessed people's and employees' receptiveness, that is, whether they are friendly and sociable to tourists or not. This attribute is fundamental to the hotel and tourism SME sector since lousy reception can be the root cause of losing tourists in the country. The increased number of tourists visiting the country suggests that there is a high receptiveness of tourists in hotels, places of interest and other national events. Likewise, if the number of tourists declines, then one of the factors could be the lack of receptiveness by the local people, especially those within the tourism sector. Therefore the findings, if effectively implemented, would benefit the entire tourism industry, whose growth would automatically influence economic growth and job creation; thus benefitting the country at large.

## 1.5. Delimitation of the study (scope)

The research focused on hotel accommodation and tourism small and medium enterprises within the Manzini - Mbabane corridor. This corridor clusters about 80% of the hotel and restaurant SMEs sector of accommodation and food service in the Kingdom of Eswatini. Manzini and Mbabane corridor is the economic hub of the Kingdom of Eswatini, and this has attracted small hotels, guest houses, bed and breakfast and lodges to open businesses not more than 20 km from the corridor. The current study excluded the micro accommodation and tourism sector because in most cases, these are unregistered entities or individuals who seize opportunities as they emerged. The study excluded the big central hotel in the Kingdom of Eswatini, the Sun International hotel at Ezulwini because it is not falling within the Small and Medium enterprise category. The research sought to evaluate how the hotel and restaurant SMEs sector has adopted a balanced scorecard as performance measurement and growth to improve their performance and attract more local and international visitors. Another delimitation of the study was the sample of the population. The study collected and analysed data from owners, management and all staff involved in the planning of entity. The study also excluded other staff members who were not in management. The study also excluded the customers of the hotel and restaurant SMEs because some might first-time visitors.

## 1.6 Limitation of the study

The time taken to complete the research was long due to the lengthy exercise of data collection from hotels, lodges and guest houses in Eswatini. However, the study did not include all hotels in the country but only those located along the Manzini-Mbabane corridor, which is inclusive of Matsapha and Ezulwini urban areas due to limited finances to support the study. Another limitation was that some participants opted not to respond to all questions owing to the confidentiality level of some information required from them.

## 1.7 Definition of basic concepts

1.7.1 **Balance scorecard** - performance evaluation and managing tool that uses four perspectives (finance, customers, internal business processes and learning and growth).

1.7.2 **Performance measurement systems** - defines the mission, strategy, and objectives of the organization.

1.7.3 **Critical Success Factors** - key performance areas (KPA) that differentiate the business from those of competitors.

1.7.4 **SMEs growth** - relates to profitability and asset growth of the business which result from customer/market growth, link to efficiency and effective operation systems and learning and growth

1.7.5 **Competitive strategy** - where an organization offers something unique in its products or service to differentiate itself from those competitors, through product or service innovation.

1.7.6 **Innovation** - means of creativity and creation of inventions of new or existing products and services.

1.7.7 **Financial perspectives** - refers to how management should create value for shareholders

1.7.8 **Customer perspectives** - focuses on the customers' attitude towards the company, and how customers review the company.

1.7.9 **Internal Business perspectives** - relate to what business processes the business should focus on, and this includes efficiency, productivity, and new product and service development.

1.7.10 **Learning and growth perspective** - relates to how the SME hotel and tourism sector adapt to new changes and technology utilizing internal resources such as human capital.

1.7.11 **Knowledge sharing** - is a team process in which team members share task-relevant ideas, information, and suggestions with each other.

1.7.12 **Cluster** - comprises groups of associated and interconnected firms that are linked vertically and horizontally through their commonalities and complementariness in products, services, inputs, technologies or outputs activities.

1.7.14 **Shared value** - relates to common ideas and commitments shared by all employees to achieve hotel service goals.

## 1.8 Summary and conclusion

In summary, the chapter outlined the background of the study, problem statement, the objectives and research questions which the study focused. The research study contributes significantly to both hotel and tourism small and medium enterprises sector and practitioners of the balanced scorecard performance management and measurement literature. It had envisioned that the results of the study would both update and challenge the existing theories in the field of the cluster, innovation, knowledge sharing, trust culture, balanced scorecard, and performance measurement to challenge other scholars in embracing and applying similar methods. The rationale for, and the conduct of the research, is described more fully in the subsequent chapters. The next chapter discusses the theoretical foundation of the study and related literature.

# CHAPTER 2 – THEORETICAL FOUNDATION AND LITERATURE REVIEW

## 2.1 Introduction

This chapter reviews theories and literature relating to the balanced scorecard. The theories include performance measurement and management, balanced scorecard model, cluster theory, innovation, share vision, and trust culture theories. The chapter further examines the balanced scorecard model and its usage in hotel and tourism small and medium enterprises. This chapter also evaluates previous studies on how the model had been applied on the cluster, innovation, competitive advantage strategies, knowledge sharing, trust culture, and Shared value theories to improve performance and growth strategies for the hotel and tourism sector. The chapter also examines factors influencing performance measurement and growth strategy in small and medium enterprises sector. Further, the study assesses hotel and restaurant SMEs conceptual framework developed for using performance measurement and growth strategy in Eswatini.

## 2.2. Balanced scorecard model

The balanced scorecard model was developed by Kaplan and Norton (1992) as a tool for managing and measuring performance. Many organizations have used the tool to evaluate performance and managing their activities using the four perspectives: finance, customers, internal business processes and learning and growth (Kaplan and Norton, 2004, Kala and Bagri, 2014). The balanced scorecard usage ranged from small and large industries, but very few research studies conducted on its usage in the small and medium hotels in developing countries including the Kingdom of Eswatini (Elianna, Eidb & Kamel, 2015). Elbannaa et al. (2015), Sitawati (2015) confirm that hotel and restaurant SMEs in Sub Sahara Africa lacks the usage of performance measurement systems. In reviewing the past 20 years of research papers, Hoque (2014), confirmed the lack of many publications on balanced scorecard usage as a performance measurement tool in the hotel and restaurant SMEs. Sainaghi et al. (2013), argue that there are no broad theoretical frameworks developed for SMEs in the hospitality and tourism sector. Previous studies reflect that large and medium manufacturing industries the model service sectors (Giannopoulos et al., 2013). The Balanced scorecard as a performance measurement tool is useful when organizations implement and evaluate their strategy since it gives managers a full understanding of the company's operations and directions when they translate the organization mission and strategy into a comprehensive set of performance measures (Kaplan and Norton, 1996, Barczak, 2016, Quintano, 2016). The BSC model has four dimensions; namely, Financial perspective, Customer perspective, Internal business process and learning and growth linked to Key Result Areas (KRAs), also called strategic objectives and Critical Success Factors (CSFs) (Quintano, 2016). Figure 1 presents the balanced scorecard model.

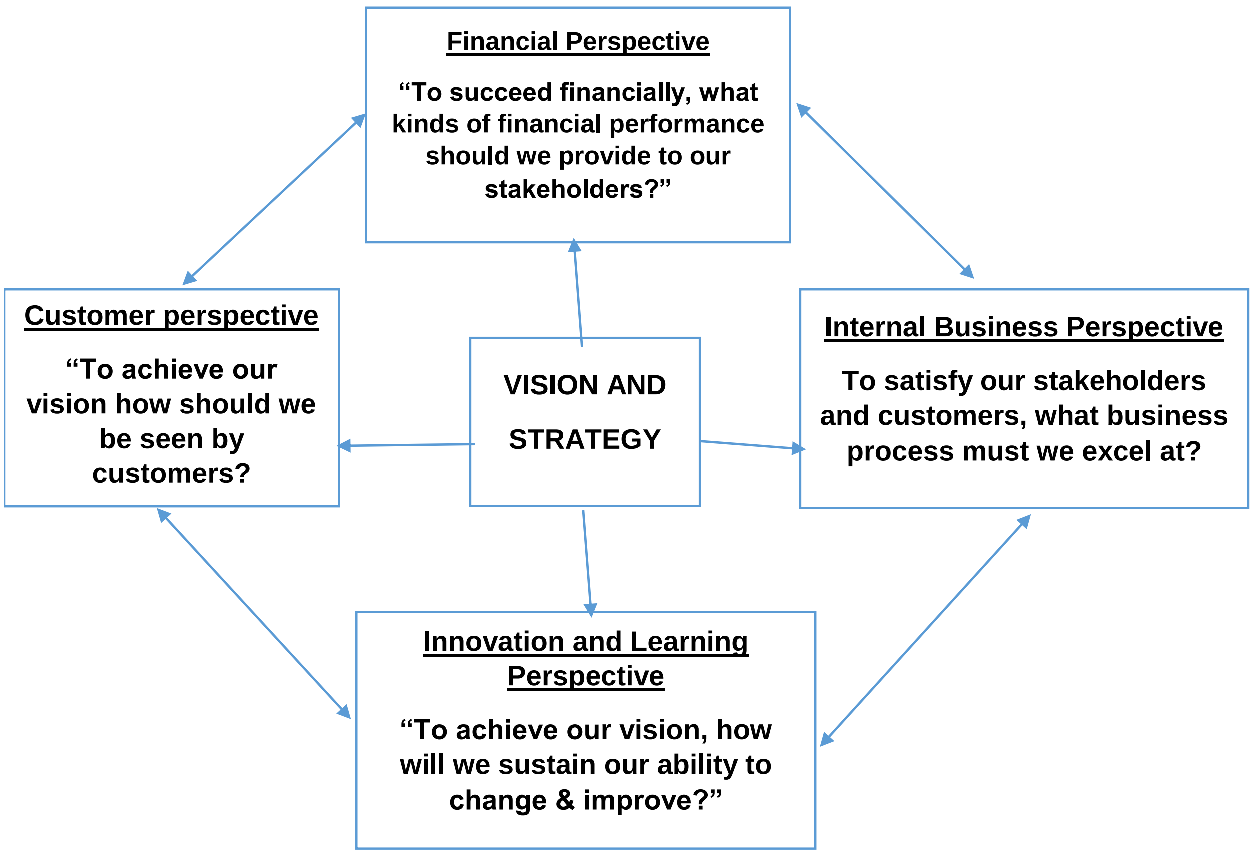


Figure 2-1 Sourced: Kaplan and Norton (1996, p.76)

Figure 2.1 illustrates the model into four perspectives linked to the vision and strategy of the organization. Cheluget and Koech (2018) and Kaplan and Norton (2007), argue that a balanced scorecard answers questions management might have about the hotel and SME sector. For instance, BSC answers management on how they should look at stakeholders in terms of financial perspectives. It also answers the question of how customers perceive the service rendered and also on selecting appropriate internal processes the organization must excel at. Lastly, the scorecard answers questions about learning and growth to continue to improve and create value for customers.

There are few studies conducted on the usage of BSC in the hotels and tourism SMEs (Awadallah & Allam, 2015). Shadbolt et al. (2013) examined the application of the BSC to small-scale organizations as a strategic management tool, and they found that BSC assists hotel and restaurant SMEs to minimize organization failure. The performance measurement tool is essential for small and medium hotel and tourism enterprises since it would improve the performance and possibilities of survival present and in the future,(Kirsten, Vermaak, & Wolmaran, 2015). Additionally, (Sainaghi et al., 2013) argue and conclude that there are no broad theoretical frameworks that have yet emerged for SMEs in the hospitality and tourism sector.

Literature indicates that performance measurement tools availability is veritable vehicles for the sustainable growth of many industries globally (Dewangan and Godse, 2014, Kala and Bagri, 2014, Kaplan and Norton, 2007). Performance measurement can improve the organizational communication strategy, which results in the business's sustainable growth (Waal and Kourtit, 2013). Mosbah and Khuja (2014), argue that performance measurement assists in creating employment and drives the economy for sustainable growth continuously. As a result, Shahbaz et al. (2014) argue that the performance measurement approach needs continuously reviewed.

Non-financial and financial performance measures represent a chain of cause-effect linkage. Operational and organizational measures should cover a broad area, strongly linked to drivers of hotel strategy supporting BSC perspectives(Sainaghi et al., 2013). Where the ultimate measure is financial, the managerial perspective focuses more on customer measures s such as occupancy, price, customer satisfaction, internal business measures focus on efficiency, productivity, new product and survive development, or learning and growth measures focus on human and organizational capital, employee performance and satisfaction (Thaimuta and Moronge, 2014). The subsection of this chapter explains how small and large organizations widely use the balanced scorecard perspectives. The next section describes in detail the finance, customers, internal business process and learning and growth perspectives.

### 2.2.1 Financial perspectives

The model proposes that any organization to succeed financially, it should establish what kind of financial performance should they provide to shareholders (Kaplan and Norton, 2007). Therefore, management should create value for shareholders. The company's financial performance would contribute to the bottom line of the company’s balance sheet if the strategy were adopted and implemented (Kaplan & Norton, 1996). The goals and objectives of the financial scorecard are to maximize profitability, growth and shareholders' wealth so that investors could willingly inject finances in the future (Ngwenya, 2013). He argued that the number of years in business operations of SMEs increase performance. Performance depends on the three non-financial performance measures; that is customer, internal business process and learning and growth measures. Kaplan and Norton (2001), claim that BSC financial measures such as net operation profit percentage, gross margin percentage, cost reductions in key areas, and that return on investment and return on capital employed determine the effectiveness of a performance measurement system. The organization needs first to identify the critical success factors or strategic objectives on how to create values for their shareholders (Kala & Bagri, 2014). Secondly, they need to develop performance measures that compare the result with the previously set standard. Some critics claim that financial performance measures do not influence customer and employee satisfaction. As a result, it discourages management from using them as a measurement of its strategic vision (Elbannaa et al., 2015). Kaplan and Norton (2001), reveal that the BSC performance measurement system has a significant impact on financial growth. They include net operating profit percentage, gross margin percentage, cost reductions, return on investment, and return on capital employed.

Ngwenya (2013), states that hotels in Zimbabwe use both financial and non-financial strategies in achieving shareholders' value and increase in earnings per share (EPS). Other studies confirm that small and medium hotels and tourism businesses should enhance their financial performance through a higher level of exploitative innovation (Malagueño et al., 2018). Few conceptual frameworks published between 2001 and 2009 focused on management accounting systems, information technology, and budget participation. Moreover, accounting based on financial measures such as operating margins and financial ratios, while competitive results relate to the average daily rate, occupancy, and REVPAR. There is evidence that research topics centred around accounting and business performance measurement systems, and competitive strategies are declining (Sainaghi et al., 2018).

In the study to investigate the effectiveness of BSC in improving financial performance, Das (2019), found that BSC application results in improved financial performance. The study also adds to the existing performance measurement and balanced scorecard literature through the provision of evidence that BSC could improve financial performance. The findings support the proposition that the BSC method can promote improved financial performance as compared to traditional performance measurement systems focusing absolutely on financial measures. The present research study guides hotel and restaurant SMEs management and staff to use the strategic management control system to organize better and utilize corporate resources of the organization.

### 2.2.2 Customer perspectives

Kaplan and Norton (2007), state that the overall aim of the organization is to accomplish its vision and mission. They argue that organizations' should always have this question in mind "to achieve our vision, how should customers see us'? Management and staff should perceive what quality services customers expect from the business. The customer perspective focuses on the customers' attitude toward the company and how the company wants to be viewed by its customers (Kaplan & Norton, 2007). To measure the critical success factor, the organization should employ the performance indicators that enhance customer satisfaction (Kala & Bagri, 2014). Customers are usually cognisant about quality, tie performance, service, and cost. Therefore, an entity like the SMEs in the hospitality industry should align its targets based on the four elements and eventually transform these targets into specific measures (Kaplan & Norton, 1992). Al-Azzam (2016), states that financial performance alone could not offer a full understanding of Customer Relationship Management (CRM) without employing a balanced scorecard as a performance measurement tool. The study concludes by recommending that hotels in Jordan should measure performance using customers, internal processes, and learning and growth perspectives. These perspectives create long-term performance measurement and management growth of the institution (Al-Azzam, 2016; Mohammed et al., 2013).

The balanced scorecard is a set of performance measures that gives management a comprehensive overview of the business (Kaplan and Norton, 2001). Financial measures are a reflection of the outcomes of actions already occurred in non-financial measures customers, internal business process and learning and growth measures(Bontis, 2015).

### 2.2.3 Internal business process perspectives

The internal business perspective focuses on the activities an organization undertakes to satisfy its customers. The main objective relates to business processes the business must excel at to achieve financial and customer objectives. The focus is to improve supplier relations, improve the quality of the service process and improve the delivery service to customers. (Wadongo et al., 2010). Cheluget and Koech (2018), in the study of the link between Analysis Dimension of Strategic Orientation and Firm Performance in Small and Medium Enterprises in the Hospitality Industry in Kenya, that analysis dimensions influence hotel and tourism small and medium enterprises. The critical activities focus on internal business processes, procedures, internal consistency, use of information for decision making and knowledge sharing are fundamentals for implementation of the strategy.

### 2.2.4 Learning and growth perspectives

The learning and growth perspectives focus on the competences and skills the company must excel at to achieve more internal business processes that create value for customers and shareholders (Kaplan and Norton, 1992). Some of the performance measures include employee education and skill level, employee satisfaction, technological advancement rate and retention rates of employees (Kaplan and Norton, 2007).

Kirsten et al. (2015), support the findings of (Rompho, 2011) that the main reasons SMEs fails to adopt and implement the Balanced scorecard are knowledge and skills deficiency that deficiency which applicable to hotel and restaurant SMEs as well. On the other note, SMEs management like in hotel and restaurant SMEs are not aware of the BSC technique, and therefore they do not use it. Most SME managers are not aware of the Balanced Scorecard technique and therefore, do not use it. However, they think BSC might be beneficial to SMEs' success and growth. Kirsten et al. (2015), highlight that accountants and business managers' exposure to BSC as performance measurement and management tool would improve the performance. The BSC section could not stand alone but include it in accounting training programs focusing on its usage, benefits, and costs of utilizing the tool in small businesses such as the hotel and tourism sector.

### 2.2.5 Balanced scorecard linking with vision and strategy

The model ensures that financial and non-financial performance measures link the vision and strategy of the organization. The scorecard as a performance measurement tool is useful in translating the vision, communication and linking the strategy, integration of the business planning and provide feedback and learning(Kala and Bagri, 2014). This subsection describes how the balanced scorecard link to organization vision and strategy for organization growth.

#### 2.2.5.1 Translating of the vision

Kaplan and Norton (2001), highlight that the translating of the vision using the balanced scorecard helps management to build confidence around the vision and strategy of the organization and gain more understanding of the performance measures, objectives, and targets they want to achieve. It is critical to establish a business model and to translate it into performance indicators for the entire company, not only of the management but also on how to achieve it. The model should drive the entire organizational consensus regarding the strategy whereby the entire company should be clarified when the translation of mission and strategy into manageable terms (Quesado; et al., 2017). According to Quesado; et al. (2017) BSC in its innovative aspects generates strategic learning, gives a global vision of organization performance and favour the understanding of organization objectives, reduces the overload of information by limiting measures used through the four perspectives.

Malagueño et al. (2018), explain that a BSC as a strategic performance measurement system allows firms to convert (or translate) a strategy into achievable objectives. , argue the assumption is that each performance measure of the BSC is part of the balanced cause-and-effect relationship in which leading measures such as non-financials are drives of the future financial performance. The drive lagging measures means financials are results of the past action. Through the tracking of the firm's progress against these measures, managers and employees can accomplish the firm's mission by identifying and correcting under-performing perspectives (Malagueño et al., 2018).

### 2.2.5.2 Communicating and linking

Kaplan and Norton (2001), claimed that the balanced scorecard would make executive management, middle and functional managers create a balanced scorecard in two levels where executive management may focus on financial and customer perspectives. In contrast, other management focuses on the business processes and learning growth perspectives. They state that if managers in all levels of the company gain a better understanding of the long-term strategic objectives; and such broad participation builds a more substantial commitment to achieving those objectives (Kaplan and Norton, 2001).Furthermore, BSC dispersed up and down the organizational chart, and strategy becomes a useful tool available for everyone. As the high-level corporate scorecard cascades down to individual business units, all-embracing strategic objectives and measures translated into objectives and measures appropriate to each particular 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 and Norton, 1996).

BSC clarifies how day-to-day actions affect not only the short-term but also the long-term strategic objectives of the organization (Quesado; et al., 2017). Quesado; et al. (2017), (Kaplan and Norton, 2001), argue that the translation of the strategy in operational terms in BSC will assist the organization to communicate its strategic objectives and able to link the objectives to each other through the cause and effect relationship.

### 2.2.5.3 Business Planning

BSC (Kaplan and Norton, 1996) 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 state when managers use the ambitious goals set for balanced scorecard measures as the basis for allocating resources and setting priorities, they could undertake and synchronize only those initiatives that move them toward achieving long-term strategic objectives. They state that where the organization uses separate procedures for budgeting and strategic planning, a balanced scorecard compels management to integrate the two functions and ensure that financial plans support the strategic plans. Management and staff will agree to performance measures for four scorecard perspectives, then identify and select the most influential "drivers" of the desired outcomes and set a milestone for evaluating the progress they make with these drivers (Kaplan and Norton, 1996). Once the BSC is in action, it can use to communicate the company´s plans, direct efforts in one direction and avoid dispersion. Budget-strategy relationship allows the budget to be linked to the strategy, through the allocation of adequate resources to achieve the objectives (Quesado; et al., 2017).

Malagueño et al. (2018), state that there is a relationship between BSC and SMEs' business growth. Their study emphasizes that more established SMEs attain higher financial performance since management structures usually practice by established companies that support the effective use of BSC (Brinckmann et al., 2010; López and Hiebl 2015). Moreover, they claim that improvements in efficiency introduced by the BSC and highlighted in exploratory innovation are not particular to either young or established SMEs. The result furthermore, suggests that irrespective of SME's stage for development, BSC is not by itself sufficient to encourage and support the development of the investigation, experimentation and risk-taking (Malagueño et al., 2018).

### 2.2.5.4 Feedback and learning.

The 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 and 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 (Abofaied, 2017, Kamunge et al., 2014). The scorecard enables companies to modify strategies to reflect real-time learning performance. Quesado; et al. (2017), BSC can also use as a tool to learn about the business. They claim that the organization can compare plans and the actual results, which will help management to 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 and Kourtit, 2013).

In the study of Balanced Scorecard in SMEs: Effects on innovation and financial performance (Malagueño et al., 2018) based on 201 SMEs in Spain, the researcher 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 performances based on past performance and the current one.

However, Malagueño et al. (2018)'s findings support previous studies by (Jänkälä and Silvola 2012) that SMEs who intend to adopt and use the Balanced scorecard should prepare to be patient because the tangible financial gain cannot realize immediately since the business might be at growth stage over two years. Secondly, they claim that the adoption of the balanced scorecard that will result to improve financial performance requires high-level management attention and employees' commitment and scare resources for SMEs.

## 2.3 Critics of Balanced scorecard

Critics of a balanced scorecard claimed that a balanced scorecard could not be suitable for performance measurement and management(Awadallah and Allam, 2015). Moreover, they claim that the concept was not suitable for the service sector business but appropriate for the manufacturing and production business (Awadallah and Allam, 2015). Molleman (2007), argues that a BSC was inflexible and limited implementation in a highly dynamic business environment. However, this was a contraction Madsen and Steheim (2014) claim that BSC was flexible because it allowed organizations to avail the opportunity to implement it according to business needs and aims (Awadallah and Allam, 2015). Norreklit (2000) and Giannopoulos; et al. (2013) criticize BSC as the model that overlooked competition and technological development, yet there were significant factors for companies nowadays. They considered the model as static in the rapidly changing environment (Giannopoulos; et al., 2013).

Critics of BSC claim that financial indicators do not have an influence on customer and employee satisfaction and discourage management from using them as a measurement for performance assessment (Elbannaa et al., 2015). The new economic difficulties and environment competitiveness indicated that it was not enough to capture financial and non-financial performance measures for sustaining competitive advantages without clearly link it between strategy and performance measurement(Sainaghi et al., 2013). According to Sainaghi et al. (2013), BSC differentiates itself from other performance measurement systems firstly by identification of financial and non-financial measurements covering the four perspectives which lead to providing a way to translating the strategy into action. BSC is widely accepted in the hospitality literature by being used to integrate performance measurement with other strategic issues (Kala and Bagri, 2014).

According to Awadallah and Allam (2015) and Molleman (2007), a BSC is not sufficiently flexible for adoption in firms located in the highly dynamic business environment. However, Kaplan and Norton (1992) argue that BSC assists management to review its strategies periodically or change them even in a rapidly changing environment. Nevertheless, the critics stated that in the dynamic environment establishing measures with modification of strategies becomes complicated and challenging. Awadallah and Allam (2015), claimed that BSC criticized for creating the risk of organization stagnate when management focuses only on BSC goals and ignores other goals outside the four perspectives of the BSC. Further, they claimed that this would make the potential of the organization to be underutilized beyond the targets of the BSC (Awadallah and Allam, 2015).

According to Andy Neely et al. (2002), Lynch and Cross,  the performance measurement system linked with strategy and operations. Shahbaz et al. (2014), argue that performance prism focus to translate strategic objectives from the top-down focusing on customer perspectives. They further claim that the four levels of the pyramid included corporate vision, strategic business level, business operating systems, and local operating system.  However, Kala and Bagri (2014), claim that the Pyramid performance measurement system does not provide a method of how the key performance indicators identified, and it is not clearly stating how the concept of continuous improvement.

The performance measurement questionnaire by Dixon et al., (1990) requires that respondents should complete the questionnaire within a short period focusing on clarification of the data, consider only competitiveness actives and performance measurement system, assessing the responses and ranking them and respondents' record their perceptions. The disadvantages of this system are that an external consultant administers the process; it does not factor continuously process for improvement (Neely, 2004). The balanced scorecard was developed over the years involving 12 companies in the United States of America, and thus it became a popular performance measurement tool than all the other performance measurement tools (Kaplan and Norton, 2007, Giannopoulos; et al., 2013).

A critical assumption of the BSC is that there is a cause-and-effect relationship among the financial and non-financial measures (Giannopoulos; et al., 2013). They argue that BSC links the outcome from the strategy and connects it to the financial and financial perspectives which improve internal business processes, learning and growth performance, customer satisfaction and subsequent financial performance.

BSC growth in an organization is due to the following: (1) the users have incorporated the idea to their own business needs, (2) the BSC is a model which can customize into local practices, and (3) the customization of BSC creates the need for experts to explain the concept through real cases. These make the BSC to succeed as a product in the marketplace (Sainaghi et al., 2013, David J. Cooper et al., 2017).

There are few studies conducted on Balanced Scorecard the usage of in the hotels and tourism sector, particularly Small and Medium Enterprises (SMEs) (Awadallah and Allam, 2015). For instance, Shadbolt et al., (2013) examined the application of the BSC to small-scale organizations as a strategic management tool found that BSC assists SMEs to minimize organization failure but enhance performance improvement through linking external factors to learning and growth, the internal process to financial perspectives.

## 2.4 Performance management and measurement

The explanation of the difference between performance management and measurement was summarized by Bob Napier in the 1960s who stated that "you cannot manage what you cannot measure" (Chaffey 2009, p.704). Performance measurement is a sub-process of performance management (Murra, 2017). Performance measurement concentrates on the identification, following and communicating performance outcomes by using the performance indicators. Performance measurement emphasizes evaluating results while performance management takes action based on results evaluated and ensures that target outcomes are achieved (Murra, 2017). There is a little known how hotel and tourism small and medium enterprises of Eswatini develop and use performance measurement systems since they use no star grading of accommodation establishments. Nevertheless, in business management, the Operations Manager or General

Manager should be able to establish whether the business is performing adequately in terms of quality, dependability speed, cost, and flexibility. Such information would continue to evaluate if the business could outsource the non-core activities and continue partnering with competitors to ensure that customers receive exceptional services from the hotel and tourism SME sector (Neely, 2004).

Neely (2004), argues that though global organizations and companies who had adopted scorecard as a performance measurement tool, they still need improvement on the performance measurement system itself. As a result, Operations Managers utilize online platforms such as Google Search and other engines to continuously analyse performance in line with what is going in the sector, and the reports are retrieved instantly. Through advanced technology used nowadays, Operations Managers seem to measure everything that moves and walks. Management for hotels and small SMEs should be aware of the current business situation that it is not a permanent scenario. Ćorluka et al. (2017), further state that hotel managers should monitor business performance continuously, and also identify the critical drivers of results. Hotels and tourism SMEs should understand their business measurement approaches causes by answering the two crucial questions of hotel management. Firstly, how to approach hotel performance measurement and secondly, which are determinants of hotel performance(Ćorluka et al., 2017)?

## 2.5 Theoretical framework influencing the balanced scorecard

The subsection identifies and describes the theories that influence the BSC performance concerning business growth. These include cluster, innovation, knowledge sharing, shared value, and trust culture. The next section discusses theories.

### 2.5.1 Cluster theory

Kuah (2002), claimed that the UK Department of Trade and Industry recognized clusters, and defined it as a geographic "concentration of competing, collaborating and interdependent companies and institutions which are connected by a system of market and non-market links". He further stated that clusters improve performance, such as growth and profitability arising from the geographical agglomeration of firms. Swann (1998) defined clusters, in the geographical and technological sense, as a large group of companies in related industries at a particular location. Furthermore, Swann expanded the definition in his empirical investigations by defining two main cluster strengths as the agglomeration sizes of similar-firms and related-firms for a particular industry.

A cluster refers to a geographic 'concentration on competition, collaboration, and interdependent of organizations that connects to a system of market and non-market links (Kuah, 2002). Kuah (2002), describes three main elements of a cluster. Firstly, a cluster comprises groups of associated and interconnected firms that link vertically and horizontally through their commonalities and complementariness in products, services, inputs, technologies or outputs activities. The second feature of the cluster includes proximately physical groups of interlinked businesses that encourage the formation of and enhances value creation benefits via interaction. The last element of the cluster is the co-location which does not mean clustering is associated with benefits such as innovation, productivity, growth or other superior competitiveness (Porter 1998). Kuah (2002), stated that clustering businesses are evidence of improving performance such as growth and profitability arising from the agglomeration of firms in a region.

Companies in a cluster gain a competitive advantage over international competitors if they find new and better means to compete with better linkages, knowledge spillovers and innovation and cluster activities in the value chain increase productivity and the innovation of products and service the business(Kuah, 2002). Furthermore, (Kuah, 2002) stated that cluster attracted concentration and accumulation of knowledge of human capital and proposed that technological innovation is the dynamic process of cluster growth accessed by new firm entry and incumbents' growth. Arthur (1990) asserts that clusters tend to attract more firms with reliable, innovative records have an advantage in achieving more innovation. Porter (1998c) argues that clusters broadly affect competition and create a competitive advantage in three ways:-

- By increasing the productivity of companies based in the cluster;

- By driving the direction and pace of innovation, which underpins future productivity growth; and
- By stimulating the formation of new businesses, which expands and strengthens the cluster, forming a virtuous circle of positive feedback.

Alfred Marshall, in his Principle of Economics, cited in Kuah (2002), categorized ‘concentration of specialized industries in particular localities’ that he termed as industrial districts. Furthermore, Marshal argues that the local concentration of specialized activities exhibited external economies in the ready availability of skilled labour; the growth of supporting and ancillary trade; and the specialization of firms in different stages and branches of production. Marshall stated that once after the completion of localization and specialization processes occurs, it became cumulative and socialized in the locality. Marshal did not provide any clarification on how and why cumulative and socialized started in certain places and not others. Businesses sometimes cluster in a particular location to take advantage of proximity to concentrations of their customers, which may, of course, be other firms and this may be imposed by the customers whom to benefit from integration in the supply chain then demand that supply sources location is within a certain distance (Kuah, 2002).

In the model societies, physical proximity influences cities or clusters growth as they allow people to interact and learn from one another. The establishment of Great cities such as Manchester and Glasgow in the United Kingdom were from successful agglomeration economics. Consumers prefer to shop in big cities for the real benefit of being able to obtain almost everything from one trip to the city centre (Sitawati, 2015). According to Porter (1998c) cluster, theory bridges network theory and competition. A cluster is also a form of network that occurs within a geographical location, proximity to firms and institutions to ensure certain commonality, which increases the impact and frequency of communications and interactions.

The positive feedback in clusters results in new business opportunities (Porter 1998c; Kuah, 2002). These scholars claim that the effects of positive feedback include a higher rate of productivity growth, more innovation and essential information and knowledge spillover. However, they acknowledge that feedback will never remain positive indefinitely. At some point beyond saturation, congestion and competition might slowdown individual businesses' growth and entry and eventually contribute to the decline of the cluster. The cluster strengths tend to influence the number of fixed attributes. These fixed effects are attributes that influence the attractiveness of a cluster but are not themselves changed as the cluster expands or contracts (Kuah, 2002, Sitawati, 2015). For example, according to Sitawati (2015) country could be competitive in numerous attributes that are important to businesses, such as the presence of a strong government, stable financial institutions, and excellent transport infrastructure. However, only the right fixed effects or attributes could create a form of synergy or strategic fit between the cluster and region and also intensify the dynamic feedback mechanism (Sitawati, 2015).

Porter (1998c) highlights that the rapid growth of firms and new firms entering the industry implies two signals of a thriving cluster. Further, Porter has observed that a well-developed cluster provides an efficient means of obtaining essential input linkages such as a sincere and specialized supplier base located within the proximity. Swann's (1998) model has advanced the concept and appropriately sums up how the clustering occurrence, felt through the entry of new firms and the growth of incumbent firms, could lead to a positive feedback loop and induce growth and other extraneous effects to the clustering phenomenon.

Cluster in the tourism industry in a useful tool to improve competitiveness in the industry and countrywide(Odinokova, 2019). Odinokova (2019), in the study of "Tourism cluster as a form of innovation activity in Latvia, finds that geographic position and lack of world well-known design have a critical effect on tourism opportunities.  It is for that reason that innovation activity should focus on clustering. Furthermore, the creation of clusters such as business clusters and existing clusters meet some objectives as defined by Michel Porter, the founder of cluster who claims that clusters encompass a collection of connected industries and other entities to competition(Odinokova, 2019).

### 2.5.2 Innovation

The term ‘Innovation’ derives from the Latin word ‘Novus’, meaning new, young or novel (Hsu, 2005). Innovation is a means of creativity and creation of invention(Gupta and Barua, 2016). The World Economic Forum (2014) defined innovation as one of the twelve technological pillars of productivity, growth, and competitiveness of a country. In hotel and tourism, SMEs context innovation refers to how management and staff develop new products and services (Pikkemaat et al., 2018). Without innovation, the hotel and restaurant SMEs sector would not survive in this fast-changing economic and social environment (Pikkemaat et al., 2018). Malagueño et al. (2018), investigated the effects of the Small and medium enterprises’ usage of balanced scorecard in terms of financial growth and innovations. They found that 201 SMEs in Spain use BSC for feed-forward control and they have better financial performance than those who do not use it. Moreover, these SMEs have presented higher levels of exploitative innovation. As a result, they concluded that established SMEs have attained higher financial performance due to BSc effects.Malagueño et al. (2018), state that service innovation capability is critical for a hotel to acquire a competitive advantage. They support the argument by Huang (2013); Nicolau and Santa-Marı (2013); Ottenbacher and Gnoth (2005) that service innovation is the source of competitive advantage of the hotel and tourism since new services could help attract new customers, increase customer loyalty, build new market opportunities, and increase sales performance and growth in profitability.

To survive in the dynamic competitive economy, Gupta and Barua (2016), argue that an organization needs to develop innovative competency and develop their innovative capabilities. Access to resources is very crucial for the innovation activity of SMEs in hotels and the tourism sector, and organizations require to have sufficient resources to sustain competition (Gupta and Barua, 2016). Further, they state that without tools and equipment, the latest machinery, working capital, and skilled workers organization cannot perform innovative activities despite creative ideas. Many organizations fail to convert their ideas to final products due to a lack of the required resources.

In the study of developing a service innovation capability in the hotel, Tang et al. (2013), claim that service innovation capability is critical for a hotel to acquire a competitive advantage. They support the argument by Huang, (2013); Nicolau and Santa-Marı´, (2013); Ottenbacher and Gnoth, (2005) that service innovation is the source of competitive advantage of the hotel and tourism since new services could help attract new customers, increase customer loyalty, build new market opportunities, and increase sales performance and profitability growth.

The services rendered to customers in a hotel and tourism sector are intangible. Therefore, the competitive advantage of any new services offered unprotected by patents or copyrights. To be the highly competitive hotel and tourism SME sector, the organization must continuously renew its services to customers and provide better service than its competitors which highlight the value of innovation of that service (Tang et al., 2013). Tang et al. (2013), also support the innovation service definition as an ability to apply useful knowledge from multiple resources and create new service, processes, and systems (Atuahene-Gima 2005; Boer et al., 2000; Hurley and Hult 1998; Yang et al., 2009).

Service innovation creates a superior customer value (Tang et al., 2013). Since customer expectations and requirements are rapidly changing, it is imperative for hotels and tourism SMEs to continually develop new services for creating higher customer value and competitive advantages. When a hotel provides an innovative service that stimulates customer perceived value, hotels could reduce service costs, increase the quality of the services and products, and enhance customer value creation which is influenced by the experience (Tang et al., 2013).

International tourists as hotel customers usually require not only comfortable accommodation but also a memorable experience when visiting the country. Therefore, SMEs in the hotel and tourism sector should create functional and lecture values that will satisfy tourists' expectations (Tang et al., 2013). Furthermore, they further argue that hotels should provide not only accommodations and dining services, but also entertainment such as leisure facilities and tours surrounding the attraction, and this is a centre for creating customer value. The hotel and tourism SME sector should, therefore, integrate the multiple services or innovative methods to link present service to satisfy customer requirements (Tang et al., 2013). Tag et al., (2013), corroborate the findings of (O'Cass and Sok 2013) that service innovation has a positive impact on customer value provided by service organizations and the development of the new service providing customer unique customer experience and excellent core value.

However, Tang et al. (2013), argue that one of the limitations of customer value creation in the hotel is non-participatory of value creation of customers. It would be challenging to design and administrative services in the hotel industry when there is no development of feedback mechanism. Since their study did not involve customers, there is a need to engage the customers' involvement in the service delivery process, and how this could co-create service value (Tag et al., 2013; Hau and Thuy 2012), and then boosts service innovation capability processes. This research study assessed how innovative services such as leisure and entertainment within a balanced scorecard that create customer value and enhance competitive advantages, which, attract new customers, increase customer loyalty, build new market opportunities, and increase sales performance and profitability growth for the hotel and restaurant SMEs sector.

### 2.5.3 Knowledge sharing

Tag et al., (2013) and Srivastava et al., (2006) define knowledge sharing as a team process in which ''team members share task-relevant ideas, information, and suggestions with each. They further state that where knowledge is not shared, it is challenging to utilize the resources fully within a hotel or any organization. They argue that knowledge sharing creates the flow of collective information and offers employees opportunities to disperse the knowledge of new service ideas. They support Hallin and Marnburg, (2008); Huet al. (2009); Yang (2010); Yang and Wan (2004), that in hotels, service was shared and possessed valuable knowledge includes service goals, expertise in carrying the tasks, customer preferences and tips for face to face interaction with customers.  This research study assessed an extent to which staff knowledge sharing information and up to date information management system contributed to balanced scorecard performance measures such as learning and growth.

In his research results, Tang et al. (2013), found that social capital was significantly related to the knowledge sharing and their findings support the view Za´rraga and Bonache (2003), that knowledge sharing ties with network connections where frontline employees had the opportunities to access knowledge required for work. As a result, Tang et al. (2013) highlight that management of hotels should adopt the job rotation, which would allow employees to gain and understand service delivery. The job rotation would assist managers to identify suitable candidates and assist them to allow employees to gain a complete understanding of service delivery and assist them to identify suitable candidates and necessary knowledge resources for successful services (Tang et al., 2013). Moreover, job rotation inspires employees to learn where they could find the necessary support when attempting to create new services or to improve the existing services. Tang et al. (2013), results indicate that knowledge sharing could transform hotel employees' knowledge into innovation capabilities.

Further, they state that hotel management should advocate knowledge sharing among employees and develop a knowledge management system that will transform knowledge sharing to innovation service capability. There was no empirical research conducted to assess the extent to which management influence staff to share their knowledge for innovative service capabilities. The present study assessed the extent to which balanced scorecard strategic objectives in learning and growth perspectives drove management encouraged employees to share knowledge. Hence, they improve innovative competency in the hotel and restaurant SMEs sector that would result in organizational growth.

However, Tang et al. (2013), argue that knowledge sharing on service innovation capability did not take into account how to combine types of services such as knowledge of technology, service, customers, and products. Future studies should focus on how the hotel should conduct knowledge management among knowledge of multiple services to improve service innovation capability. For example, they claimed that frontline staff should collect feedback from customers, share the information with dinning or room service employees to develop service shortly. The study should assist in the management of how they should conduct knowledge among multiple services through different measurements of the scorecard using the cause and effect relationship of the balanced scorecard.

### 2.5.4 Shared value

Another social capital dimension was the Shared value which relates to simple ideas and commitments shared by all employees to achieve hotel service goals. Tang et al. (2013), assert that Shared value stands for shared values that guide individual and team actions towards having universal value, collective goals and co-creation of value to facilitate resource exchange from various contexts.

Tang et al. (2013), support Leonidou et al., (2013) that Shared value is significant for internal coordination which facilitates the efficiency and effectiveness of resource usage. To respond to dynamic customer needs, hotels should integrate and manage Shared value using its resources. They claimed that Shared value stimulates information and knowledge sharing through connecting perspectives from all service members(Tang et al., 2013). The study assessed how to share vision usage is a critical success factor for learning growth and internal business processes within the hotel and tourism SME sector.

### 2.5.5 Trust culture

Trust culture as a social capital dimension is critical for the hotel industry since it promotes a relationship on sharing experience especially on failure experience, and sometimes it is not easy for employees to share their service experience because the learning experience was painful services (Tang et al., 2013). In a trust culture, service employees are not affected by being mocking or humiliation. They liked 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 et al., 2013). Additionally, the existence of trust culture makes colleagues of employees feel enthusiastic about being the sources of desired knowledge that support other service employees for the hotel to offer better services (Tang et al., 2013; Levin and Cross 2004). Tang et al. (2013), further state trust culture have the critical success factor for teamwork as it fuels mutual interactions among the people. They claim that trust culture promotes knowledge sharing through removing communications barriers, willingness to support others to offer better services and expand communication between individuals and business centres. All valuable assets were important in execution successful interdependent activities.

Tang et al. (2013), found that there was the relationship between trust culture and service innovation which were inconsistent with Vila et al., (2012) and Hon (2012) and that confirmed that trust culture has a significant effect on services innovation. They state that leaders tolerate mistakes of employees and transmit learning orientations to employees in a trust culture. Tang et al., (2013) argue that where mistakes deliberations occur openly, employees are encouraged to learn valuable experience from their mistakes to improve their service innovation capability in hotels.

## 2.6. Related literature on usage of balanced scorecard hotel and tourism small and medium enterprises

This section accesses the related literature on the usage of balanced scorecards in the hotel and tourism SME sector. The review of related literature includes balanced scorecard used and implemented in hotel and restaurant SMEs sector, Significance of association between non–financial performance measures and financial performance measures in hotel and restaurant SMEs sector, on-financial and financial critical success factors adopted to improve the balanced scorecard measures

### 2. 6.1 Balanced scorecard performance measures used and implemented for hotel and tourism industry SMEs growth

Sainaghi et al. (2013), evaluated journals from seven leading hospitality and tourism industries, and they found that managers between 1992 and 2011 have broadened balanced scorecard usage as performance measurement in the hotel and tourism sector. Leading geographical areas that use the BSC measures are the USA, Europe, and Asian and very little published research have made in African countries like the ESwatini. In the past decades, ' innovation and learning perspectives of the BSC had drastically increased, which helped the hotels and tourism to gain more competitive advantages (Sainaghi et al., 2013). However, previous research shows that there has been very little support of customers and internal business processes perspectives, but innovation with useful metrics could salvage the hotels during the economic downturns and can deliver profitable growth (Sainaghi et al., 2013).

According to Saad and Daraghma (2016), companies registered in the stock exchange in Palestine evaluate performance using the four perspectives of the Balanced scorecard, and they report that financial managers in Palestine rely more on financial and customer perspectives to evaluate their performance, and do not depend on learning and growth and business processes indicators for measuring the performance.

Kala and Bagri (2014), find that hotel managers in the mountainous state of India, Uttarakhand, used the balanced scorecard performance measures unconscious. Kala and Bagri (2014), findings indicate that although a balanced scorecard concept used, most hotels in Uttarakhand measures and manages performance based on the financial perspective rather than non-financial perspectives.

A different scenario noted in Kenya. Gesage, Kuira & Mbaeh (2015), in their survey on measuring the performance of five-star hotels in Nairobi County, using a balanced scorecard approach versus the traditional model of determining performance. The findings revealed that 36% of the participants use a balanced scorecard as a performance measurement tool. The report further indicated that 73% of managers in five-star hotels in Nairobi Kenya County who use a balanced scorecard as a performance tool had improved the quality of the guest profile. Moreover, 67% of the managers who adopted the balanced scorecard experienced an increase in training hours per employee. Although this finding gives attractive projections, it is not clear how many of these hotels were under the small and medium enterprise categories. This limitation motivated the present study, which focused on the SME sector in the Kingdom of Eswatini.

The survey contracted by CIMA (2009) a professional body for management accounting global in the United Kingdom, finds that only 25% of the small companies use the model of BSC as a performance management tool while 60% of the larger companies surveyed, 40% use the balanced scorecard as a performance management tool. Although the percentage of small scale business usage is deficient, the initial design was for medium and large businesses. There is a possibility that some of the small companies like hotels and tourism sectors use BSC without realizing it. Managers in SMEs might be producing the performance management system and having a balanced scorecard structure or some of its perspectives as a performance measure without being aware of it (Giannopoulos; et al., 2013). The adoption of the BSC does not imply its manifestation of more than a formal manner or organization participants practice that. Therefore, to understand the effects of BSC on SMEs, it is fundamental to study its use rather than its mere presence or availability (Malagueño et al., 2018). The next subsection, therefore, discussed the practical usage of the four perspectives of the balanced scorecard.

#### 2.6.1.1 Financial performance measures

Gesage et al. (2015), research on the usage of the balanced scorecard in Nairobi, Kenya and found that 33% of the five stars hotels link budgets with a balanced scorecard for performance measurement and only 9% use it for return on investment as performance measurement. According to Kala and Bagri (2014), found that hospitality managers in the tourist state of Uttarakhand, India use room occupancy, return on investment (ROI), total operating revenue and profit, net profit, revenue per available room (RevPAR), sales growth, room and food, and beverage (F&B) sales, return on capital employed (ROCE), cost efficiency and profitability as a financial performance measure for hospitality. Ngwenya (2013), in the study of leveraging-Financial-and-Non-financial-Strategies-for-Shareholder-Value-Growth-A-Study-of-Selected-Hotels-in-Zimbabwe, found that hotels in Zimbabwe use both financial and non-financial strategies in achieving shareholders value growth and Earning Per Share (EPS) is the superior performance measure. The findings support Kaplan and Norton's findings that internal business and customer satisfaction scorecard influence EPS of Zimbabwe hotels while dividend yield growth ratio was affected by customer satisfaction and financial strategy. He argues that the PE ratio, on the other hand, was affected by one factor, which was the internal business process strategy.

In the financial years, 2009 -2010 and 2012 -2013, evaluation of organization performance in the Republic of Serbia used net financial performance (Jovanović and Jovanović, 2016). Furthermore, the usage of the operating profit to evaluate revenue and expenditure were comparative variables in each tourism sector per year. The study indicated that there was an increase in both revenue and expenditure, which resulted in a decrease in operating income in the period year 2013 compared to previous years. The declined had influenced the economic performance and profitability of the hotel and tourism sector (Camisón et al., 2016). In the study of evaluating the performance measurement by small and medium enterprises in Cape Metropolis, South Africa Maduekwe and Kamala (2015),", found that most SMEs sampled measured their performance using the balanced scorecard perspectives. However, financial performance measures usage was more regularly than non-financial performance measures. Most financial performance measures used were sales growth, cash flows, operating income, and net profit margin. Kirsten et al., (2015) and Mosbah et al., (2014), argued that there was a significant gap in literature review on financial ratios and the application of the balanced scorecard as a performance measurement tool which constrains accountants to have deeper participation in performance measurement opinions could be sourced from other managers of SMEs to avoid one-sided view.

When assessing previous studies between 1996 - 2015 on hotel performance and research stream a network cluster Sainaghi et al., (2018), found that small group focus on accounting performance indicators and its only six articles published between 2001 and 2009 focusing on management accounting systems, budget participation, information technology, and budget participation as a performance measurement tool. Accounting based on financial measures such as operating margins and financial ratios, while the base for competitive results was the average daily rate, occupancy, and REVPAR. There was evidence that research studies centred on accounting and financial performance measurement systems while competitive strategies were little focused area (Sainaghi et al., 2018). Previous research studies acknowledge that SMEs Accountants were knowledgeable and skilful in calculating financial performance and explain their results and provide important decision-making information to management. However, the lack of knowledge and understanding caused accountants do not align their financial measures to the balanced scorecard performance measures. Nevertheless, there always have useful information for monitoring and evaluating small and medium enterprises such as the hotel and tourism sector (Kirsten et al., 2015). The research study had assessed whether the balanced scorecard financial performance measure contributes to hotel and restaurant SMEs growth strategy such as gross and net profit maximization and cost containment strategies.

The number of bookings predicts the revenue to be generated (Antonio et al., 2017, Andy Neely et al., 2002). Booking cancellations have a substantial impact on demand management decisions in the hospitality industry. Cancellations limit the production of accurate forecasts - a critical tool in terms of revenue management performance. To circumvent the problems caused by booking cancellations, hotels implement rigid cancellation policies and overbooking strategies, which can also have a negative influence on revenue and reputation. Using data sets from four resort hotels and addressing booking cancellation prediction as a classification problem in the scope of data science, authors demonstrate that it is possible to build models for predicting booking cancellations with accuracy results above 90%(Antonio et al., 2017, Neely, 2004). Despite what was assumed by Morales and Wang (2010), it is possible to predict with high accuracy the cancellation of bookings or not. Predicted results allow hotel managers to forecast on net demand accurately, and build better forecasts, improve cancellation policies, define better overbooking tactics, and thus use more assertive pricing and inventory allocation strategies.

### 2.6.1.2 Customer performance measures

On customer performance measures, Al-Azzam (2016), supported the previous studies by (Kim, 2008; Yilmaz et al., 2005) that more influential customer-oriented institutions have positive results towards the overall organizational performance. His finding suggested that management should develop customer-oriented strategies. They argued that a more customer-oriented approach is the best alternative for performance improvement of the hotel and tourism SME sector to improve their performance (Tajeddini, 2010). One of the drivers of the customer measures was a marketing concept which presumes that customer-oriented implementation. Therefore, the literature claiming the marketing concept has assumed that the implementation strategy would result in the most significant organizational performance (Al-Azzam, 2016; Kennedy et al., 2002; Piercy, 2002). They further claimed that the customer-orientation strategy was one of the resources most organizations used to improve customer satisfaction and business profitability. Therefore, the hotel and restaurant SMEs had to emphases on customer-oriented trust culture through the implementation of customer relationship management strategy successfully as it developed a competitive advantage tool in any organization.

In the study of "The Impact of Customer Relationship Management on Hotels Performance", Al-Azzam (2016), found that financial performance alone cannot offer a full understanding of CRM's effect and findings. Therefore a business that had employed the Customer Relationship Management with the four balanced scorecard perspective determined the critical success areas customers required. The findings of the study of hotels in Jordan, recommends that three balanced scorecard perspectives, i.e. customers, internal process and learning and growth perspectives to create long-term growth of the institution (Al-Azzam,2016; Mohammed et al., 2013).

Torres; and Singh; (2015), examined the impact on a specific financial outcome: average value of booking transaction. Their findings indicate that a higher value per transaction generates more revenue per customer, which all things being equal could result in better profitability. Higher value per transaction may also indicate a premium that customers are willing to pay based on the quality of the services the hotel provides. Therefore, hotels that are highly ranked might be viewed by customers as having a different value proposition than those that are not. Increasing the number of reviews can be beneficial for a lodging establishment in various ways, including increasing transaction value.

In the study of "Understanding Satisfied and Dissatisfied Hotel Customers: Text Mining of Online Hotel Reviews", Berezina et al. (2015), findings proposed that to drive positive automatic word-of-mount (WOM), hotel employees should provide excellent service to customers. Furthermore, they claimed that hotel frontline workers were critical in customer satisfaction since they trigger customers to write positive online reviews. Therefore customer satisfaction dramatically depends on the performance of hotel employees' performance (Berezina et al., 2015). On the other hand, furnishing plays a significant role in negative electronic WOM. Berezina et al. (2015), highlighted that customers usual discuss negative tangible aspects of hotels more frequently than positive reviews. The reason is that guests perceive the tangibles as the core product of the hotel and take them for granted. Therefore, if something is wrong with the tangibles, (e.g., bed, carpet, towels, chairs and tables), it may lead to dissatisfied customers and trigger negative electronic WOM. Furthermore, financial issues (e.g., money, charge, credit, and cost) appeared only in negative recommendations. Hotels are therefore advised to fix those problems related to the extra charges and credit card problems to minimize negative recommendations and avoid potential negative impacts on guest satisfaction and repurchase intentions (Berezina et al., 2012). The results of performance measurement on customer perspective have increased between 2007 and 2011 for five-star hotels in Nairobi after they introduced a balanced scorecard as a performance measurement tool (Gesage et al., 2015). The highest performance rate was 93% in the year 2011.

Al-Azzam (2016), stated that the basis for customers to choose the class of hotel or tourism facility was because they look to receive better services compared to other less –starred hospitality. Where they received low-quality services compared with standard advertised, there would be a high number of customers' complaints. Where the complaints reached a point where a large number of complaints have been steadily increasing without customer growth, that would be signifying that there was a problem with service (Al-Azzam, 2016).

### 2.6.1.3 Internal business processes measures

This perspective includes activities or processes that contribute to the performance of the financial, customer, learning and growth components in the balanced scorecard. The performance measurement for the internal process relates to standard operating procedures (SOP's), creating new ways of carrying out activities (innovation) and audit of processes (Gesage, 2015). Furthermore, Gesage et al. (2015) state that 24% of managers of the five-star hotels in Nairobi who adopted the balanced scorecard as performance measurement and growth conclude that internal business processes use innovation while 62% of respondents believe that internal process measures through the standard operating system (Gesage et al., 2015). Ngwenya (2013), asserts that the internal business process strategy has the most stable relationship with the financial strategy. He further claimed that there was a significant relationship between hotels' shareholder value growth and business strategies employed. The Price Earnings (PE) ratio influenced the internal business process, customer relations, innovations and learning and financial (Ngwenya, 2013).

Cristina and Naguit (2017), in their research on the Balanced Scorecard practices of medium and large enterprises in the Province of Pampanga in the Philippines, found that there was a high adoption of the balanced scorecard by SMEs and the highest perspectives for the adoption of the scorecard is financial, followed by customers. The least adopted perspectives of the scorecard are internal business and learning and growth categories. The study revealed that large enterprises with more than 20 years and having 200 people were mostly users of the balanced scorecard. However, very little has been done by small and medium enterprises with five years of existence with less than 100 employees who have not yet adopted the BSC practices to improve their business performances(Cristina and Naguit, 2017). Therefore, according to with their research studies, future studies should focus on analyzing the impact of Balanced scorecard to the business performance of the company, qualitative study on the best BSC practices of enterprises such as hotel and tourism sector SMEs, various problems business encountered, the BSC level of how enterprises carry out BSC; and the BSC practices of large enterprises in the Philippines (Christie et al., 2013, Cristina and Naguit, 2017).

Another internal business process performance measure essential for the organization is the central reservation system. Elliot and Joppe (2016), central reservation systems (CRSs) not only provide Destination Management Organizations (DMOs) with new sources of revenue but also the on-going accommodation and attraction booking process which creates rich databases - that when mined, could provide DMOs with relevant and timely performance measures. Although there was a lot of written information on destination competitiveness and performance industry, CRS data provides a relatively new source of information.

#### 2.6.1.4 Learning and growth performance measures

Gesage et al. (2015), claims that about 36% of the five-star hotels in Nairobi are using the balanced scorecard to measure performance. 73% of Managers in those hotels claim that balanced scorecard usage has improved the quality of the guest profile, whereas 67% experienced an increase in training hours per employee. In a study from the Tourist State of Uttarakhand, India Kala (2014), states that 93.6% of respondents are using both the financial and non-financial measures for measuring performance hotels and only 6.4% of managers rely solely on financial measures. He further states that only 4.9 % of hotel managers use the balanced scorecard concepts while the remaining respondents are not familiar with this performance measurement tool.

## 2.7 Significance of association between non–financial performance measures and financial performance measures

The section discusses the significance of the association between financial and non-financial measures for hotel and restaurant SMEs sector growth and this includes the association between financial performance measures and non-financial measures (customers' performance measures, internal business processes measures and learning and performance measures).

### 2.7.1 Association between the financial performance measures and hotel and tourism growth

Ngwenya (2013), claims there is a negative correlation between the perceived growth of Price Earnings ratio and earnings per share. The negative correlation implies that a fraction of companies paying cash dividends have fallen substantially in recent decades, and the PE ratio is assuming the more fundamental role as an indicator of value. He further argues that companies in hotel and tourism have not paid out any cash dividends in over a decade, but retained the profits to shore up PE ratio. He then claims that investors perceive the hotel group to have more excellent prospects of capital gain in medium to long term horizon, raising the PE ratio. He claims that the expectation of Zimbabwe's tourism and hospitality sector was to become one of the world's fasted growing sectors between 2011 and 2021, with a growth rate of 6.9% per annum and annual revenue-earning over US$850 million. Further, he claims that to underpin this, hotel groups have given sustainable attention to improving their business processes, customer satisfaction, and innovation and learning to grow shareholder value.

The assessment of the competitive strategy and financial performance, previous studies indicated that differentiation of food processing where the hotel and restaurant had high skilled chef would improve financial performance sustainability (Sitawati, 2015). He also argues that previous studies have shown that there is a positive relationship between competitive strategy and financial performance, and this implies that the more the company applies the competitive strategy, the higher its financial performance. Nevertheless, the results of the hotel industry might be different from the manufacturing industry, where most of the previous studies were conducted (Sitawati, 2015).

### 2.7.2 Association between financial measures and customer performance measures

Ngwenya (2013), on customers' satisfaction strategy, states that not all hotels regard their customers as critical to shareholder value additions. He argues that research, however, indicated that customer care critical not only for generating current cash flow but for long term financial gains as well. Gesage et al. (2015), the research findings on customer perspectives indicated that there no significant difference in the mean achieved targets of performance based on the customer perspective. The non-significant difference implies that the more the hotel gives attention to comfort and offer best services customer, these will lead to better customer satisfaction and in turn leads to more significant market share and understanding the guest preferences. Ngwenya (2013), claims that dividends yields have been influenced mainly by customer relations, followed by an internal business process, financial strategies, while innovation and learning strategies. He argues that setting up a hotel requires substantial capital resources and financiers of this capital need assurance that once developed, the hotel will attract enough business to generate enough expected returns from which dividends payment occurs to capital providers. He states that the most obvious way of attracting hotel business is by satisfying the needs of current customers since the business operating environment is more volatile and companies redesign the business process to become more competitive

### 2.7.3 Association between financial measures and internal business processes measures

The adoption of the internal business process has a strong association with the decision-making style used by managers(Elbannaa et al., 2015). In a formal business planning process, managers use a technocratic decision-making style. Furthermore, (Elbannaa et al., 2015), find that when a hotel has capabilities related to the expectation of surprises and crises, flexibility and innovativeness, it should develop an effective strategy that will give a clear direction and achieve a proper fit between internal capabilities and external environment to attain better performance. They claim that these findings support Dibrell et al., (2014) when arguing that flexible planning could improve hotels' performance, particularly those operating in turbulent environments, by enabling the hotels to seize the opportunities emerging as a result of changes in the external environment. Similarly, technocratic decision-making styles are positively associated with planning effectiveness.

Ngwenya (2013), researched to determine if there is a relationship between hotel performance and business strategies they are employing. The study found that the base for hotel performances was Earning per Share (EPS), PE Ratios and dividend yields. The business strategies employed by hotels were financial, customer satisfaction, internal business process, and innovation which are four perspectives of a balanced scorecard.

### 2. 7.4 Association between financial performance and learning and growth performance measures

Malagueño et al. (2018), support the assumption that the use of BSC among large firms and SMEs is that it has a positive effect on firm performance. The research study indicates that BSC contributions to large organizations have suggested a positive association between the feed-forward use of BSC and the development of new capabilities and exploratory initiatives(Malagueño et al., 2018).

According to Han et al. (2017), in the study of the effects of six personality factors of CEO at small and medium-sized enterprises (SMEs) on performance in business management focusing on learning and growth scorecard. The findings of the study on personality factors contributing to behavioural characteristic among the six HEXACO personality factors (honesty-humility, extroversion, conscientiousness, agreeableness, openness to experience, and emotionality), revealed that there were causal relationships between learning and growth of organizations, and performance in business management (Han et al., 2017). Furthermore, the findings of the study indicate that there is a positive relationship between conscientiousness and openness and learning and growth when determining the organization's performance and innovation.

In his research on the conceptual model of determinants of performance of the tourism sector of SMEs in South Africa, Muzenda (2014), finds that there are significant associations between entrepreneurs' attributes, firm characteristics, external environment and performance of the SMEs for sustainable growth in the tourism sector. The application of a balanced scorecard for competitive strategy and sustainable performance found that the five perspectives of a sustainable, balanced scorecard indicate the positive and significant relationship between differentiation strategy and each of the five perspectives SBSC and that as the hotels adopt and the differentiation strategy, there will be greater performance sustainability (Sitawati 2015). He further claims that this finding is the confirmation of the Bangchokdee (2008) and Amoako-Gyampah & Acquaah (2008) studies which investigated this relationship in the manufacturing industry.

However, one of the limitations of their study is that the survey was conducted in self-response when determining respondents' personality factors. Moreover, their recommendation on future research did not add third-person responses; that is, the CEOs, management, staff, and customers to participate in this study. Another limitation is that the study focused on CEOs of SMEs in South Korea, and results could apply to other CEOs in other countries due to cultural diversity, and environmental changes could influence changes. Therefore, one of the recommendations was that future studies should find environmental variables and assess the causal relationship with personality factors to perform more intricate studies. However, the gap of the study is that the influence of personality factors was not the broader scope and integrative models such as the balanced scorecard usage to test the relationship (Han et al., 2017). This study proposes the balanced scorecard as a tool for hotel and restaurant SMEs performance measurement and growth, will broader research to find any relationship between the learning and growth scorecard and performance measurement and growth of hotel and restaurant SMEs based on innovations.

Based on Kaplan and Norton's (2001) conceptual theory on, the findings suggest the improvement in social and environmental practices through the provision of training on social/environmental issues which bring better employee skills which result in higher learning and performance growth (Sitawati, 2015). He argues that hotels put more effort to improve employee's skills and efficiency of internal business processes to ensure high-quality service leads to customer satisfaction which will result in a larger market share and higher occupancy rates and more profit for hotels. Therefore he concludes that managers in the hotel industry need to place more emphasis on employing the differentiation strategy.

## 2.8 Non-financial and financial critical success factors adopted to improve the balanced scorecard measures

This section describes financial and non-financial critical success factors (CSFs) influences balanced scorecard performance measures for hotel and tourism small and medium enterprises sector growth. These include financial (CSFs), customers (CSFs), internal business (CSFs) and learning and growth (CSFs).

### 2.8.1 Financial critical success factors

The subsection discusses financial critical success factors in the hotel and tourism sector. Previous studies reveal that financial critical success factors depend on nonfinancial factors. According to Sitawati (2015), a business should offer something unique to command a premium price of its products or service, and the high differentiator may increase premium through innovative products. Furthermore, he claims that the distinctiveness of the product and service requirements to be valuable to buyers. Sitawati (2015), argues that customers want to stay at this hotel because of its sharp brand image as a "high-class hotel" resulting from its deluxe properties or room facilities such as Italian linen, marble bathrooms, DVD players and high-speed Internet access. Competitive advantage requires a company to be able to differentiate itself from its competitors (Sitawati, 2015). Wang and Hung (2015), state that room facilities are one of the critical successes that lead to an increase in room sales. The findings of the study reveal that customers consider room and bathroom amenities, comfortable beds and beddings as one critical factor to generate revenue for the hotel and the guest houses. Guests make comments on bed and bedding of the guesthouses are comfortable compare to those found in the five-star hotels. Wang and Hung (2015), note that hot and pressure water, decent bathroom accessories and first-class toiletries are critical success factors for small and medium hotel and guest houses.

Nevertheless, the customer found that more consideration and decisions were essential to some guest houses who have leaking rooms, have poor soundproof, some without windows, and no door in the bathroom. Wang and Hung (2015), state that there are customers who commented on value for money and surprising most guests claim that the prices were affordable. Furthermore, the study finds that only 7% of the guests commented negatively about the guest house and the main reason could be that most customers review the room rates online, and they know the prices before they even make the decisions.

Sitawati (2015) and Jennings *et al*., (2003) observe that previous studies also suggested that competitive strategy makes no difference to organizational performance. Jennings et al., (2003) argue that no performance difference when measured sales growth rate, return on investment and return on sales between more innovative (prospector, more cost leadership defender and analysis of both differentiation and cost leadership in the company. The limitation of Jennings's et al., (2003) study was that it used samples from different industries not focusing on one sector such as banking, hotel, insurance, brokerage, and transportation.

Studies on the influence of the market-oriented hotel on profitability by studying 298 Norwegian hotels indicate that companies that focused on the differentiation strategy found to be more market-oriented compared to cost leadership companies (Narver *et al.*, 1990). Sandvik and Sandvik propose that hotels should offer a unique, new product (differentiation strategy) so that they maximize profit. The unique product could compel hotels to implement premium prices which accompanied by higher margins which contribute to the company's profit. Further empirical studies are required to determine any relationship between market orientation as the independent variable and differentiation strategy as a control variable.

### 2. 8.2 Customer service critical success factors

This sub-section discusses factors that are critical to customer service success. Such factors include location, innovation, and competition. In the guest houses, one of the customer critical success factors is location. Location in a quiet place is a critical success factor because it helps customers to sleep and relax on the premises (Wang and Hung, 2015).

The online booking website is the leading customer rating for the accommodation establishments in Shah Alam, Malasia (Ahmad et al., 2019). Guests usual evaluate and leave comments in the reception or front desk in the hotel. Ahmad et al. (2019), state that the base for the rating was factors like cleanness, value for money the customer paid for the accommodation, treatment from the staff and location of the establishment. The collection of data and analysis occurred in Agoda.com and Booking.com, revealed that customers were rating either satisfactory or dissatisfaction on the service they received from the hotel they stayed.

Porter (1980; 1985) explains that companies need to be innovative to make themselves different from their competitors. Innovative is essential to hotels and the tourism industry because their products and services high risk being imitated by the competitors since that their products unprotected by patents or copyrights (Sitawati (2015); Agarwal *et al.,* 2003). For instance, Marriott in 1980 become the leader in the hotel industry because of the application of technology such as an automated reservation system for hotel accommodation which creates unique value. Most hotels, guest houses, and other accommodation facilities now have modern technology such as the internet, website, and others where customers make their bookings easily online, and in turn enhance customer satisfaction which influences them to return to the same hotel in the future (Sitawati, 2015). Such is no longer an exclusive attribute of the Marriot group. Effective internal communication contributes to performance brand for small and medium enterprises in Kenya, Nairobi(Kori Faith Wangui et al., 2018). Further, they argued that where internal communication is active on the organization brand, staff empowerment with sufficient skills, staffing process, payments, and acknowledgement system, then brand performance would advance.

According to Sitawati (2015), the hypothesis that the more a hotel employs a competitive strategy in the form of product differentiation, the higher its financial performance indicates a positive and significant relationship between competitive strategy and customer-related performance. The association is consistent with Sandvik & Sandvik's (2003) claim that intense competition in the hotel industry encourages hotel management to seek a competitive strategy that could differentiate them from those of competitors. They further observe that if hotels and the entire tourism sector do not have a unique value as a competitive strategy, it becomes difficult to attract customers. For instance, Lovelock *et al., (*2011) argue that a four-star hotel in a highly competitive market in Indonesia cannot offer low room prices where there are many competitors in the same area offering the same prices. However, the manager could offer the same price with additional attributes like applying architecture or interior design to properties or create cultural packages for customer lodging in their hotels as part of the strategy to outplay the competition. Sitawati (2015), found that competitive strategy was positively associated significantly with hotel customer-related performance. The demand for services of hotel accommodation is a function of tourist demand;

therefore, hotels and SMEs should know that hotel services are in the function of travel (Ćorluka et al., 2017).

### 2.8.3 Internal business processes critical success factors

This subsection discusses internal business processes critical success factors influencing balanced scorecard measures for SMEs growth. Quality of services, cost and time to deliver services are critical success factors for the hotel and tourism SME sector (Wang and Hung, 2015). Their study revealed that most customers raised concern about cleanness where they politely stated that the place looks dirty in rooms. Some customers complained about mosquitoes, dust in the room, issues with bedding smell in rooms, and cleanness in toilet seats. Furthermore, (Wang and Hung, 2015), reported that some customers raised the issue of dirty towels, and others complained about the messy and dirty courtyards.

Sitawati (2015), found that competitive strategy was positively associated with hotels "internal business process-related performance. The strategy supports the claim of Bharadwaj *et al., (*1993) and Porter, (1980; 1985) that hotels required to have a competitive value such as unique resources (assets) and distinctive skills different from those of competitors. Therefore, the hotel should provide quality service with the highest skills that attract customers, and this could be a factor for the application of differentiation strategy if the hotel can meet customer needs and preferences in an accurate and timely manner(Sitawati, 2015). Furthermore, he argues that hotels that use the differentiation strategy could apply a comprehensive information system to be more efficient. For instance, he states that a differentiator hotel could employ a comprehensive customer database system used to get the latest and more accurate information related to customers to provide superior service.  When the hotels deliver accurate customer service, there would save time and expenses resulted from service error and customer complaints to customers and this means in turn improvement in internal business processes related to performance.

Ahmad et al. (2019), in the study of “Budget Hotels’ Online Guest Reviews Regarding Customer Satisfaction”, claim that the hotel advancement in technology influences business operations. They state that technology in hotels and tourism is one way to listen and respond to customers' complaints. The industry depends on technology for reservations, payments, room smartcards taking orders from eating place and many more places.

### 2.8.4 Learning and growth critical success factors

Sitawati (2015), findings are consistent with those of Bangchokdee (2008) in that they both indicate that there is a positive relationship between the competitive strategy and company learning and growth performance in  Thailand’s manufacturing sector. Sitawati (2015) reports that the company investigated used three items for measuring its learning and growth performance; namely, employee efficiency, employee satisfaction, and computerized information system. Previous studies found that firms that apply the differentiation strategy tend to use a high capital human resources management system more extensively than a cost leadership company and the GRM system focus on selection, training, performance appraisal, compensation, and work design. Sitawati (2015) asserts that the differentiator companies need highly skilled, competent and motivated staff to support the hotel providing quality service and have innovative products. Based on the findings of the previous studies, he argues that the hotel needs to invest comprehensively in selection, training, performance appraisal and compensation. Therefore, as a result of staff recruitment or training, a hotel should expect highly skilled, professionally competent confident and motivated staff who are performing their tasks appropriately, and consequently, end up receiving rewards for achieving predetermined targets. These tend to lead to higher employees’ satisfaction (Sitawati, 2015).

Therefore, the differentiation strategy influences the employee’s satisfaction. Hotels that face intensive competition require to increase employees' capacity, through strategic leadership and ongoing training, to acknowledge and understand the daily tasks and able to respond immediately to the fast-changing situation Sitawati (2015). Another differentiation strategy that needs skilled employees is the use of advanced, sophisticated technology reservation system. This present study also examined the critical success factors and processes of recruiting and attracting great competitive staff who adapt quickly to new technologies and systems incorporated by the sector to perform their tasks efficiently.

## 2.9 Significance of association between financial and non-financial critical success factors and balanced scorecard measures

The subsections of the study discuss how the financial and non-financial critical success factors (CSF) associates with balanced scorecard performance measures for hotel and restaurant SMEs growth. The critical success factors include associated with financial performance measures, customer service measures, internal business process measures, and learning and growth measures.

### 2.9.1 Critical success factors associated with financial performance measures

*Chiun Lo et al. (2016),* in their study on the critical success factors for the organizational performance of SMEs in Malaysia: a partial least squares approach hypothesized that top management support is positively related to financial performance. The study conducted by Zhou et al., (2009) reveals that there is an indirect relationship between differentiation strategy and financial performance ( profit and market share), and the facilitation of the relationship market performance such as improved quality service and customer satisfaction which in turn leads to higher financial performance (Sitawati, 2015). However, Sitawati (2015) acknowledges that the previous studies did not analyse the relationship between differentiation strategy and financial performance. He claims that such a study would provide a clear description of how the differentiation strategy could influence hotel financial performance. The present study assessed the relationship between financial perspectives and profitability growth of hotel and restaurant SMEs.

### 2.9.2 Critical success factors associated with customer performance measures

The study on critical success factors for the organizational performance of SMEs in Malaysia: a partial least squares approach revealed non-association between customer focus is positive with non-financial performance and non-financial performance (Chiun Lo et al., 2016). The findings of this study were contradicting the previous studies, which reflected the positive association with customer success factors and organizational performance. Customer-oriented strategies seem to be expensive for small and medium enterprises, yet nowadays customer demand is increasing which creates a problematic situation for SMEs to maintain such demand to enhance performance(Chiun Lo et al., 2016).

### 2.9.3 Critical success factors associated with internal business processes performance measures

The results reveal that entrepreneurial orientation is positively associated with both nonfinancial performance and financial performance (Chiun Lo et al., 2016). These results are consistent with prior outcomes that if the firms put substantial weight on proactiveness, innovativeness, competitive aggressiveness, riskiness and autonomy in response to market changes (Gupta & Batra, 2015; (Chiun Lo et al., 2016, Gupta and Barua, 2016).

### 2.9.4 Association of critical success factors with learning and growth performance measures

Chiun et al. (2016) hypothesized that top management support is positively related to non-financial performance, such as innovations. Unlike financial performance measures, the study reveals that top management support was not significantly related to non-financial performance. The contributing factors could be that employees are unlikely to voice their opinion and approach their superiors directly due to distance power trust culture and hierarchical level within the organization, which imply that employees are unlikely to raise their views and have open communication with top management on issues of innovations (Chiun Lo et al., 2016).

## 2.10 Cluster, innovation, knowledge sharing, shared value, and trust culture theories contribute to BSC performance measures

This section describes how cluster, innovation, knowledge sharing, share vision, and trust culture influences Balanced scorecard measures for SMEs growth. The subtopic includes innovation influencing BSC, Cluster theory influences BSC, knowledge sharing influencing BSC, trust culture influences BSC and share vision influences BSC.

### .2.10.1 Balanced scorecard and innovation

SMEs using the feed-forward to enhance their financial performance had a higher level of exploitative innovation (Malagueño et al., 2018). Moreover, such SMEs do not rely strictly on finances as they gain efficiency result in the use of BSC and incremental development of existing capabilities. Their finding was in line with previous findings of Benner and Tushman, (2003) that an increase in process management practices influences innovation incremental. Furthermore, Malagueño et al. (2018) argue that the characteristics of BSC provide innovative efficiency as it reflects a highly dispersed managerial practice that could offer an immediate environment for decentralization decision making through the structures and written plans that support superior innovative (Cosh et al., 2012; Srećković 2017).

Hotel and tourism such as lodging, dining, attractions, and events in Southern California experienced economy transit for the service rendered and it required innovation efforts based on the business performance such as the balanced scorecard(Sipe, 2018). In the research study on "Towards An Experience Innovation Canvas: A Framework for Measuring Innovation in the Hospitality and Tourism Industry Sipe (2018)", finds that executive management supports the notion that front and back of the house innovation in the house attracts more customers in hospitality and tourism sector.

However, Malagueño et al. (2018), observe that there was a negative association between the use of balanced scorecard and exploratory innovation. Their findings show that there was no negative relationship as per submissions by (Hervas-Oliver et al., 2015), who suggested that the use of certain managerial practices might negatively affect innovation results in SMEs. The results of the Malagueño et al. (2018), confirmed that the BSC for large companies was not easily translated to SMEs as they were different from those of large firms in terms of contributions of BSC to the development of new competencies. Moreover, the findings highlighted the significance of differentiation of the implications of BSC on innovation items of specific orientations such as exploitative and exploratory aspects.

The integration between strategy and operations support the innovation-performance, which encouraged small and medium enterprises to be forward-thinking as they engage in innovation for long term benefits and competitive advantages (Das, 2019). In the long term accounting and market performance of small and medium enterprises could be pursued through innovation using the balanced scorecard. Das (2019), claims that the short-term worthwhile influence only exists in market performance but not accounting performance.

In the research study on sustainable oriented innovation in the hotel industry of Mazatlán, México, J.P et al. (2017), conclude that sustainable innovation could be successful if leaders and followers are involved in collaborative work and consensus of hospitality's employees. Furthermore, they find that the Ramada and Torres hotel performed beyond expectations result in training and awareness, which are reinforced by personnel ideas**.**

### 2. 10.2 Balanced scorecard performance in a clustered location

Russia agribusiness had created clusters that will improve organization economic forums of entrepreneurship (Veselovsky M.Y. et al., 2018). They found that the cluster approach was widely used worldwide in implementing the tasks of increasing the competitiveness of specific industries and complexes of the national economy. In developed countries, agribusiness clusters enhance the innovative economy, specializing in different types of agricultural products. Furthermore, associations and cooperation of businesses become the main focus of the clustering policy. The existing associations and cooperation of enterprises had become the object of the cluster policy.

Veselovsky M.Y. et al. (2018), highlighted that a specific modern should be taken into account when the formulation of the agribusiness cluster. They claimed that in Russia core cluster was formed by innovative active companies which focus on advanced production technologies. Previous authors believed that cluster development should be adjusted depending on the stages of agribusiness cluster development. They claimed that financial and economic support measures were implemented at the third stage and at that stage businesses should develop a balanced system of indicators and recommendations to ensure the efficient cluster operational, assigning functions to the separate cluster structures, substantiation of the development concept. The support for the last stage of cluster development was scientific research and commercialization of innovations (Leydesdorff, 2012; Leuz *et al.*, 2003; Moskowitz, 2014). The usage of the balanced scorecard (BSC) for monitoring and evaluation of the cluster performance is crucial in hotel and restaurant SMEs sector (Veselovsky M.Y. et al., 2018). They claimed that Russian SMEs in agribusiness could use the four elements of a balanced scorecard to develop 20-25 performance indicators which include financial leverage, capitalization of agribusiness cluster, expansion of sales markets, introducing of innovative technologies and increase in Research and Development (Schuh et al., 2015) ).

In the study of “The Effect of Tourism Clusters on U.S. Hotel Performance”, Peiró-Signes et al. (2014), firstly hypothesized that the economic performance of hotels located within a geographical touristic cluster was better than that of hotels located outside touristic clusters. Secondly, they hypothesized that economic benefits derived from being in a cluster were higher for luxury and upscale hotels. Lastly, they hypothesized that regardless of the ownership structure, the economic performance of hotels within a geographical cluster was better than those outside the clusters.

In the research study Peiró-Signes et al. (2014), found that hotels located inside and outside the cluster performance of hotels inside the cluster were better than those outside since they had improved hotel’s economic performance. Further, the findings of the study reflected that luxury and upscale properties in clusters performed better than similar properties outside the cluster.

Similarly, findings reflected that chain-managed hotels inside clusters outshine compared with chain-managed properties outside clusters and state these chain properties prosper if they are inside the chain while those independent and franchised hotels did not.

Peiró-Signes et al. (2014), advise that hotel owner and operators should collaborate with other firms in the corridor to enhance the cluster concentration. Though the hotel industry is known for its competitive approach, the cluster effect prefers cooperative over the competition. Furthermore, they argue that the research proposes that the collaborative and competitive interactions between local firms create geographic externalities that play an essential role when tourism destinations compete with each other globally.

Earlier it was stated that outside the cluster businesses find difficulties to compete in the local business environment, the required further research studies to establish the different businesses that constitute the cluster so that policymakers and business managers would take decisions that would enhance the economic performance of hotels, restaurants and other tourism-related activities (Peiró-Signes et al., 2014). Furthermore, the historical trends on the economic sensitivity of hotels inside and outside the cluster indicate that hotels inside cluster hotels were more sensitive to the environmental crises than outside the cluster properties. For instance, when the economy starts to recover in the USA, clusters also recover more rapidly than property outside the cluster. Future studies should evaluate the causes of economic sensitivity of the hotel within the cluster, and this study had examined the effects of economic trends to hotel SMEs about the BSC.

### 2.10.3 Balanced scorecard and Knowledge sharing

The influencing factors for knowledge sharing behaviour are personality, willingness to share their experiences and organizational commitment (Hussain et al., 2016). In the study on Measuring Service Innovation Performance through team trust culture and knowledge sharing behaviour in Hotel Services, Hussain et al. (2016), find that knowledge sharing behaviour contributes towards the service performance of the hotel. Furthermore, the claim that knowledge sharing also provides positives effects to all team members and becomes more innovative. Hussain et al. (2016), highlight that knowledge sharing takes place in different methods. It could be among employee-customer or employee-employee communications through their knowledge skills. In a multifaceted environment of hotels and tourism SMEs sectors, personal and direct communication benefits and generates a prospect for individuals and establishments to understand each other's behaviour and trust culture which could be in terms of constructive or undesirable traits(Hussain et al., 2016)

### 2. 10.4 Balanced scored and trust culture

Similarly, to knowledge sharing behaviour, team trust culture inspires, encourage and satisfies employees perform beyond expectation in the service hotel (Hussain et al., 2016). The team trust culture direct contributes to the financial and non-financial performance measures (BSC) of hotel and tourism small and medium enterprises sector. Hussain et al. (2016), further state that team trust culture based on the norms a, expectations and roles of each team player creates and energetic team that effectively contributes performance of the hotel and tourism SME sector. According to Sitawati (2015), the trust culture among the team members enhances teamwork, social interaction with better communication which results in better service innovation performance.

### 2. 10.5 Balanced scorecards and shared value

This subsection discusses how Shared value contributes to the balanced scorecard performance measures for the hotel industry and tourism SMEs' growth. Delavari and Badizadeh (2018), in their empirical case study on the effect of social Media Use at Work on Employees' Performance by Considering the Mediating Role of Trust, Shared value, Network ties, and Knowledge Transfer find that Shared value, increase employee trust to the organization and trust, which, in turn, facilitates knowledge transfer. Furthermore, transformational leaders create a sense of Shared value to motivate high satisfaction and productivity among followers to achieve the high-performance standard in the hotel and tourism SME sector. Pešalj (2018), stated shared values enhanced organizational values focused on quality and superior service. Shared values also manage internal and external relationships. Externally, the company engaged and offered personal contact with customers, and internally values include open and allotment culture, lower power distance, allocation and failures.

## 2.11 Significance of association among the cluster, innovation, Shared value, and trust culture theories and balanced scorecard measures

This section of the chapter explains the significance of the association between clusters (location), innovation, shared value and trust culture against the balanced scorecard performance measures for hotel and restaurant SMEs sector growth.

### 2.11.1 Significance of association between cluster (location) and balanced scorecard measures

On that note, Ćorluka et al. (2017), argue that hotel business performance relates to building as well as positioning itself in the market. Hotel characteristics are the leading causes of the hotel section process of tourist demand. Previous studies have indicated that the critical determinants of hotel performance are hotel category, hotel size, location, the form of business and market positioning of the hotel (Ćorluka et al., 2017).

### 2. 11.2 Significance of association between innovation and balanced scorecard performance measures

Malagueño et al. (2018), study shows a positive relationship between the use of the BSC and exploratory innovations, and their findings were 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 have a positive effect on the ability of a company to be innovative (Malagueño et al, 2018; Eggers et al., 2014). Further, they argued that more collaboration in product development support higher levels of SMEs' exploratory innovations. On the other hand, hospitality innovation means rethinking how to produce the product, redefine the industry and change the way finances are generated(J.P et al., 2017).

The results on the technology focus reveal that there is an association between technology with financial and non-financial small and medium enterprises of Malaysia. The association confirms with previous studies that technology focus provides the SMEs with the capability to procure technological information and new technologies that could be suitable to the business, and come out with the new business result that could not easy to imitate(Chiun Lo et al., 2016).

### 2.11.3 Significance of association between shared value and balanced scorecard measures

Creating the shared value (CSV) improves hotel and tourism small and medium enterprises' performance (Fernández-Gámez, Gutiérrez-Ruiz, Becerra-Vicario, & Ruiz-Palomo, 2019). The findings of the study confirm previous research studies at creating the shared value is relevant associated with operational and efficiency in the hotel and tourism industry (Fernández-Gámez et al., 2019). The results on the Effects of Creating Shared Value on the Hotel Performance, show that when hotels apply CVS more strategies then it will achieve superior financial performance and this reinforces the association between creating share value and financial performance when individuals belong to a group where shared value is a Trust trust culture. Furthermore, Fernández-Gámez et al. (2019), findings reveal that show a hotel that invests more in social responsibility creativities generates a shared value between the hotel and tourism company and stakeholders. This effects that the establishment of shared value has a direct association between social outcomes and financial performance which can help hotel managers identify that the outcome of CSV strategies since there are positive effects of CSV strategies verified in all organizational environments of the hotel and tourism small and medium enterprise sector(Fernández-Gámez et al., 2019).

### 2.11.4 Significance of association between trust culture and balanced scorecard measures

(Sitawati, 2015), too different in the industry, hotel and tourism small and medium enterprises should develop a unique trust culture values system. A study by (Sitawati, 2015), of Indonesia hotels, reveals that unique trust culture becomes a competitive strategy for the tourism industry. Further, they claim that without having a unique value for its competitive strategy, a hotel can struggle to attract customers. The business trust culture a positive association with balanced scorecard performance measures. Hotel and tourism small and medium enterprises provision of service quality and having trust culture is one of the skills that draw more customers into the business.

## 2.12 Financial and non-financial factors influencing the scorecard performance measures

Sainaghi et al. (2013), has identified three future research gaps for the BSC. These include unexplored BSC perspective is particularly the internal business perspective, and no broad theoretical frameworks have yet developed and geographical scope. Further, they argue that without a broad theoretical framework, it will be difficult for hotel performance research to build on prior studies, or to highlight results, which are complementary or contradictory. This gap requires a movement from a single perspective to relationships that link all perspectives(Sainaghi et al., 2018). Sainaghi et al. (2013), state that the last gap they discover relates to the complexity and challenge managers face in building and using hotel performance systems. They argue that if management fails to develop and implement an effective performance system, it would be difficult to manage change in an organization. The following subsection describes how financial and non-financial factors contributes to performance measures for small and medium enterprises growth.

### 2.12.1 Financial factors

Hotel and restaurant SMEs sector are using social media to improve financial factors such as sales and manage the cost of their businesses (Neirotti et al., 2016). In the empirical research of 240 small and medium-sized hotels between 2004 and 2014, found that social media such as Trip Advisor has contributed to the sales and profitability of small and medium hotel and restaurant SMEs. Furthermore, they claimed that this primarily used online global for travellers has shifted competition to high room occupancy rates and reduce transactions for booking and paying online. Bontis (2015), examined whether intellectual capital influences financial performance measures in Serbian hotels, and found that to some extend financial performance such as profitability affects physical infrastructure investment. Through innovation hotels and tourism, SMEs have increased sales performance measures after introducing new products and services that affect business profitability (Fadda, 2018). However, Croce (2018), noted that costs related to products and services in the country of designation influence sales as well as the profitability of the hotel and tourism SME sector. He claims that SMEs suffers loses when tourist cancels the booking in the eleventh hour due to cost related to the trip. Hence, he proposes that management should explore how useful location position and seasonal factors to improve SMEs' price competitiveness. Ahmad et al. (2018), argue that social networks help hotel and restaurant SMEs to increase revenue performance base from existing customers to book in the same hotel frequently.

Previous studies Karadag (2015), indicate that the leading cause of business failure is lack of financial planning, access to finance, no financial budgeting for the activities and mismanagement of capital investment. However, the new challenge facing SMEs in developing countries is inefficient utilization of funds which includes cash management which requires more comprehensive strategic financial management perspectives. Financial performance ratios such earnings per share also influence performance and growth strategy of hotels and tourism SMEs sector, which are results of internal business processes and customer satisfaction strategies (Ngwenya (2013). The present study, therefore, examined how the sale of products or services and cost management influenced performance measurement and growth strategy of hotels and tourism SMEs sector in Eswatini.

Esparza-Aguilar et al. (2015), analyzed the effects of accounting and financial information and management control system towards hotels' family and non-family owned micro, small and medium-sized enterprises in Mexico. They found that formal hotel and restaurant SMEs used more accounting and financial information such as budgets to make decisions than less formal family hotels. They claim that these findings imply that family hotels use less formal management control systems than non-family hotels. The study on characterizing the effects of current management and accounting to the hospitality industry for 55 published articles between 2005 and 2015, found that there was a lack of research studies in financial accounting and management small hotel and restaurant SMEs sector in the developing countries. Moreover, most research analysed was from Europe, and this requires more research for developing countries. However, those countries where the usage of social media occurred has reduced the marketing budget, and cost since technology and social interaction advertisement are faster and cheaper than in the traditional marketing and advertisement approach (Ahmad et al., 2018). Hotel and restaurant SMEs in developing countries of sub-Sahara have financial constraints in terms of financial access and high-cost investment in the infrastructure (Christie et al., 2013). The annual research report revealed that Tourism in Africa, *Christie et al. (2013)* have a challenge in accessing finance and high development costs. In the study of "factors affecting the performance of small and medium enterprises in the Jua Kali Sector In Nakuru Town, Kenya", Kinyua (2014) found that access to finance and management skills affects the performance of SMEs in Kenya. In the long-run sales, cost management and profitability affect the performance measurement and growth of the hotel and tourism sector (Kala and Bagri, 2014).

### 2.12.2 Customer factors

Customer satisfaction and differentiation strategy influence hotel and restaurant SMEs' performance and growth strategy (Sitawati, 2015) through online booking and quality service customers receive. The social networking had increased the number of loyal and potential customers to send comments on the product or service the hotel and restaurant SMEs sector offered (Ahmad et al., 2018). This social network guide whether customers are satisfied with the product or service and then make suggestions on how the products or services could be improved. Ahmad et al. (2018), point out that small and medium enterprises in the Middle East adopted social media to quickly get suggestions from customers about the product or service and attend their concerns promptly. Furthermore, they claim social interaction such as Facebook followed by internet and

Whatsup, and the last ones are twitter, and the adoption of YouTube had as strategic marketing choices for small and medium-sized enterprises. There was excellent performance improvement to customer satisfaction performance for small and medium enterprises who had adopted social media as a platform to market their products and services(Ahmad et al., 2018). The results of performance measurement on customer perspective have increased between 2007 and 2011 for five-star hotels in Nairobi after they introduced a balanced scorecard as a performance measurement tool (Gesage et al., 2015). The highest performance rate was 93% in the year 2011. The proposed conceptual framework would the rate of customers' suggestion, customer satisfaction level and level of customer complaints on service and products rendered.

Furthermore, Ngwenya (2013) claims that customer satisfaction contributed 10.3% of the value of EPS with a beta of .392. He argues that the more customer satisfaction strategy applied, the higher the EPS because the hotel business is more customer satisfying. Therefore, customers drive the earnings, and if they are not satisfied, they will search for another hotel that will meet their needs. He states that to grow future earnings, hotels need to satisfy the current customer since poor customer focus leads to a decline in future earnings even though the current financial picture may look good. Therefore, he claims that customer satisfaction becomes a critical factor in generating income streams from which the payment of dividends to investors. He states that most business CEOs believe the sharp decline in customer satisfaction or retention will affect performance and profitability. Ngwenya (2013), suggests that to consolidate growth, stability and future earnings of hotels, customer satisfaction, business process, financial strategy and innovation, and learning are all harnessed to consolidate the business gain.

The essential factor that may attract customer attention is service quality (Chen *et al*., 2011). For instance, when a customer complains during the check-in the session about his room, the differentiator hotel could offer rebates and upgrade the room on return (Sitawati, 2015). He further states that the manager of the differentiator hotels can prepare the traditional rooms for the guest's birthday or wedding anniversary and such decoration could make the customer feel comfortable and motivate them to come back soon (Kandampully, 2007). On the other hand, customer satisfaction will result in positive word of mount recommendations to his friends and relatives about the excellent service he/she receives in that hotel. Consequently, more people will acknowledge the hotel and then making the booking so that they taste the services themselves. Therefore, differentiation strategy becomes a way to enhance a hotel's customer performance (Sitawati, 2015).

### 2.12.3 Internal business processes factors

Ngwenya (2013) claims that earnings per share were mostly influenced by the internal business process with a correlation of 0.689, followed by customer relations with a correlation of 0.651, Innovation and learning strategies correlation of 0.592 and financial strategies correlation of 0.413. He argues that most countries need to grow their economies after the 2009 economy fierce competition and companies to be useful in such challenging environments, need to develop novel business models by improving their internal business processes. They also need to improve their customer satisfaction, be innovative and learn from industry players and then have an effective financial strategy to quantify and collate the monetary benefits that accrue. According to Saleheen et al. (2018), the balanced scorecard is still not yet adopted by most SME organizations because it requires a lot of skill and management expertise, time and money. They further claim that the BSC concept overlooked factors such as government regulations, competitive environments, environmental and social aspects of the industry.

### 2.12.4 Learning and growth factors

Thaimuta and Moronge (2014), find that management skills and entrepreneurial skills training as a learning and growth perspective of the balanced scorecard influence the performance of SMEs in the Matatu para-transit sector in hospitality and tourism business in Nairobi, Kenya. Ngwenya (2013) claims that all hotels pay attention to the heavy usage of innovation and business learning strategy. He argues that this may be due to the fact to satisfy their customers, hotels have to learn their preferences, the best way to satisfy their customers, research and develop new products that when introduced will be embraced by customers among the variables. Previously, studies reflect that one of the reasons made a BSC fail the overlooking of stakeholders such as government, suppliers, environment, and failure to engage employees to understand BSC's definition, objectives and measures yet internal business processes and learning & growth performance require support. Therefore, employees should be familiar with the concept from the onset (Saleheen et al., 2018).

## 2.13 Association between financial and non-factors and balanced scorecard performance measures

This subsection of the chapter describes how the financial and non-financial factors are associated with balanced scorecard performance measures. These include the association of financial factors with BSC measures, customer factors with BSC measures, internal business processes with BSC measures and learning and growth with BSC performance measures.

### 2.13.1 Financial factors associate with BSC performance measures

The research study of factors affecting the performance of Small and Medium Enterprises in the Jua Kali Sector In Nakuru Town, Kenya, (Kinyua, 2014), claims that access to finance has positive effects on the performance of SMEs in Kenya. However, Esparza-Aguilar et al. (2015), argues that there is a positive association between financial accounting and financial information with balanced scorecard performance measures of hotel and restaurant SMEs since family-owned small and medium hospitality tourism has to keep financial information accurate. As a result, credit financial lending institutions fail to evaluate the SMEs financial position. Through the use of financial information associates with financial statements as well as cash flow; there is positive and significant association effect toward performance of family business such as hotel and restaurant SMEs sector. In that sense, the use of information related to financial is guarded as well.

### 2.13.2 Customer factors associate with BSC performance measures

Customers' factors influence balanced scorecard performance measures. A study by (Sitawati, 2015) in hotels of Indonesia reveals that customer factors have a positive association with hotel customer-related performance. The critical factor is service quality which attracts customer services. For example, when customers complain at the check-out session about the condition status of their room, the hotel differentiates its services by focusing on excellent customer service that can offer repayment and elevation on return for existing and new customers. The customers are satisfied to imply the higher market share and higher occupancy rates, and thus additional profit for hotels (Sitawati, 2015).

### 2.13.3 Internal business process factors associated with BSC performance measures

The base of internal business process factors on the management skills and experience that are positively and significantly associated with the performance of SMEs (Esparza-Aguilar et al., 2015). Therefore this implies that the lack of management skills is associated with inadequate performance measures and hotel and tourism small and medium enterprise growth. Hotel and tourism should assess how entity internal business factors are significantly associated with internal business process-related performance (Sitawati, 2015). Sitawati (2015), further reveal that a hotel and tourism small and medium enterprise with competitive value when its resources and its skills distinguish from those of competitors.

### 2.13.4 Learning and growth factors associates with BSC performance measures

Learning and growth factors such as technology to enhance operations and business have a significant association with balanced scorecard performance measures(Sitawati, 2015). Heavily reliance on technology, hotels in Malaysia helped the industry grow and flourish fast (Ahmad et al., 2019). Technology has assists hotels and the tourism sector to improve their reservations, payments, taking orders and guest able to use the room smartcards.

## 2.14 SMEs Growth strategy

The research study of revitalizing that small business growth strategies depends on exploring risk-benefit of strategic management approaches. Kala and Bagri (2014), finds that 36% of SMEs operators do not give reasonable consideration to analyzing the balanced scorecard before adopting their growth strategy. They recommend that SMEs should first embark on the internal and external factors analysis before selecting and implementing a growth strategy. Moreover, SMEs should consider the principles of a balanced scorecard before selecting ad implementation their growth strategy (Nnamseh; and Akpan, 2015).

## 2.15 summary and conclusion of the literature review findings

The chapter has reviewed previous studies on how a balanced scorecard use and implemented in different hotels and the tourism sector and how financial and non-financial success factors influenced the balanced scorecard performance measures. The comprehensive literature reveals that the hotel and tourism have widely used the balanced scorecard to improve performance. Several kinds of literature reviewed on how cluster, innovation, shared value, knowledge sharing, and trust culture influence the balanced scorecard performance measures. Moreover, the review of kinds of literature on how financial and non-financial factors influenced the balanced scorecard performance measures. Then previous literature has been reviewed on the association between the financial scorecard and non-financial scorecard, critical success factors and balanced scorecard, cluster, innovation, knowledge sharing, trust culture and shared value and balanced scorecard. Lastly, the previous kinds of literature review the association between the financial and non-finance factors with a balanced scorecard for organization growth.

Most hospitality and tourism somehow use the balanced scorecard model indirectly to measure the performance of their organization. The significant primary gaps relate too balanced scorecard usage as a tool for performance measurement literature are stated underneath:

- few studies conducted on the balanced empirical evidence on usage and implementation of the model in developed countries in Africa;
- Previous studies focused on hotel and tourism general without considering whether the hotel or SMEs was micro, small and medium enterprises yet their capacity operation level is different;
- No apparent critical success factors captured in the previous studies
- Few identifications of financial and non-financial factors influence hotel and tourism growth

- Lack of theoretical framework that integrates to balanced scorecard measures for hotel and tourism growth

The following chapter will outline a research methodology designed to address the issues raised by the review of the balanced scorecard as performance measurement tool literature to fill the gaps of knowledge in the field and to contribute to the more in-depth understanding of the BSC performance measurement and management function in general and its application to the hotel and tourism small and medium enterprise sector. The next chapter describes the research methodology of the study.

# CHAPTER 3 -RESEARCH METHODOLOGY

## 3.0 Introduction

The research methodology chapter covers the following sections: research design, the rationale of mixed-method, philosophical approach of the research study, strategies, choices, time horizon, data collection, techniques and procedures of data collection and analysis.

## 3.1 Research design

The research study was on the primary data collection for both quantitative and qualitative. The collection of the primary data is mainly for the researcher's aim of his study (Johnson and Onwuegbuzie, 2004). The study used an explanatory sequential mixed-methods research design. The explanatory sequential mixed method is one method in which the researcher first conducts a quantitative research phase, analyses the data, and then builds on the results to explain them in more detail with qualitative interview questions (Creswell and Cresswell, 2018). An explanatory sequential design helps to explain or elaborate quantitative results and provides a rationale for having quantitative data collected first to provide a general picture of the research problem (Subedi, 2016). The argument is that through qualitative data collection, the researcher can refine, explain the general picture of the situation or phenomenon under investigation. Therefore, since quantitative data were collected first in this study, the identified results were used to develop the second phase interview with selected executive management. The interviews aimed to explain the quantitative results, why or how they were so. The phases of the explanatory sequential mixed method design are schematically presented in Figure 3.1 below adapted from (John Creswell et al., 2003).

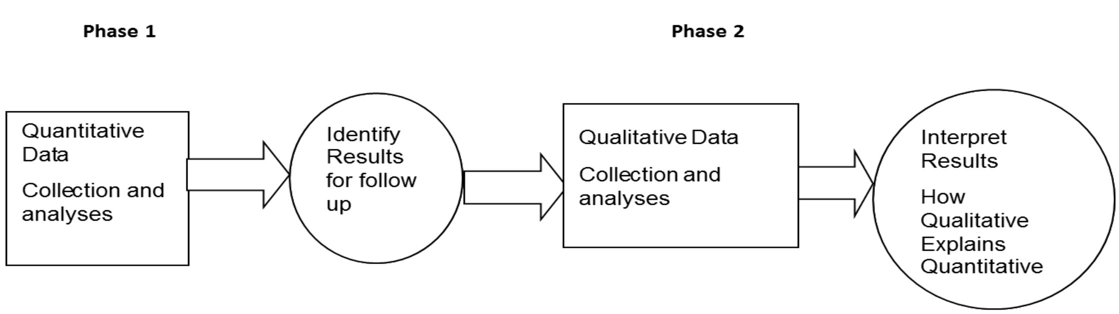


*Figure 3-1 Explanatory sequential mixed method design (two phase design 1)*

The reason behind the usage of the explanatory sequential mixed method research design is that it gives the researcher an opportunity for complementarity, corroboration, development, initiation, and expansion (Halcomb; and Hickman, 2015). The corroboration of the results of the first method substantiates the findings of the other single phenomenon. Complimentary use enables one method to elaborate, illustrate, enhance or clarify the results from the others. The quantitative data analysis provides results and qualitative gives the processes. Complimentary use enables the researcher to explain unexpected results from one method, where the other explains such. Lastly, complementary could result from quantitative confirmation test from the qualitative generated hypothesis (Halcomb; and Hickman, 2015). The different paradigms and philosophies of social studies govern the quantitative and qualitative research methodologies.

## 3.2 Philosophical research paradigms

Ryan (2018), defined a research philosophy as what the investigator observes to be the truth, reality, and knowledge, and then summaries the beliefs and values that guided the design of and the collection and analysis of data in a research study. He further states that ontology, on the other hand, is related to the values a researcher holds about what can be known as real and what someone believes to be factual. This research study used the positivism and interpretivism epistemological approach. In this study, this research paradigm combined the positivism and interpretivism epistemologies because the researcher used both quantitative and qualitative methods to examine balanced scorecard usage as performance measures for hotel and restaurant SMEs growth in the Kingdom of Eswatini. The design enables the researcher to assess and propose a balanced scorecard performance measurement system for hotel and restaurant SMEs management and measurement tool (Johnson and Onwuegbuzie, 2004). The philosophy for the quantitative approach is positivist, while the one for qualitative was called the Interpretivist approach (Creswell and Cresswell, 2018).

Positivism, in quantitative research, is associated with experiments as it has a progression empirical study (Ryan, 2018). Ryan (2018) further claims that empirical philosophy asserts that knowledge has to be objective and free from any bias restricting from the researcher's values and beliefs. Ontologically, positivists believe that there are facts that can be proven, the reality is the same for each person, and observation and measurement inform us what the reality is (Ryan, 2018). In this study, the usage of positivist occurred when collecting a survey from management and staff participate in the planning of the hotel and tourism SME sector. Hence, the respondents were free from the researcher's influence and beliefs. The researcher did not influence them on what they should fill in the questionnaire or how to respond to the questionnaire. Also, the quantitative methodology by its nature helps to minimize the researcher's influence on the participants.

Interpretivism philosophy, on the other hand, posits that the truth and knowledge are subjective, culturally and historically situated, based on people's experiences and their understanding of them (Ryan, 2018, John Creswell et al., 2003). Therefore, researchers entirely separated from their values and beliefs are inevitable. The inevitably influences the data collection, interpretation and analysis processes(Ryan, 2018). Hence, the epistemology for interpretivism is subjectivity. Ryan (2018), argues that interpretivism has a 'relativist' ontological perspective, which suggests that reality is only knowable through constructed connotations and is not a single shared reality. He claims that individuals have different perceptions of multiple realities which are influenced by actions such as trust culture, norms, understanding, social reality and defining the immediate context of the situation. The study used interpretivism philosophy for further investigation on the findings of the results for a quantitative research study which included owners, general managers, middle and functional managers and staff involved in planning in hotel and tourism small and medium enterprises in the Kingdom of Eswatini.

## 3.3 Approach for the research method

Since the positivist's philosophy relates to the quantitative research method, the approach for this study was deductive logic and inductive. The deductive logic combined the empirical observations of people's behaviour to discover and confirm a set of probabilistic causal laws that predict the general pattern of human behaviour (Antwi and Hamza, 2015). According to Antwi and Hamza (2015), positivists social reality are governed by laws that cause and effect pattern, and the goal of the paradigm was to have the most objective methods possible closer to reality. This study examined balanced scorecard performance measures used and implemented for hotel and tourism small and medium enterprise growth in ESwatini

### 3.3.1 Positivist verses Interpretivist paradigm

The positivist paradigm explains how the variables in quantitative research interact, shape events and cause outcomes (Antwi and Hamza, 2015). Further, they argue that actual knowledge is based on direct observation or manipulation of the situation through measurement data by using the highly standardized tools such as questionnaires with precisely worded questions. The present study used a questionnaire surveyed ranking instrument with Likert scale 1=strongly disagree, 2 =disagree, 3 = Neutral, 4 Agree, and 5 strongly agree to the statements for objectives 1 to 8 of the research study. Phase one of the sequential mixed research method was to establish whether or not hotel and tourism small and medium enterprises use balanced scorecard measures, critical success factors measures, cluster theories and confirm which factors influence their growth.

Interpretivist/constructivist theoretical framework focuses mostly on qualitative research which perceives the world as constructed, interpreted, and experienced by people in their interactions with each other and with more comprehensive social systems (Antwi and Hamza,2015; Maxwell, 2006; Bogdan and Biklen, 1992; Guba and Lincoln, 1985; Merriam, 1988). This paradigm of inquiry is interpretive, and its purpose is to understand the particular phenomenon not generalize it to population. Researchers within interprevists paradigm argue that this paradigm applies to real-world situations; the methods used tend to be non-manipulative, unobstructed and non-controlling. In this study, the follow-up interview schedule was open-ended and semi-structure questions. The instrument guided interviews for a range of participants; namely, owners, general managers, finance managers, operation managers, and others, who are key decision-makers of the hotel and tourism SME sector. The qualitative research methodology relied on the personal contracts between researcher and the focus group interviewed, and this resulted in more in-depth insight in the study context, adding richness and depth to the study as noted by (Creswell and Cresswell, 2018). The follow-up interview gave clear reasons for the low usage of financial performance measures in hotel and restaurant SMEs sector. Antwi and Hamza (2015), claim that qualitative methodology is inductive which focused on discovery and process, validity data and it is less concerned with generalization, but more concerned with a deeper understanding of the research problem in its unique context.

Furthermore, they argue that both positivist and interpretive researchers hold that human behaviour may be patterned and regular. However, interpretivists view human behaviour pattern as being created out of evolving meaning systems that people generate as they socially interact. Ryan (2018), claims that since interpretive researchers emphasize a better understanding of the situation, truthfully experienced, conversation from insider perspectives employ sensitive data collection information. Participates in this study were encouraged to speak freely and understand the investigator's quest for insight into the phenomenon that the participants had observed as the main caused why they received such responses. The interview schedule focused on executive management and owners only and not middle and functional management of hotel and restaurant SMEs sector, which participated in this study. The reason for using executive management and owners was because they are ultimately responsible for performance measurement and growth. Whereas middle and functional management is only using the performance measurement tool based on senior management decision making.

### 3.3.2 Inductive and deductive inferences

Since this was a sequential mixed method, the inductive and deductive inferences were used. Inductive reasoning research relates to when researcher search for patterns in the particular data that generalize from the samples to populations and participants makes inferences as they best explain the results of the study (Antwi and Hamza, 2015). The difference between inductive and deductive links with the approach of analysing the data (Walsh; et al., 2015). Deductive reasoning arises from the scientific method, where there is a theory, one deduces hypothesis or research question, collect data, and the only goal is to see whether that research question is verified. Walsh; et al. (2015), argued that deductive inference is associated with quantitative research where findings from the data and creates a post hoc hypothesis. On another note, many researchers associate inductive reasoning with qualitative research because it does not create post hypotheses without connecting with conceptual data and theoretical ideas. The face to face interview in the study confirms on inductive inference for results of deductive reasoning if Executive management and owners confirm the first findings to get conclusive proof of empirical study. On the other hand, a deductive reasoning is used when participants deduce their responses from research questions or hypotheses the observation occurs with new empirical data if the research questions or hypotheses were actual or not. In this study, deductive reasoning verifies if the hotel and restaurant SMEs sector used and implemented the balanced scorecard measures financial, customer-oriented, internal business and learning and growth for hotel and restaurant SMEs performance and growth. Respondents also deduced whether hotel and restaurant SMEs had adopted the financial and financial critical success factors, used attributes of the cluster, innovation, shared valued and trust culture theories and identified factors influencing hotel and restaurant SMEs' growth. The next section discusses how the quantitative research method in phase would occur.

## 3.4 Phase one: quantitative research approach

Phase one of the research of the study focused on quantitative research. This section describes the sampling population, sample size, research instrument, and statistical test for research questions, data collection, data analysis, and integration, results from interpretation, validity, and reliability of the sequential quantitative-qualitative mixed method.

### 3.4.1 Sampling Population

Sampling population is the set of all possible observation units of interest (all employees of a hotel and restaurant SMEs sector). Sampling means that some observation units in the population observed or not observed. When sampling, the description of the population of interest must be precise. For instance, in this study, the total population of accommodation and tourism small and medium enterprises in Eswatini is 165 establishments, and the estimated number of employees was 1,650 at the time of conducting this study. Moreover, the population of interest in this study is management and staff involved in the planning of hotel and tourism small and medium enterprises of Eswatini. The sampling frame refers to the listing of all units in the population from which the sample is selected (John Creswell et al., 2003). Walsh; et al. (2015), argue that a representative sample requirement is significant where the selected sample should be a reflection of the accurate population so that it is a microcosm of the population. The researcher needs to be conversant with the sampling error and sampling bias (Creswell and Cresswell, 2018). These scholars defined sampling bias as the distortion in the representatives of the sample which arises when some members of the population (precisely the sampling frame) stand little or no probability or chance of being selected for inclusion in the sample.

### 3.4.2 Sampling methods for the quantitative research method

The primary purpose of the sampling is to ensure that the population-representative. The sample represents the segment of the entire population. The present study has sample hotel and tourism small and medium enterprise located with Manzini-Mbabane corridor because of the clustering of hotels and tourism SMEs around there. In order to achieve a representative in the sample, the sample units were stratified and randomly selected from the hotel and restaurant SMEs located within Manzini- Mbabane corridor including towns of Manzini, Ezulwini, Matsapha and Mbabane. The list of hotel and tourism first classified in stratified sampling. Stratified Sampling is the process whereby the division of populations occurs into two groups or more called “strata” according to some criteria such as grade level, geographical location(Johnson and Onwuegbuzie, 2004). Stratified sampling implies that the divided population is more uniform strata; a simple random sample from each. The strata sampling techniques ensure all the subgroups representation in the population.

The simple random sampling is a probability sampling method where each element in the population has the same probability of being selected. The gatekeepers’ letters occurred to all hotel and tourism small and medium enterprises located within Manzini-Mbabane corridor. Those who responded to the request were selected establishments which would participate in the study. This study could use systematic sampling, cluster sampling, and multistage sampling. However, this study used random sampling and strata sampling. Table 0-1 describes the different types of sampling methods for the research method. To ensure that all accommodation establishment representation, a stratified random sampling technique to select hotel and tourism small and medium enterprises within the corridor. The stratification of hotel and tourism establishments was according to hotel, bed & breakfast, lodges, guest houses, Game Park and entertainment centres and restaurants and conference facilities. Other sampling methods such as systematic sampling, cluster sampling and multistage sampling were not suitable for the quantitative research method of this study.

*Table 3-1 Probability sampling methods*

| Sampling method | Descriptions |
|---|---|
| Simple random sampling | Each element in the population has the same probability of being selected. |
| Systematic sampling | Samples selection occurs at fixed intervals after a random start. |
| Stratified sampling | A population divided into more uniform strata; a simple random sample from each. |
| Cluster sampling | Sample members have chosen in groups (clusters). |
| Multistage sampling | Select at random larger units and then at random from within those units |

Table 3-2 indicates the list of probability strata sampling for hotel and tourism small and medium enterprises. A probability sample uses representative from individual strata, and each unit in the population has a known chance of being selected. The probability aims to keep the sampling error to a minimum (Creswell and Cresswell, 2018). The sampling error is the difference between a selected sample and the population. Bryman and Bell (2015), highlights that sampling error depends on several factors. It relies on the population size, the smaller the population, the smaller the sampling error and the sample size -the larger the sample size, the smaller the sampling error. Since Eswatini has a total population of 165 establishments, the study focused on hotel and tourism small and medium enterprises located with Manzini-Mbabane corridor and 10 km away from the main road (MR) 3 freeway. The target location has estimates of about 115 hotel and tourism establishments. Each establishment has an estimated population of about ten employees. The target population is the complete set of individuals, cases /objects with some typical observables characteristics different from other populations (John Creswell et al., 2003). Within the target establishment, the participants include management and other staff involved in planning from hotel and tourism small and medium enterprises. These participants were selected because some of hotel and restaurant SMEs unconsciously use and implement the balanced scorecard perspectives as a performance measurement and management tool for implementing their organizational strategy. Table 3.2 revealed the categories of hotel and restaurant SMEs aimed to participate in the study.

*Table 3.2 categorised the hotels*

| **Category of entity of the strata** | **Strata population** | **Estimated Strata with ten persons per group** | **30% of strata for study** |
|---|---|---|---|
| Hotel | 26 | 260 | 78 |
| Bed and Breakfast | 22 | 220 | 66 |
| Lodge | 30 | 300 | 90 |
| Guesthouse | 32 | 320 | 96 |
| Game park and entertainment facility | 3 | 30 | 9 |
| Restaurants and conference centre | 4 | 40 | 12 |
| Total | 115 | 1,150 | 351 |

The selection of accommodation establishment was from the list of accommodation guide 2018 Eswatini Tourism Authority which they provided in the annual tourists' report. The guiding framework includes the name of the establishment, location, contact numbers, email and fax number of each accommodation and tourism facility. This information was useful because it helped the researcher to contact the relevant officers from whom the researcher needed to seek permission to conduct the study.

### 3.4.3 Sample size

The sample size indicates the number of participants in the sample and procedures used to compute the number (Creswell and Cresswell, 2018). They further explain that a large number of the sample provides more accuracy in the inferences, but recruiting more people to participate is time-consuming and costly. In this study, letters seeking permission to conduct the study were mailed (email) and hand-delivered to all the 115 accommodation establishments located within Manzini – Mbabane corridor to participate in the quantitative research study phase one. The target population was 115 establishments, and this could be 1,150 respondents. However, only 35 accommodations establishment gave the researcher permission to conduct a research study. This sample size is 30% of the target population establishments of 115. The sample size is well represented and minimizes the sampling error when sampling of the population is 10% of the sampling population (Creswell and Cresswell, 2018).

## 3.4.3 Data collection instrument

The primary data collection instrument used in this phase of the study was a questionnaire survey. The study used the questionnaire to collect quantitative data. The emailed, faxing, and hand delivery of questionnaires to respondents occurred to the 35 establishments who agreed to participate in the research study. The respondents were representatives from hotels, guest houses, Bed & Breakfast, lodges, restaurants and conference facility and game parks who are in the target population. According to Creswell and Cresswell (2018), survey research provides a quantitative or numerical description of trends, attitudes or opinions of the population by studying a sample of that population. The primary data collection using the questionnaires were from CEOs, owners or Directors and staff involved in planning in hotel and restaurant SMEs of Eswatini. The first primary question respondents answered related to usage and implementation of balanced scorecard performance measures in hotel and restaurant SMEs of Eswatini. The questionnaire also examined the critical success factors adopted for the hotel and tourism sector.

Furthermore, the questionnaire survey was used in this study to assess the theoretical attributes used in line with a balanced scorecard for hotel and SMEs tourism growth. Again, the survey examined factors influencing the performance and growth of hotel and tourism of SMEs in the

Kingdom of Eswatini. Finally, the survey enabled the researcher to propose a conceptual framework on how best the hotel and restaurant SMEs could improve performance and growth strategy in the Kingdom of Eswatini.

The questionnaire survey instrument is more objective ontology positivist epistemology since the researcher is independent of the researched problem (O'Gorman and MacIntosh, 2015). A questionnaire survey instrument measurement in this study used a Lirket Scale to investigate how balanced scorecard perspectives have been used and implemented as a performance measurement tool for hotel and tourism growth in the Kingdom of Eswatini. The questionnaire was appropriate for the survey because the data collected had no directly observable to the researcher since no inquire about feelings, motivations, attitudes, accomplishments as well as experiences of individuals (Thaimuta and Moronge, 2014).

### 3.4.3.1 Structure of the questionnaire

The quantitative data collection instrument in this study was a survey questionnaire with closed-ended questions. Section A of the study included the general information about the respondents, which included gender, age, and position in the hotel and restaurant SMEs sector, qualifications and work locations.

From section B to E, a ranking scale Strongly disagrees (1), Disagree (2), Neutral (3), Agree (4), and Strong Agree (5 assessed participants responses on the balanced scorecard usage as a tool for performance measurement and growth in the Kingdom of Eswatini.

Section B of the survey questionnaire intended to answer the research questions on which balanced scorecard performance measures were used and implemented for hotel and restaurant SMEs growth. The four balanced scorecard performance measures used were financial, customer, internal business and learning growth. Section B had four main questions based on the four balanced scorecard performance measures. Under the financial performance measures, respondents assessed whether their organization used gross and net operating profit as performance measures. The assessing of hotels and tourism SMEs, respondents, answered if the usage of the budget to manage business activities. The second statement was to assess the usage of customers' performance measures in hotel and hotel and restaurant SMEs. The statement owners, managers and staff involved in planning responded included several bookings, number of customers' suggestions, customer satisfaction surveys, and number of customers' complaints, among others.

Section C of the questionnaire survey intended to answer the research questions on which financial and non-financial critical success factors influence balanced scorecard performance measures to improve hotel and restaurant SMEs' growth in Eswatini. The specific statement of assessment included financial critical success factors such as rates of rooms, facilities, services, free Wi-Fi, accurate billing and payment system and cost of food and beverages. The customer critical assess in the questionnaire included customer satisfaction, customer loyalty, repeat customers organization brand and convenient of the location. Internal business critical success factors assessed in the Likert scale rating included frequency launch of new product or services, effective reservation system, cleanness of facilities and quality of services rendered. Lastly, learning and growth critical success factors were experience of staff members, productive and supportive management, staff appearance to customers, well-trained employees, low staff turnover, satisfied employees and aligning to new technology advancement.

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Section D of the questionnaire survey was to assess whether or not shared value, trust culture, cluster and innovation theories contribute to balance scorecard performance measures for hotel and restaurant SMEs growth. Specific areas under innovation theory were staff participation in innovation initiatives, innovative to other services such as entertainment and places of interest for tourists and improvement innovation based on customer feedback. The shared valued assessed included information sharing and shared information and knowledge among sections and departments. Trust culture assessment was based on trust culture to enhance knowledge sharing among employees and staff members willing to support each other. The specific areas assessed whether the clustery location of Manizni –Mbabane corridor makes the hotel and restaurant SMEs to collaborate and interact easily. The Likert scale rating assessed whether the location cause customers to book online easily due to interacting and another communication channel.

Section E of the questionnaire survey intended to examine whether or not financial and nonfinancial factors influence balanced scorecard performance measures to improve hotel and restaurant SMEs' growth. The specific areas assessed in the rating scale for financial included the factors around the sales of the product and services and management of business expenses. The study assessed how excellent customers services, number of customers entertainment were among customers factors influencing hotel and restaurant SMEs growth. The internal business performance measures examined included skills shortage, management expertise, and time and money management. The learning and growth factors included research and development of new products and services, management and entrepreneurial skills, employees training and engagement of stakeholders.

After the assessment of the results, a non –parametric Chi-Square x2 was used to assess the significant association of different variables with the study. The statistical test assessed whether there was an association between financial and non-financial performance measures for hotel and tourism growth. The statistical analysis test assessed whether there was an association between critical factors and balanced scorecard performances for hotel and restaurant SMEs growth. The statistical analysis tests the association between cluster theories (innovations, shared valued, trust culture and location) and balanced scorecard performance measures for hotel and restaurant SMEs growth. The statistical analysis tests the association between financial and non-financial factors for hotel and restaurant SMEs growth. The research questionnaire resultant to structure the research questions, as highlighted in the next section.

### 3.4.3.2 Research questions

i. Which of the BSC performance measures are used and implemented by hotel and restaurant SMEs' growth in Eswatini?

ii. Is there any significance of the association between financial measures with non-financial measures for hotel and restaurant SMEs growth?

iii. Which of financial and non-financial critical success factors influencing BSC performance measures for hotel and restaurant SMEs" growth?

iv. Is there any significance of the association between financial and non-financial critical success factors with BSC performance measures for hotel and restaurant SMEs growth?

v. Which of the attributes of the cluster, innovation, knowledge sharing, shared value, and trust culture theories contribute to BSC performance measures for hotel and restaurant SMEs growth?

vi. Is there any significance of the association between clusters, innovations, trust culture and Shared value theories with BSC performance measures for hotel and restaurant SMEs growth?

vii. Which of the financial and non-financial factors influencing BSC performance measures for hotel and restaurant SMEs' growth?

viii. Is there any significance of the association between financial and non-financial factors and BSC performance measures for hotel and restaurant SMEs' growth?

### 3.4.5 Procedure for collecting mixed sequential data

The procedures for data collection in this study started with quantitative research and end with qualitative research since the method used is an explanatory sequential mixed method. The results and findings of the quantitative data were analysed and were then validated using qualitative questions for an in-depth understanding of why the participants responded in that way in the quantitative phase. Before data was collected, a permission consent letter for data collection was hand-delivered, and also electronically sent to owners or general managers. The questionnaire was distributed through hand delivery and email to 35 hotel and tourism small and medium establishments who permitted to conduct the study. The respondent’s s were requested to fill the questionnaire, and the process occurred within five days. In some establishments, the respondents requested to respond to the questionnaire immediately after delivery. Even though the researcher was present while respondents filled in the questionnaire, the researcher did not interfere with the process; the respondents were always independent. After the quantitative data was collected, and results were analysed, qualitative data were then collected to explain in detail the results through face to face or telephone interview.

### 3.4.6 Data analysis

The Statistical Package for Social Sciences (SPSS) was used to analyse data collected using the questionnaire survey. Quantitative data in the mixed sequential method was analysed separately from qualitative data analysis. The integration of quantitative results leads to the development of questions for qualitative results to explain in-depth the quantitative results (Creswell and Cresswell, 2018). The quantitative results did not only inform the sampling procedure, but it also guided the researcher on the types of qualitative questions required for the second phase. According to John Creswell et al. (2003), the second phase qualitative questions tend to be general and open-ended.

In this study, 500 questionnaires distribution occurred to the 35 hotel and restaurant SMEs who agreed to participate, and only 350 received questionnaires from the respondents. There was no bias from respondents because the sampling was well represented. According to, responses means that if no respondents had responded, their responses would have substantially changed the overall results. Some participants did not attempt some research questions, but this did not affect since, on average, 330 participants responded to all the questions. Missing data cleaned out, and these did not form part of the necessary content for the research data but had to do with the profiling of the research participants.

#### 3.4.6.1 Likert Type verses Likert scale

In this study, quantitative data collection and analysis used descriptive statistics. The basis for data analysis was the questionnaire survey. The Likert type of analysis used in this study was not the Likert scale. The difference between the two is that the Likert scale identified Likert-type items as single questions that use some aspect of the original Likert response alternatives (Boone; and Boone, 2012). They explain that even though multiple questions used in the research instrument, the investigator has no effort to combine answers from the items into a combined scale since questions were unique and stand-alone. Boone; and Boone (2012), postulate that where series of individual questions have Likert that when combined describe a personality trait or attitude, the Likert scale is suitable. According to Boone; and Boone (2012), Likert (1932) developed a technique for measuring attitudinal scales, and the first Likert scale used a series of questions with five response alternatives; namely, strongly agree (1), agree (2), neutral (3), disagreed (4), and strongly disagree (5). In this study, the responses are merged from the series to establish an attitudinal measurement scale, and the data analysis combined scores from respondents' behaviour. The non-analyses of individual data motivated Clason & Dormody (1994) to consider the alternative Likert called Likert Type Analysis for individuals' analysis of questions (Boone; and Boone, 2012). In this study, Likert Scale Type analysed individual data because the four research questions could not be combined to analyse the responses. The responses of participants in the questionnaire survey were analyzed using the Likert Type, not a Likert Scale data. The measurement scale is important before analysing the data either in Likert Type or Likert Scale.

### 3.4.6.2 Measurement scale

The measurement scale is a significant part of data collection, analysis, and presentation. Chavan; and Kulkarni (2017), view measurement as a means for allocating figures or some other symbols to the characteristics of an object. However, they clarify that measurement does not mean measuring object, but its characteristics. For instance, when hotel and restaurant SMEs intend to measure the customer satisfaction levels towards services provided, a five-point Likert item statement is used for the same purpose, where one indicates *Highly Dissatisfied*, and five indicates *Highly Satisfied*. In this case, measurement assigns each number to each respondent, whereas scaling places each respondent in a continuum about satisfaction. The data collection, the questionnaire, and the data recording device differ according to the data (Mishra et al., 2018). Boone; and Boone (2012), describe the Steven Scale of measurement by Ary, Jacobs, & Sorenson (2010) as nominal, ordinal, interval, and ratio scale. The full description below explains how each scale is useful.

### i. Nominal scale

Nominal data relate names and properties that have two or more categories. These categories have no natural ranking and or ordering. Examples of nominal data or variables include gender (male and female) and marital position (married, single, divorced) (Mishra et al., 2018). In the nominal scale, observations categories based on likeness and numbers related to the categories serve only as labels (Boone; and Boone, 2012). The general information that requires respondents to fill relates to nominal scale is information that requires participants to provide gender, location, category of hotel and tourism, position or level of education

### ii. Ordinal scale

The ordinary scale variables are similar to the nominal scale except in a ranking or order of the data. Unlike the nominal data, ordinal data have ordered. For instance, ordinal scales visible when rating responses in a questions include *quality* (very good, good, fair, weak, inferior), *agreement* (strongly agree, agree, disagree, strongly disagree), *economic status* (low, medium, and high) (Boone; and Boone, 2012). Boone; and Boone (2012), state that the Ordinal Scale Observations rank in some measure of degree, and given numbers to groups are in a "greater than" relationship; however, how much higher is not implied. The numbers only specify the order. In the Ordinal Scale, data has a meaningful order, and the higher values represent more character than lower values. The present study used 5 points in the Ordinal Scale; namely, strongly disagree (1), disagree (2), Neutral (3), Disagree (4) and strongly disagreed, to rate participant's responses in each item. In order to test respondents rating in each question, the ranking of responses is incremental from *strongly disagree* to *disagree strongly*. However, the responses given by respondents in this study were mutually exclusive since here the focus was on categorical ordering the respondents' perception of balanced scorecard usage in the hotel and tourism SME sector. The questionnaire schedule used in this study used the Ordinal Scale to source owners' and employees' responses towards balanced scorecard usage in the hotel and restaurant SMEs sector in Eswatini.

### iii. Interval scale

The interval data does not only have a meaningful order but also has the quality that measures equal intervals between the measures which represent equal changes in the quantity of whatever measured (Chavan; and Kulkarni, 2017). The interval scale data use numbers to reflect order and an exact distance between points on the scale and interval scales do not have the absolute zero (Boone; and Boone, 2012). These scholars explain that an Interval scale example is the IQ Standardized Test. However, the present study used the Interval Scale to assess the owners' and employers' cognisant responses regarding the usage of the balanced scorecard as a performance measurement for hotel and restaurant SMEs in Eswatini.

### iv. Ratio scale

A ratio scale is similar to the interval scale in that the ratio scale uses figures to indicate the order and reveals an exact relative distance between points on the scale. The only difference from the interval scale is that a ratio scale has an absolute zero (Boone; and Boone, 2012). Examples of ratio scale include age and years of experience. The present study used the ratio measures only to general source information such as age and working experience.

### 3.4.6.3 Analysing Likert data responses

Boone; and Boone (2012), suggest that Data Analysis Procedures for Likert-Type and Likert Scale Data require that the analyst (the researcher in this case) understand the measurement scale represented by each number. As earlier discussed that Likert–type numbers have a “more significant than, relationship and emphases are not much on higher but on the order of responses. The descriptive statistics analysis suggested was ordinal measurement scale. The items include mode or median for central tendency and frequencies for variability and additional analysis techniques appropriate for ordinal scale items consist of the non-parametric chi-square measure of association(O’Gorman and MacIntosh, 2015).

On the other hand, the Likert scale data are analyzed based on the interval scale (Boone; and Boone, 2012). Likert scale items are formed by computing a combined score (sum or mean) from four or more type Likert-type items. Therefore, the composite score for Likert scales is analysed using the interval measurement scale. Mishra et al. (2018), states that the descriptive statistics suggested for interval scale items are the mean for central tendency and standard deviations for variability. Additionally, statistical data analysis techniques applicable to interval scale items include Pearson's r, *t*-test, ANOVA, and regression procedures (Creswell and Cresswell, 2018).

### 3.4.6.4 Parametric versus non-parametric hypothesis tests

The hypothesis tests normal used are parametric and non-parametric.  The parametric tests are useful when there is a specific property recognized population from samples (Mishra et al., 2018).

Parametric tests are useful when samples s known for continuous distributions, and measured data is at a ratio of at least interval scales. The assumption often made when using a parametric test is that samples are from the population that follows the normal distribution (Boone; and Boone, 2012). Therefore, parametric tests are the product of correlation analysis, regression, Z test, t-test, and analysis of variance (ANOVA) for associating a significant mean difference. The present study parametric test was not used mainly for two reasons. Firstly, the measurement scale for respondents was the Ordinal Scale, not the Interval Scale or Ratio Scale. Secondly, the samples were not from the population that follows the normal distribution. Lastly, the Hypothesis Test is not a product of correlation analysis, regression, ANOVA test because the mean is affected by the neutral variable in the Likert Type Scale.

The present study used nonparametric hypothesis statical test, and it is a distribution-free test of hypotheses, and it is useful when samples are from an unknown distribution, or measured data is at a nominal or ordinal scale (Chavan; and Kulkarni, 2017). Non-parametric tests use the Chi-Square test, One-Sample Wilcoxon Signed-Rank Test, Wilcoxon Signed-Rank Paired sample Test, The Kruskal-Wallis Test, Mann-Whitney U test, and Spearman’s Rank Correlation Test.

### 3.4.6.5 Frequency table

The descriptive statistical analysis in this study used the frequency table analyse respondents reactions in the questionnaire survey on balanced scorecard usage as a performance measurement for the hotel and tourism SME sector. The frequency was categorically analyzed based on the research objectives and questions for the quantitative method.

### 3.4.6.6 Pearson Chi-Square test and P-value

A Chi-square was used to analyse data in this research study. A Chi-square is a significant non-parametric test that is used in social science to test the association between variables (Chavan; and Kulkarni, 2017). Chi-Square test functions as a test for independence; that is, it tests the significance of the association of variables when the measured data is at a nominal or ordinal scale. From the fifth objectives (Section D), the researcher tested the association between independent and dependent variables for hotel and restaurant SMEs growth in Eswatini statistically. The researcher used a nonparametric Person Chi-square test to develop objectives for the association between independent and dependent variables.

Firstly, the Pearson Chi-Square Test is to answer the research question on whether there is a significant association between financial measures and non-financial measures for hotel and restaurant SMEs growth. Secondly, the Pearson Chi-Square Test examines if there was a significant association between financial and non-financial critical success factors with BSC performance measures for hotel and restaurant SMEs growth. Thirdly, Pearson Chi-Square Test is to assess if there was a significant association between clusters, innovation, trust culture, and shares vision theories and balanced scorecard performance measures for the hotel and tourism SME sector.

Fourthly, nonparametric Person Chi-Square Test assesses the significant association between financial and non-financial factors with balanced scorecard performance measures for hotel and restaurant SMEs growth. However, the Chi-Square x2 does not measure the degree of relationship between variables, but it is only a tool that judges the significance of the association between two attributes (Chavan; and Kulkarni, 2017).

The P-Value was also used to test the significance of the association. The p-value implies that the probability of getting a sample when null hypotheses are true (Mishra et al., 2018). These scholars argue that the small the p-value, the less likely that the observed sample would come from the assumed population, and if it is a less significant null hypothesis leads to rejection of statement. The significance analysis implies that any p-value less .001 or 0.05 is accepted.

## 3.5 Phase two Qualitative research method

Phase two of the research method was a qualitative interview. The qualitative was follow-up research based on the findings of the quantitative research study. Phase two qualitative research method discussed in this section cover: the summary of qualitative results, target population and sample size of the interview schedule, data collection instrument, data collection procedures and data. The qualitative research interview is an interpretative research method, and in this case, results from quantitative research were to make a follow-up interview with owners and CEOs of hotel and restaurant SMEs sector for those establishments which had participated in the first phase of the study.

The present study on balanced scorecard usage as a performance and measurement tool for small and medium enterprises growth quantitative research questions were all answered. This research study implies that all the establishments were using financial and non-financial perspectives to measures hotel and restaurant SMEs' growth. The findings indicated that all the hotel and restaurant SMEs sector investigated were using the balanced scorecard as performance measures. However, the follow-up interview was to find out why the respondents responded in that manner.

### 3.5.1 Non-probability sampling

The second phase of qualitative data collection and analysing was non-probability sampling. O'Gorman and MacIntosh (2015), define a non-probability as a sample selected not using a random selection method, and some units in the population are more likely to be selected than others. In this study, non-probability sample participants were senior management or owners of hotel and tourism small-medium enterprise sector because this was a follow research questions. The follow-up interview helps the researcher to understand why respondents answered the questionnaire survey. Since this is a follow-up interview, information is not very serious, and thus its focuses on senior management and owners of the hotel and tourism SME sector. The cost of sampling error is meagre.

The non-probability sampling methods include convenience sampling, judgmental sampling, purposive sampling, quota sampling, and snowball sampling. Table 3.3 describes the non-probability sampling methods.

*Table 3-3 Non-Probability Methods*

| Non-probability | description |
|---|---|
| Convenience sampling | Sample members selections criteria are based availability. |
| Judgmental sampling | The researcher's suitability judges potential sample members for the study. |
| Purposive sampling | The selection of sample members is base on a specific purpose in mind. |
| Quota sampling | Selected based on some criteria thought to be prevalent in the population. |
| Snowball sampling | Sample members selected are recommendations by others with the desired properties |

The present study used purposive sampling. Bryman and Bell (2018), state that purpose sampling is non-probability requires no random sample of the participants. The main objective of this non-probability sampling is to sample participants strategically so that those sampled are relevant to questions posed(O'Gorman and MacIntosh, 2015). The purpose sampling sample does not require the researcher to generalize the samples; instead, he should sample participants with specific goals in mind. For instance, in this study, the goal of the follow-up interview has the qualitative data help to explain in more detail the initial quantitative results(Creswell and Cresswell, 2018). In this study face to face, the interview conducted to one senior management officer or owners in the hotel and tourism SME sector. The main goal to interview was to explain in detail why respondents behaviour in that way when responding to the questionnaire survey.

Another non-probability sampling used in this study is quota sampling. Creswell and Cresswell (2018), is non-randomly samples population in terms of the relative proportion of the people or places in different categories. The main goal of quota sampling is to produce a sample that reflects a population in terms of people in different categories. Unlike the stratified sampling quota sampling is not carried out randomly because the final selection of the people left out with the interviewer. The quota sample method ensures that all towns located within Manzini – Mbabane Corridor were well represented. These towns are Manzini Municipality, Mbabane Municipality, Matsapha Town Council, Ezulwini Town Council, and Malkerns Town Board.

Table 3.4 represents a quota sample for hotel and restaurant SMEs located in five towns of Eswatini.

Table 3.4 quota sampling of towns and cities locations for hotel and restaurant SMEs sector in Eswatini.

*Table 3-4: Number of participants participated per town in Eswatini*

| Location | Total |
|---|---|
| Mbabane | **3** |
| Ezulwini | **3** |
| Malkerns | **3** |
| Matsapha | **2** |
| Manzini | **3** |
| Total | **14** |

In summary, all the town were having three participants except Matsapha, which had two participants. Nevertheless, all the towns were well represented.

### 3.5.2 Target population and sample size for interview schedule

The target populations were 35 General Managers or Directors of hotel and restaurant SMEs establishment in Eswatini. The data drawn through the qualitative interviews were from 5 small hotels, 1 Bed & bed breakfast, 5 Lodges, 2 guest houses, 1 game park and accommodations, and 1 restaurant and conference facilities within the Manzini-Mbabane corridor of Eswatini.

The estimated number of participants for the interviews was 15 one Director, General managers, finance manager, operations and human resource manager of hotels and tourism SMEs establishments. According to (Creswell and Cresswell, 2018),10% of the target population represents the target population which is about 35 establishments who participated in the quantitative research study. However, in this study, only 14 participants were interviewed, which represent 40% of the target population.

The second phase of the research instrument was the qualitative data collection instrument. The basis for the development of interview questions was the previous quantitative results, and the selection of participants was purposeful. The research study purposely selected general managers or owners of the hotel and tourism SME sector and then conducted the interviews through visitation by the researcher. Qualitative research questions aimed to explain further the overall quantitative results. The researcher conducted an in-depth interview with either general managers or owners, Finance Managers, Operations Managers and Human resources of the hotel and restaurant SMEs sector of the Kingdom of Eswatini. Data collection were through face to face and telephone interviews. The list of participants in Table 3.5 below, which shows the list of qualitative data participants drawn from phase one quantitative research results.

*Table 3-5 Number of participants for interview research drawn*

| Category | Total number |
|---|---|
| Lodge | 6 |
| Hotel | 3 |
| Guest hose | 2 |
| Restaurants and conference facility centres | 1 |
| Game park and entertainment facility | 2 |
| Total | 14 |

### 3.5.4 Data collection instrument for follow up an interview schedule

Based on the findings of the questionnaire survey results, the qualitative research questions were to investigate further why respondents agreed, neutral and disagreed. The purpose of this qualitative interview schedule was to obtain detailed information on the quantitative results. A face to face and telephone interview was to collect data. To get a closer response, I developed semi-structured and open-ended questions that guided our discussions. During the interview, I took notes and also recorded the conversations.

The interview schedule guided by the following questions, which were results of the quantitative results.

i. Explain why the financial performance measures are least used and implemented by hotel and restaurant SMEs growth?

ii. Explain why BSC non-financial performance measures are associated with financial performance measures for hotel and restaurant SMEs' growth?

iii. Explain how financial and non-financial critical success factors contribute to balanced scorecard measures for hotel and restaurant SMEs growth?

iv. Explain why financial and non-financial critical success factors were associated with balanced scorecard measures for hotel and restaurant SMEs growth?

v. Explain how cluster, innovation, Shared value, and trust culture theories contribute to hotel and restaurant SMEs growth?

vi. Explain how clusters, innovations, trust culture and Shared value theories, associated with BSC performance measures for hotel and restaurant SMEs growth?

vii. Explain why customers and financial factors were leading contributor for hotel and restaurant SMEs" growth?

viii. Explain why there was an association between all the factors and balanced scorecard performance measures for hotel and restaurant SMEs' growth?

The earlier results indicated that there among the four perspectives of the balanced scorecard, financial performance was least used and implemented in the hotel and restaurant SMEs Participants were to explain and give reasons why it was so. The interview question revealed that there was an association between financial and non-financial balanced scorecard measures, and the follow-up interview requires the participants to explain why there was that association. The previous results indicated that financial and financial factors contributed to balanced scorecard performance measures and participants in the second phase had to explain how this critical success influence hotel and restaurant SMEs growth. The quantitative results indicated that there was an association between financial and non-financial critical success factors and balanced scorecard measures for hotel and restaurant SMEs growth. The follow-up interview question required participants to explain why it was so.

The quantitative results revealed that cluster, innovation, shared valued, and trust culture theories contributed to balanced scorecard performance measures for Hotel and restaurant SMEs growth. The interview questions asked participants to explain how these theories contribute to balanced scorecard performance measure for growth. Again the statistical analysis test revealed that there was an association between clusters, innovation, shared valued and trust culture and balanced scorecard performance measures for hotel and restaurant SMEs growth. The interview questions required participants to explain why there was such an association.  Among the four financial and non-financial factors contributing to hotel and restaurant SMEs growth, the quantitative results revealed that there financial and customer factors influence the growth of the sector. The participants explained why financial and customers' factors were the major contributor to hotel and restaurant SMEs growth. Last, the quantitative results revealed that there was an association among all factors with balanced scorecard performance measures. The follow-up interview asked participants to explain why there as such as association.

### 3.5.5 Data collection procedures

In this study, senior managers and owners of hotels and tourism were to explain in detail how the quantitative results influence performance measurement and management system using quantitative research results. This approach gave the researcher more information on how to design an informative, balanced scorecard for SMEs in the hotel and restaurant SMEs sector used to improve their performance measurement and growth. The data collection procedures included in the following steps. Firstly, the researcher had to seek permission to interview the SMEs owners or senior managers of the hospitality or tourism businesses using either a face to face interview or telephone interview. During the interview, the researcher took notes and also recorded the conversations—the structured open-ended questions used to make sure that all the areas to be interviewed were covered. Once the interview was over, the researcher expressed appreciation for these participants.

### 3.5.6 Data Analysis and presentation procedures for follow up interview

Qualitative data collection was then organized and analysed according to themes and categories. Creswell and Cresswell (2018), argues that there is a process involved in transcribing interviews, scanning materials sorting and arranging data into different types. The second step was to quickly read all the data to get the overall picture and general response of the participants (Johnson and Onwuegbuzie, 2004). Thirdly, the data coded occurred. This process involved text data or image and write a representing the category. The next step was to use the codes to generate descriptions and themes. According to John Creswell et al. (2003), the study appears as significant findings in qualitative research, and they are interconnected into the narrative or developed into a theoretical model. The last step was representing the description and themes.

The presentation of a qualitative approach was the narrative passage to convey the findings of the analysis, and it uses a process model called a grounded theory or convey descriptive information (O'Gorman and MacIntosh, 2015). The qualitative strategy in which the researcher derives a general, abstract, theory of process, action or interaction grounded in the views of participants in the study(Creswell and Cresswell, 2018). The grounded theory involves the collection and analysis of data, and the theory is grounded in actual data which means the analysis and development of the theories happen after one has collected the data (Walsh; et al., 2015). The Grounded Theory (GT) is a paradigm that embraces the richness and uniqueness of context without ignoring the applicable theory to other phenomena. The Grounded Theory is the discovery of the emerging data for interpretive, positivist and critical research (Walsh; et al., 2015). Walsh; et al. (2015), claimed that GT is a tool for description that used for conceptualizing and producing theories. They argue that grounded theory could be beneficial if inductive data are using advanced analytical techniques. Grounded theory is the development of a pattern that explains how the main concern using routes based on variable mobility resources. The grounded theory strategy was used to collect and analysed data from General Managers or owners of hotel and restaurant SMEs sector

## 3.5 Validity and reliability of research instruments

Questionnaire survey and interview research questions were the main instruments used in this sequential research method. The validity and reliability of these instruments are described separately in this section.

### 3.5.1 Validity and reliability of the questionnaire survey instrument

The questionnaire survey is a widely used instrument for collecting data in different studies. The questionnaire with Likert scale 1-5 established the validity scores obtained from the past use of the instrument (Creswell and Cresswell, 2018). Using this instrument helps researchers to establish validity whether one could draw meaningful and useful inferences from scores on the instruments.

In this study, construct validity used since items measured the concepts of the balanced scorecard usage as a performance measurement tool for hotel and restaurant SMEs growth. According to Creswell and Cresswell (2018), construct validity became the overriding objective and focused on whether the scores serve are a suitable purpose and have real significances when they used in practice. In this study, the questionnaire regarding the balanced scorecard usage for hotel and restaurant SMEs' growth had a positive consequence.

The questionnaire survey instrument scores result from the past usage demonstrate acceptable reliability. Creswell and Cresswell (2018), state that reliability refers to the consistency or repeatability of an instrument. O'Gorman and MacIntosh (2015), also posit that the reliability of scores of instrument implies that the uses of the instrument demonstrate acceptable results from the past used instrument and reliability imply consistency of the instrument used. The validity and reliability start during data analysis.

### 3.5.2 Validity and reliability of the Interview schedule instrument

Qualitative research studies consider validity and reliability as the ability and effort of the researcher(Abdul; et al., 2018). Quantitative studies separate reliability and validity, but in qualitative studies, these terms treated the same. Although both research methods require creditability and trust worth information, credibility in qualitative research depends on the researcher as the researcher is the instrument(Creswell and Cresswell, 2018). For producing credible and consistent results, validity maximization, and eventually, this may lead to generalizability. The validity of the qualitative interview is more reliability-based(Antwi and Hamza, 2015, Abdul; et al., 2018). Qualitative research uses a naturalistic approach that seeks to understand phenomena in context-specific settings, such as "real-world setting.

In this study, the researcher, as the main instrument, relies on the information get from the respondents. The open-ended and semi-structure questions help the researcher follow a transparent process of engaging senior management and owners of the hotel and restaurant SMEs. The main challenge is that the information becomes subjective since the researcher is the note down the responses of the interviewee. Since this was follow up interview on the quantitative results, the responses researcher get from the senior management and owners of this establishment is credible because they are the first people to know about the operations of hotel and tourism. The information is trustworthy because it has derived from executive management and directors of hotel and tourism small and medium enterprises. The results are discuss discussed in the next chapter.

## 3.6. Ethical considerations

This section explains how ethical issues handled during the process of collection of data for quantitative and qualitative research method.

The University Ethics Committee approved the proposal and the plan for conducting the research. The proposal of the study was first approved by the committee when the researcher presented the proposed study. A formal letter to collect quantitative data first approval was on $18^{th}$ July 2018. The last updated approval was on $2^{nd}$ October after raising some mistake of issuing approval to conduct a questionnaire only yet the research was the mixed sequential method.

The ethical consideration considered at different levels of the study will cover prior beginning study, beginning of the study, collection of data, analysis of the data, reporting, sharing and storage of the data. Before the study proceeded in hotels and guest houses, permission was secured through telephone conversation, emails and formal letters to and from owners or senior managers of the SMEs in the hospitality and tourism sector. The researcher also requested to conduct the interview survey with the staff and management of the selected participants. The researcher used different forms of communication to build confidence between the researcher and participants and to ensure that trust and ensuring respect building occurred during the process. There was no compulsion of participants in signing the consent form. The researcher made sure that appointments arrangement occurred before interviews take place to ensure that the participants were ready.

## 3.7 summaries and conclusion

This chapter has attempted to comprehensively set out a philosophical approach rationalization for sequential explanatory mixed-method research, and outline methodologies and procedures for carrying out the research project. In undertaking, a sequential explanatory mixed, the researcher seeks to assess in-depth and in detail the findings of the quantitative results followed by the interviewing specific group of people in the qualitative studies (Creswell and Cresswell, 2018). In this study, the results of both quantitative and qualitative phases are presented separately in the next chapter. The following chapter, therefore, presents the results of the initial quantitative phase and qualitative phase of the research.

# CHAPTER 4 RESEARCH RESULTS AND INTERPRETATIONS

The findings of the research results and the interpretation were into two phases. The phases determined by the use of the sequential mixed method described in chapter 3. Phase one of the findings and interpretations of the results are for the quantitative research and phase two of the findings in qualitative research which is the follow-up interview schedule.

## 4.1 Phase One Quantitative Results and Interpretations

This section presents the results of the quantitative question survey. The presentation of the subsections includes an introduction, demographic characteristic, and background information, balanced scorecard used and implemented in hotel and restaurant SMEs sector, financial and non-financial critical success factors adopted for improving hotel and restaurant SMEs growth, financial and non-financial critical success factors adopted for improving hotel and restaurant SMEs growth, cluster, innovations, trust culture and share vision theories and financial and non-financial factors influencing hotel and restaurant SMEs growth. In addition to these, the subsection covers sub-topics on the testing association between independent variables and the balanced scorecard used for hotel and restaurant SMEs growth in Eswatini. These include the association between financial and non-financial performance measures for hotel and restaurant SMEs growth, significance association between financial and non-financial critical success factors and balanced scorecard performance measure, significance association between clusters, innovations, trust culture and Shared value theories with balanced scorecard performance measures, and significant association between balanced scorecard performance measures and financial and non-financial factors for hotel and restaurant SMEs growth in Eswatini

### 4.1.1 Introduction

This section reports statistical findings for quantitative results derived from the questionnaire. The sections included are, demographic characteristics and background information, financial and non-financial measures, and critical success factors influencing hotel and restaurant SMEs in Eswatini.

Furthermore, the study examines how innovation, trust culture, Shared value, and knowledge sharing theories contribute to balanced scorecard performance measures. Lastly, the study assesses factors influencing hotel and restaurant SMEs sector performance measurement and growth strategy.

### 4.1.2 Demographic characteristics and background information findings

Figures 4.1 to 4.7 presents the demographic characteristics and background information of the respondents of the balanced scorecard used as a tool for hotel and tourism SME's performance measurement and growth strategy. The demographic characteristics and background information include; gender, age group, hotel, level of position, number of years working or visiting the hotel or tourism SME sector, qualifications, and work or visit the location.

#### 4.1.2.1 Gender

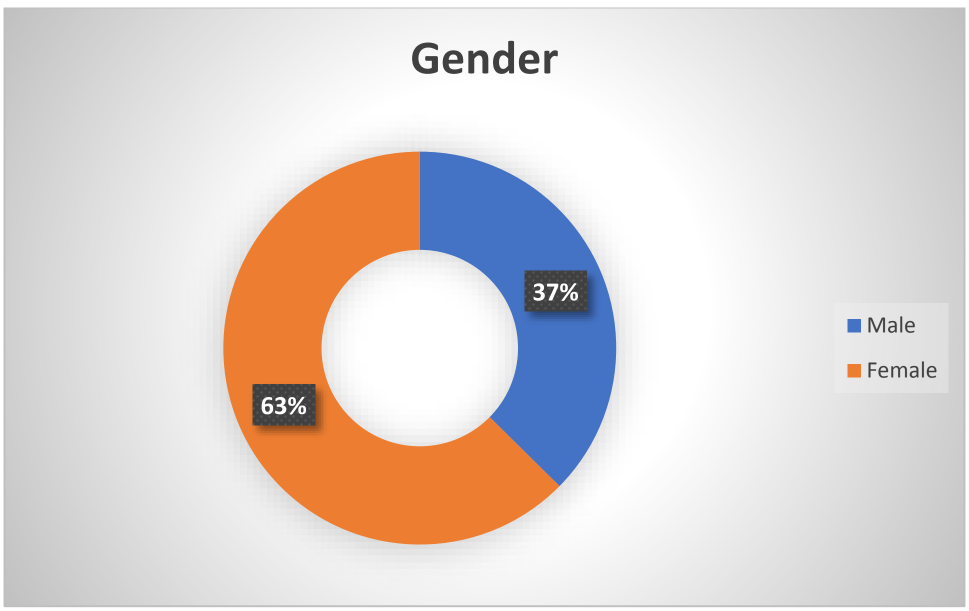


*Figure 4-1 Gender*

Figure 4.1 revealed that a total of 350 respondents on the study of balanced scorecard usage as a performance measurement tool for hotel and tourism small and medium enterprises growth, 63% of respondents (219) were females while 37% of respondents were male (131).

### 4.1.2.2 Age group

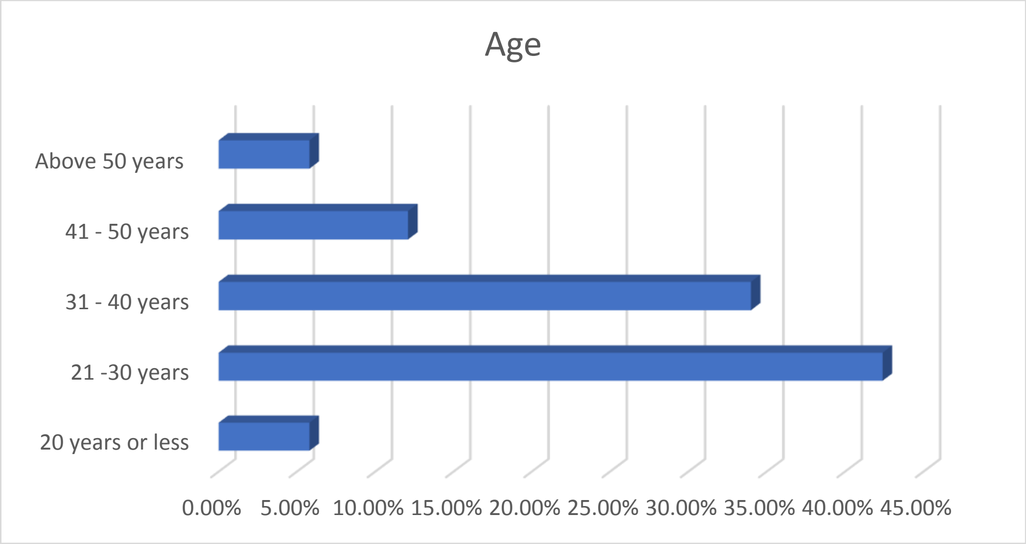


*Figure 2-2 Age*

Three hundred forty-seven respondents indicated their age range. Figure 4.2 revealed that the majority of the respondents in this were in the age range of 21-30 years (n=147, 42.8%). The second-largest group of respondents aged between 31-40 years (n=118, 34.0%). The third-largest group of respondents aged between 41-50 years (n=42, 12.1%). The rest (n=40, 11.6%) of the respondents were aged ranges 18 - 20 and above 50 years.

### 4.1.2.3 Hotel and tourism sector

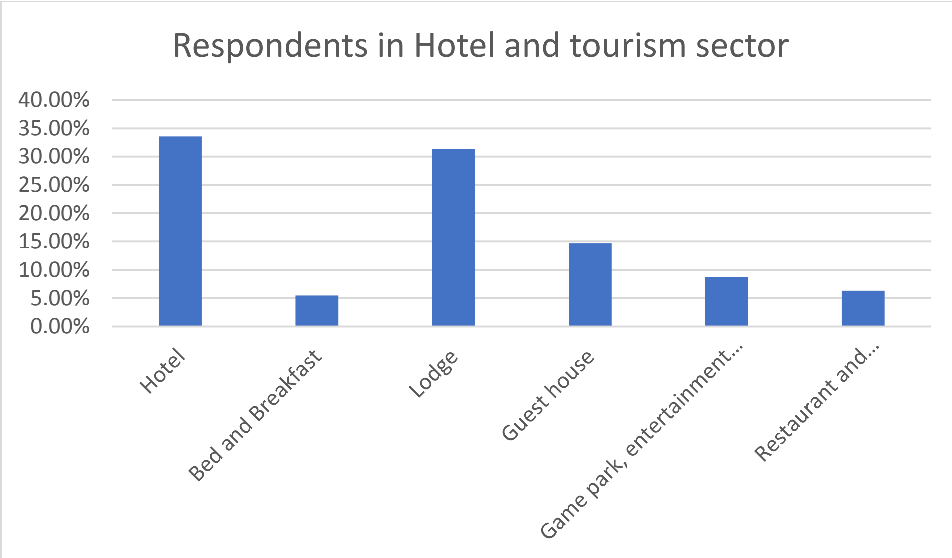


*Figure 3-3 Hotel and restaurant SMEs sector*

A total of 348 participants indicated the hotel or tourism small and medium enterprises. Figure 4.3 revealed that the highest number of respondents in the study were representing the hotels (n=117, 33.6%). The second majority of the respondents were representing the lodges (n=109, 31.3%), followed by guesthouses (n=51; 14.7%), Game Park & entertainment centre (30; 8.7%), restaurants (n=22; 6.3%) and the last respondents were representatives from B&B (n=19; 5.5%)

### 4.1.2.4 Level of position

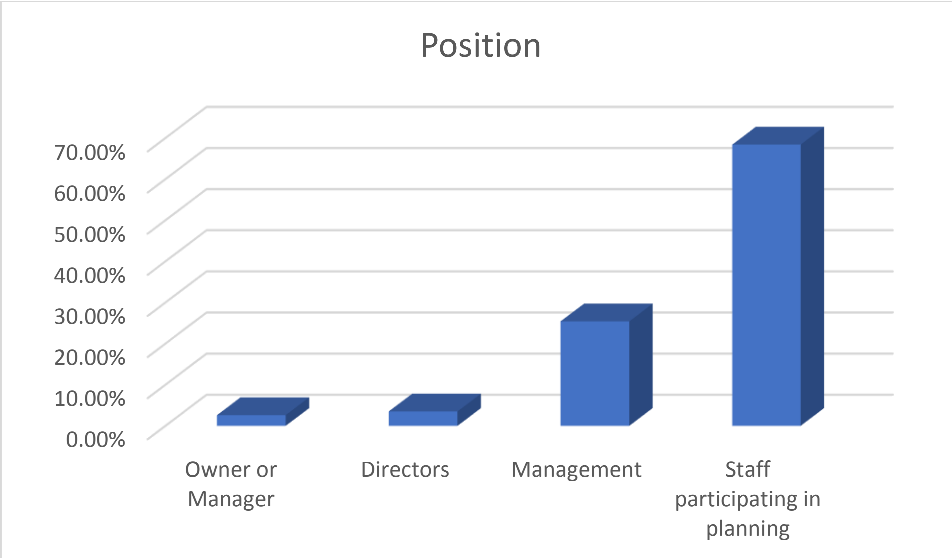


*Figure 4-4 Position in the SMEs hotel or Tourism Sector*

Figure 4-4 indicated that a total of 342 respondents indicated their position they hold or involvement in the planning for hotel and restaurant SMEs activities. Figure 4.4 revealed that most of the respondents were staff participating in the planning of hotel and tourism small and medium enterprises (n=234, 68.4%). The respondents in management position accounted to (n=87, 25.4%), Respondents who were Directors were (n=12; 3.5%) and nine respondents who were owners, general managers or assistant general managers (n=9, 2.6%) in the hotel and tourism small and medium sector.

#### 4.1.2.5 Number of years working in the hotel and tourism SME sector

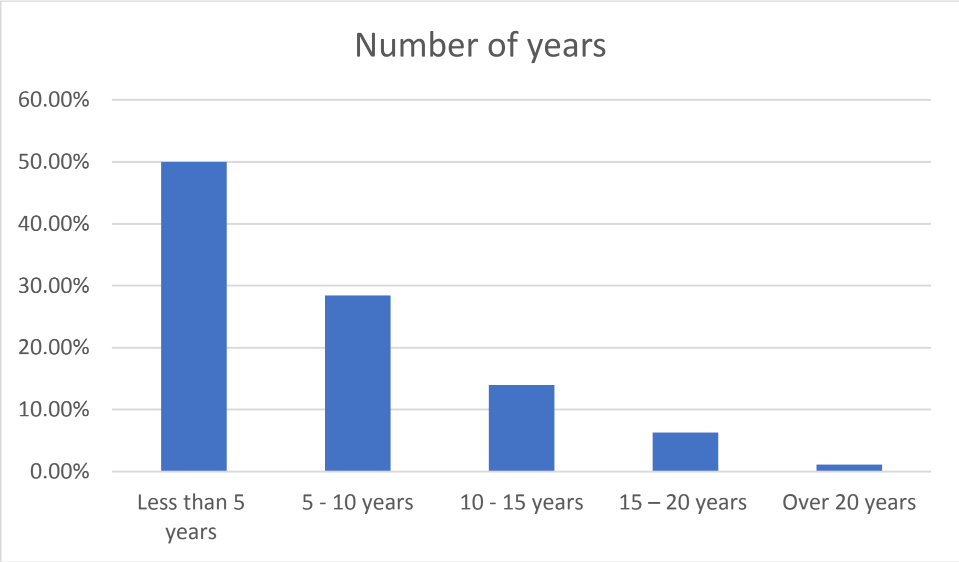


*Figure 4-4 Number of years working in the sector*

Figure 4-5, illustrated that Hotel and tourism small and medium enterprises had 348 respondents who revealed the number of years working in the sector. The findings of the study revealed that half of the respondents (n=174, 50.0%) had worked in the hotel or tourism SME sector had less than five years of working experience. The findings also disclosed that respondents (n=99, 28.4%) had 5 to 10 years of working experience in the hotel or tourism SME sector. Also, the results of the quantitative study revealed that 14% of the respondents'(n= 49) had 10-15 years of working experience in the hotel or tourism SME sector. The results also revealed that 6.3% of the respondents (n=22) worked in the hotel or tourism SMEs sector for 15-20 years. Lastly, the results disclosed that 1.1% of respondents (n=4, 1.1%) had over 20 years of working experience in the hotel and tourism SME sector.

### 4.1.2.6 Qualification

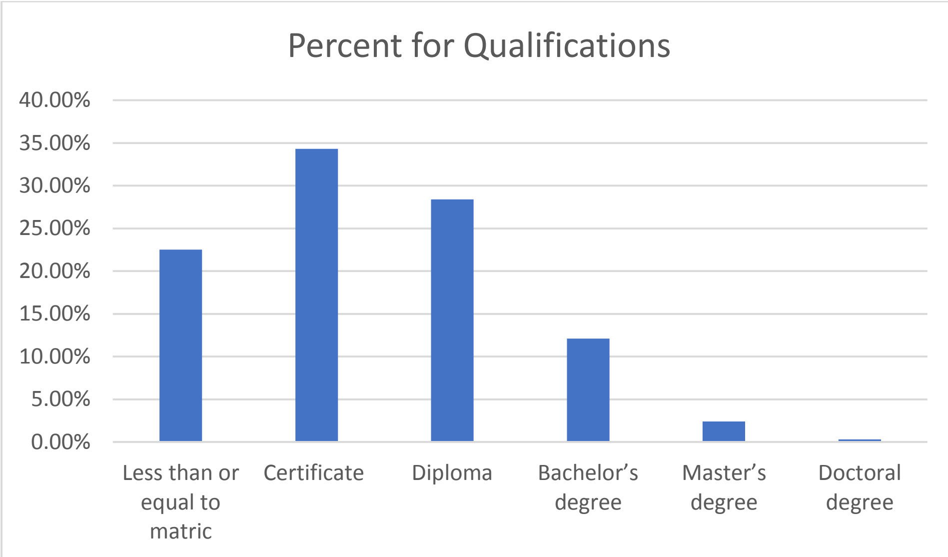


*Figure 4- 5 qualifications of respondents*

Figures 4-6 revealed that a total of 338 respondents possessed qualifications from matric, certificate, diploma, Bachelor's degree, and Master and Doctoral degree. Figure 4.6 revealed that the majority of the respondents (n=116, 34.3%) working in hotel or tourism small and medium enterprises possessed a certificate and Respondents with Diploma certificate (n=96, 28.4%), and those possessed a Bachelor's degree were (n=41, 12.10%. Respondents with less than or equal to matric qualifications (n= 76, 22.5%). There were few respondents with post-graduate certificates: Master's degree (n=8, 2.4%) and Doctoral degree (n=1, 0.3%).

### 4.1.2.7 Work in the location

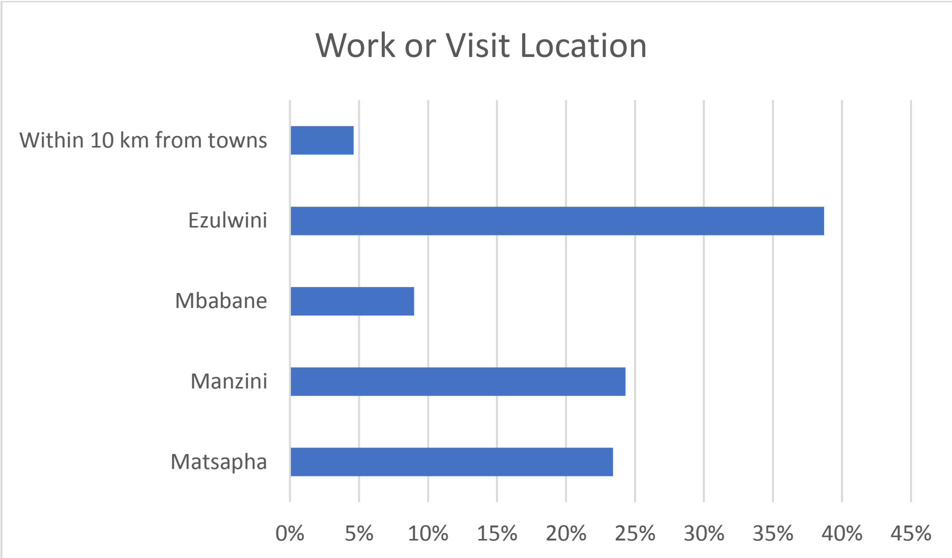


*Figure 4- 6 working location*

Figures 4-7 indicated that a total of 346 respondents specified the town in which the hotel or tourism SMEs located. The findings of the study in figure 4.7 showed that most of the respondents were working in the hotel or tourism SME sector in Ezulwini (n=134, 38.7%). Almost equal numbers of the respondents were working in the hotel and tourism SME sector in Manzini (n=84, 24.3 %,) and Matsapha (n=81, 23.4). The establishment located within Mbabane urban area accounted for (n=31, 9%) and those located within the 10km from towns were 16, which accounted for 4.6%.

### 4.1.3 Four balanced scorecard performance measures used and implemented for hotel and restaurant SMEs

The financial and non-financial performance measures used as a tool for hotel and restaurant SMEs growth included the following Financial Performance Measures: customer measures, internal business processes, and Learning and growth performance measures, (see Table 4.1). The information presented in this table depicted in overall 317 participants, most of the respondents stated that hotel and restaurant SMEs used and implemented financial and non-financial performance for organization's growth (n=182, 57.6%), neutral respondents (n=83, 26.2%) and different view respondents (n=52, 16.4%)

*Table 4-1 financial and non-financial performance measures*

| Variable | n | Disagree | | Neutral | | Agree | |
|---|---|---|---|---|---|---|---|
| | | f | % | f | % | f | % |
| ***Financial Performance Measures*** | | | | | | | |
| Gross and net operation profit percentage | 325 | 53 | 16.3 | 121 | 37.2 | 151 | 46.5 |
| Organizational activities cost against the budget | 315 | 54 | 17.1 | 116 | 36.6 | 145 | 46.1 |
| **Aggregate** | **320** | **54** | **16.7** | **119** | **37** | **148** | **46.3** |
| ***Customer performance measures*** | | | | | | | |
| Number of booking received | 329 | 30 | 9.1 | 43 | 13.1 | 256 | 77.8 |
| Number of suggestions | 318 | 52 | 16.3 | 93 | 29.2 | 173 | 54.4 |
| On time delivery of product or service | 328 | 41 | 12.5 | 69 | 21.0 | 218 | 66.5 |
| Customer satisfaction | 322 | 45 | 14.0 | 48 | 14.9 | 229 | 71.1 |
| Customer response time | 319 | 47 | 14.7 | 84 | 26.3 | 188 | 65.5 |
| Number of customer complaints | 314 | 56 | 17.8 | 87 | 27.7 | 171 | 54.4 |
| **Aggregate** | **322** | **45** | **14.0** | **71** | **22.0** | **206** | **64.0** |
| ***Internal business processes performance measures*** | | | | | | | |
| Short time to deliver service to customers | 329 | 42 | 12.8 | 66 | 20.1 | 221 | 67.1 |
| Response rate to attend customers | 315 | 45 | 14.3 | 60 | 19.0 | 210 | 66.7 |
| Cost of rendering service | 290 | 45 | 15.3 | 79 | 27.2 | 166 | 57.3 |
| Preparing customer meals | 302 | 34 | 11.3 | 48 | 15.9 | 220 | 72.8 |
| Quality service | 315 | 34 | 10.8 | 46 | 14.6 | 235 | 74.4 |
| **Aggregate** | **310** | **40** | **12.9** | **60** | **19.4** | **210** | **67.7** |
| ***Learning and growth performance measures*** | | | | | | | |
| Percentage of key staff turn over | 316 | 88 | 27.9 | 92 | 29.1 | 136 | 43.1 |
| Employees satisfaction level | 319 | 62 | 19.4 | 69 | 19.7 | 188 | 59.0 |
| Total number of workers injured | 309 | 80 | 25.9 | 93 | 30.1 | 136 | 44.0 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Human resource development cost | 313 | 82 | 26.2 | 76 | 24.3 | 155 | 49.5 |
| Employee performance | 318 | 44 | 13.8 | 57 | 17.9 | 217 | 68.3 |
| Time to launch new products or services | 316 | 66 | 20.9 | 95 | 30.1 | 155 | 49.1 |
| **Aggregate** | **315** | **70** | **22.4** | **80** | **25.2** | **165** | **52.2** |
| **Overall** | **317** | **52** | **16.4** | **83** | **26.2** | **182** | **57.6** |

### 4.1.3.1 Financial performance measures

Table 4.1 shows that a majority of the respondents agreed that the financial performance measure of the balanced scorecard was used and implemented or the organization's growth (n=148, 46.3%), neutral respondents (n=119, 37%) and disagreed respondents (n=54, 16.7%). Explicitly, the majority of the hotel and tourism establishments agreed that gross and net operation profit percentage (n=151, 46.5%) and organizational activities cost against the budget (n=145, 46.1%) are used to measure financial performance for organizational growth.

### 4.1.3.2 Customer performance measures

Furthermore, the results indicated that on aggregate hotel and restaurant SMEs used and implemented customer measures to assess customer growth (n=206, 64.0%), neutral respondents (n=71, 22%) and disagreed respondents (n=45, 14%). The study revealed that majority of respondents agreed customer growth was based on the number of bookings (n=256, 77.8%), customer satisfaction (n=229, 71.1%), on time taken to deliver to the product or service (n=218, 66.5%), customer response rate (n=188, 65.5%), number of suggestions (n=173, 54.4%) and number of customer complaints (n=171, 54.4%).

### 4.1.3.3 Internal business performance measures

Furthermore, the results showed that on aggregate hotels and tourism SMEs sector used and implemented internal business processes performance measures to enhance hotel and restaurant SMEs' growth (n=210, 67.7%), neutral (n=60, 19.4%) and disagreed respondents (n=40,12.9%). Expressly, the respondents indicated that internal business processes measure were on quality service (n=235, 74.4%); preparing customer meals (n=120, 72.8%), the minimum time to deliver service to customers (n=121, 67.1%), the response rate to attend customers (n=210, 66.7%) and customer service cost (n=166, 57.3%) for hotel and restaurant SMEs growth.

### 4.1.3.4 Learning and growth performance measures

Finally, Table 4.1 depicts that on aggregate hotels and tourism sector used and implemented the learning and growth performance measures (n=165, 52.2%), neutral (n=80, 25.2% and respondents disagreed (n=70, 22.4%). The results from respondents revealed that employee performance (n=217, 68.3%), employee satisfaction (n=188, 59.0%), human resource development cost (n=155, 49.5%), Time to launch new products or services (n=155, 49.1%), total number of workers injured (n=136, 44%) and percentage of key staff turnover (n=136, 43.1%) used and implemented learning and growth measures for organizational growth.

### 4.1.4 The significance of the association between financial and non-financial performance measures

To examine the significance of the association between usage of non-financial performance (customers, internal business process, and learning and growth) and financial performance measure and Person Chi-Square results are in Table 4.2.

*Table 4-2 Association between financial and non-financial performance measures for SMEs growth*

| **Non-financial performance measures** | **Chi-square** | **df** | **p** |
|---|---|---|---|
| Organizational Customers measures | 629.487 | 16 | .000 |
| Internal business process measures | 513.999 | 11 | .000 |
| Learning and growth measures | 724.278 | 16 | .000 |

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

Source: Own data

Table 4.2 showed that there was an association between usage of non-financial performance measures (customers, internal business process, and learning and growth) and financial performance measure: customers (Chi-square = 629.487, p=.000), internal business process (Chi-square = 513.999, p=.000), and learning and growth (Chi-square = 724.278, p=.000). The findings mean that the financial performance of the hotel and tourism sector in Eswatini was associated with the organizational customer, internal business process, and learning and growth measures.

### 4.1.5 Financial and non-financial critical success factors adopted for improving hotel and restaurant SMEs growth findings

The financial and non-financial critical success factors for hotel and tourism SME's in Eswatini included the following: financial factors, customer factors, internal business process factors and learning and growth factors (see Table 4.3). The table depicts that most of the respondents agreed that the critical success factors used by their organizations (n=221, 68.8%) neutral respondents (n=66, 20.6%) and disagreed respondents (34, 10.6%).

*Table 4-3 Financial and non-financial critical success factors*

| **Variable** | **n** | **Disagree** | | **Neutral** | | **Agree** | |
|---|---|---|---|---|---|---|---|
| | | **f** | **%** | **f** | **%** | **f** | **%** |
| ***Financial Critical success factors*** | | | | | | | |
| Rate of rooms, facilities and services | 323 | 35 | 10.8 | 56 | 17.3 | 232 | 71.8 |
| Free ancillary services such as Wifi | 314 | 31 | 9.9 | 80 | 25.5 | 203 | 64.6 |
| Accuracy billing and payment system | 313 | 21 | 6.7 | 75 | 24.0 | 217 | 69.3 |
| Cost of food and beverages | 315 | 21 | 6.7 | 70 | 22.2 | 224 | 71.1 |
| **Aggregate** | **316** | **27** | **8.5** | **70** | **22.1** | **219** | **69.2** |
| ***Customer Critical success factors*** | | | | | | | |
| Customer satisfaction | 322 | 29 | 9.0 | 45 | 14.0 | 248 | 77.0 |
| Customer loyalty | 325 | 23 | 7.1 | 74 | 22.8 | 228 | 70.2 |
| Repeat customer | 325 | 24 | 7.4 | 58 | 17.8 | 243 | 74.7 |
| Facilities are attractiveness | 323 | 25 | 7.7 | 57 | 17.6 | 241 | 74.6 |
| Organizational brand is well known | 319 | 32 | 10.0 | 46 | 14.4 | 241 | 75.6 |
| Convenient location to customers | 320 | 35 | 10.9 | 60 | 18.8 | 225 | 70.3 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Aggregate** | **322** | **28** | **8.7** | **57** | **17.6** | **238** | **73.7** |
| ***Internal business processes Critical Success factors*** | | | | | | | |
| Quality product offered | 320 | 42 | 13.1 | 50 | 15.6 | 228 | 71.3 |
| Effective reservation process | 320 | 39 | 12.2 | 92 | 28.8 | 189 | 59.0 |
| Food and beverages | 319 | 33 | 10.3 | 75 | 23.5 | 211 | 66.2 |
| Facility cleanliness | 323 | 23 | 7.1 | 45 | 13.9 | 255 | 79.0 |
| Quality service rendered | 322 | 21 | 6.5 | 49 | 15.2 | 252 | 72.0 |
| | **321** | **32** | **9.84** | **62** | **19.4** | **227** | **69.5** |
| ***Learning and growth of critical factors*** | | | | | | | |
| Experienced staff members | 334 | 40 | 12.0 | 48 | 14.4 | 246 | 73.6 |
| Good and effective management | 324 | 50 | 15.4 | 68 | 21.0 | 206 | 63.6 |
| Staff appearance to customers | 327 | 39 | 11.9 | 64 | 19.6 | 224 | 68.5 |
| Well trained employees | 315 | 41 | 13.0 | 72 | 22.9 | 202 | 64.1 |
| Low staff turn-over | 313 | 64 | 20.4 | 85 | 27.2 | 164 | 52.4 |
| Satisfied employees | 318 | 66 | 20.8 | 87 | 27.4 | 165 | 61.8 |
| Stick to technology advancement | 318 | 45 | 14.2 | 97 | 30.5 | 176 | 55.3 |
| **Aggregate** | **321** | **49** | **15.4** | **74** | **23.3** | **198** | **62.8** |
| **Overall** | **320** | **34** | **10.6** | **66** | **20.6** | **221** | **68.8** |

### 4.1.5.1 Financial Critical success factors

A total of 316 participants responded that financial critical success factors contributed to balanced scorecard performance measures for hotel and restaurant SMEs growth. Table 4.3 shows that hotels and tourism SMEs sector adopted financial critical success factors for their organizations growth (n=219, 69.2%), neutral respondents (n=70, 22.1%) and disagree respondents (n=27, 8.5%). These adopted financial critical success factors included rate of rooms, facilities, and services (n=232, 71.8%); the cost of food and beverages (n=224, 71, 1%), accuracy billing and payment system (n=217, 69.3%) and free ancillary services such as Wi-Fi (n=223, 64.6%).

### 4.1.5.2 Customer Critical success factors

Table 4.3 also shows that customer services were part of the critical success factors considered by the hotels and tourism industry sector (n=238, 73.7%), neutral (n=57, 17.6%) and disagreed (n=28, 8.7%). Specifically, the respondents indicated customer critical success factors included customer satisfaction (n=248, 77.0%), well known organizational brand (n=241, 75.6%), repeat customers (n=243, 74.7%), facilities being attractive (n=241, 74.6%), convenient customer location (n=225, 70.3%) and customer loyalty (n=228, 70.2%).

### 4.1.5.3 Internal business processes critical success factors

Table 4.3 presents internal business processes critical success factors in hotels and the tourism sector in Eswatini (n=227, 69.5%), neutral (n=62, 194%) and disagreed (n=32, 9.84%). Specifically, the respondents indicated that facility cleanliness (n=255, 79.0%), quality service rendered (n=252, 72.0%) and quality products offered (n=228, 71.3%) were the topmost internal business processes critical success factors. The least internal business processes critical success factors included were food and reservations (n=211, 66.2%) and effective reservation (n=189, 59%).

### 4.1.5.4 Learning and growth critical success factors

Finally, Table 4.3 indicates that learning and growth were among the critical success factors for hotels and the tourism sector (n=186, 62.8%). However, the neutral respondents (n=74, 23.3%) and disagreed (n=49, 15.4%). Specifically, the respondents indicated that experienced staff members were the topmost learning and growth critical success factors (n=246, 73.6%) for hotels and the tourism sector in Eswatini. Other learning and growth critical success factors included staff appearance to customer (n=224, 68.5%), well trained employees (n=202, 64.1%), good and effective management (n=206, 63.6%) and satisfied employees (n=165, 68.1%). The least learning and growth critical success factors included stick to technology advancement (n=176, 55.3%) and low staff turnover (n=164, 52.4%).

### 4.1.6 Significance association between financial and non-financial critical success factors and balanced scorecard performance measures results

To examine the significance of association or relationship between the financial and non-financial critical success factors and the balanced scorecard performance measures for the hotels and tourism sector growth, Pearson Chi-square value, which is represented by the Chi-Square test was used to test the significance of the association between the financial and non-financial critical success factors and balanced scorecard performance measures at ordinal level scale and results are shown in Table 4.4.

*Table 4.4 Significance of association between financial and non-financial critical success factors and balanced scorecard performance measures*

| **Factors** | **Chi-square** | **df** | **p** |
|---|---|---|---|
| Overall Critical success factors | 667.646 | 16 | .000 |
| Financial critical factors | 677.235 | 16 | .000 |
| Customer critical factors | 605.093 | 16 | .000 |
| Internal business process | 612.324 | 16 | .000 |
| Learning and growth factors | 1072.835 | 16 | .000 |

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

On aggregate, the Person Chi-square value is 667.646 and P-value .000. The Chi-Square test for independence indicates a significant association between balanced scorecard performance measures and critical success factors (Chi-square = 667.646, p=.000). Specifically, the association between the non-financial critical success factors and the balanced scorecard performance measures were as follows: financial critical factors (Chi-square = 677.235, p=.000), customer critical factors (Chi-square = 605.093, p=.000), internal business process (Chi-square = 612.324, p=.000) and learning and growth (Chi-square = 1072.278, p=.000).

### 4.1.7. Cluster, innovations, trust culture and share vision theories used for improving hotel and restaurant SMEs growth findings

The contribution to performance and growth of the hotels and tourism SME's in Eswatini was measured using the following theoretical attributes: innovation theories, shared value by employees, trust culture fuel mutual interaction and clustering theory (see Table 4.5). The table shows that most of the respondents agreed that these theoretical attributes were contributing to the performance and growth of the hotels and tourism SME's in Eswatini (n=226, 68.9%), neutral (n=62, 19.5%) and different view (n=41, 12.3%).

*Table 4-5 Theoretical attributes contributing to BSC performance measures for SMEs growth strategy*

| **Variable** | **n** | **Disagree** | | **Neutral** | | **Agree** | |
|---|---|---|---|---|---|---|---|
| | | **f** | **%** | **f** | **%** | **f** | **%** |
| ***Innovation theories*** | | | | | | | |
| Staff innovation and initiatives as important factors | 328 | 50 | 15.2 | 65 | 19.8 | 213 | 64.9 |
| Other services such as entertainment and touring around Eswatini | 324 | 37 | 11.4 | 66 | 20.4 | 221 | 68.2 |
| Customer feedback improves innovations | 325 | 30 | 9.2 | 65 | 29.2 | 230 | 70.7 |
| **Aggregate** | **325** | **39** | **11.9** | **65** | **23.1** | **221** | **67.9** |
| ***Shared value by employees*** | | | | | | | |
| Information and knowledge sharing 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 |
| **Aggregate** | **331** | **50** | **15.1** | **64** | **19.4** | **217** | **65.5** |
| ***Trust culture fuel mutual interaction*** | | | | | | | |
| Through knowledge sharing, employees have developed a trust culture | 331 | 51 | 15.4 | 62 | 18.7 | 218 | 65.9 |
| Staff members willingness to support others | 325 | 40 | 12.3 | 53 | 16.3 | 232 | 71.4 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Aggregate** | **328** | **45** | **13.9** | **58** | **17.5** | **225** | **68.7** |
| ***Clustering theory*** | | | | | | | |
| Organization location in the Manzini – Mbabane corridor enhance collaboration and interaction to competitors | 331 | 28 | 8.5 | 48 | 14.5 | 255 | 77.3 |
| Organization participates in information sharing of tourism in Eswatini | 331 | 35 | 10.6 | 60 | 18.1 | 236 | 71.3 |
| Environmental factors influence organization location in Manzini – Mbabane Corridor business | 326 | 25 | 6.4 | 59 | 18.1 | 242 | 74.3 |
| Internet, website, and others make customers book online easily | 331 | 24 | 7.3 | 69 | 20.8 | 238 | 71.9 |
| **Aggregate** | **330** | **28** | **8.2** | **59** | **17.9** | **243** | **73.7** |
| **Overall** | **329** | **41** | **12.3** | **62** | **19.5** | **226** | **68.9** |

### 4.1.7.1 Innovation theories

Table 4.5 revealed that innovation theories were among the theoretical attributes contributing to balanced scorecard performance measures for the hotels and tourism SME's growth in Eswatini (n=221, 67.9%). On aggregate, some respondents were either neutral (n=65, 23.1%) or disagreed (n=39, 11.9%) that innovation theories contributed to balanced scorecard performance measures for hotel and restaurant SMEs growth. 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%).

### 4.1.7.2 Shared value by employees

Table 4.5 also points to shared value by employees as one of the attributes contributing to the balanced scorecard performance measures for hotel and tourism 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 customer feedback improving innovations rated as the most contributing attribute (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%).

### 4.1.7.3 Trust culture

Trust culture fuel mutual interaction is another theoretical attribute contributing to balanced scorecard performance measures for hotel and restaurant SMEs 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%) contributed to balanced scorecard performance measures for hotel and restaurant SMEs growth. Table 4.5 indicates that staff members willing to support (n=232, 71.4%) contributed to the balanced scorecard performance measures for hotels and tourism growth more than the attribute that knowledge sharing employees have developed trust culture (n=218, 65.9%).

### 4.1.7.4 Clustering theory

Table 4.5 also presents the clustering theory (location of the company) as attributes contributing to the performance and growth of the hotels and tourism SME's in Eswatini (n=243, 73.7%). On aggregate some respondents were either neutral (n= 59, 17.9%) or disagreed (n=28, 8.2%).The findings of the study revealed that most of the organizations were located in the Manzini – Mbabane corridor, which enabled them to collaborate and interact with competitors (n=255, 77.3%). Also, the location of the organization along the Manzini – Mbabane corridor influence was environmental factors (n=242, 74.3%). Other clustering theories contributed to the balanced scorecard performance measures for hotel and restaurant SMEs growth included internet, website, and social media platforms which make easy for customers to book online (n=238, 71.9%) and organization participation in information sharing with other players in the tourism industry (n=236, 71.3%).

### 4.1.8 Significance association between clusters, innovations, trust culture and Shared value theories with balanced scorecard performance measures

To examine the association between clusters, innovation, trust culture and Shared value theories with balanced scorecard performance measures of the hotels and tourism sector and Pearson Chi-square and results summarised in Table 4.6 below.

*Table 4.6. Association between theoretical attributes theories (cluster, innovation, trust culture and shared valued) and balanced scorecard performance measures for SMEs performance measures growth strategy*

| 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 $p \leq .01$

Source: own source

The results show that there is an association between cluster, innovation, trust culture and Shared value theories with balanced scorecard performance measures of the hotels and tourism sector (Chi-square = 664.278, p=.000 ). Specifically, the association between cluster, innovation, trust culture and Shared value theories with balanced scorecard performance measures was 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). The findings mean the cluster, innovation, trust culture, and Shared value theories influence the performance of the hotel and tourism sector in Eswatini.

## 4.1.9 Financial and non-financial factors influencing hotel and restaurant SMEs growth results

Table 4.7 presents the factors influencing the performance growth of the hotels and tourism SME's in Eswatini. The factors included the financial, customer, internal business process and learning and growth factors.

The table depicts that most of the respondents agreed that these factors influence the performance and growth of the hotels and tourism SME's in Eswatini (n=208, 63.3%).

*Table 4.7. Factors contributing to balanced scorecard performance measures for hotel and restaurant SMEs growth strategy*

| **Variable** | **n** | **Disagree** | | **Neutral** | | **Agree** | |
|---|---|---|---|---|---|---|---|
| | | **f** | **%** | **f** | **%** | **f** | **%** |
| ***Financial factors*** | | | | | | | |
| Sales of products and services | 330 | 37 | 11.2 | 69 | 20.9 | 224 | 67.9 |
| Managing costs of the business | 332 | 38 | 11.4 | 82 | 24.7 | 212 | 63.8 |
| **Aggregate** | **331** | **38** | **11.3** | **76** | **22.8** | **218** | **65.9** |
| ***Customer factors*** | | | | | | | |
| Customer services | 333 | 26 | 7.8 | 54 | 15.4 | 253 | 75.9 |
| Customer entertainment | 329 | 57 | 17.3 | 69 | 21.0 | 203 | 61.7 |
| **Aggregate** | **331** | **41** | **12.6** | **62** | **18.2** | **228** | **68.8** |
| ***Internal business factors*** | | | | | | | |
| Skill shortage | 323 | 62 | 19.2 | 82 | 25.4 | 179 | 55.4 |
| Management expertise | 325 | 38 | 11.7 | 84 | 25.8 | 203 | 62.5 |
| Time to respond to customer needs | 332 | 47 | 14.2 | 69 | 20.8 | 215 | 65.1 |
| Money for purchasing equipment and machinery | 327 | 44 | 13.2 | 71 | 21.7 | 212 | 64.8 |
| **Aggregate** | **327** | **48** | **14.6** | **77** | **23.4** | **202** | **62.0** |
| ***Learning and growth factors*** | | | | | | | |
| Research and development of new products and services developed | 329 | 73 | 22.2 | 80 | 24.3 | 178 | 59.3 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Management and entrepreneurial skills | 329 | 64 | 19.5 | 89 | 27.1 | 176 | 53.5 |
| Employee trainings | 333 | 58 | 17.4 | 81 | 24.3 | 194 | 58.2 |
| Engagement of stakeholders such as government, suppliers, environment, and employees | 331 | 62 | 18.7 | 87 | 26.3 | 182 | 55.0 |
| **Aggregate** | **331** | **64** | **19.5** | **84** | **25.5** | **183** | **56.5** |
| **Overall** | **331** | **48** | **14.5** | **75** | **22.5** | **208** | **63.3** |

### 4.1.9.1 Financial factors

Table 4.7 reveals that respondents agreed that financial factors (n=218, 65.9%) were among the factors influencing the performance growth of the hotels and tourism SME's in Eswatini. These financial factors were basically 'sales of products and services' (n=224, 67.9%) and 'managing costs of the business (n=212, 63.8%).

### 4.1.9.2 Customer factors

The respondents agreed that customer factors (n=228, 68.8%) were among the factors influencing the performance growth of the hotels and tourism SME's in Eswatini (see Table 4.7). These financial factors were 'customer services' (n=253, 75.9%) and 'customer entertainment (n=203, 61.7%).

### 4.1.9.3 Internal business factors

Table 4.7 reveals that respondents agreed that internal business factors (n=202, 62.0%) were among the factors influencing the performance growth of the hotels and tourism SME's in Eswatini. Time to taken respond to respond to customers (n=215, 65.1%) and money for purchasing equipment and machinery were on the top of the list as internal factors from the factors that influence the performance growth of the hotels and tourism SMEs in Eswatini.

### 4.1.9.4 Learning and growth factors

Finally, Table 4.7 indicates that the respondents agreed that learning and growth factors were among the factors influencing the performance growth of the hotels and tourism SMEs in Eswatini. However, the learning and growth factors rating ranged between 53% and 59%, which was high.

## 4.1.10 Significance association between balanced scorecard performance measures and financial and non-financial factors

To examine the association between factors influencing balanced scorecard critical factors in the hotel and tourism sector, the usage of Pearson Chi-square has produced results shown in Table 4.8.

*Table 4.8. Association between financial and non-financial factors influencing BSC performance measures for Hotel and restaurant SMEs sector*

| Factors | Chi-square | df | p |
|---|---|---|---|
| Overall Factors | 667.646 | 16 | .000 |
| Financial factors | 677.235 | 16 | .000 |
| Customer factors | 605.093 | 16 | .000 |
| Internal business process factors | 612.324 | 16 | .000 |
| Learning and growth factors | 1072.835 | 16 | .000 |

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

The results show that there is an association between factors with balanced scorecard critical factors in the hotel and tourism sector (Chi-square = 789.802, p=.000). Specifically, the association between factors with balanced scorecard critical factors in hotel and tourism sector was as follows: financial critical factors (Chi-square = 893.540, p=.000), customer critical factors (Chi-square = 1051.925, p=.000), internal business process (Chi-square = 718.643, p=.000) and learning and growth (Chi-square = 588.737, p=.000). The results show that the factors influence the performance of the hotel and tourism sector in Eswatini

#### 4.1.1.1 Summary of quantitative results and interpretation

In summary, the findings of the study revealed that 63% of respondents were female, while 37% were male. The 347 of respondents revealed their age range, and the majority of respondents aged between 21 and 40 years. The hotel was majority respondents, followed by the lodge while Bed & Breakfast was the least. The majority of respondents were staff participating in the planning, followed by the management. About 50% of respondents had less than five years of working experience, and 28% of respondents ranged between 5 and 10 numbers of working experience years. The majority (39%) of hotel and restaurant SMEs were at Ezulwini town and soundings.

Based on the objectives and research questions, the results revealed that overall 57.6% of hotel and restaurant SMEs used and implemented the balanced scorecard performance measurement as a tool for measuring performance. The results indicated that $P \leq .000$, which implied there was the significance of the association between financial and non-financial performance measures. The findings of the study revealed that 68.8% of hotel and restaurant SMEs adopted financial and non-financial critical success factors contributed as a performance measurement for organizational growth. The results of the study also revealed that there was a sign of association between financial and non-financial critical success factors and balanced scorecard performance measures. Again the statistical test results revealed that there was an association between financial and non-financial critical success factors for hotel and restaurant SMEs growth. The results also indicated that overall (68.9%) cluster, innovations, trust culture and shared vision theories contributed to BSC performance measures for hotel and restaurant SMEs growth. The statistical results test revealed that overall the theoretical attributes were associated with balanced scorecard performance measures since p-value was less than 0. The findings of the study revealed that financial and non-financial factors (63.3%) influenced the balanced scorecard performance measures for hotel and tourism and there were association financial and non-financial factors for hotel and restaurant SMEs growth

## 4.2 Phase two qualitative research results and interpretations

Phase two of the study describes the qualitative results generated from the follow-up interviews with managers or directors of hotel and tourism small and medium enterprises after analyzing the quantitative data. The follow-up interviews intended to get more in-depth details and understand deeper the responses of participants in the initial quantitative research study results. Section A covers the demographic information such as gender, location of the establishment, age, working experience, and positions. Section B discussed the interviewees' responses categorized into themes.

### 4.2.1 Section A - Demographic information

This section presents general information, including the category and location of the enterprise as well as gender and age range of interviewees. They were 14 participants interviewed in the qualitative research method. These were owners or top management of the 35 hotel and tourism small and medium establishments whom initial approved the gatekeepers' letters and gave the researcher permission to conduct the present study. The 14 participants represented lodges, hotels, guest houses, conference facilities, and cultural villages and entertainment facilities businesses in the hotel and tourism small and medium enterprises. The participated interviewees were identified by numbers to protect their identity as interviewee 1, Interviewee 2…………interviewee 14.

***Gender:*** Executive management and owners of hotel and tourism small and medium enterprise sector were 57% female participants and 43% were males.

***Age:*** The hotel and tourism small and medium enterprises sector 7 participants (50%) were above 50 years. Participants aged between 40 and 49 years were 5, which was 36%. They were two participants aged between 20-29 years and 30-39 years which was about 14%.

***Education level:*** There were ten participants (71%) who held the undergraduate and postgraduate degree as a director, owner or senior manager in hotel and restaurant SMEs sector. Again the four participants (29%) holding a position as a director, owner, or executive management member had Diploma or Certificate qualifications in hotel and tourism small and medium enterprises in Eswatini.

***Positions***: The majority of the interviewees (57%) were Directors, owners or General Managers (CEO) of hotel and tourism small and medium enterprises. The participants held the position of finance manager were two, which was 14%). Those who held a position as operations managers were one which represented 7% of overall interviewees.

***Years of working experience:*** The results revealed that 79% of executive management and owners (n=11) had more than five years of working experience. The results revealed 1 participant (7%) who had 4 -5 years of working experience. They were 2 participants (14%) had 2-3 years of working experience. There were no participants who had 3-4 years of working experience and one or less than one years.

***Hotel and restaurant SMEs category:*** The hotel and restaurant SMEs category who participated were ranked accordingly highest to the lowest establishment in participation. The leading establishment was lodge (43%) with 6 participants. The hotel sector (21%) had 3 participants, while the guesthouses (14%) had 2 participants. The conference facility and restaurants (7%) had 1 participant, whereas Entertainment and Game Park also accounted for 14% of total establishments participated.

***Location:*** The follow-up face to face interview conducted to senior management or directors of four towns from the hotel, and tourism SMEs previous participated in the quantitative research. Ezulwini participants were 6, which translated to 43%, Manzini and Mbabane had three interviewees who were 19%, and Matsapha had 2, which had 14%.

### 4.2.2 Section B: Interview research questions

Section B discusses follow-up interviews with executive management and owners of the hotel and tourism small and medium enterprises. These include an explanation of why financial performance measures as the balanced scorecard usage were low in the hotel and restaurant SMEs sector, and why there was an association between financial and non-financial measures. Secondly, the subsection explains why hotel and restaurant SMEs have adopted critical success factors and balanced scorecard for hotel and restaurant SMEs growth and also assess the significant association between financial and non-financial critical success factors and balanced scorecard performance measures for SMEs growth. Thirdly, the subsection explains how innovation, cluster theory, shared value, and trust culture contributes towards hotel and restaurant SMEs growth, and explain how significance associated of cluster, innovations, shared value and trust culture theories with balanced scorecard performance measures for SMEs growth. Lastly, the subsection explains how financial and non-financial factors contribute to the financial and non-financial measures for

SMEs growth, and it also explains why there was a significant association between financial and non-financial factors and balanced scorecard performance measures for hotel and restaurant SMEs growth.

#### 4.2.2.1 Financial scorecard least used and implemented performance measure

The participants were to “Explain why the financial balanced scorecard measure is the least used and implemented in the hotel and restaurant SMEs sector?” The participants gave several reasons. Six of them stated that the financial measure was the least used and implemented among the four perspectives of balanced scorecards in the hotel and restaurant SMEs sector for growth because other staff members in the quantitative results lacked the necessary financial understanding and skills. For example, one manager from a hotel said: “financial performance measures are more technical for staff members, and thus it was rated low”. They explained that to use and implement the financial measure, the manager/staff may possess skills like bookkeeping, basic financial accounting, and management accounting. Another participant suggested that their knowledge and experience was also wanting because they had “No financial background and no experience on financial measures” Interviewee 6. Five participants attributed the deficiency in the use and implementation of financial measures to the confidentiality of the issues. They stated that financial information as confidential, and is only accessible to top management and the Board. This view of the financials implied that the managers could not disclose financial performance measures such as profitability and development of budgets, which are required by the financial balance scorecard perspective. Other reasons included the privacy of family businesses in disclosing financial position, and that some staff members might feel that financial issues are less critical than operations.

The cited reasons could be categorized [or which were related to staff/managers' ability to understand finance performance; confidentiality, the status of the business and timing of the business. There was a no difference in the reasons from participants regarding the least used of financial performance measures in hotel and restaurant SMEs.

#### 4.2.2.2 Significance of association between financial measures and non-financial performance measures

The participants were to "explain why there was a significant association between financial measures and non-financial performance measures (customer, internal business process and learning and growth). They gave several reasons.

Firstly, on profitability, eight of the participants stated that financial performance measures such as profitability are significantly associated with non-financial performance measures because the profitability of the business depends solemnly to customer services. For instance, one executive manager said, "without customer service, you cannot make sales which in return record-high profit after deducting expenses". They explained that the significance of the association between profitability and non-financial performance measures helps the hotel and restaurant SMEs increase sales of rooms, which results in high profits. Another participant suggested that the higher the hotel and restaurant SMEs improve the customer services, the more sales they make, and the better profit they yield. They also stated that the reason there is an association between profitability and non-financial performance measures is because of the type of product or service hotel and tourism intended to sell to customers. Two participants stated that costing accounting of the product or service is significant for profit maximization because, without accurate accounting, the service or product will be sold below the cost of production or rendering the services. The cited reasons categorized to profitability associated with customer services, product or service offered staff competency and efficiency and effectiveness in service delivery.

Secondly, participants were to explain why there was an association between budgets and non-financial measures (customers, internal business process and learning growth). They gave many reasons. They explained that budgets help to buy or offer service, which is demanded by the customers. Three participants stated that budgets help to buy or offer services within hotel and restaurant SMEs capability. For example, one director stated that "using a budget as a planning tool helps to be efficient and effective in rendering customer services. Most participants explained that to manage the budget one must first identify the capital expenditure and operating expenses that the customers could demand. This view of managers implies that budget could help SMEs to identify financing strategies for short- and long- term expenditures. The long -term expenditure such as capital expenditure financed through loans, whereas operating expenses financed through working capital and short- term loans.

The cited reasons for associating budget with non-financial performance measures include customers; internal business and learning growth which could be categorized by customer demand for products/services, effective and efficient service delivery and costing capital and operating expenses.

However, four participants had a contradictory view. They noted that there was a significant association between budgets with customers, internal business process and learning and growth. They explained that budgets could lead to putting items in the plan that are demanded by a few customers, which will result in the underutilization of the budget beyond 10%. Another reason managers and owners of hotel and restaurant SMEs felt the budget was not associated with non-financial measures such customers, internal business process and learning and growth were that budgets for small business were confidential information to staff members. Interviewee 14 managers said, “Budgets are not influencing non-financing factors for small and medium enterprises in hotel and tourism because owners of the entities prepare the budget without involving even the general manager if he is not a member of the family”. The cited reasons for associating the budget with nonfinancial performance measures for hotel and tourism small and medium enterprises sector categorized to budget over or underutilized below or above 10%, confidentiality in the preparation and management of budget and family business budgeting approach

In conclusion, one may note that the data reveal that there was a difference in reasons in terms of the type of financial performance associated with non-financial measures used and implemented for hotel and tourism small and medium sector growth.

#### 4.2.2.3 Adopting of financial and non-financial critical success factors to balanced scorecard performance measures

In this section, participants were to "explain why hotel and tourism small and medium enterprises adopted financial and non-financial critical success factors to enhance balanced scorecard measures for hotel and restaurant SMEs growth?" The participants gave many reasons, and one critical one focused on customer critical success factors as the non-financial performance measure. Eight of the participants stated that customer satisfaction is a critical success factor because, without customers, there would be no business. For example, two participants from the hotel said: "different customers have different needs; therefore, the industry tries its best level to be better than yesterday tying to meet customers' needs". Another participant claimed that if customer service is not a critical success factor, visitors are boundless to the booking they made, and they are free to leave and seek accommodation elsewhere. One participant stated that customer service is critical because customers can view and know about the service of the establishment through feedback given by previous customers on Trip Advisor and Booking.com. Participants also stated that customer service is essential in that it establishes a relationship between customers and staff of hotel and tourism small-medium enterprises. They explained that the relationship makes staff members know and understand the individual customers' trust culture and staff services, which makes them conscious of cultural diversities mind-set. Another participant highlighted that building a good relationship with customers would lead to accepting feedback from loyal customers and in making corrective measures because of their high element of trust culture. They said based on the feedback from tourists, the hotel and tourism sector would be compelled to train the employees on the specific tasks highlighted in customers' responses.

The cited reasons for adopting financial and non-financial success factors to enhance balanced scorecard performance measures for hotel and tourism small and medium enterprises growth were associated with business dependability to customers' services, customers' access to feedback information; cultural diversity and customer relationship; employees' task deficiencies and training. The analysis shows that there were no different reasons in terms of the types of adopting different critical success factors except customer services.

### 4.2.2.4 Significance association between financial and non-financial critical success factors with the balanced scorecard performance measures

The participants were to "explain why there was a significant association between financial and nonfinancial critical success factors to enhance balanced scorecard performance measures for hotel and restaurant SMEs growth?" They gave many reasons based on the number of bookings and response rates to customer services. First, there were reasons given related to the association between the number of bookings and customer satisfaction. Eleven participants agreed that there was an association between the number of bookings and customer satisfaction. They gave different reasons. For instance, three participants stated that the number of bookings depends on customer satisfaction because customers through word of mouth could either portray bad or good publicity if the service standard was below or above their expectations, and this could either discourage or attract potential customers who intended to book in the establishment. One participant claimed that high customer satisfaction builds loyal customers who would continually book in the hotel or tourism small and medium enterprise. Another participant claimed that where customers' satisfaction was below customer expectations, very few would choose to use the establishment.

One participant stated that although the number of bookings is associated with customer satisfaction, most ratings occurred when the customer is checking out of the hotel or tourism establishment which might not be enough time to really reflect on his experiences and honestly present his views. On the other hand, another participant argued that customer satisfaction was not only the main driver of the number of bookings because in most cases customers' bookings online, and they might not view previous feedback from previous customers who stayed or used that establishment. Two participants argued that the number of bookings in hotel and tourism small and medium was not associated with customer satisfaction. They claimed the number of booking are associated with marketing the establishment in different websites such as Booking.com and Trip Advisor, attending tourism conferences such as Durban Tourism Indaba, attending international trade fares and visible in national events such as Incwala and Reed dance (Mhlanga) festivals.  One owner of the establishment stated that the number of bookings is not only associated with customer satisfaction but also benchmarking the accommodation with South African establishments that offer the same services. The cited reasons could be categorically associated with customer's good or bad publicity; repeat customers, rating services, online bookings, and marketing strategies. Different reasons were significant in terms of the number of bookings associated with customer satisfaction. However, most participants confirmed that there was a significant association between the two variables.

Secondly, participants noted that there was an association between responses rate to customer services with the actual quality of the service. All the fourteen participants confirmed that there an association between response rate to customer service and actual quality of service. For example, one manager from the hotel said "when a customer complains about the service such as Wi-Fi, they promptly respond to that call because the customer should be in a conducive environment. Another participant stated that when the service not catered, customers earlier notified before they book in to avoid any confusion when they make that request already after checking in. Another participant highlighted that the response rate to service customers was directly associated with the actual quality service rendered because customers can damage the reputation of the business if not served as per their expectations. This view of the response rate to customer service associated with the quality of service implies that managers put customers first when staff members respond fast to customers' demands. Where they could not afford to offer the service, it would be stipulated during the booking so that customers decide to take the room or not. The cited reasons were categorical into a conducive environment, prior notification, avoid bad publicity, enhance customer-first trust culture. There were no different reasons for adopting the critical success factor for hotel and tourism small and medium enterprises growth.

#### 4.2.2.5 Cluster (location), innovation, shared value/knowledge sharing, and trust culture contributes to a balanced scorecard performance

The participants were to "Explain how the cluster (location), innovation, shared valued / knowledge sharing, and trust culture theories contribute to balanced scorecard performance measures for hotel and tourism small and medium enterprises growth?". They gave several explanations on how these theories influence the BSC measures for SMEs' growth. For instance, three participants stated that the location of the business could not influence financial and non-financial measures for business growth because the natural sceneries of the country of originality attract tourists and that this is a critical factor countrywide as a marketing approach in the global tourism sector. Two participants stated that location preference drives customers to visit the country, and therefore tourism foreign direct investment is very critical to market the country internationally. However, interviewee 12 argued that location is not influencing performance growth, but the state of the economy contributed to the hotel and tourism small and medium growth.

Ten participates explained how innovation contributes to hotel and tourism small and medium enterprises growth. They stated that the organization could not survive in this century without innovation. However, in Eswatini, they argued that innovation could not stand alone because of the unique cultural activities that occur. Too much innovation could influence employees' resistance to accept change since they have been running for years without any challenges. Nevertheless, two participants stated that innovation contributes to financial measures of the balanced scorecard. They claimed that innovation influences cash flow, economic growth, and revenue because small and medium enterprises could not survive in the fourth digital generation without being the invention of new ideas and new technologies. For instance, one manager of a hotel establishment said, “Nowadays the internet and social media is widely used, and customers judge the business innovation level online based on its profile in the trip advisor and bookings.com websites.

Furthermore, two participants stated that customer’s cold view the facility and decide to visit the place if they note facility such as braai areas and open lounge outside where they can enjoy themselves and upgrading facility attracts more customers. Another participant claimed that innovation determines the capital expenditure the business incurred because it leads them to design and assess the cost and benefit analysis of putting up the infrastructure. Interviewee fourteen stated that innovation influences leadership perception and staff skills development when there is a need for change. Five participants highlighted that there was an inter-link between innovation, trust culture and share value/knowledge sharing theories which holistic contributed to hotel and tourism small and medium enterprises growth. They stated that when staff shares their experiences, trusting each other than the hotel and tourism, small and medium enterprises sector enhances its innovation.

Another participant claimed that trust culture, knowledge sharing, and innovation improve customer satisfaction level because employees share customer feedback report and work out how they could improve their deficiencies shortly. Two participants said,” trust culture cannot be linked to innovation because employees in hotel and tourism small and medium enterprises are concern with tips or money customers give them”. As results, employees work hard in the industry, not because of the salary but due to daily cash they received from customers. One participant, however, argued that where innovation is a reward for incentives or promotion, employees become more innovative. The view of innovation, share value and trust culture implies that managers could consider these theories as contributing factors to balanced scorecard performance measures for hotel and tourism small and medium enterprises growth. The cited factors given by participants could be categorical into contribution location and places of attraction, innovation linked with trust culture and shared value, customer satisfaction and employee expectations, financial planning on infrastructure. There was no significant difference in the participants’ explanation of innovation, trust culture and shared value theories except in cluster (location) where the majority claimed that the country’s social position and its landscape, as well as the marketing of tourism, contribute to small and medium enterprises growth in this sector.

#### 4.2.2.6 Significant association between clusters, innovations, trust culture and Shared value theories with balanced scorecard performance measures

The participants were to “explain why there was an association between profitability and location (cluster) theory?” They gave many explanations. Eleven participants stated that the profitability of hotel and tourism small and medium enterprises is associated with the location because customers come for business, and most business meetings are within the Manzini-Mbabane corridor. However, three participants claimed that some customers who come to the country for a holiday could prefer remote, quiet and more private places with many places of interest. Another participant stated that profitability is associated with the location because the closer to the busy place like the Manzini –Mbabane corridor, the more booked rooms increase sales per establishment. Two participants argued that profitability is associated with the location because customers have different preferences on location. Another participant claimed that customers prefer a place where one could make a short drive or walk to reach the nearby places of interest close to the establishment. However, two participants argued that there was no association between profitability and location because profitability depends on how the hotel and tourism small and medium enterprises market their products or services. Furthermore, they claimed that profitability is associated with customers' word of mouth talking about the services they received from the establishment.

The cited reasons associated with profitability and trust culture categorical were the purpose of visitation, private and quiet places, customer preferences, service or product rendered and word of mouth.

Participants were also to "explain why there was an association between quality service and innovation?" Five participants confirmed that quality service is associated with innovation while the other seven disagreed that quality service rendered is associated with innovation. However, two agreed that quality service rendered is associated with innovation to a certain extent. Two participants claimed that quality service rendered is associated with innovation because innovation attracts new customers and enhance repeat customers. They further claimed that quality service is associated with innovation because management would seek new information on how they could serve customers better to increase sales. Another participant argued that quality service rendered is associated with innovation because new inventions improve the efficiency and effectiveness of processes, and enhance customer satisfaction. Two participants stated that quality service rendered might depend on innovations, but financial constraints and affordability could force owners not to be too innovative even if they like to. However, seven participants argued that hotel and tourism quality service rendered is not associated with innovation, and they highlighted many reasons. Two participants claimed that quality service rendered is associated with financial resources constraints and potential growth of the business, not innovation.

Further, they claimed that quality service rendered is associated with the quality standard the hotel and tourism small and medium enterprises had set. Another two participants also claimed that quality service rendered is associated with customer demands, not innovation. Two participants argued that quality service rendered is associated with the prerogative decision of individual owners, not even staff members because very few are involved in the innovation of the service or product. Another participant claimed that quality service is not associated with innovation because innovation requires financial commitments which the organization does not have at its disposal.

The cited reasons associated with quality service and innovation categorical were customer loyalty, information seeking, customer demand, and satisfaction, efficiency, and effectiveness, financial affordability, and availability,  owner aspirations,

Participants were to explain why employee satisfaction level is associated with trust culture in hotel and tourism small and medium enterprises growth. Nine of the participants stated that employees' satisfaction level is associated with trust culture because of various reasons. Four of them claimed that the more workers are satisfied with working conditions, the more trust developed among them, and they open up and suggest new ideas that would benefit the hotel and tourism small and medium enterprises. Two participants stated that employee satisfaction levels are associated with trust culture because employees trust culture increases when they work together as a team solving problems. Furthermore, they claimed that employee satisfaction is associated with trust culture because in most hotel and tourism small and medium enterprises employees are few young people who are more innovative and bring fresh ideas on how the activities completed. Another participant stated that employee satisfaction is associated with trust culture because it is one of the values of the business otherwise they might end up stealing from the customers which in turn would damage the business' reputation. One also explained that trust culture plays a significant role because it replaces the financial gains drawn from customers. However, there were those participants who argued that employee satisfaction level is not associated with trust culture due to several reasons. Three participants explained that employees' satisfaction level could not be associated with trust culture because people are different; they have different needs and managing 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 to satisfy themselves.  Other participants argued that employees' satisfaction level could not be associated with trust culture 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 cited reasons associated with employee satisfaction level and trust culture could be categorized to open and fair working conditions, teamwork, age group of employees, business values, promotion of social factors than financial gains, employees' diverse needs and aspirations, financial gains from customers and job satisfaction.

Lastly, participants were to explain how the customer satisfaction rate is associated with shared value/knowledge sharing. Twelve of the participants indicated that there was an association between customer satisfaction and shared value. One of the reasons the six participants highlighted was that staff and management receive feedback from customers on their deficiencies, and together they share the information on how to improve service condition.  Another participant suggested that some employees and management could 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 done in the business. 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 which offer the same service. They said that when they come back, they share experiences and observations from that educational tour.  However, one participant argued that the customer satisfaction rate is not associated with share value or knowledge sharing among staff members. However, it had to with the quality standard of hotel and safety around because this is fundamentals customers visit the hotel and tourism small and medium enterprises.

The cited reasons associated with customer satisfaction rate and shared value could be categorized to open and fair working conditions, teamwork, age group of employees, business values, promotes more social factors than financial gains, employees' diverse needs and aspirations, financial gains from customers and job descriptions and their roles. In summary, there were different reasons in terms of location and innovation, but there was none in terms of shared value and trust culture theories.

#### 4.2.2.7 Customers and financial factors were leading influencers of hotel and restaurant SMEs growth

The participants were to “explain why customers and financial factors were leading influencers of the hotel and tourism small and medium enterprises growth”? They gave various reasons. Six participants stated that customers and financial factors are leading influencers of hotel and restaurant SMEs because, with customers, there would be no business and sales when they are not happy with the service rendered. They further highlighted that once the customer is happy, such a customer would then market the hotel and tourism establishments fast through word of mouth. For example, one manager of the hotel said: “Customers are kings, and they look for genuine value for money in the service or product offered”. Another participant stated that since the industry is complex, being slow in addressing customers' complaints could result in losing them, and that would have an impact on financial factors. They stated that customer factors are demand-driven, whereas financial factors are output-driven, and business process factors are supply-driven.

Three participants claimed that road infrastructure in and around hotel and restaurant SMEs contribute to customers and financial factors in rural area roads, and this affects the spending pattern. Two participants claimed that financial factors were leading influencers of hotel and restaurant SMEs growth because all the infrastructure upgrades influenced the ability of the establishment to generate sufficient revenue to incur the related costs. They argued that financial factors contribute to the profitability of the hotel and tourism small and medium enterprises, and the golden product for the hotel and tourism SME sector were customers. Other reasons included spending patterns and seasonality of customers. The cited reasons why customers and financial factors were leading influencers could be related to business existence rely on customer satisfaction, value for money, managing customer complaints, infrastructure development, spending pattern and seasonality of customers. There was no difference in reasons in terms of customers and financial factors.

### 4.2.2.8 Significance association between balanced scorecard performance measures and financial and non-financial factors

Overall participants were to "explain why financial and non-financial factors are associated with balanced scorecard performance measures for hotel and tourism small and medium enterprises"? Five Financial and non-financial factors selection were random. Participants indicated that financial factors were associated with the balanced scorecard performance measures for BSC growth. Firstly, participants were to explain why profitability was associated with sales? They gave various explanations. Four participants stated that profitability was associated with sales because the hotel and tourism small and medium enterprises could able to determine the cost per unit for the service and product they charge to a customer to get the profit which known as cost-profit volume analysis. For instance, one owner of the establishment said: "Profitability is a result of pricing and costing structure in any business". Six of the participants confirmed that profit depends on sales because, without a sale of a room or service, the business would not realize the profit. One participant argued that profitability is not only associated with sales, but with the quality of service or product the establishment offers. Another participant argued that profitability association with sales remains confidential information which is only known by owners' senior management of the hotel and tourism small and medium enterprises because most of these establishments are family businesses. The cited reasons why profitability was associated with sales could be categorized as cost-volume-profit analysis, quality of product or service and confidentiality.

Participants were to "explain why quality service was associated with the budget of the hotel and tourism small and medium enterprises. They gave various reasons. Three participants stated that quality service is associated with the budget because without preparing and managing the budgets, it would be difficult for the entity to finance operations and capital expenditure. For instance, one manager of the tourism small and medium enterprise said," Without costing and budgeting for service and products, it would be unlikely to offer the best service to customers". Seven participants explained that the association between quality service and budget could be based on financial affordability to offer the new service or products. Two participants explained that although the budget is a very critical planning tool, quality service demand detects to be flexible and adjust the budget to meet that demand customers require. However, one participant claimed that quality service is not associated with the budget because preparation and management of the budget preparation done by directors and employees, including executive management, might have a minimal contribution. This view of quality service versus budget preparation and management implies that budgets prepared by family members of hotel and tourism small and medium enterprises without involving the staff members who render the services to customers, and this could be resultant from employees' lack of financial skills and confidentiality of financial information. The cited reasons why service quality is associated with a budget categorized were into financing capital and operating expenses, financial affordability, non-participatory budgeting process, and budget flexibility.

Furthermore, participants were to “explain why the number of bookings is associated with customer service?” Participants gave different reasons. Seven participants stated that the number of bookings is associated with customer service because few customers could book in a hotel or tourism establishment where customer service is inferior. Three participants suggested that quality service and the number of rooms booked need to be reviewed because when customers book online, they view other customers’ comments regarding the rooms and services offered in that establishment. Moreover, if the mismanagement of customer service and quality well, the establishment runs the risk of losing repeat and potential customers. Another participant stated that the number of bookings is associated with quality service because customers place value where they would spend their money. However, the number of bookings is not associated with quality of service because bookings are seasonal, and therefore different customers make a booking at different times of the year. The cited reasons categorized were into the rating of service, previous customers’ experience, value for money and seasonality.

Participants were to “explain why staff turnover is associated with lack of skills and expertise?” Most participants agreed that staff turnover is associated with a lack of skills and expertise due to various reasons. Seven participants stated that staff turnover is associated with a lack of skills and expertise because most employees’ skills development be in-house as most of the staff members only possessed the high school qualifications when they joined their companies. They claimed that based on in-house training and development, staff turnover is very low since they lack hospitality and tourism qualifications, they could use to bid for employment elsewhere. For example, one manager stated that staff turnover is associated with a lack of skills and expertise because of the high unemployment rate in the country; employees cannot leave one job for another. Another manager in the hotel and tourism small and medium enterprises sector argued that their staff could not leave their job because they offer competitive packages even more than the big hotels in the country. However, one participant argued that although staff turnover is low people leave not because of lack of skills and expertise, due to job satisfaction, particularly those who have formal qualifications such as diploma and certificates in hospitality and tourism. The cited reasons why staff turnover is associated with a lack of skills and expertise could be categorized to staff in-house training and development, unemployment rate, competitive remuneration and job satisfaction for qualified employees.

Lastly, participants were to "explain why the time to launch new the product or service is associated with conducting the research?" Three participants stated that the launch of a new product or service is associated with research because one could not survive and succeed in the competitive advantage industry. Two participants stated that launching the new service or product is associated with research because of the hotel and tourism industry competition globally because they benchmark their quality of services or products with neighbouring South Africa. As a result, local hotel and tourism, regardless of size, sometimes book in South African counterpart establishments to identify the type of service these establishments offer customers and observe how they offer it. Another participant stated that the launch of a new product or service is associated with research because the hotel and tourism industry despite size use the model technology to view how customers comment on the product or service rendered by the competitors. For example, one owner of the establishment said, "Research is related to the product or service offered, and without it, you are out of business". Another participant stated that launching a new product is associated with research because they get feedback which enables them to establish how to upgrade and improve infrastructure facilities to attract new customers and retain the existing one. However, three participants claimed that the actual time to launch the product is not associated with research. They argued that launching the new product depends on a business approach, such as extensive marketing, not necessarily conducting marketing research. They also claimed that the launching of the new product is not associated with research because small and medium enterprises sometimes cannot afford to research due to financial constraints. Another participant explained that in most cases launching the new product or service is driven by customer demand not necessarily through conducting research. One participant also highlighted that even where research is conducted only owners and project managers research without even sensitizing employees that there was research going on since the small and medium hotel and tourism establishments are privately own business. The cited reasons why the time to launch the new product is or not associated with conducting the research could be categorized to competition, benchmarking with other related establishments, facility upgrading, marketing product or services, financial constraints, top management responsibility.

#### 4.2.2.9 Summary of qualitative results

As earlier discussed in chapter 3, qualitative research was a follow-up interview after analysing the quantitative results. Since this was a face to face interview, the target population was 15 as it alluded earlier. However, only 14 participants were interviewed, which represents 40% of the 35 establishments who agreed to participate in the study. The general information sourced from the participants included gender, age, education level, position, years of experience, hotel and tourism category and its location. The results were analysed and interpreted above.

The qualitative results were summarized and concluded in the following. The participants explained that financial performance was least used and implemented in hotel and restaurant SMEs because it was confidential, and the majority of staff members lack financial skills. The participants confirmed there was an association between Financial and non-financial performance measures for hotel and restaurant SMEs growth. The participants in the interview indicated the association between financial measures (profit and budgets) and non-financial measures (customers, internal business process and learning and growth) performance measures. Participants explained that hotel and restaurant SMEs had adopted the financial and non-financial critical success factors because the business relies on customer services and therefore feedback it is very critical to improve customer services.  On the other hand, participants revealed that there was the association between financial and non-financial critical success factors and balanced scorecard performance measures because hotel and restaurant SMEs ensures good publicity and they enhance trust culture among the employees.

Participants were to explain whether there was a significant association between innovation, trust culture, shared valued theories and balance balanced scorecard performance measures. The conclusion was that there was an association between innovation, trust culture and shared value. However, other participants argued that there was no significance between location and balanced scorecard performance measures because the country’s influential position, landscape, marketing strategies are only contributing factors hotel and restaurant SMEs growth. Participants were to explain why the financial and customer factors were mainly contributor for hotel and restaurant SMEs growth. The participants indicated that these two factors were leading because the sector focused on customer satisfaction, value for money, managing customer complaints and customer satisfaction and recognised the spending patterns for customers. Participants were to explain why there was an association between financial and non-financial factors and BSC performance measures for hotel and restaurant SMEs. They stated that there was association because the profitability of the business depends on cost volume analysis model, quality of product or service. On the other participants claimed that there was association b staff turnover and lack of skills because there was no in-house training, the unemployment rate is low, the industry competitive remuneration and there was job satisfaction among the employees.

## 4.3 Conclusion

In conclusion, the results in this chapter revealed that hotel and restaurant SMEs use the balanced scorecard as a performance measurement tool. Chapter 5 discussed and integrated both qualitative and quantitative results in detailed.

# 5.0 DISCUSSIONS AND INTEGRATION OF FINDINGS

The discussion and integration of findings were guided by the eight objectives that guided this study as clearly presented in chapter 1. Each section of the chapter would state the objective, which was the focus area. Firstly, the study aimed to examine the four BSC perspectives used and implemented in the hotel and restaurant SMEs sector as well as to explain why financial performance measures lowest-ranked occurred. Secondly, the aim was to assess the significance of the association between financial and non-financial performance measures for hotel and restaurant SMEs growth and to explain why there was significant association was among selected variables. Thirdly, the study's goal was to examine financial and non-financial critical success factors influencing BSC performance measures for hotel and restaurant SMEs growth and explain how they influence financial and non-financial critical success factors. Furthermore, fourthly, to assess the significance of the association between financial and non-financial critical success factors, and also to explain reasons for the significance of association among selected variables.

The objective examined the cluster (location), innovations, trust culture, shared value/knowledge sharing theories contribution to BSC performance measures for hotel and restaurant SMEs growth and explain how these theories contribute to BSC performance measures. Objective six examined the significance of the association between cluster (location), innovations, trust culture, shared value/knowledge sharing with BSC performance measures and explain how these theories associated with BSC for hotel and restaurant SMEs growth. The seventh objective was to assess financial and non-financial factors influencing BSC performance measures and explain why the first two leading factors influenced BSC performance measures for SMEs growth. The last objective was to examine the significance of the association between financial and non-financial factors influencing BSC performance measures. The follow-up interview explained how the financial and non-financial factors were associated with BSC financial performance measures for hotel and restaurant SMEs growth.

## 5.2 Demographic characteristics and background information findings

This section covered the following subsections of demographic characteristic and background information for both quantitative and qualitative results: gender, Age, Education level, Positions, Years of working experience in the sector, hotel and restaurant SMEs category and location of hotel and restaurant SMEs establishment.

### 5.2.1 Gender

Both quantitative and qualitative findings indicated that the majority of people working or owners of the hotel and tourism small and medium enterprises were female. The quantitative findings, as the first phase revealed that 63% of respondents were female while the male was only 37%. Furthermore, the follow-up interview in the second phase revealed that women dominate the industry as they were 57% female either and senior manager or the owner of hotel and tourism small and medium enterprises.

The highly dominated of female in the industry could have resulted like the job as they were waiters, cleaners, chef and supervisors. In many cases, such jobs done by women. Also, the cultural mind-set and background dominate that women were mainly responsible for kitchen and household, and few men are interested in joining work for women. Some men work there due to scarce job opportunities elsewhere. However, in international hotels, men now dominate the industry because of formal training in hospitality and tourism professional qualification. Men nowadays are leading chef for big hotel and tourism establishments. Higher learning institutions should address the few males in the industry by introducing practical and theoretical hospitality and tourism programmes.

### 5.2.2 Age

The findings of the quantitative research revealed that the majority of respondents were young and working-class group aged between 18-40 years. This group account for 82 % of employees working in the hotel and tourism small and medium enterprises. The qualitative results indicated that 86% was dominated by executive management or directors who aged between 40 and above

50 years. 50% of executive management were above 50 years old. The age difference raised a concern on a succession plan when the youth between 20 and 39 years were not in the senior management. The non-participatory of youth in higher positions could be one reason why small and medium enterprises disappeared immediately the entrepreneur or the owner dies. The children might fail because there were not in management position all the along. In most cases, owners employed independent personnel to be human resource, operations managers and other management positions.

On the other side, the lack of youth in executive management also raised concern for hospitality and tourism management creativity and innovations. The old business could not easily adjust to environmental changes which the hospitality and tourism industry required. Older people would prefer to maintain the stature core, yet the industry requires improvements aligned with the fourth digital generation, where innovation and creativity have become a competitive weapon for sustainable development. The case of COVID-19 pandemic that affected the whole world, most small and medium hotel and hospitality businesses had to close down because there was partial lockdown. In such cases, the youth and the working-class group would be in a better position to bring up new ideas on how the businesses could survive despite the challenges of Corona Virus pandemic.

### 5.2.3 Education level

The findings quantitative study disclosed that the majority of respondents (77.5%) were having a Certificate, Diploma, Bachelor's degree, Master's degree and one with Doctorate. Only 22.5% of the respondents were having less or equal to matric qualifications. In the follow-up interviews, the results revealed that the majority of participants (71%) possessed a bachelor degree and postgraduate degrees in executive management or directors of hotel and tourism small and medium enterprises. Participants who held a certificate or a diploma in the executive management or director/ owners were 29%.

The results imply that the hotel and tourism small and medium enterprises have literate staff and management. This result provided an excellent rating for the industry because its nature requires effective communication with customers. Poor command of language could be a hindrance to tourists' booking services in the hotel and tourism establishments. Since most participants and respondents education was high, management could develop an excellent customer-oriented strategy that could be easily understood and implemented by the staff members. They could set well-balanced scorecard objectives, performance measures and targets that could be well understood by those in functional management (supervisory), middle management and executive management.

### 5.2.4 Positions

The findings of the quantitative study revealed that the majority of respondents (n=234, 68.4%) were employees who participate in planning the services provided by the hotel and tourism small and medium enterprises. The results indicated that (n=108, 32%) of respondents were in management, and some were directors or owners of the establishment. The qualitative results in the follow-up interview revealed that the majority of participants (57%) were owners/directors or general managers (CEO). The other participants (43%) were finance managers, operations managers, human resources managers and others.

This result implies that management was well represented in the second phase interview because the 14 participants represented the respondents (108) in the hotel and tourism small and medium enterprises. As highlighted in chapter 3, the literature on research methodology indicates that the sample size is well represented and minimizes the sampling error when sampling of the population is 10% of the sampling population (Creswell and Cresswell, 2018). In this case, the sample size of management and owners representation was 13% of management staff. The findings validate the earlier quantitative results.

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### 5.2.5 Years of working experience

The findings of the quantitative study revealed that 50% of respondents were less than five years of working experience in the industry. The surveyed results revealed that 28 % of the respondents had 5 -10 years of working experience and 22% of respondents had more than ten years of working experience. The interview qualitative results disclosed that 79% of management and owners had more than five years of working experience, and 21% had less than five years of working experience.

The surveyed results implied that the hotel and tourism small and medium enterprises sector was still at growth stage since half of the respondents had less than five years of working experience. On the other hand, the interviewed participant's results implied that 21% of the management had less than five years of working experience. The findings suggested that the industry was still at the growth stage because there are few people having working experience. The results of both findings indicated that 79% executive management or owners of hotel and tourism small and medium enterprise had more than ten years of working experience. The results imply that some executive management was working for another hotel or tourism venture before they started their own business. The number of years working experience could imply the years when one was employed full time somewhere, or when the one was pursuing the small business part-time while fully employed somewhere else. The vast working experience is a significant strength for the hotel and tourism small and medium enterprise sector because owners or management could recruit and mentor youth and employable group between 18-40 years for takeover and sustainability of the hotel and restaurant SMEs sector.

### 5.2.6 Hotel and restaurant SMEs category

The quantitative survey revealed the following results of respondents from (1) Hotels (34%), (2) Lodges (31%), (3) Guesthouses (15%), (4) restaurant (6%), (5) Game park & entertainment facility centre (9%) and (6) Bed & Breakfast (6%). The follow-up interview revealed the 14 participants from (1) Lodges (43%), (2) Hotels (21.4%), (3) Guesthouses (14.3%), (4) Game Park & Entertainment facility centres (14.3%) and (5) Restaurant and conference facility centres (7.1%).

The quantitative and qualitative results indicated that guesthouses and restaurants and conference facilities almost tallied in the percentage of results. The difference in findings was in hotels, lodges and Game Park & entertainment facilities because of different reasons. For instance, during the follow-up interview, participants were not available for the interviews. Some participants refused ultimately to be part of the exercise again claiming that such interviews took place during data collection of the earlier questionnaire survey. However, the participation of Bed and Breakfast did not take place because the quantitative results in the results were so small to pursue a follow-up interview. Bed and breakfast was a cut across services for almost all accommodation establishments, and thus there was no need for having a follow-up interview.

### 5.2.7 Location of hotel and restaurant SMEs establishment

The findings from the surveys indicated that majority of hotel and tourism were located in Ezulwini town (39%), followed by the Manzini Municipality (24%), Matsapha town (23%) and the Mbabane Municipality (9%). The quantitative results also revealed that 5% of hotel and tourism small and medium enterprises were within a 10 km radius. The qualitative interview results revealed that the majority of the small and medium enterprises hotels and tourism sector were located in Ezulwini town (n=6, 43%), followed by Mbabane (n=3, 21%) and Manzini (3, 21%). The last location where hotel and tourism small and medium enterprises were Matsapha town (n=2, 14%).

Although the qualitative study was purposive sampling, Ezulwini Town is the tourist destination of Eswatini. There were many hotel and tourism small and medium enterprises located within that urban area. Most of the hotel and tourism establishments position themselves within the location because national events are happening at the traditional hub of the Kingdom of Eswatini in the Lobamba constituency which is next to Ezulwini town than the other towns. The town location is approximately two kilometres away from the Ludzidzini Royal Residence where all traditional events such as Reed Dance (Mhlanga dance), Incwala (First Fruits festive season) and other annual cultural activities took place. The selection of more participants from Ezulwini town was therefore justified because even the surveys revealed that most respondents and working in hotel and restaurant SMEs were from Ezulwini town. Although the Ezuwlini Town Board was more supportive to the small and medium hotel and tourism, the bigger establishments such as the International Convention Centre (ICC) and a five-star hotel, whose construction was worth over R6 billion in local currency could influence the performance of the small business and medium enterprises in the future.

In most cases, the SMMEs often get clients after the full book of the more prominent establishments. Hence with the addition of more five-star hotels that even have the more substantial capacity in rooms and more comprehensive provision for clients, the SMMEs would now struggle to get clients faster. Nevertheless, this could be an opportunity for hotel and tourism small and medium enterprises to segment the customers and focus on those who could afford to book in the ICC and five-star hotel.

## 5.3 BSC performance measures used and implemented in the hotel and restaurant SMEs sector and reasons on why financial performance measures were the lowest

The results of the study revealed that on average aggregate, hotel and tourism small and medium enterprises in the Eswatini used and implemented the four balanced scorecard perspectives. The overall aggregate balanced scorecard performance reveals that on average respondents who agreed were 57.6%, those who were neutral were 26.2%, and those who agreed that hotel and restaurant SMEs used and implemented balanced scorecard as a performance measure. Table 5.1 reveals the respondents’ questionnaire surveyed results in the hotel and tourism small and medium enterprises sector within Mbabane –Manzini corridor in Eswatini. The results indicate that the majority of hotel and restaurant SMEs placed more emphasis on internal business process (67.7%), followed by customer performance measures (64%), learning and growth measures (52.2%) and financial to financial performance measures (46.3%) for their growth. The results indicate that hotel and tourism small and the medium used the numerous performance measures, mixing the financial and non-financial perspectives to measure the performance. Hotel and restaurant SMEs ranked most the non-financial perspectives as a performance measurement tool. The internal business process findings support the proposition that using a balanced scorecard would make the business focus on its activities, procedures, internal consistency, and use of information for decision making and knowledge sharing among the staff members.

*Table 5.1; Ranking of four balanced scorecard perspectives used and implemented in the hotel and restaurant SMEs*

| Aggregate BSC Performance measures | Disagreed % | Neutral % | Agreed % | Ranking |
|---|---|---|---|---|
| Internal Business process perspective | 12.9 | 19.4 | 67.7 | 1 |
| Customer perspectives | 14 | 22 | 64 | 2 |
| Learning & Growth perspective | 22.4 | 25.2 | 52.2 | 3 |
| Financial perspectives | 16.7 | 37 | 46.3 | 4 |
| **Overall aggregate BSC performance** | **16.4** | **26.2** | **57.6** | |

### 5.3.1 Internal business process performance measures

As highlighted in the introduction above, the internal business process performance measure (67.7%) was widely used and implemented in hotel and restaurant SMEs growth. The internal business process results opposed the findings of Cristina and Naguit (2017), where the internal business was ranked third from the four perspective medium and large business adopted in the province of Pampanga, in India. Their findings of customer performance measures in this study support the proposition that the five-star hotels in Kenya increased its performance to 93% between 2007 and 2011 after they focused more on customers' performance measures(Gesage et al., 2015). The findings of customer perspective performance measures also support the proposition that more influential customer-orientated institutions yield positive results towards the organization overall performance (Al-Azzam, 2016). His findings indicated that the organization should develop customer-oriented strategies to improve their overall performance.

#### 5.3.1.1 Time taken to deliver service or product to customers

The study examined the time taken to deliver service or product to customers was used to measure internal business process performance for hotel and restaurant SMEs growth. The results reveal that 67.1% of respondents agreed hotel and restaurant SMEs sector used time taken to deliver service or product as an internal business process performance measure for their business growth. Nevertheless, the results disclosed indicate that 20.1% were neutral, while 12.8% was in disagreement with the above statement. Therefore, the results of the study confirmed earlier study that the success of hotel or tourism SMEs business were those that pay more attention to efficiency and effectiveness in services delivery to its customers (Malagueño et al., 2018).

#### 5.3.1.2 Cost of rendering the service

The study assessed the degree to which the cost of rendering service was used and implemented to measure internal business process performance for hotel and restaurant SMEs growth. The results of the study indicate that majority of the respondents (57.3%) agreed that the cost of rending service was used and implemented the performance measure for hotel and restaurant SMEs growth. However, 27.2% of respondents were neither agreed nor disagreed to the statement, while 15.3% of respondents total disagreed to the above statement. These results reflect how hotel and restaurant SMEs account for service they rendered to customers, and they used customer profitability costing strategy. This analysis is consistent with the notion that internal business process performance measures contribute to profitability and Price Earning (PE) ratio for the hospitality and tourism sector (Ngwenya, 2013).

#### 5.3.1.3 Rate of preparing customer meals

Apart from assessing the cost before serving the customers, the study assessed the extent to which the rate of preparing customer meals was another measure the internal business process for hotel and restaurant SMEs growth.  Majority of respondents (72.3%) agreed that hotel and restaurant SMEs used rate of preparing customer meals to measure as an internal business process. However, 15.9% of respondents were neutral, and 11.3% disagreed to the statement that hotel and restaurant SMEs used the rate of preparing customer meals.

#### 5.3.1.4 Quality service

The study assessed the magnitude to which quality service was part of internal business processes performance measures for hotel and restaurant SMEs growth. The results revealed that 74.4% of respondents agreed that quality service was part of internal business processes performance measures in hotel and restaurant SMEs sector. However, 14.6% were neutral to the statement above, and 10.8% were in disagreement. These results demonstrated that the hotel and restaurant SMEs sector highly focused on quality service to meet customer needs and suitability of the hospitality sector. The analysis supports the previous finding that setting high-quality service standard assessed on the balanced scorecard improves the performance of five-star hotels in hotels in Nairobi Kenya between 2007 and 2011 (Gesage et al., 2015)

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### 5.3.2 Customer performance measures

The study assessed the customer performance measures hotel and tourism small and medium enterprises used and implemented for hotel and restaurant SMEs growth as earlier stated that customer performance measures (64%) ranked the second performance measure used and implemented after the internal business process for hotel and restaurant SMEs growth. The customer's performance measures included: the number of bookings received, number of customer suggestions, customer satisfaction, and staff response time to service customers and the number of customers' complaints. The next subsection discussed the results on the number of bookings received.

#### 5.3.2.1 Number of bookings received

The study assessed the extent to which respondents "Agreed, "Disagreed" or "Neutral" that the number of booking received was used and implemented as a performance measure for hotel and tourism small and medium enterprises. The research results revealed that a total of 77.8% "Agree" that number of booking received measured the customer performance. The results further revealed that 9.1% were in disagreement, while 9.1% were either "Agree" or "Disagree" with the statement. The analysis demonstrated that hotel and tourism management in Eswatini used the number of bookings as a benchmark to measure customer performance. The results suggest that hotel and restaurant SMEs should be strong customer relationship management (CRM) between employees of hotel and restaurant SMEs and customers book for accommodation. Customer relationship management, together with a balanced scorecard create a long term performance measurement and management growth of the organization (Al-Azzam, 2016). The next subsection analysed the number of customer suggestions.

### 5.3.2.2 Number of customer suggestions

Apart from establishing customer relationship, the study assessed the extent to which the number of customer suggestions was to measure the customer's performances rate. The study revealed that the majority of respondents agreed (54.4%) that customer suggestions were to examine customer performance measures in hotel and restaurant SMEs sector in Eswatini. However, 29.2% were neutral, while 16.3% of respondents disagreed with the above statement. The analysis indicated that the hotel and tourism small and medium management has a role in reviewing customer comments and suggestions about the service offered. The analysis also indicated that almost half of respondents were not sure or refused to comment on the statement, which, in researcher's opinion, could be a significant concern because customer suggestions give feedback so they could improve performance measurement.

Nevertheless, the final analysis revealed that the majority agreed on the statement. This analysis indicated that hotel and restaurant SMEs used social networking, such as online booking and review of the previous customer's comments. The results suggested that some hotel and tourism used and implemented the online model system to view customer's comments and suggestions. The analysis demonstrates that small and medium enterprises had adopted the social networking to get quick suggestions from the customers about the product or service and they prompt to attend to their suggestions (Ahmad et al., 2018).

### 5.3.2.4 Customer satisfaction

The study assessed the extent to which customer satisfaction used to measure customer performance of hotel and restaurant SMEs in Eswatini. The study results showed that 71.1% agreed that customer satisfaction was to measure customer performance in hotel and restaurant SMEs sector. However, there was some differed on the statement, as 14% disagreed and 14.9% with the statement. The analysis established that the majority of hotel and restaurant SMEs used customer satisfaction rating as a benchmark to assess the extent to which they had served their customers. The analysis revealed that customer satisfaction and retention drive the hotel and restaurant SMEs performance growth in terms of profitability and market share. The results imply that the more customers were satisfied with the quality of the service, the more differentiation strategy business employed (Ngwenya, 2013).

#### 5.3.2.5 Staff response time to serve customers

The study assessed the extent to which staff response time to serve customers used and implemented customer performance measures. The study results show that 65.5% of respondents agreed that staff response time to serve customer was a performance measure for hotel and restaurant SMEs sector. However, 14.7% were in disagreement, while 26.3% were neutral with the above statement. The analyses reveal that hotel and restaurant SMEs were quick to respond to customers' services. The results demonstrated that hotel and restaurant SMEs had realised that what attracts customer attention was to render quality service

#### 5.3.2.6 Number of customers' complaints

The study examined the degree to which the numbers of customers' complaints usage as a customer performance measure in hotel and restaurant SMEs. The findings indicate that 54.4% of respondents agreed that the number of customers complaints measure customer performance in hotel and restaurant SMEs sector. Nevertheless, 17.8% disagreed and 27.7% were neutral with above the statement, signifying that there were still establishments which were not using the number of customers' complaints as the performance measure. The analysis demonstrates that some hotel and restaurant SMEs focused on the number of customers' complaints in order to provide better goods and services. Hotel and restaurant SMEs observed a large number of complaints that decreases customer growth in the sector (Al-Azzam, 2016).

### 5.3.3 Learning and growth performance measures

The study assessed the extent to which the learning and growth performance measures are used and implemented for hotel and restaurant SMEs growth. The learning and growth assessed activities included: performance of crucial staff turnover; employees' satisfaction level, the total number of a worker injured (safety and health measures) and human resources development cost and employee performance.

### 5.3.3.1 Percentage of key staff turnover

The research results reveal that 43.1 % of respondents agreed that the percentage of staff turnover was used and implemented for learning and growth performance measures in hotel and restaurant SMEs sector. The results further indicate that 27.9% were in disagreement, while 29.1% were neutral to the statement. Although the majority of respondents agreed to the statement, the analysis demonstrates that crucial staff leaving the organization might not be an issue or the respondents were clueless about the importance of the staff turnover because when the disagreement notion and neutral percentages were combined, the result would be above 50% which then become disagreed with the statement. The above results suggest that hotel and restaurant SMEs do pay much attention to staff turnover, although most participants agreed to it. The low percentage of crucial staff leaving the organization is competitive strategy because the experience and training development invested to individual employees would not retain anywhere else and the hotel and restaurant SMEs would have to restart again (Kala, 2014).

### 5.3.3.2 Employees satisfaction level

The results of the study revealed that 59% of respondents agreed that hotel and restaurant SMEs used employees' satisfaction level to measure learning and growth performance. However, 19.4% disagreed, while 19.7% were neutral to the above statement. Since the respondents who agreed were below 50%, this analysis indicated that the majority of hotel and restaurant SMEs took into consideration the employees satisfactions. The employees' satisfaction is directly affecting the effectiveness of the employees (internal process), and if not yet addressed, it would have an impact to customer services (Kaplan and Norton (2001) in the balanced scorecard cause-effect relations model.

### 5.3.3.3 Total number of injured workers (health and safety)

The findings of the study indicate that 44% of respondents agreed that the total number of injured workers was a measure for learning and growth performance in hotel and restaurant SMEs sector. Nevertheless, 25.9% of respondents were in disagreement, while 30.1 % of respondents were neutral of the statement. This analysis demonstrated that most hotel and restaurant SMEs to put more emphasis on health and safety measures of the employees. The analysis demonstrated that

SMEs have complied with health and safety laws and regulations enacted by the country and the International Labour Organization (ILO) conventions.

#### *5.3.3.4 Human Resources development cost*

The results in this study showed that 49.5% of respondents agreed that human resources development cost was a measure for learning and growth performance in hotel and restaurant SMEs sector. However, 26.2% of respondents were in disagreement, whereas 24.3% were middle-of-the-road to the above statement. The analysis of the responses to this statement revealed that while some hotel and restaurant SMEs sector had budgeted for human resources development, and others have not. The analysis supported the previous study that training of the employees improved the quality of guests and customer satisfaction level (Gesage, 2015).

#### *5.3.3.5 Employee performance*

The findings of the study indicated that 68.3% of respondents agreed that the employee's performance was to measure learning and growth performance in hotel and restaurant SMEs sector. Nevertheless, only 13.8% of respondents disagreed on the statement, while 17.9% were impartial to it. The analysis of responses revealed that hotel and restaurant SMEs used employee's performance as a measure for learning and growth. These results suggest that the hospitality and tourism sector's emphasis is more on employees' performance as a measure for learning and growth performance. These findings are in line with balanced scorecard used as a performance measurement tool for large and small and medium enterprises (Kirsten et al., 2015)

#### *5.3.3.6 Time to launch a new product or service*

The results reveal that 49.1% of respondents agreed that time to launch new products or service was to measure learning and growth performance. However, 20.9% were in disagreement, and 30.1% were neutral of the statement. The analysis established that hotel and tourism set time to launch new products or service for the customers were not influenced by the competitors, but by the market. This analysis confirms that customer feedback helps hotel and tourism when to launch the new product or service (Abofaied, 2017).

### 5.3.4 Financial performance measures

On the overall, the findings show that the majority of the respondents agreed that the financial performance measure of the balanced scorecard was used and implemented or the organization's growth (n=148, 46.3%), neutral respondents (n=119, 37%) and disagreed respondents (n=54, 16.7%). Specifically, financial performance measures used were Gross Net Profit Percentage and organizational activities against the budget.

#### *5.3.4.1 Gross and net profit percentage*

As highlighted in earlier findings, the majority of respondents (46.5) agreed that gross and net operation profit percentage was to measure financial performance in the hotel and restaurant SMEs sector. Nonetheless, 37.2% of the respondents did not decide to the statement above whereas 16.3 % of respondents were in disagreement to the statement that gross net profit percentage used as a financial performance measure for hotel and restaurant SMEs growth. This analysis of the results demonstrates that despite the usage of the financial performance measure, hotel and tourism employees were not aware that management used profit percentage to measure financial performance. The analysis also demonstrated that when merged the disagreement and undecided responses, then the respondents generally disagreed that gross and net profit percentage used as a performance measure for the financial measure in hotel and restaurant SMEs sector. These findings contradicted those of previous studies by  Jovanović and Jovanović (2016) and Camisón et al. (2016) who highlighted that tourism sector used profit as a tool to measure financial performance between 2009 and 2013 financial year in the Republic of Serbia. This contradiction may emanate from varying employee experiences in these different global locations. However, this is an area that may require further investigations on why hotel and restaurant SMEs sector ranked the financial performance measures lower than the other three non –financial measures.

#### *5.3.4.2 Organizational activities cost against budget*

The results of the study indicated that the majority of respondents (46.1%) used organizational activities cost against the budget to measure financial performance for hotel and restaurant SMEs growth. However, the results were not convincing much because 36.6% were undecided, while 17.1% disagreed to the statement. When totalling the two hazy responses, the respondents would end undecided or disagreed to the statement. It was, therefore, essential to investigate further why the agreed respondents' results were below 50%. This analysis indicates that most hotel and restaurant SMEs did not involve the staff preparation of the formal budget, or the non-budget preparation altogether. The results analysis support 2001-2009 published articles recognised that only six research studies were focusing on management accounting, budget preparation and participation in the SMEs sector (Sainaghi et al., 2018), Peiró-Signes et al. (2014).

### 5.3.5 Summary

The overall results of respondents' (57.6%) agreed that hotel and tourism small and medium enterprises used and implemented the four balanced scorecard performance measures for hotel and tourism small and medium enterprise growth in Eswatini. However, the results reveal that financial performance measures were ranked the lowest among the four perspectives. The findings were a contradiction to the previous studies which claimed that organization irrespective of size pay not more attention to financial performance measures than non-financial perspectives (Kala, 2014). This finding reverses the proposition from previous studies where financial perspective was ranked the highest in the study of balanced scorecard practices of medium and large enterprises in the province of Pampanga(Cristina and Naguit, 2017). The findings of the study also oppose results of Gesage et al., (2015), Kala (2014), who found that hotels in Nairobi Kenya used the balanced scorecard performance measures to develop the budgets, and also used to evaluate the financial performance of hotels. The findings opposed Maduekwe and Kamala (2015), who also confirmed that most small and medium enterprises in Cape metropolis, South Africa regularly used the financial perspective of the balanced scorecard more than non-financial perspectives to measure their performance. As highlighted that research method used in this study was explanatory sequential methods, a further investigation had used to find the reason why the financial performance measures were ranked the lowest in hotel and restaurant SMEs sector. The findings were in line with Creswell and Cresswell (2018), who stated that the usage of this method, the qualitative results help explain the quantitative results.

The findings of the quantitative survey led the researcher to investigate why a financial perspective was least used and implemented as a performance measure in hotel and tourism small and medium enterprises sector. The follow-up interview from fourteen participants gave in-depth insight and understanding rational for least used of financial perspectives. There were several reasons which the fourteen participants explained. Participants claimed that the financial perspective was the least used because the respondents lacked the financial understanding and skills on financial performance, and thus it was rated low. The results were a confirmation of the previous statement by (Kirsten et al., 2015), who claimed that small and medium enterprises accountants knowledgeable and skilful in calculating the financial performance. The results imply that the financial perspective performance measure requires financial accountants. Participants also highlighted that financial performance measures were highly confidential information, and they did not want to disclose financial information such as profitability and budgets because such is a responsibility of officers in high-level positions in the organization.

Other participants argued that financial performance was least ranked among the four perspectives because respondents in the quantitative study focused more on operations activities such efficiency and effectiveness in delivering quality, timely and cost-effective services to customers than paying attention to financial performance. They claimed that the performance measures remained the executive management and directors' responsibility. Participants also claimed that financial perspective performance measure was ranked lowest because hotel and tourism small and medium enterprises were family-owned and financial information such as budgets and profitability remained confidential information which was only known by close members of the family. Another reason they highlighted was that hotel and tourism small-medium enterprises sector usually do not hold a meeting with the staff members to discuss the budget since most of these establishments privately owned.

In conclusion, the study reveals hotel and tourism used and implemented the four perspectives of the balanced scorecard for performance measurement in hotel and tourism small and medium sector. However, the analysis reveals that financial performance measures were least used and implemented for hotel and restaurant SMEs growth. A further follow-up interview was to get more detailed about why financial performance measures not mainly used and implemented. The qualitative results revealed that financial performance measures not frequently used because financial information such as profit was confidential information, and staff were not privy to such information. This support the earlier discussion of why 37% of the respondents were neutral while

17% total disagrees to the statement stated. Moreover, the staff were not involved in the preparation and management budget in small and medium enterprises sector.

## 5.4 The significance of the association between financial and non-financial performance measures

This section examined the association between financial and non-financial performance measures. The Pearson Chi-Square was used to examine the significance of the association between non-financial performance (customers, internal business process and learning and growth) and financial performance measures. As highlighted in Chapter 3, methodology, a non-parametric Pearson Chi-Square test had used to test the significance of the association. Where the PV – Value ≤ 0.05 or .001 implies that there was a significant association or relationship between the two variables. Since this was explanatory mixed sequential, the next step was to conduct a further investigation of why the association was significant in each case.

### 5.4.1 Association between Customer performance measures and financial performance measures

The results revealed that there was a significant association between customers and financial measures (Chi=square =629,487, p=.000) for hotel and restaurant SMEs growth. The analysis indicated that financial performance relied upon customer measures for hotel and restaurant SMEs growth, The research findings confirmed that most hotel and restaurant SMEs relate their financial performance growth based on customer performance measure such as the number of bookings and number of complaints about the business and financial growth(Gesage, 2015). This study further confirmed that hotel and restaurant SMEs revenue generation was associated with customers cares hotels of Zimbabwe (Ngwenya, 2013).

### 5.4.2 Association between internal business processes and financial performance measures

The findings of the study indicated that there was an association between internal business process and financial performance measures (Chi-square = 513.999, p=.000) for hotel and restaurant SMEs growth. The statistical test analysis results suggested that internal business processes such as efficient and effective in service delivery influenced the financial performance of the organization. The analysis demonstrated that the hotel and restaurant SMEs sector had a flexible and innovative internal business process that adapts to internal and external environmental factors for financial growth. This statistical analysis illustrated that hotel, and financial performance growth was associated with how flexible the internal business process system to conform to customer growth demand (Elbannaa et al., 2015).

### 5.4.3 Association between learning and growth performance measures and learning and growth measures

The results revealed that internal business performance measures were directly associated with financial performance measures (Chi-square = 724.278, p=.000) for hotel and restaurant SMEs growth. The statistical test result demonstrated that the financial performance of hotel and tourism rely on learning and growth in particularly human resources skills and technology advancement. The results analyses also confirmed that high skilled of employees such as Chef had a sign of association towards financial growth(Sitawati, 2015). Furthermore, the analysis indicated that the feed-forward used of the balanced scorecard was associated with the development of new capabilities and exploratory initiatives for financial growth(Malagueño et al., 2018).

### 5.4.5 Aggregate association between financial and non-financial performance measures

The follow-up results of the current study concurred with earlier results of the quantitative research. The findings of the study proposition that eight participants explained that financial performance measures such as profitability were associated with customers' measures because financial performance of hotel and tourism small and medium enterprises were associated with the level of customer service. The results disclosed that one participant pointed out that when hotel and restaurant SMEs sector-focused more on high-quality customer services, hotels would realise high sales and increased in the profitability of their establishments. Furthermore, the results indicated that two participants also highlighted that financial performance was associated with cost accounting of services or product rendered to customers. The results of the follow-up interview confirmed and complemented surveyed preceding results that non-financial for performance measures were in line with financial measures such as profitability.

Furthermore, participants in the follow-up interview stated that there was the budget and non-financial performance measures such as customer services because budgets guide management to plan for activities that were demanded by the customers. However, results of the follow-up interview revealed that financial performance measures like a budget were not associated with customer performance measures because owners or of hotel and tourism small and medium enterprise sector prepared budgets without involving staff member including even general managers since the business was considered a private and family-owned one.

In conclusion, the qualitative results concurred with Person chi-Square statistical test that revealed the association between financial performance measures and non-financial measures except one scenario where participant revealed that non-financial performance measure was not associated with financial measures. These financial performance measures such as budgets because owners of hotel and tourism prepared budgets without engaging staff who deal with customers daily.

## 5.5 The financial and non-financial critical success factors contributing to BSC performance measures

This section examines the critical success factors based on four perspectives of four balanced scorecards that influenced the BSC performance measures for SME's growth. The previous chapter 4 summarised that findings. This section would, therefore, itemise the responses and give a conclusion at the end. The financial and non-financial factors include financial related Critical Success factors, customers related CS factors, internal business process related CS factors and learning and growth-related CS factors. The section also explains how the critical success factors contributed to four BSc performance measures and then concluded.

### 5.5.1 Financial Critical Success Factors

This subsection covers the rate of rooms, facility and services, free ancillary services such as Wi-Fi, Accuracy billing and payments systems and cost of food and beverages as critical success factors for BSC performance measures.

#### *5.5.1.1 The rate of a room, facilities and service*

The finding of the study revealed that 71.1% of the respondents agreed that the rate of rooms, facilities and services were financial critical success factors adopted for financial performance measures in the hotel and restaurant SMEs sector. However, 17.8% were neutral while 10.8% disagreed that rate of rooms, facilities and services were critical success factors for financial performance in hotel and restaurant SMEs sector. This analysis suggests that the sector benchmark their fees, facility standard and services with another counterpart in Eswatini and South Africa. This analysis is consistent with (Wang and Hung, 2015) findings that customers considered room and bathroom amenities as well as comfortable bedding as critical success factors to increase sales per room per day.

#### *5.5.1.2 Free ancillary services*

The findings of the study revealed that 64.6% of customers in the hotel and restaurant SMEs sector prefer facilities with free ancillary services such as Wi-Fi. However, 9.9% of respondents disagreed on this notion, while 25.5% neutral to the statement. This analysis indicates that customers would prefer accommodation or tourism establishments that have free ancillary services such as Wi-Fi so that they could continue doing business and interact with families away from home. The analysis also suggests that the free ancillary services such as Wi-Fi were differentiation strategies that hotel and restaurant SMEs could employ to command a high price premium that would increase the profit margin (Sitawati, 2015).

#### *5.5.1.3 Accuracy billing and payment system*

The results of the study revealed that 69.3% of respondents agreed that accuracy billing and payment were critical success factors for financial performance measures in the hotel and restaurant SMEs sector. Nevertheless, 24% were neutral, and only 6.75 disagreed to the above statement. These results indicate that both customers and suppliers prefer accurate billing systems such as online payment. This analysis confirms that customers review room rates online, and would know the prices before they even book for the house. The customers would expect to charges of the same price which they reviewed from travel and tours search sites such as the Trip Advisor or booking.com (Wang and Hung, 2015).

#### *5.5.1.4 Cost of food and beverages*

The findings of the study revealed that 71.1% of respondents agreed on the cost of food and beverages that was a critical success factor for performance measures in the hotel and restaurant SMEs sector. However, only 6.7% were in disagreement, and 22.2% were impartial with the statement above. The analysis suggests that most organizations were very critical success factor for managing cost for food and beverages in hotel and restaurant SMEs in order the maximize profit from the sales. The analysis of the study findings confirms that accounting based on financial measures such as operating margins and financial ratios to evaluate their performance.

#### *5.5.1.5 Aggregation of financial critical success factors*

In summary, 69.2% of respondents agreed that financial critical success factors such fees for night rooms, free internet, proper accounting and cost accounting for both services and products offered by the accommodation establishments. However, only 8.5% of respondents were in disagreement, while 22.1% disagreed with the statement.  This summary analysis indicates that hotel and restaurant SMEs understand what the critical thing that would make them financially successful was.

## 5.5.2 Customers Critical Success factors

This subsection covers customer critical success factor that contributes to balanced scorecard performance measures for hotel and restaurant SMEs growth. These customer critical success factors include customer service, customer loyalty, repeat customers, facility attractiveness and safety, well known organizational brand and convenient customer location.

### *5.5.2.1 Customer service*

The results of the study reveal that 77% of respondents agreed that customer service was a critical success factor for customers in the hotel and restaurant SMEs sector. Only 9% were in disagreement while 14% were non-aligned with the statement. The analysis of the results indicates that the organizations were very particular with customer services. The above analysis is consistent with previous findings that the demand for service in hotel accommodation was derived function of tourist and there hotel and restaurant SMEs know that hotel services were in the function of travel (Ćorluka et al., 2017)

### *5.5.2.2 Customer loyalty*

The findings of the study reveal that 70 % agreed that customer loyalty was one of the critical success factors for customers marketing strategy. However, only 7.1% were in disagreement with the statement, while 22.8% were neutral. This analysis suggests that trustworthiness is a characteristic that motivates customers to book in the establishment. The analysis of the findings in this study confirms that thriving hotel and restaurant SMEs sector focused on how customers perceived the quality of service, and set customer performance measures that enhance customer satisfaction (Kala and Bagri, 2014). Furthermore, the results support Manzo (2018) suggestion that in today's globalized market, the size of the flow of tourists to a particular destination determined by the world tourism industry, represented by tour operators, travel agents and transport services in the countries of tourists' origin. Further, the results also indicate that service innovation was a source of competitive advantage of the organization since new service could help to attract new customers, increase customer loyalty, build new market opportunities, increase sales and profitability growth (Tang et al., 2013).

#### *5.5.2.3 Repeat customers*

The results reveal that 74.7% agreed that repeat customers were mainly critical success factor for hotel and restaurant SMEs sector. Nevertheless, 7.4% of respondents disagreed to the observation, while 17.8% were neutral in this sentiment. This analysis implied that hotel and restaurant SMEs knew that repeat customers promote the establishment to potential visitors through the word of mouth when excellent services rendered, but when service was poor they would speak negatively about the hotel or tourism SMEs sector. This analysis concurs with previous studies that repeat customers were not preferred the hotel or tourism establishment, but also talk about the service they received from hotel or tourism to his friends, family members and others back in the country of origin  (Christie et al., 2013).

#### *5.5.2.4 Facility attractiveness and safety*

The results show that 74.6% of respondents agreed that facility attractiveness and safety were customer critical success factor in hotel and restaurant SMEs sector. However, 7.7% of the respondents were in disagreement with the statement, whereas 17.6% were neutral to it. This analysis suggests that most organization focused on facility attractiveness like cleanness, beautification of the sounding, and safeness as critical success factors for current and potential customers. The analysis of this data is not consistent with the negative report from the World Bank on sub-Sahara Region in 2013, which stated that the hospitality and tourism sector standard of accommodation was deficient compared to developed countries. That infrastructure was not attractive at all (Christie et al., 2013).

### *5.5.2.5 Well known organization brand;*

The finding of the study indicates that 75.6 % agreed that a well-known organizational brand was one of the customers' critical factors for business success. Nevertheless, 10% disagreed, while 14.4% were neutral to the statement. The results in this study suggest that hotel and restaurant SMEs had recognized that the brand name attracts more customers in the industry. As a result, the most organization in this industry participate in regional tourism promotions such as Tourism Indaba in Durban and other trade fares to market their products and services. The analysis supports the view that the brand should communicate to all staff members, and staff should be empowered with the right skills so that the brand performance would improve.

### *5.5.2.6 Convenient location to customers*

The results reveal that 70.3% agreed that convenient location was the critical success factor for attracting customers into the hotel and restaurant SMEs sector. Nonetheless, 10.9% of respondents disagreed, while 18.8% were impartial to the statement. The analysis indicates that customers have different expectations of locations destination. These results indicate that customers prefer a convenient location which would either be a hotel establishment away from business areas, whereas others might prefer remote areas where it is hushed, but have places of interest. These research findings confirmed that location in a quiet place is a critical success factor because customers relaxed in those premises (Wang and Hung, 2015).

### *5.5.2.7 Aggregation of customers critical success factors*

The overall aggregate of the customer, critical success factors, indicated that 73.7% of respondents agreed to the statement that critical success factors contributed to balanced scorecard performance measures for hotel and restaurant SMEs growth. However, only 8.7% of respondents were in disagreement, whereas 17.6% were neutral that customers' critical success factors contributed to balanced scorecard performance measures for hotel and restaurant SMEs growth. These results indicate that customer services, customer loyalty and repeat customers were critical success factors to BSC performance measure for hotel and restaurant SMEs growth. Moreover, facility attractiveness, well-known brand and convenient location were also customer critical success factors to balanced scorecard performance measures for hotel and restaurant SMEs sector.

### 5.5.3 Internal business process critical success factors

This section describes the assessment of the extent that internal business critical success factors contribute to balanced scorecard performance measures for hotel and restaurant SMEs growth. The internal critical success factors included quality of the product offered, effective reservation process, facility cleanliness and quality service rendered.

#### *5.5.3.1 Quality of product offered*

The results reveal that 71.3% of respondents agreed that the quality of product offered was an internal business process; critical success factors contributed to BSC performance measures for hotel and restaurant SMEs growth. Nevertheless, 13.1% of respondents were in disagreement, while 15.6% were impartial on the above statement. The analysis revealed that hotel and restaurant SMEs offered high-quality product to customers. Thus the numbers of customers visiting the hotel establishment were increasing on an annual basis. For example, before the Corona Virus 29 pandemic explosion, the Eswatini Tourism Authority reported that on average 86% of European were first visitors while 14% were repeating ones and 84% of North America visitors were first-time visitors whereas 16% were repeaters (Authority, 2018).

#### *5.5.3.2 Effective reservation process*

The findings of the study indicate that 59% agreed that active reservation was an internal business process critical success factors for balanced scorecard performance measures for hotel and restaurant SMEs growth. However, 12.2% of respondents were in disagreement with the statement, while 28.8% were neutral. The study results indicated that the majority of organizations in the hotel and tourism sector were most effective in processing reservations. The analysis confirmed that the central reservation systems (CRSs) did not only provide Destination Management Organizations (DMOs) with new sources of revenue, but it also provided the on-going accommodation and attraction booking process which create rich databases that when mined, and can provide DMOs with relevant and timely performance measures (Elliot and Joppe, 2016).

#### *5.5.3.3 Facility cleanliness*

The majority of hotel and tourism sector participants agreed that the cleanliness of the facility was an internal business process critical success factor contributing to balanced scorecard performance measure for hotel and restaurant SMEs growth. A total of 79% agreed, 7.1% disagreed, and 13.9% were neutral with the above statement. This analysis revealed the importance of cleanliness in hotel and restaurant SMEs as a critical factor that also drew more customers to the business. This analysis was in line with previous studies where customers complained about dirt in specific spaces of the establishments, and some raised concern about dirty towels, messy and dirty courtyards as critical factors that cause failure in hotel and restaurant SMEs in the industry (Wang and Hung, 2015).

#### *55.3.4 Quality of food and beverages offered*

The results revealed that 66.2% of respondents agreed that quality food and available beverages were internal business process critical success factors contributing to balanced scorecard performance measures for hotel and SMEs growth. However, 10.3% were in disagreement with statement whereas 23.5% were neural with it. The analysis revealed that hotel and restaurant SMEs had qualified people who cook food for the customers. The analysis concurred with findings of Sitawati (2015), that customers preferred hotel and tourism establishment with qualified staff members who prepared tasty meals and have all beverages required.

#### *5.5.3.5 Quality of service rendered*

The majority of hotel and restaurant SMEs sector agreed that quality service rendered was internal business process critical success factor influencing to balanced scorecard performance measures for business growth. The results revealed that 72% agreed, 6.5% were in disagreement, and 15.2% were neutral with the statement above. These findings of the study revealed that most hotel and restaurant SMEs offered a better quality of service towards customers. The analysis suggested that hotel and tourism should put forward the concept of how to satisfied customers with better quality service. The findings supported previous results quality service rendered was a competitive strategy for the internal business process (Sitawati, 2015).

#### *5.5.3.6 Aggregation of internal business process critical success factors*

The overall aggregate for internal business process critical success factors indicated that 69.5% agreed that internal business process critical success factors contributed to the balanced scorecard performance measures for hotel and restaurant SMEs growth. However, 9.84% were in disagreement with the statement, while 19.4% were neutral. Generally, the results revealed that critical success factors such quality service and product offered, facility cleanness, quality of food and beverages offered and reservation processed were internal business processes contributed to BSC performance measures for hotel and restaurant SMEs growth.

### 5.5.4 Learning and growth critical success factors

This section examines the extent of learning and growth critical success factors contributed to Balanced Scorecard performance measures for hotel and restaurant SMEs growth. The learning and growth critical success factors included experienced staff members, useful and active management, staff appearance to customers, well-trained employee, low staff turned over, satisfied employees and technology advancement.

#### *5.5.4.1 Experienced staff members*

The majority of the hotel and restaurant SMEs agreed that the experience of staff members was a learning and growth critical success factors contributed to balanced scorecard performance measures for business growth. A total of 73.6% agreed, 12% disagreed, and 14.4 % were neutral with the statement. The analysis revealed that all hotel and tourism prefer well-experienced staff members to work in their businesses. This analysis suggests that most organizations recruit and retain experienced staff members in order to uplift the standard of their performance in services.

The analysis is in line with the one discussed under internal business process critical success factors.

#### *5.5.4.2 Good and effective management*

The results of the study reveal that hotel and restaurant SMEs learning and growth critical success factor was a good and effective management system that contribute to the balanced scorecard for business growth. A total of 63.3% of respondents agreed on the statement. However, 15.4% of respondents disagreed yet 21% were neutral that proper and effective management were critical success factor for learning and growth balanced to growth hotel and restaurant SMEs sector. This analysis implies that hotel and restaurant SMEs required effective and proper management in order to be successful in business. Kirsten et al. (2015), stated that proper and effective managers should be exposed to BSC to manage and measure business performances in small and medium enterprises.

### *5.5.4.3 Staff appearance to customers*

The results revealed that 68.5% of respondents agreed that staff appearance to customers where learning and growth critical success factors for hotel and restaurant SMEs sector. However, 11.9% of respondents were in disagreement, whereas 19.6% were neutral to the statement. This analysis suggests that most of the hotel and tourism organization emphasis on proper dress code and cleanness of staff when serving customers.

### *5.5.4.4 Well trained employees*

The findings of the research study indicated that well-trained employees were a learning and growth critical success factor which contributed to balanced scorecard performance measures for hotel and restaurant SMEs growth. The results revealed that 64.1% agreed on the above statement. However, 13% of respondents were in disagreement, whereas 22.9% were neutral to the statement above. This analysis reveals that the industry considers well-trained employees as learning and growth critical success factor for hotel and restaurant SMEs growth. The analysis suggested that hotel and restaurant SMEs needed to invest comprehensively in selection, training, performance appraisal and compensation (Sitawati, 2015).

#### *5.5.4.5 Low staff turnover*

The results reveal that 52.4% of respondents agreed that low staff turnover was a critical success factor for hotel and restaurant SMEs growth. However, 20.8% of respondents were in disagreement, while 27.2% of respondents were neutral with the statement. This analysis reveals that low staff turnover could be a competitive strategy for hotel and restaurant SMEs sector. The analysis also suggests that the working experience and the unemployment rate could be a result of low staff turnover.

#### *5.5.4.6 Satisfied employees*

The majority of the hotel and tourism respondents indicated that employees' satisfaction was a learning and growth critical success factors for organizational growth. The results of the study revealed that 61.8% of respondents were with the statement. Nonetheless, 20.8% were in disagreement with statement whereas 27.4% were impartial with the statement. This analysis suggests that employees' satisfaction increase staff productivity in an organization. This analysis concurs with previous studies which indicated staff motivation factors would performing the task and awarded according to their performance (Sitawati, 2015).

#### *5.5.4.7 Technology advancement*

The majority of the respondents in hotel and restaurant SMEs sector agreed that technology advancement was a critical success factor for business growth. A total of 55.3% agreed to the above statement, whereas 14.2% were in disagreement with it. About 30.5% of respondents were neutral to the above statement. This statement suggests hotel and tourism establishment upgraded their technology system to be in line with what was happening in the hospitality and tourism industry. These results supported previous findings that technology advancements improve te business operations since the industry depend on technology for reservations, payments and room smartcards taking orders from eating places and many more (Ahmad et al., 2019).

#### *5.5.4.8 Aggregation of learning and growth critical success factors*

The overall aggregate respondents indicated that learning and growth critical success factors contribute to balanced scorecard performance measures for hotel and restaurant SMEs growth. A total of 62.8% agreed with the statement, 15.4% disagreed, and 23.3% were neutral to the statement above. This analysis suggests that the hotel and restaurant SMEs sector used learning and growth critical success factors variables to enhance balanced scorecard performance measures for hotel and restaurant SMEs sector. The implication of the analysis is that hotel and restaurant SMEs sector emphasis on staff experience, excellent and practical management, staff appearance, well-trained employees, low staff turnover, employees' satisfaction and technology advancement as a critical success factor.

### 5.5.5 Summary of critical success factors contributing to BSC performance measures

In summary, the overall respondents agreed that financial and non-financial critical success factors contributed to the balanced scorecard performance measures for hotel and restaurant SMEs growth. The results revealed that 68.8% agreed, 10.6% disagreed and 20.6% neutral that financial and non-financial critical factors contributed to the balanced scorecard performance measures. Specifically, the financial critical success factors included rate for the rooms, internet free availability, proper accounting of customer bills. In contrast, the critical customer issues include customer service, customer loyalty, repeat customers attractiveness of the facility, well-know the brand and convenient for the location.

Internal business process critical success factors included quality service and product, facility cleanness, quality of food and effective reservation process. The critical success factors for learning and growth included staff experience, excellent and practical management, staff appearance, well-trained employees, low staff turnover, employees' satisfaction level and technology advancement.

The follow-up enquired aimed to get a deeper understanding of why financial and non-financial critical success factors adopted for hotel and restaurant SMEs growth. Participants raised several reasons for adopting the critical success factors. For instance, participants pointed out that customer satisfaction was the main critical success factor because, without customers, they would be no business activity. The quantitative results supported these findings that customer satisfaction was one of the customer critical success factors. However, some participants argued that customer satisfaction might not be decisive, critical success factors because of customers not bound by the bookings they made online, and they could also get another accommodation if they realised what was advertise was different from what they found in arrival. The analysis supported quantitative findings since some respondents were either neutral or disagreement with the statement given in the questionnaire. Participants also highlighted that quality service was the critical success factors for hotel and restaurant SMEs sector because it established a relationship between customers and staff. This relationship might go a long way since employees understand the customer needs very well, the quality service also would build honesty feedback from the customers, and they would understand the cultural difference of individual customers. These findings concurred with quantitative results because respondents also agreed that customer service was the critical success factor for hotel and restaurant SMEs sector.

In conclusion, the financial and non-financial qualitative results supported the quantitative result findings on why the most hotel and tourism adopted the critical success factors for hotel and tourism growth. Although the other balanced scorecard perspectives were not under the second phase the qualitative findings, both participants and respondents raised customer satisfaction and quality service the critical success factor for hotel and restaurant SMEs sector. Nonetheless, most participants agreed that finical and non-financial (customers, internal business process and learning and growth were critical success factor to balanced scorecard performance measures for hotel and restaurant SMEs growth.

## 5.6 The significance of the association between financial and non-financial critical success factors and balanced scorecard performance

This section assessed the association between financial and non-financial significant success factor to enhance BSC performance measures for hotel and restaurant SMEs growth. Specifically, the association between critical success factors and non-financial critical success factors (customer, internal business process and learning and growth) for SMEs growth.

The detailed statistical analysis test indicated that there was the significance of the association between critical success factors with BSC performance measures for the hotel and restaurant SMEs growth. The statistical test revealed that $P \leq 0$, which reflected association, was significant. The analysis showed that all financial critical success factors were associated with each other and that all of the non-financial performance measures variables were significantly associated with other critical success factors variables. The overall research findings indicated that there were significant interconnectedness and interdependence between the four variables under critical success factors.

Following the Pearson Chi-Square statistical analysis on significant of association, a follow-up interview conducted to assess why there was a significant association between financial critical success factors with non-financial performance measures (customers, internal business process and learning growth) for hotel and restaurant SMEs growth. Participants gave several reasons.

#### *5.6.1.1 Number of booking associated with customer satisfaction*

As a follow-up interview, participants asked to explain whether the number of bookings was associated with customer satisfaction. Eleven participants stated that the number of booking was associated with customer satisfaction because customers through word of mouth could promote positive or negative publicity about the condition of the house and treatment received from the staff. The analysis of the interview results supported the earlier quantitative results that there was an association between the number of bookings and customers satisfactions. The mixed analysis results suggested that customer satisfaction level evaluation occurred based on the rate of houses or events booking in hotel and tourism SME sector. This combined analysis also demonstrated that when the customers were happy with service, they would come back with customers.  The increase in repeat and loyal customers raised the demand, which sometimes small and medium enterprises failed to content as it might be too expansive. This proposition supported the findings that where there was an increase in customer demands, SMEs find it challenging to maintain them and often refer them to competitors(Chiun Lo et al., 2016).

However, some participants argued that customer satisfaction was not associated with the number of bookings because customer booked online, and they might not review previous customers' comments on the service. Although few participants claimed that there was no association between the number of bookings and customer satisfaction, they raised a pertinent point because previous studies indicated that guest in the hotel regular rate the accommodation standard based on cleanness, value for money and treatment received from the staff and then share the comments online (Ahmad et al., 2019). The comments are viewed by potential customers who had not yet booked in the hotel, and if they were negative, they would not continue with the booking. Other claimed that customer satisfaction would not be associated with the number of bookings because what drives a customer would be based on how to market the offered product and services. Few participants also claimed that the number of bookings could not be associated with customer satisfaction because of each establishment benchmark its performance-based other hotel and restaurant SMEs establishment from South Africa.

#### *5.6.1.2 Response rate to customer services associated with actual quality service delivery*

Participants asked to explain whether there was an association between response rate to customer services and actual quality service delivery. About fourteen participants stated that their association between responses rates to customer service with the real quality of service delivered. One reason they put forth was that customers should find the environment conducive, and they should prior notify the customer if they would offer the service. This analysis concurred with quantitative survey summarised results that there was the significance of the association between financial and non-financial critical success factors and balanced scorecard performance for hotel and restaurant SMEs growth. They should avoid the bad publicity of fall, promoting non-existing service or products.

#### *5.6.1.3 Summary of association between financial and non-financial critical success factors and BSC performance measures*

Although there were different view reasons why there was no significant association between numbers of booking were associated with customers' satisfaction, and response rate to customer services related to actual quality service delivery, majority of participants claimed that there was a significant association. This analysis supported the previous study that there was a significant association between financial and non-financial critical successes factors and BSC performance measures such as customers' measures for hotel and restaurant SMEs growth. This analysis demonstrated that establishing association between financial and non-financial critical success factors and balanced scorecard performance measures for hotel and restaurant SMEs sector was a tool to identify a marketing and competitive strategy to attract more customers online and improve the quality service rendered to them. This analysis was in line with previous studies that where the hotel applied the competitive strategy in the form of product differentiation, the higher its financial performance indicated that there was a positive association between competitive strategy and customer-related performance measures(Sitawati, 2015, Wang and Hung, 2015).

## 5.7 The cluster (location), innovations, trust culture, shared value/knowledge sharing theories contribution to BSC performance measures

As highlighted in chapter four, the results indicated that 68.9% of respondents claim that cluster, innovation, shared vision and trust culture theories contributed towards hotel and restaurant SMEs growth in Eswatini. The respondents are ranked as follows: cluster (73.7%), trust culture 68.7%, innovation 67.9% and shared vision (65.5%). This section analyses each of these attributes in detail. This subsection covers the following topics: cluster (location) influencing; innovation contribution; trust culture; shared values/knowledge sharing contributing individual to balanced scorecard performance measures.

### 5.7.1 Innovations influencing BSc performance measures

The study assessed the extent innovation theory contributed to balanced scorecard performance measures for hotel and restaurant SMEs growth. The innovation theories included staff innovation and other services such as entertainment, touring around Eswatini, and customer feedback improves chances of business success.

#### *5.7.1.1 Staff innovation and initiatives*

The results revealed that 64.9% agreed with the statement, 15.2% were in disagreement, and 19.8% were neutral that staff innovation and actions contributed to hotel and restaurant SMEs growth. The figures from the analysis indicate changes and initiatives were still in transition since some hotel and restaurant SMEs consider change should rest with owners of the business. These research findings were pertinent for the survival of the company as highlighted by the World Economic Forum (2014) that without innovation, the organization would not survive in this fast-changing economic and social environment (Pikkemaat et al., 2018).

#### *5.7.1.2 Other services*

A total of 68.2% of respondents indicated that other services such as entertainment and touring contributed to hotel and restaurant SMEs growth in Eswatini while 11.4% disagreed. Out of the respondents, 20.4% of respondents were impartial that other services such as entertainment and touring contributed to the growth of hotel and restaurant SMEs sector. These research findings demonstrated that tourists prefer the hotel and tourism establishment that was the proximity to the entertainment and touring venture venue. These research findings were supported by Tang et al. (2013), who stated that the hotel and tourism small and medium enterprises should not only provide accommodations and dining services but also provided entertainment such as leisure facilities and tours surrounding the attracting.

### 5.7.1.3 Customer feedback improves innovations

A majority of respondents agreed to the statement that customer feedback promotes change in hotel and restaurant SMEs sector. The results indicated that 70.7% agreed, 9.2% disagreed with statement while 29.2% were neutral on it. These research findings supported the proposition that customer feedback was essential to design and deliver services customers required (Schuh et al., 2015). The results demonstrated that customer feedback helps hotel and restaurant SMEs to enhance innovations.

### 5.7.1.4 Aggregate innovation theories

The overall aggregate indicated that hotel and restaurant SMEs promote innovations to some extent. The results revealed that on aggregate, 67.9% agreed on the statement above. Nevertheless, 11.9% were in disagreement, and 23.1% were neutral to the report. This analysis demonstrated that the innovation theory contributes to hotel and restaurant SMEs growth to a certain degree. The present study suggested that innovations were a result of staff ideas and initiatives, use of other services and feedback from customers. The majority of respondents in the quantitative results indicated that innovation contributed to hotel and restaurant SMEs growth. The participants in the follow-up interview stated that innovation contribution was significant because the business could not survive in the fourth industrial digital generation without the invention of the new ideas and new technologies.

Moreover, the majority of participants in the interview results indicated that innovation assists in identifying noncurrent assets the hotel and restaurant SMEs could source to keep abreast various changes occurring in the industry. Again the qualitative results confirmed the quantitative findings in a sense that innovation creates competition in service delivery because employs turned to be more innovative where management had put reward or incentives for staff members who brought a new invention in the business. However, the quantitative results also revealed that some were either neutral or disagreed to the statement. The qualitative findings showed some of the reasons that could result not to oppose the announcement. The follow-up interview results showed that innovation could not contribute to organization growth because it might be costly for small businesses. Secondly, the participants explained that too much innovation could cause staff members to resist change which might bring much destruction in the industry. Overall the qualitative results illustrated why respondents responded in the quantitative research study

### 5.7.2 Shared value theories contributed to BSC performance measures

The study examined the degree share value, or knowledge sharing contributed to the balanced scorecard performance measures for hotel and restaurant SMEs growth in Eswatini. These included the information and knowledge sharing, and from desk staff share information from customer feedback.

#### *5.7.2.1 Information and knowledge sharing*

The vast majority of respondents agreed that information and knowledge sharing throughout sections and departments contributed to the balanced scorecard BSC performance measures for hotel and restaurant SMEs sector. A total of 61.5% agreed, 17.7% disagreed, while 20.7% were neutral. The results indicated that employees in hotel and restaurant SMEs disseminate information and share their experiences with their colleagues, but others keep the information to themselves. The lack of dissemination of information among staff members would result not to give efficient services to customers. These findings were not in line with Tang et al. (2013) findings that shared value stimulates information and knowledge sharing through connecting perspectives from all services members.

#### *5.7.2.2 Front desk staff share information from customers' feedback*

In the hotel and tourism establishment, front desk staff share information from customers' feedback. The study results indicated that 69.5% of respondents agreed that hotel and tourism use the frontline staff members to collect feedback information from customers and share with all other staff members for continuous improvement purpose. However, 12.5% of the respondents were in disagreement with the statement, while 18% were impartial. The analysis demonstrated that some hotel and tourism establishment used the frontline staff members to collect feedback information from customers and share it with other staff members. The findings of the study concurred with previous results that knowledge haring on service innovation capability would not take into account how to combine types of service such as knowledge of technology, service, customers and products (Tang et al., 2013).

#### *5.7.2.3 Aggregate shared value theories*

On aggregate, hotel and restaurant SMEs believed that shared value contributed to performance measures and growth. The results of the study revealed that 65.5% agreed on the statement, while 15.1% were in disagreement. On the other hand, 19.4% were neutral to the report. The analysis demonstrated that share value theory contributes to hotel and restaurant SMEs through knowledge and information sharing and by using the front desk staff members to collect and disseminate information. The explanatory sequential revealed that shared value theories contributed to hotel and restaurant SMEs growth. The quantitative revealed that shared value contributed to organization growth because staff shares their experiences, trusting each other, and this enhances innovation. The first phase results indicated that hotel and restaurant SMEs developed had developed trust culture among themselves, and some staff members were willing to support each other in rendering services to customers. The second phase result revealed that trust established in SMEs sector because trust culture improved customer deficiencies through diverse feedback from staff members who support each other. However, other participants explained why some respondents were neutral and disagreed on the statement. One main reason was that employees had not developed a trust culture because they get tips from customers when they visit the establishment. The tips not shared among themselves, and thus created some differences among the employees because of the financial gain some would have, and others would not.

### 5.7.3 Trust culture contributing to balance scorecard performance measures

The study assessed how the trust culture motivates mutual interaction contributing to the balanced scorecard performance measures. The trust culture results revealed two perspectives, which were: employees developing a trust culture and staff supporting their colleagues.

#### *5.7.3.1 Employees developing trust culture*

The results revealed that through knowledge sharing, employees had developed a trust culture among themselves. The results indicated that 65.9% were agreement agreed with the statement whereas 15.4% disagreed. However, 18.7% of respondent were neutral with the report. This analysis suggested that some hotel and tourism establishments had developed trust culture among the employees while others were not. Again, this study supported Tang et al. (2013) statement that trust culture promotes a relationship on sharing experiences, and it was a core of social interaction.

#### *5.7.3.2 Staff willingness to support others*

Trust culture promotes knowledge sharing through removing communications barriers, desire to encourage others to offer better services and expand communication between individual and business centres (Tang et al., 2013). The results of this study revealed that 71.4% of respondents agreed that staff members were willing to support others when rendering services to customers. However, 12.3% were in disagreement with the statement, while 16.3% were neutral. This analysis suggested that the majority of employees were willing to support each other in hotel and restaurant SMEs sector.

#### *5.7.3.3 Aggregating trust culture*

On aggregate, respondents agreed that trust culture contributes to hotel and restaurant SMEs growth. In summary, the results revealed that hotel and restaurant SMEs developed had developed trust culture among themselves, and some staff members were willing to support each other in rendering services to customers. The aggregated results revealed that 68.7% agreed to the statement while 13.9% were in disagreement. Nevertheless, 17.5% of respondents were neutral to the report. This analysis demonstrated that trust culture fuels mutual interaction among the employees and staff willing to support others in the hotel and restaurant SMEs sector.

### 5.7.4 Cluster (location) contributing BSC performance measures

The statement examined the degree clustering theory contributed to hotel and restaurant SMEs sector growth. The research examined how cluster enhances collaboration and interaction among competitors, participating in information sharing, environmental factors, as well as technology, make customers' book online easily.

#### *5.7.4.1 Collaboration and interaction contributing to BSc performance measures*

Organization location within the Manzini-Mbabane corridor in Eswatini enhanced collaboration and communication among competitors. The results of the study revealed that 77.3% of respondents agreed that cooperation and interaction contributed to BSC performance measures, while 8.5% were in disagreement with the statement. Additionally, 14.5% of respondents were neutral on the account. This analysis suggested that the majority of hotel and restaurant SMEs establishments collaborated and interacted with their counterparts, particularly in referring customers to another when one establishment was full. The findings in this study support the previous findings that though hotel and tourism known for competitiveness approach, the clustering effect enhances collaboration and interaction among the businesses (Peiró-Signes et al., 2014).

#### *5.7.4.2 Organization participating in information sharing contributing to BSc performance measures*

The majority of the organizations within the Manzini-Mbabane corridor engage each other on information sharing. The results revealed that 71.3% of respondents agreed with the above statement, while 10.6% were in disagreement with it. However, 18.1% of respondents were impartial to the statement organization participating in information sharing within the cluster of Manzini-Mbabane corridor. Again the analysis supported previous findings that hotels located inside the group performed better than those outside because of they were able to share information with other hotels within the cluster (Peiró-Signes et al., 2014). Again the analysis concurred with previous studies that consumers prefer hotel next to city centres because they would almost get everything within one place.

#### *5.7.4.3 Location easily influenced by environmental factors contributing to BSc performance measures*

Peiró-Signes et al. (2014), results also revealed that historical trends indicated that inside cluster hotel and restaurant SMEs tends to be more sensitive to the environmental crisis than those outside the cluster. The present study concurred with these findings since 74.3% of respondents agreed that organization located within Manzini – Mbabane corridor claimed environmental factors influenced them. However, 6.47 were in disagreement with the statement while 18.1% were neutral. This analysis suggested that although the hotel and restaurant SMEs inside the cluster were better performing than those outside the group, environmental factors such economic challenges, political instability, technological changes and social life changes were quickly influencing their business.

#### *5.7.4.4 Internet, website and other social networks in the location contributing to BSc performance measures*

The area within Manzini-Mbabane corridor enabled the hotel and restaurant SMEs sector to access the internet, so customers get connected to the network faster and efficiently. The results revealed that 71.9% of respondents agreed that access to the internet, website, and other social network made customers book online easily because the system is fast and better than in the location outside the cluster. However, 7.3% were in disagreement with the statement, whereas 20.8% were in agreement. This analysis suggested that the hotel and restaurant SMEs hotel and restaurant SMEs were established within Manzini-Mbabane corridor because there were useful internet and mobile network for customers. The findings supported the previous results that clustered location attracted concentration and accumulation of knowledge of human capital and proposed technological innovation as a dynamic process of cluster growth accessed by be entry firms (Kuah, 2002).

#### *5.7.4.5 Aggregate cluster theories contributing to BSc performance measures*

On aggregate hotel and tourism, SMEs preferred their businesses to be inside the clustered location than outside even though this would be easily affected by the environmental forces. The total results revealed that 73.7% of respondents agreed to the statement, while 8.2% were in disagreement with the report. Nevertheless, 17.9% of the respondents were impartial to the account that cluster location contributed to the balanced scorecard performance measures. The cluster enhanced collaborations and interactions, competitors share information, and the cluster location tends to have high-speed internet and mobile phone network. However, a majority of hotel and restaurant SMEs sector stated that they were easily affected by environmental factors. The aggregate of quantitative results indicated that the majority of respondents agreed that clustered location contributing to hotel and restaurant SMEs growth. However, they were those who disagreed on that statement. The follow-up interview results emphasized that the clustered area could not influence SMEs growth. They argued that the natural landscape, such as mountains and countrywide marketing strategies affects SMEs growth, not the location. Moreover, participants concurred with neutral and disagreement results because they claimed it is the state of the economy, not the place that contributes to economic growth.

### 5.7.5 Summary of innovation, trust culture, shared value and cluster (location) theories

In summary, the overall respondents agreed that innovation, trust culture, shared value and group approaches contributed to the balanced scorecard performance fore hotel and restaurant SMEs growth. The overall results indicated that 68.9% agreed, 12.3% disagreed, and 19.5% were neutral with the above statement. Specifically, the analysis suggested that innovations were a result of staff ideas and initiatives, use of other services and feedback from customers. This analysis demonstrated that trust culture encourages mutual interaction among the employees and staff willing to support others in the hotel and restaurant SMEs sector. The study showed that share value theory contributes to hotel and restaurant SMEs through knowledge and information sharing and the use of the front desk staff members to collect and disseminate information. The cluster enhances collaborations and interactions, competitors share information, and the cluster location tends to have high-speed internet and mobile phone network. However, a majority of hotel and restaurant SMEs sector stated that they were easily affected by environmental factors.

In conclusion, the results of qualitative research explained the quantitative results. The explanatory sequential method helped to explain why innovation, shared values, trust culture and clustered location contributed to hotel and restaurant SMEs growth. The majority of explanations give a clear justification for why the respondents responded in earlier quantitative results. However, most participants had different views that location contributed to the hotel and tourism small and medium enterprises growth.

## 5.8 The significance of the association between clusters (location), innovations, trust culture, shared value/knowledge sharing theories with BSC performance measures.

In the research findings chapter, it disclosed that there was a significant association between clusters (location), innovations, trust culture and shared value with BSC performance measures. The results revealed that association P-Value = .000 in all the variables. Specifically, the association between cluster, innovation, trust culture and Shared value theories with balanced scorecard performance measures was 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). In this study, the results indicated that there were significant associations at 0.05 level of significance ($p \leq 0.05$) or the 0.01 level of importance ($p \leq 0.01$). The overall research findings indicated that all variables were highly significant interconnectedness and interdependence between the four variables of balanced scorecard performance measures.

Following the Pearson Chi-Square statistical analysis on significant of association, a follow-up qualitative interview conducted to assess why the association was significant between clusters (location), innovations, trust culture, shared value/knowledge sharing theories with BSC performance measures) for hotel and restaurant SMEs growth.

### 5.8.1 Association between profitability and cluster (location)

In the study, participants were to explain why profitability was associated with the area. The majority of participants (11) stated that there was the association between profitability and position because customer-preferred areas within the Manzini –Matsapha corridor because of its accessibility for activities such as business meetings, and also suitable for leisure since it has quiet places preferred by some guests who prefer short distance travel to the central business areas. The data also showed that other guests prefer remote places. The participants who made this point argued that profitability was not associated with the site, but with how the establishment markets the product to increase sales. They also added that profitability was associated with customer relationship and how the customers, through word of mouth, promote y services and products. This analysis of study complemented the previous quantitative findings that showed that the profitability of hotel and restaurant SMEs was associated with location despite the other reasons raised by those opposing it. The analysis demonstrated that hotel and tourism with a cluster of Manzini-Mbabane corridor maximized profit than those which were outside the corridor. The findings supported the (Ćorluka et al., 2017) results that hotel business performance was associated with infrastructure and the positioning itself to market, hotel category, size and location.

### 5.8.2 Association between quality service and innovation

The follow-up interview assessed the significant association between quality service and innovation. Participants gave different reasons on why there was an association between quality service and innovation. Five participants stated there was an association between quality service and innovation because innovations attract new and retain existing customers, management would seek further information, and new inventions improve efficiency and effectiveness in service delivery. The results explained clears why there was a significant association between quality service and innovation as per table 4.6. However, seven participants argued that change was associated with quality services, but financial constraints restrain hotel and restaurant SMEs to explore innovations. Few claimed that quality service rendered was associated with customer demands, not innovation, and also quality service was associated with owners' decision, not innovation. The interview follow-up results supported the quantitative results that quality was associated with innovation. However, there was a useful analysis from the qualitative result that quality service was not associated with innovation. The analyses demonstrated that the quality service customers received was the outcome of innovation processes done within the entities after getting feedback and source more information about competitors. The combined analysis was in line with the previous study, which showed that there was a positive relationship between the user of the balanced scorecard and exploratory innovations(Malagueño et al., 2018). Furthermore, their findings indicated that the associated based on non-controlled result strategy, research and development on sales and collaboration and intangible total asset ratio.

### 5.8.3 Association between employees’ satisfaction and trust culture

The follow-up interview results revealed that employees’ satisfaction was associated with trust culture because staff opened up for suggestion when they were satisfied employment conditions and when they worked as a team to solve the issue of their work. Again the interview results suggested that employees’ satisfaction was associated with trust culture because the industry was full of young people who still have aspirations for growth and such developed trust culture among themselves. The followed interview complemented Table 4.6 findings that there a summary association between trust culture balanced scorecard performance measures. Nevertheless, some participants argued that there was no association between employees’ satisfaction and trust culture. They claimed that people were having different needs so they could be no association between employees’ satisfaction and trust culture. Lastly, there argued that there was no association between employees’ satisfaction and trust culture because employees received tips from customers as individuals and employees’ satisfaction could not be linked to trust perception. The mixed analysis demonstrated that the majority of hotel and restaurant SMEs recognised that there was an association between the level of employees’ satisfaction and the level of trust among themselves even though few had a different viewpoint. The mixed analysis suggested that hotel and tourism should introduce a unique trust culture that value employees as human capital assets for the company. This analysis was in line with the previous study that unique value system becomes a competitive strategy because of uplift employees’ satisfaction level, and in return, they deliver quality service to customers (Sitawati, 2015).

### 5.8.4 Association between customer satisfaction and shared value

The qualitative results also assessed the association between customer satisfaction with shared valued. The majority of participants stated that there was an association between customer satisfaction and shared value. Firstly, when staff received feedback from customers, they worked together to improve customer satisfaction. This analysis complemented the statistical test where $P \leq 0$ in the quantitative analysis where the customer performance measure was associated with share value theories in table 4.6. They also cited that customer satisfaction was related to share value because they worked out to improve customer satisfaction by visiting other establishments to share information on how to improve customer services. The only participant, who argued that there was no association between customer satisfaction and share valued theory, claimed it was associated with quality of service and safety of the hotel and restaurant SMEs sector. This mixed analysis results demonstrated that shared value improves efficiency in operations of the business to meet customer satisfaction. This analysis concurred with findings that creating the shared value as associated with operational and efficiency of hotel and restaurant SMEs to serve the customers better.

### 5.8.5 Summary of association between clusters (location), innovations, trust culture, shared value/knowledge sharing theories with BSC performance measures

The overall summary of the mixed analysis results indicated that variables of balanced scorecard performance measures were associated with cluster (location), trust culture and shared value theories. The analysis of the results suggested that hotel and tourism small and medium enterprises in Eswatini used these theories unconsciously to enhance their financial, market, business, technological and human resources growth. For instance, Chiun Lo et al. (2016), results indicated that there was an association between technology ad balanced scorecard perspectives in hotels of Malaysia. Furthermore, their findings suggested that a technology focus provided SME capability to source technological information and procure new technologies that could be suitable for the business and come out with business results that could not easily imitate.

## 5.9 The financial and non-financial factors influenced BSC;

The section covered in detailed financial and non-financial factors influencing hotel and restaurant SMEs growth in Eswatini. The factors included financial factors, customer factors, internal business process factors and leaning and growth factors.

### 5.9.1 Financial factors influencing hotel and restaurant SMEs growth

The statement assessed the degree to which financial factors were influencing hotel and restaurant SMEs growth in Eswatini. The financial factors included the sales of product and managing costs of the business.

#### *5.9.1.1 Sales of product and services contributed to hotel and restaurant SMEs growth*

The statement aimed to establish whether hotel and restaurant SMEs recognised that the sale of the product and services provided to the business and financial growth. The results revealed that a total of 67.9% of respondents agreed that sales of products and service influences hotel and restaurant SMEs growth. However, 11.2% of respondents disagreed on the statement, while 20.9% were middle-of-the-road that sales of product and services contributed to hotel and restaurant SMEs growth. The analysis showed that many hotel and restaurant SMEs sector recognised that sales of their products and services provided to the business and financial growth. It was worth noting that findings supported earlier analysis where sales and profit realised to increase after introducing new products and services (Fadda, 2018). Moreover, the study concurred with (Ahmad et al., 2018) findings that social networks helped small and medium enterprises to increase their revenue performance-based for existing customers to book in the same hotel frequently.

#### *5.9.1.2 Managing costs of the business contributing to hotel and restaurant SMEs grow*

The statement assessed the extent to which management of business cost was contributing to hotel and restaurant SMEs growth. The results indicated that 63.8% were in agreement with the statement that managing business costs of the business were contributing to the hotel and restaurant SMEs growth. However, 11.4 % disagreed, whereas 24.7% were neutral to the statement. The analysis indicated that most hotel and restaurant SMEs find it very important to manage the business cost to maximize profit. This analysis was in line with previous findings that the leading cause of business failure the lack of financial planning, managing cost of both capital and operational activities(Karadag, 2015). Furthermore, the analysis supported Croce (2018), who found that expenses related to the product or service influences sales as well as the profitability of the hotel and restaurant SMEs sector.

#### *5.9.1.3 Aggregate of financial factors influencing hotel and restaurant SMEs growth*

As earlier stated in chapter four, on aggregate hotel and restaurant SMEs sector agreed that financial factors influenced the hotel and restaurant SMEs growth in Eswatini. The results of the study revealed that 65.9% of respondents agreed on the statement that financial factors contributed to hotel and restaurant SMEs growth. However, 11.3% of respondents were in disagreement, whereas 22.8% were neutral on the account. This analysis suggested that on collectively hotel and restaurant SMEs realised that financial factors influenced business and economic growth. This analysis supported earlier findings that economic factors such as sales and management of cost contributed to profitability and cost containment in hotel and restaurant SMEs sector between 2004 and 2014 (Neirotti et al., 2016).

### 5.9.2 Customer factors influencing hotel and restaurant SMEs growth

The statement aimed to examine the extent to which customer factors influenced hotel and restaurant SMEs growth. Customer factors included customer services and customer entertainment.

#### *5.9.2.1 Customer services contributing to hotel and restaurant SMEs growth*

This statement examined whether customer services influenced balanced scorecard performance measures for hotel and restaurant SMEs growth. The research results revealed that 75.9% of respondents agreed to the statement that customer services influenced hotel and restaurant SMEs growth. However, a total of 7.8% of respondents were in disagreement, while 15.4% were neutral with the statement that customer services changed hotel and restaurant SMEs growth. The analysis indicated that most of hotel and restaurant SMEs emphasised in customer services as one factor that was contributing to financial and business growth. This analysis was in line with earlier findings that customer services became the critical factor in generating income streams from which dividends paid to investors (Ngwenya, 2013).

#### *5.9.2.2 Customer entertainment contributed to hotel and restaurant SMEs sector growth*

Customer entertainment was another factor assessed for influencing hotel and restaurant SMEs sector growth. The results of the study indicated that 61.7% of respondents agreed that customer entertainment contributed to hotel and restaurant SMEs growth. However, 17.3% were in disagreement with the statement, while 21% were neutral with the account that customer entertainment influenced hotel and restaurant SMEs growth. This analysis demonstrated that the organizations consider entertainment as one way to increase the revenue-based while others were not sure or disagreement with that notion. This analysis also implied that more sales and profit most establishments realised when a DJ or someone came to entertain customers in hotel and restaurant SMEs sector.

#### *5.9.2.3 Aggregate customer factors contributing to hotel and restaurant SMEs sector*

The analysis demonstrated that in aggregate that customer factors contributed to hotel and restaurant SMEs growth. The results indicated that in total, 68.8% agreed with the statement, 12.6% disagreed, while 18.2% were in neutral with the report that customer factors contributed to hotel and restaurant SMEs's growth. This analysis, as earlier highlighted, indicated that the majority of hotel and restaurant SMEs were concerned with customer factors such as customer services, and how they entertain customers which contributed to hotel and restaurant SMEs growth.

### 5.9.3 Internal business process factors contributing to hotel and restaurant SMEs growth

The statement examined whether internal business process factors contributed to hotel and restaurant SMEs growth. The internal business process factors included the skills shortage, management expertise, time taken to respond to customer needs and money for purchasing equipment and machinery.

#### *5.9.3.1 Skill shortage contributed to hotel and restaurant SMEs growth.*

The results revealed that 55.4% of respondents that skills shortage contributed to hotel and restaurant SMEs growth while 19.2% were in disagreement with the statement. Furthermore, 25.4% of respondents were neutral on the account. This analysis suggested that almost above half of respondents believed that lack of skills contributed to the inefficiency and effectiveness of the organization, while others found that skills short could not contribute to the internal business processes. There were over ¼ of the respondents who were either agreed not disagreed to the statement. This analysis was in line with previous findings that internal business process factors were not adopted because it required many skills, management expertise and time-consuming (Saleheen et al., 2018).

#### *5.9.3.2 Management expertise contributed to hotel and restaurant SMEs growth*

The statement aimed at assessing whether the current management expertise affected hotel and restaurant SMEs growth. The results of the study indicated that 62.5% of respondents revealed that management expertise affected hotel and restaurant SMEs growth. However, 11.7% of respondents were in disagreement while 25.85 were neutral that management expertise contributed toward hotel and restaurant SMEs growth. This analysis suggested that a majority of hotel and restaurant SMEs growth were backed up by management expertise in the hospitality industry. This study demonstrated that director or owners of hotel and tourism had previous working experience in the sector before they opened their own business. This analysis was in line with earlier findings that most successful small and medium entrepreneurs were results of prior expertise one acquired while still in full-time employment (Kala, 2014).

#### *5.9.3.3 Time taken to respond to customer needs contributing to hotel and restaurant SMEs growth*

The purpose of the statement was to examine whether the time taken to respond to customer needs to contribute to organizational growth. The results revealed that 65.1 % agreed, 14.2% disagreed and 20.8% were neutral to the statement that time taken to respond to customer needs to contribute to hotel and restaurant SMEs growth. This analysis showed that many organizations were quick to attend customers and tried to satisfy their needs as early as possible. The study, however, found there were still those hotels and tourism establishments which were still slow in attending and service customers. The study demonstrated that customers ranked organizations that prompt responding to customer services as high performing. This analysis was in line with previous findings that the customer was highly satisfied with the organization that had improved quality service delivery (Cheluget and Koech, 2018).

#### *5.9.3.4 Money for purchasing equipment and machinery contributed to hotel and restaurant SMEs growth*

The statement examined the extent of money for purchasing equipment and machinery was contributing to hotel and restaurant SMEs growth. The findings indicated that 64.8% of respondents were in agreement of the statement whereas 13.2% disagreed to the statement that funding for purchasing equipment and machinery was a contributing factor for hotel and restaurant SMEs growth. This analysis suggested that majority of the lack of funding for purchasing equipment and machinery for enhancing hotel and restaurant SMEs' growth. This analysis concurred with Christie et al. (2013) finding on harnessing tourism for growth and improved livelihoods in Sub Sahara Africa that one of the existing constraints influencing growth was investor finance for small and medium establishment.

### *5.9.3.5 Aggregate internal business process factors contributed to hotel and restaurant SMEs growth*

The analysis demonstrated that the organization observed internal business processes hindered or enhanced hotel and restaurant SMEs growth. The combined results as earlier stated in chapter 4 indicated that in total, 62% of respondents agreed that internal business processes contributed towards hotel and tourism SME growth. However, 14.6 of respondents were in disagreement while 23.4 were neutral that internal business process factors contributed toward hotel and restaurant SMEs growth. The results implied that the organization in the industry realised that skills shortage, management expertise and finances for equipment and machinery hindered the growth of the business. However, hotels and tourism demonstrated that they were efficient and effective in serving customers. On the other hand, some establishments were either disagreement or middle of the road on the statement that in aggregate internal business process factors contributed to hotel and restaurant SMEs growth.

## 5.9.4 Learning and growth factors contributed to hotel and restaurant SMEs growth

The statement aimed to examine learning and growth factors provided to hotel and restaurant SMEs growth. The learning and growth factors included research and development of new product or services, management and entrepreneurial skills, employees training and stakeholders' engagement.

### *5.9.4.1 Research and development of new product and service contributed to hotel and restaurant SMEs growth*

The statement examined whether research and development of new product and service enhanced hotel and restaurant SMEs growth. The results revealed that 59.3 of respondents agreed that research and development of new product and service contributed to the organization growth. Nonetheless, 22.2% of respondent were in disagreement with the statement, while 24.3% were neutral with it. The analysis suggested that some organization were conducting research and development of product and services through viewing internet products or services of competitors or even visiting them to observe how they developed and implement services or products. The findings supported earlier research studies that hotels should teach customers preferences through research and development of new products and services that would satisfy customers (Ngwenya, 2013).

#### 5.9.4.2 Management and entrepreneurial skills contributed to hotel and restaurant SMEs growth

The statement examined the extent management, and entrepreneurial skills influenced the organization growth. The findings of the research study revealed that 53.3% of respondents agreed that management and entrepreneurial skills contributed to hotel and restaurant SMEs growth. Nevertheless, 19.5% of respondents disagreed on the statement, while 27.1% were neutral with the report that management and entrepreneurial skills contributed to hotel and restaurant SMEs growth. This analysis suggested that some hotel and restaurant SMEs had realised that management and entrepreneurship skills were significant to organizational growth while others did not yet value the importance of management and entrepreneurship skills. The analysis concurred with previous research studies which found that management and entrepreneurial skills training influenced the performance of SMEs in the Matatu para-transit sector in Nairobi, Kenya (Thaimuta and Moronge, 2014).

#### 5.9.4.3 Employees training contributed to hotel and restaurant SMEs growth

The statement assessed the degree to which employees' types of training contributed to the organization growth. The findings of the study indicated that the majority of respondents were agreement with the statement. A total of 58.2% of respondents were in cooperation with the statement that employees' pieces of training contributed to the hotel and restaurant SMEs growth. However, 17.4% of respondents were in disagreement, while 24.3% were neutral with the statement. The analysis demonstrated some hotels and tourism SMEs sector sent employees' for training when they realised a need for the demand for improving the quality of service or product in their businesses. The analysis supported the previous findings that the five-star hotel in Nairobi realized the need for increasing hourly training rate of employees they started using the balanced scorecard as a performance measure (Gesage, 2015).

#### *5.9.4.4 Stakeholders engagement influenced hotel and restaurant SMEs growth*

The statement examined the degree of stakeholders' meeting for organization growth. The results of the study revealed that some hotel and restaurant SMEs extensive engagement stakeholders such as government and even employees to enhance the growth of their business. However, other companies were not involving other stakeholders for their business growth. A total of 55% agreed, 18.7% disagreed, and 26.3% were neutral with the statement. The analysis suggested the sometimes owners of hotel and restaurant SMEs engaged government through the hotel association to introduce policies or minimize restrictions of policies and regulation affecting their organization growth.

Nonetheless, those who were neutral indicated that they were either agreed or disagreed to the stamen. Some participants revealed some organizations indicted that do not involve other stakeholders in their own business. The current result supported the previous findings that some hotel and restaurant SMEs failed because they overlooked relevant stakeholders such as government who fully support organizational growth (Saleheen et al., 2018).

#### *5.9.4.5 Aggregate learning and growth factors influencing hotel and restaurant SMEs growth*

As earlier highlighted in the research findings of the study, the majority of hotel and tourism establishments investigated realised that learning and growth factors were influencing organizational growth. Based on the previous results, it indicated that 56.5% of respondents agreed to the statement while 19.5% were in disagreement with it.  A total of 25.5% of respondents were neutral with the report. The accumulated analysis suggested that hotel and restaurant SMEs focus on the company competencies and required skills for organizational growth. The findings were in line with balanced scorecard perspectives objective where the focus of the entity should be on how to improve competencies and skills to attain the vision and customer needs in the organization (Kaplan and Norton, 2007).

### 5.9.5 Summary of analysis

The first phase research question was to find out “Which of the financial and non-financial factors influenced hotel and restaurant SMEs' growth?” The overall analysis indicated that hotel and restaurant SMEs financial and non-financial factors were contributing to the organization growth. The previous result showed that in total, 63.3% of respondents agreed that financial and non-financial factors contributed to the organization growth while 14.5% were in disagreement with the statement. Moreover, 22.5% of the respondents disagreed with the above statement. The leading contributing factor was customer factors (68.8%), followed financial considerations (65.9%), the third factor was internal business process factors while the last one was 56.5%. The study demonstrated that the organization prioritise the customers' factor, followed by financial factors for growth. The analysis suggested that the organizations put less emphasises learning and growth factors than an internal business process. The analysis also demonstrated that competency and skills were encouraged, but they were not a priority than efficiency and effectiveness in service delivery for Customers. The aggregate analysis suggested that collectively hotel and restaurant SMEs recognised that financial factors contributed to hotel and restaurant SMEs growth. Again the total customers' factors analysis s demonstrated customer factor-like customer services, and entertainment influenced the hotel and restaurant SMEs growth.

Phase two of follow up interview intended to obtain the more profound and more apparent why customers and financial were leading contributor factors for organizational growth. The participants gave the various reason why customers and economic contributions to hotel and restaurant SMEs growth. A majority of six participants claimed that the two factors were significant contributors to organizational growth because, without customers, there would be no business; and thus, they prioritise customer services and other activities that could attract more customers. The other reason customers factor ranked because once the customer satisfaction level was high, customers would talk about the hotel and restaurant SMEs to other potential customers. Other participants claimed that the delay in addressing customers' complaints would result in losing them. Customer factors also prioritised spending patterns for customers during the pick seasons. The reasons for prioritizing customers and financial considerations in the quantitative results explained very clearly why these factors were leading, contributing to organizational growth. There were no different reasons why the priority of customers and financial factors was high in hotel and restaurant SMEs sector.

## 5.10 The significance of the association between financial and non-financial factors and BSC performance measures

The question assessed the importance of the association between financial and non-financial factors with BSC performance measures for hotel and restaurant SMEs growth. The earlier statistical analysis test indicated that the association was significant between factors with BSC performance measures. The analytical examination revealed $P \leq 0$, which reflected that the association was significant. The analysis showed that all financial and non-financial factors were associated with each other. The overall research findings indicated that there were considerable interconnectedness and interdependence between financial and non-financial factors for hotel and restaurant SMEs growth.

Following the Pearson Chi-Square statistical analysis on significant of association, a follow-up interview was conducted with owners and senior management to assess why there was a significant association between financial and non-financial factors with balanced scorecard performance measures for hotel and restaurant SMEs growth. The significant association had broken down into subsection association between sales and profitability; quality service associated with the budget; the number of the bookings related to customer services staff turnover related to lack of skills and experiences as well as time to launch the new product related to quality services.

### 5.10.1 Associated between sales and profitability

The statement assessed the significance of the association between sales and profitability. Four participants stated that there was the association between the two variables with sales and profit where one could access the cost per service or product and determine the margin over above the expense of producing the service or product, and this is known as cost-profit volume analysis. Six participants stated that there was an association between sales and profit because, without the purchase of room or service, there would be no benefit. However, one participant argued that profitability was associated with transactions and also the quality of service and product rendered to customers. Another participant further asserted that it might be no certainty that in hotel and restaurant SMEs family-owned establishments because sales and profit of the business remained the confidentiality of the company.

### 5.10.2 Quality services associated with budget

Another statement was to assess the significant association between quality of services and the budget. The three participants confirmed the surveyed results. There was an association between budget and quality because without preparing and managing the budget, it would be challenging to track operations and capital expenditures in the business. Further confirmation of earlier quantitative results occurred when seven participants stated that the association between budget and quality service would access the affordability of establishment to offer the product. The significant association of quantitative results was supported by the participants when they said the association of quality and budget variables was very critical as planning tools since quality service demand might change from time to time. Therefore, this association between the two would make management or owners flexible adjust the budget. However, one participant argued that in a healthy business environment, there was an association between quality of service and budget. In the small and medium enterprise, this could be possible because in most cases there would be no budgets, and they operate using a flexible plan, and where there was budget, it was not accessible to all staff members.

### 5.10.3 Number of bookings associated with customer service

The following subsection presents the results of a question that assessed the significance of the association between the number of bookings and customer services. About seven participants complemented the first phase results that there was an association between financial and non-financial factors for hotel and restaurant SMEs. They stated that there was an association between the number of bookings and customer services because few customers could book in the hotel where facilities were inadequate. They concluded that there was a relationship. Three participants further explained that there as an association between the number of bookings and customer service because in the fourth industrial revolution of the digital world, customers view comments of previous customers stayed in the hotel online. Where the previous customers rated poor customer service quality, the prospective customer would not book in that establishment. The follow-up interview also complemented the first phase results, where participants stated there was an association between the number of bookings and quality of service because customers value service in comparison with services they received from the customers, and this implied that there as an association between the two variables. However, one participant opposed the notion that the number of bookings was associated with customer services. This participant argued that it was related to the quality of service rendered to customers.

### 5.10.4 Staff turnover has associated with the lack of skills and expertise in the industry

The statement aimed to assess the association between staff turnover and lack of skills and knowledge in the hotel and restaurant SMEs sector. At least seven participants supported the above statement and claimed that there was the association between staff turnover and lack of skills and expertise in the industry because most of the employees were trained and developed in-house by the small and medium enterprises training programme. The staff turnover was very low because the skills they acquired from each establishment were unique and tailor-made for that company. In another establishment, they had to earn new skills and expertise. Another factor that complemented the first phase findings was that majority of employees joined the SMEs with only high school qualifications, and there was an association between low staff turnover and skills and expertise because they only trained for specialised assignment unlike in the tertiary institutions where they had given different related courses. One manager complemented the quantitative results by arguing there as an association between staff turnover and skills and expertise because they were offering a competitive remuneration even more than more prominent international hotels. Another participant complimented the earlier findings by explaining that there was an association between staff turnover and lack of skills and expertise because of job satisfaction.

### 5.10.5 Time to launch a new product or service associated with research development

The participants in the follow-up interview explained whether there was an association between time to launch a new product or service with research development. Three participants corroborated the previous quantitative results by stating that there was the association between time to start new product or service with research because without an investigation the business could not survive and succeed in that highly competitive environment since SMEs compete with bigger establishments for the global market. In supplementing the previous findings, participants also indicated that timing to launch a product or service was associated with research and development because in most cases research were based on how the South African hotels and tourism industry was planning to do. The Eswatini SMEs would then target time when they would introduce their product or services. The participants also complemented the previous results by indicating that technology advancement compelled them to research on new products or services to present and when to offer these. The results implied that there was an association between research development and time to launch the new product or services. Another participant indicated that there was the association between time to start offering the latest product and research development because the association assists management to get feedback on which infrastructure to build or upgrade so they could attract potential customers and retain the existing ones. This association explained why there was a significant association with first phase results.

However, three participants had different views. They stated that there was no association between the times to launch the new product or service was associated with research development because of these reasons. They argued that time to start a new product related to a business approach like marketing the product or service not necessarily research because the small businesses could not afford to do extensive research studies. The three participants also argued that time to launch the new product drove customer demand, and not necessarily influenced by conducting a research study. One participant explained that because of the size of the small businesses, the research results of the study were healthy, and not available to all staff members in the hotel and restaurant SMEs sector.

### 5.10.6 Summary of analysis

Based on first and second results analysis, the majority of participants complement the first results that there was an association between the financial and non-financial factors and BSC performance measures for hotel and restaurant SMEs growth. The detailed explanation of the results by the follow-up interview supported the earlier findings. This analysis suggested that there a relationship between financial and non-financial factors for hotel and restaurant SMEs growth. However, few participants also raised pertinent reasons why there were no association between two variables, and their opinions drive that more studies conducted in those areas they identified. Nevertheless, the current study revealed that there was an association between the financial and non-financial for small and medium enterprises through the application of the balanced scorecard model. The mixed sequential results suggested that the majority of hotel and tourism small and medium enterprises acknowledged that there was a financial and non-financial factor associated with balanced scorecard card performance measures for hotel and restaurant SMEs sector. The analysis supported the previous study that there was a positive relationship between financial accounting and financial information with balanced scorecard performance measure for family-owned small and medium hospitality and tourism business. The analysis suggested that for hotel and tourism to keep both financial and non-financial information to enhance the possibilities of securing credit funding (Esparza-Aguilar et al., 2015). Further, this mixed sequential analysis results demonstrated that access to finance was associated with balanced scorecard performance measures (Kinyua, 2014).

## 5.11 Conclusion of the chapter

The chapter has discussed details of the demographic and background information first before discussing each objective and research questions of both quantitative and qualitative. The first objectives and research questions were examining whether the balanced score was used and implemented in hotel and tourism small and medium enterprises. The results of the finding revealed that the majority of hotel and restaurant SMEs were using the balanced scorecard for their business growth. However, the limitation was that financial scorecard was the least used and implemented.  The follow-up interview with participants to explain why was at least. The chapter discussed several reasons participants highlighted above. Secondly, the section addressed the significant association between financial and non-performance measures for hotel and restaurant SMEs growth. The results of the study indicated that there was strong association the follow-up interview was for participants to explain why there was a significant association between financial and non-financial performance measures for hotel and restaurant SMEs growth. They gave different reasons which discussed in detail in this chapter. The chapter also discussed financial and non-financial factors influencing balanced scorecard performance measures for hotel and hotel and restaurant SMEs growth. The section also discussed the follow-up interview results, which explained why the critical success factors were influencing balanced scorecard for hotel and restaurant SMEs growth. The chapter also examined the significant association between financial and non-financial essential elements of success and balanced scorecard for balanced scorecard performance measures for hotel and restaurant SMEs growth. The section also explained why there was a significant association between financial and non-financial critical success factors and balanced scorecard performance measures for hotel and restaurant SMEs growth.

The chapter further discussed how the cluster (location), innovation, trust culture, and share values theories contributed to balanced scorecard performance measures for hotel and restaurant SMEs growth. The findings of the study indicated that these theories added to the balanced scorecard. The follow-up discussion of were depth explaining why there was a cluster, trust culture and shared valued committed to the balanced scorecard. Participants raised different reasons were described in detail above. The chapter also discussed the association between these clusters (location), innovation, trust culture and share values theories and balanced scorecard performance measures for hotel and restaurant SMEs. The statistical results indicated that there was a significant association between these theories and BSC performance measures. The chapter discussed some reasons why there was a significant association. The section also discussed financial and non-financial factors influencing BSC performance measures for hotel and tourism growth. The results of the study revealed that all financial and non-financial factors influenced the balanced scorecard performance measures for hotel and restaurant SMEs growth. The follow-up discussion focused on factors that were mostly influencing balanced scorecard performance factors for hotel and restaurant SMEs sector growth. Lastly, the chapter discussed the significance of the association between financial and non-financial factors influencing BSC performance. The Pearson chi-square indicated that there was a significant association. The follow-up discussion on why there was a significant association between financial and non-financial factors influencing BSC performance measures for hotel and restaurant SMEs growth.

Based on the findings of the study, a proposed balanced scorecard model for small and medium enterprises developed. This model could assist owners and senior management to manage and measure the performance and growth of the business. The model could further develop organizational strategy, objectives, performance measures, indicators and targets. The model could then be used to develop a performance management system for staff and able to assess the roles and responsibilities of individual employees.  The next chapter discusses this model in detailed and shows how it linked to the results.

# CHAPTER 6 FRAMEWORKS FOR ESWATINI HOTEL AND TOURISM SMALL –MEDIUM –ENTERPRISE SECTOR

## 6.1 Introduction

This chapter discusses the process of developing a conceptual framework, Effective BSC performance measurement framework, operationalization of BSC performance framework and validation of all the structure for Eswatini SMEs based on issues raised in the previous chapters highlighted in the discussion of the mixed sequential analysis results.

## 6.2 Proposed Conceptual Framework for hotel and restaurant SMEs

As earlier mentioned, the four perspectives of the balanced scorecard and theoretical approach were used and implemented in the hotel and restaurant SMEs sector, but most of them were not aware of it. The balanced scorecard perspectives of the model widely used in a large organization than small and medium enterprises. For these reasons, this study developed a balanced scorecard model that could be useful for performance measurement in the hotel and tourism sector since the four perspectives based on organization vision, mission and strategy. However, the majority of hotel and tourism establishments have no formal written strategic plan document which used as a road map. The balanced scorecard should have sustainable performance measures that have transformational process and growth prospects, not just metric project. The performance measures clarified in a practical implementation strategy. Nevertheless, most SMEs usually begin with the implementation process itself.

The proposed conceptual framework for hotel and tourism small and medium enterprises used the balanced performance measures based on theories of innovation, cluster (location), shared valued and trust culture, critical success factors and other factors influencing SMEs sector growth. Literature reveals that SMEs actively contribute to the global economy, but it noted that the current review of the balanced scorecard performance model presented here is more applicable in the context of this study. Rather than reinvent the wheel, the proposed model built in the Kaplan and Norton (1996) model foundations. The success of hotel and restaurant SMEs depends on the theories and factors and performance measures for small,-medium enterprises growth, as illustrated in Figure 6.1. The model has some balanced scorecard concepts as discussed in preceding section, to encourage hotel and restaurant SMEs management realised growth in all the four balanced scorecards for total growth on their establishment through balance performance measures as shown below.

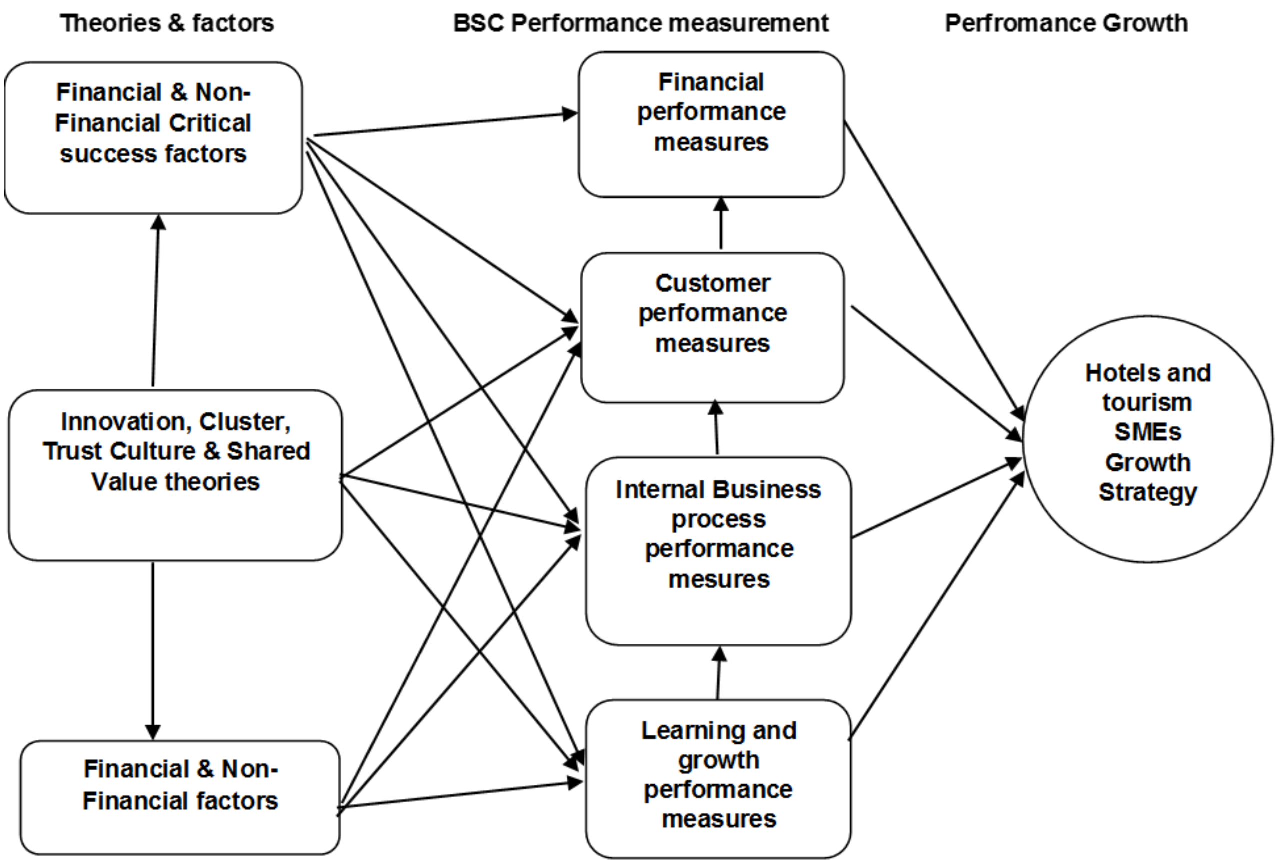


*Figure 6-1 A proposed conceptual framework for hotel and restaurant SMEs sector –Source: Author*

The starting point for this model development highlighted that hotel and restaurant SMEs innovation, cluster, shared value and trust culture, financial and non-financial factors and critical success factors influenced the four balance scorecard for the hotel and tourism small and medium growth. The study assessed and summarized each of the models and developed the framework, as shown in figure 6.1. Accordingly, some of the critical areas covered for the model propositions as a starting point in hotel and restaurant SMEs were: (1) financial and non-financial critical success factors, (2) Innovation, cluster (location), trust culture and shared valued theories, (3) financial and non-financial factors, (4) financial performance measures,( 5) Customer performance measures,

(6) internal business process performance measures (7) Learning and growth performance measures and (8) hotel and restaurant SMEs growth. The conceptual framework discussion details follow in the subsections.

### 6.2.1 Proposition 1: Financial and non-financial critical success factors

As earlier defined, critical success refers to few key areas of activity in which positive outcomes are categorically essential for a particular hotel and restaurant SMEs to reach their goals (Chiun Lo et al., 2016). As earlier discussed in the literature reviewed, the critical success factors grouped into four perspectives of the balanced scorecard, and this made it easier to measure the performances of each activity. In the discussion and analysis of the results, hotel and restaurant SMEs had adopted the financial and non-financial critical success for hotel and restaurant SMEs growth. The critical commercial areas of activity included room rates, free Wi-Fi services, accurate billing and cost of food and beverages. The discussions in both quantitative and quantitative analysis revealed that the majority of the organization had adopted the financial critical success factors to measure business performance for the hotel and restaurant SMEs sector. This proposition in the conceptual framework would assist SMEs first to identify the essential economic factors of success for organizational performance and growth. This proposition was on internal and external financial performance.

The next critical success factors in this proposition were non-financial essential factors of success. The non-financial essential factors of success included customers, internal business process and learning and growth. The customer critical success factors used to collect and analyse data were customer services, customer loyalty, repeat customers, facility attractiveness, organizational brand and convenient location to customers. Those of internal business processes, the critical success factors included quality product offered, effective reservation process, facility cleanness and quality service. In contrast, the learning and growth critical success factors included experienced staff members, useful and productive management, well-trained staff, low staff turnover, satisfied employees and technology advancement. The analysis of the mixed sequential results demonstrated that the majority of hotel and tourism had also adopted non-financial critical success factors for hotel and restaurant SMEs growth. The financial and non-financial critical success factors were measured based on the four perspectives of the balanced scorecard. The proposition in the conceptual framework suggested that hotel and tourism should adopt financial and non-financial critical success to measure performance for organizational growth. Although the confirmation revealed that the majority of hotel and tourism took the essential factors of success, there those who claimed they had not yet embraced them. It was for this reason this proposition would be complemented by identifying gaps and developed the practical implementation framework for later discussion.

### 6.2.2 Proposition 2: Innovation, cluster (location), trust culture and shared valued theories

These theories drive the critical success factors, other factors and balanced scorecard for hotel and restaurant SMEs sector. The discussion above indicated that all these theories contributed to the hotel and restaurant SMEs growth and aligned the performance with BSC performance measurement. The conceptual framework proposed that hotel and tourism evaluate the organization capable of being innovative in improving the quality service. The innovative activity included using the staff competencies, entertaining and tourism customers and customer feedback to improve the quality of service. The innovation in this model contributed to the critical success factors and the balanced scorecard performance measurement for hotel and restaurant SMEs growth.

Cluster (location) theory was also a proposition contributing to the balanced scorecard performance measures for hotel and restaurant SMEs growth. The cluster theory assessed the organization location between Manzini-Mbabane Corridor, participation in information within the corridor, environmental factors quickly influencing the business, accessibility of the internet and other social media made easy for customers to book online and these attributes were around the cluster theory. As earlier discussed in chapter 5, on average, most of hotel and restaurant SMEs sector located within Manzini-Mbabane corridor realised that the location position enhances their business growth. In this model, the location used to benchmark the critical success factors and other factors to improve performance measures for hotel and restaurant SMEs growth.

Shared value was another proposition influencing balanced scorecard performance measures for hotel and restaurant SMEs growth. The shared values discussed and analysed in this study included information and knowledge sharing through the sections and departments and frontline staff sharing feedback information from customers examined in hotel and restaurant SMEs in Eswatini. The analysis and discussions of the results demonstrated that the majority of these organizations shared knowledge as the critical factor and critical success factors contributed to balanced scorecard performance measurement for hotel and restaurant SMEs growth. The proposed conceptual framework reflected that shared value influenced the balanced scorecard performance measures, critical success factors and other factors for hotel and restaurant SMEs growth.

The last theory that contributed to the hotel and restaurant SMEs growth was trust culture among the employees. In the previous chapter, the discussions and analysis demonstrated that through knowledge sharing and staff willingness to support each other, there was a high performance of staff and high growth of hotel and restaurant SMEs sector in Eswatini. The majority of hotel and restaurant SMEs establishment suggested that teams were supportive of one another in the rendering of services in Eswatini. However, some were opposed the findings, and more in-depth analysis conducted so that a useful, balanced scorecard framework could develop for practical implementations.

### 6.2.3 Proposition 3: Financial and non-financial factors

The model proposed that financial and non-financial factors influenced hotel and tourism growth. These factors were analysed and discussed in the previous chapter, and the findings demonstrated that the hotel and restaurant SMEs sector influenced the performance measurement for growth. The elements classified according to the four perspectives of the balanced scorecard. The financial factors included sales of products and services, and managing costs for the business, customer's factors included customer services and entertainment. The internal business process factors included the shortage of skills, management expertise time to respond to customers, funds to procure equipment and machinery. The learning and growth factors included research and development, management and entrepreneurship skills, employee's training and engagement of stakeholders such as government.

The previous chapter demonstrated that the majority hotel and restaurant SMEs sector reviewed all factors that were mainly hindrance for their success. The highest factors that influenced the hotel and restaurant SMEs growth were financial and customers factors. These factors were further assessed and analysed in the follow-up interview data collections. The financial and non-financial factors supported management in hotel and restaurant SMEs sector to identify them so that staff could be innovative and share experiences how they could improve their performance measurement for their growth. The proposed conceptual framework indicated that hotel and tourism SME should first identify the financial and non-financial factors to establish the innovation and shared value requirement and performance measurement for hotel and restaurant SMEs growth.

### 6.2.4 Proposition 4: Financial performance measures

Since the previous chapter discussion and results demonstrated that financial performance measures were used and implemented in the hotel and restaurant SMEs sector, the financial performance was least used and implemented for hotel and restaurant SMEs sector. The proposed conceptual framework model indicate that the financial performance measures such as budget and profitability were associated with financial and non-financial critical success factors (rates of rooms, facilities and services, free services Wi-Fi, accurate billing and payment and cost of food and beverage). The conceptual model implied that price per room, free services such as Wi-Fi and the amount of food were determinates for gross and operating profit and cost management for hotel and restaurant SMEs growth in Eswatini. Both surveyed and interview results discussed in chapter 5 confirmed that there was an association between financial critical success factors and financial performance measures in Eswatini. The proposed conceptual framework suggested that hotel and tourism should first identify the financial critical success factors contributing to financial performance measures for business growth. This conceptual framework concurred with Wang and Hung (2015). Findings showed that facilities of the rooms were critical determinants for financial measurement growth in hospitality and tourism sector.

Based on the discussed results from the mixed sequential method, the conceptual framework proposed that hotel and restaurant SMEs should be innovative for improving the performance measures. The framework indicated that financial performance measures relied on innovation through the engagement of organization staff involved to come up with strategies for increasing sales. This proposition suggests that hotel and restaurant SMEs sector could use a feed-forward approach to improve financial performance as it has a higher level of exploitative innovation than maintaining the status core (Malagueño et al., 2018). The proposed conceptual framework also reflects that hotel and restaurant SMEs would take advantage of clustered (location) for improving their financial performance measures for business growth. This proposition framework, as earlier mentioned in the previous findings, recommended that hotels inside the cluster were better than those outside since they improved in the hotel's economic performance (Peiró-Signes et al., 2014). Lastly, the proposed conceptual framework demonstrated that financial factors such as the sale of the products and services and management of business cost are contributing factors for financial performance measures such profitability and budgets for enhancing the economic growth in Eswatini. The model proposed that the hotel and restaurant SMEs sector should assess sales and marketing strategy and cost reduction strategies to improve business performance measures for economic growth in Eswatini. The proposed conceptual framework concurred with previous study findings that countries which used social media had reduced the marketing budget and costing since technology and social interaction advertised faster. They reach the market before the traditional marketing and advertising approach (Ahmad et al., 2018).

### 6.2.5 Proposition 5: Customer performance measures

In this conceptual framework, there was an association between BSC customer performance measures and non-financial critical success factors such as innovation shared value, trust culture and cluster theories and financial and financial factors for organization customer growth. The discussed analyses and results in the previous chapter demonstrated that customer performance measures were directly associated with customers' customers' critical success factors. Based on discussions of the effects the proposed conceptual framework recommended that hotel and restaurant SMEs should analyse the customer critical success factors and customer factors such as customer loyalty, organizational brand, facility attractions, repeat customers, customer service and customer entertainment were determinants of hotel and restaurant SMEs performance measures for growth. This framework was in line with Sitawati (2015) and Chiun Lo et al. (2016) findings that customer factors were associated with customer-related performance to extend that when there was high customer satisfaction level, the effect would be higher occupancy rates and increase in sales which would increase the profit. The conceptual framework proposal demonstrated that hotel and restaurant SMEs should continue assessing critical success factors influencing the performance and growth in their businesses.

In the previous discussion in chapter 5, there was an association between customer and shared value. The results demonstrated that the hotel and restaurant SMEs staff members communicate customer feedback among themselves to improve quality services. The proposed conceptual framework showed the hotel and restaurant SMEs should allow the staff members to discuss how they could improve the customer service after receiving feedback from the customers. The proposition suggested that these organizations should also promote trust culture and teamwork among the employees as opposed to individualist effort to get tips from the customer was mainly overseas tourists. The results of the mixed sequential research method indicated that there was an association between the balanced scorecard customer measures and the trust culture. The proposed conceptual framework suggested that employees personalities influenced knowledge sharing behaviour, wiliness to share their experiences and organizational commitment, and such had contributed to high-quality service hotel and restaurant SMEs sector (Hussain et al., 2016).

### 6.2.6 Proposition 6: Internal business process performance measures

The proposed conceptual framework indicates that internal business performance measures influenced internal operations and efficiency. The previous findings and analysis demonstrated that internal business process critical success factors and internal business factors were associated with BSC internal business performance measures. The proposed conceptual framework also suggested that hotel and restaurant SMEs in Eswatini should analyse critical success factors that contribute to organizational growth. Furthermore, the conceptual framework proposal demonstrated that hotel and restaurant SMEs sector should continuously measure internal business process in association with internal business process factors such as skills shortage of staff, management and expertise alignment with the digital world, time to service the customer and funding for the non-current assets. This proposal was in line with Esparza-Aguilar et al. (2015) findings that internal business processes factors were associated with organization performance. Furthermore, they stated that a lack of management skills and expertise would result in fewer organizations performance results. The results were in line with the proposed conceptual framework that skills evaluation was critical factors for hotel and restaurant SMEs growth.

### 6.2.7 Proposition 7: Learning and growth performance measures

The previously discussed results revealed that hotel and tourism used and implemented the learning and growth performance measures. Since the earlier results indicated that there was an association among the variables of learning and growth performance measures, the proposed conceptual framework demonstrated that learning and growth critical success factors and nonfinancial learning and growth factors were determinants of hotel and restaurant SMEs growth. The proposed conceptual framework suggested that staff experience, effective management, staff appearance, well-trained staff, low staff turnover, satisfied employees and technology advancement were critical success factors to measure performance. The performance measured included staff turnover, employees' satisfaction level, human resources cost and employees performance rates and time to launch products for hotel and tourism growth as illustrated by Figure 6.1 above. The conceptual framework demonstrated that hotel and restaurant SMEs need further analysis of new digital technology and essential skills add value to organizational performance and growth. The proposed conceptual framework supported the previous findings that slowly in technology reliance in digital technology, hotels in Malaysia grow and flourish fast because technology had improved reservations, payments, order taking and guest used room smartcard (Ahmad et al., 2019).

### 6.2.8 Proposition 8: Hotel and tourism small and medium enterprises growth

The last aspect of the proposed conceptual framework was to introduce the organization growth and continuously profitable, although in this study, there were no research questions were directed to SMEs growth strategy per seer. Pieces of the literature revealed that SMEs growth was results of integrative selection and implementation of the different approaches. The proposed conceptual framework indicated that the four balanced scorecard performance measures used to analyse financial, customers, internal and learning growth of all 35 hotel and restaurant SMEs participated in the study. The propose conceptual framework suggested brand awareness, innovation capability, financial strength and human capital competencies were determinants factors for small and medium enterprises growth strategies management should consider. This proposition supported Wakkee et al. (2015), findings that part for active SMEs growth included brand awareness, innovations, human resources capabilities and financial sustainability. The proposed conceptual framework suggested that hotel and restaurant SMEs growth depends on critical success factors, factors, innovations, trust culture shared valued and cluster theories. The balanced scorecard as performance measurement set objectives, standards, performance indicators and set new targets for small and medium enterprises growth.

## 6.3 BSC Hindrance of performance measurement in hotel and restaurant SMEs

These section discussed factors hinders performance measurement in hotel and tourism small and medium enterprises in ESwatini. These issues discussed according to the objectives of this study detailed below. Based on discussions of both quantitative and qualitative results and analysis, some issues raised during the follow-up interview where directors and senior managers gave reasons on issues hinders effective performance measurement system for hotel and tourism small and medium enterprises growth. These factors restrained the hotel and tourism small and medium enterprises growth. Based on the conceptual framework discussed earlier, this section discussed the issues that affect the effective performance. Later in the next section, these factors would be used to develop new and useful performance measurement implemented for small and medium enterprises growth.

### 6.3.1 Objective1: balanced scorecard performance measures used and implemented in hotel and restaurant SMEs growth strategy

The majority of respondents' indicated that they used and applied the balanced scorecard. However, the financial performance measures were lowest used and implemented by hotel and restaurant SMEs. These findings then raised more questions because the expectation was that financial should be one of top-ranked performance measure among the four perspectives of the balanced scorecard. The main reason was that hotel and tourism employees lack financial skills and background, and few employees understand the concept. Another reason was that employees consider operational issues such as cleaning, waitress, and bedding were important than revenue. The main challenge was unskillfulness staff concerning financial management. The unskillfulness would increase more expenses in the small and medium because there was no tool such budget that would guide the head of departments how monitor their business performance. The BSC performance measurement framework for hotel and restaurant SMEs intended to encouraged management accountant and financial accountants to enhance budget participation of employees in line with the four perspectives of the balanced scorecard. One of the causes of SMEs failure was that financial accountants prepared budgets alone with no input from the users of it. This statement supported Kirsten et al. (2015) argument that accountants of small and medium enterprises were skilful and knowledgeable in calculating the financial performance, explaining results and advised management. However, they could not develop and integrate financial results to the other three non-financial perspectives of the balanced scorecard. The developed BSC performance measurement framework in the next section addressed this gap without disclosing confidential information.

### 6.3.2 Objectives 2; Association between financial and non-financial performance measures for hotel and tourism growth

The surveyed quantitative and follow-up results revealed that there was an association between financial and financial performance measures for hotel and restaurant SMEs growth. The interview results indicated that there were some issues in the relationship between financial performance and non-financial measures. The main challenge with SMEs was that there were family businesses, and sometimes they could not distinguish family-related issues from business issues. They stated that sometimes the budget would be drawn either quarterly or annual, but directors and owners of hotel and restaurant SMEs in most would not follow that budget and use financial without developing the measurement tool. It was for that reason some participants claimed there was no association between financial performance and non-financial measures since the budget not opened to all staff members. The BSC performance measurement framework in the next session reveals the processes to follow when monitoring and evaluating the performance measures based on the balanced scorecard perspectives. The BSC performance measurement framework supported the findings of Elbannaa et al. (2015), that when the hotel has capabilities related to expectations, it should develop an effective strategy that would give a clear direction and achieve a proper fit between internal and external environment to attain better performance.

### 6.3.3 Objective 3: Financial and non-financial critical success factors contributing to hotel and tourism growth strategy

The conceptual framework indicated that critical success factors to balanced scorecard performance measures for SMEs growth. The previous analysis and results showed that financial and non-financial critical success factors contributed to hotel and restaurant SMEs growth strategy. In the follow-up interview results, participants raised a significant success factor that was prompt up during the discussion. They argued that building of good customer relationship was a significant success factor, yet it lacked behind. The BSC performance measurement framework in the next section highlighted how customer relationship should cement among the hotel and restaurant SMEs sector.

### 6.3.4 Objectives 4. Association between financial and non-financial critical success factors with balanced scorecard performance measures.

The conceptual framework above indicated that financial and non-financial critical success factors were associated with balanced scorecard performance measures. The analysis and results discussed in the previous chapter revealed that there was an association in financial and non-financial significant success factor with BSC performance measures for hotel and restaurant SMEs growth strategy. During the follow-up interview discussion, participant revealed that challenges the hotel and restaurant SMEs encountered included benchmarking their services with the South Africa competitors to improve customers' satisfaction level and customers booking online. The main problem they raised regarding the comparing services with South Africa competitors was the non-affordability to offer the services since some of the required equipment and machinery were too expensive. The participants' view is supported by (Gupta and Barua, 2016) findings which show that access to resources is very crucial to the small and medium hotel sector because it requires the organization to have sufficient funds to sustain competition.

Further, they argued that without tools and the latest equipment and machinery, the organization would not perform innovative activities despite creative ideas. The customer satisfaction challenge to the hotel and tourism sector was culture diversity and taste of different customers. The problem with booking online was that customers like international tourists booked online, yet small and medium enterprises used to customers booked through phone calls. This challenge then required that the hotel and restaurant SMEs had to register with well-known booking websites such as Booking.com and Trip Advisors where their services and facility establishments could view online and then hotel decided to book. The BSC performance measurement framework would guide management and owners to monitor and evaluate the booking rate of customers, assess previous customer's comments and adjust accordingly.

### 6.3.5 Objective 5: cluster (location), innovation, shared valued and trust culture theories contributing to hotel and restaurant SMEs growth strategy

The conceptual framework proposed that innovation, cluster, shared valued and trust culture theories linked to the balanced scorecard performance measures for hotel and restaurant SMEs growth strategy. It confirmed the discussion and results of the previous chapters that these theories contributed to SMEs growth. Although there were confirmation results on the statement from the study, some participants during the follow-up interview raised challenges regarding the innovation in hotel and restaurant SMEs. These included innovation which discouraged by tips from customers, innovation linked to the national culture and employees' innovation and ideas come with costs concerning incentives or promotions. For instance, small and medium enterprises perceived that the modernisation of staff was discouraged by the tips they received individual from customers. As a result, employees competent assist customers not genuine, but with the expectation that once they served the customers, some customers would give tips as a token of appreciation. The lack of teamwork had cracked spirit and increase infighting among the employees for customers tips. The BSC performance measurement framework stimulated teamwork among the staff members and the sharing of any income received. The national culture is also a factor that brought about a challenge innovation in hotel and restaurant SMEs sector. The culture of using what already given than bringing up new ideas affected the hotel and hotel SMEs growth. The employees were used to tell what they would do than coming up with innovative and creative ideas. The BSC performance measurement would allow all staff involved in the planning of the entity to explore their opinions on how to implement activities management had planned. The performance measurement framework concurred with previous studies that service innovation could apply useful knowledge from multiple resources and create new services, processes and systems that add value to organization performance (Tang et al., 2013).

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### 6.3.6 Objective 6: Association between cluster (location), innovation, shared valued and trust culture theories were associated with performance measures

The data analysis and results revealed that there was an association between cluster (location), innovation, shared value and trust culture theories with performance measurement for SMEs growth. The interview results also revealed that the majority of hotel and restaurant SMEs confirmed that there was an association between the approaches and BSC performance measures for business and financial growth. Nevertheless, participants during the interview also raised pertinent challenges around the different culture and customer preferences, financial affordability affecting innovation, the location was not associated with profitability, customer demand drives quality service, and employees' diverse needs broke the trust culture.

As highlighted earlier, customer preferences were the central challenge hotel and restaurant SMEs because the industry drew customers from different countries which have different cultures. The BSC performance measurement framework recommended that hotel and tourism should embark into in-house training customer services that would encompass customers' preferences and taste. Another participant suggested a self-catering was one of the provisions they catered for customers from different countries. They stated that they stock all goods the customers would require in the room to stay. Financial affability was one challenge affecting the innovation of small and medium enterprises sector in Eswatini. It was not clear which innovative areas could explore as a competitive tool for hotel and tourism. Malagueño et al. (2018), confirmed that it was not easy to translate innovation from large companies to small and medium enterprises because of the different size and management approach in performance measurement. The other challenges the participants prompt was that location could not influence the customer demand, but it is the quality of the services. In the argument that place was not determinant of was resulted in the fact that service and product offered even in remote areas drove the profitability of the company. The developed BSC performance measurement framework would use to examine and monitor innovation introduced at an affordable price. Incremental would implement the other new invention in line with profitability and cash flow stability. The BSC performance measurement would also use to examine staff performance to be in line with organizational objectives and goals. The framework would also examine customer demand based on repeat and loyal customers rather than pay more attention to once-off customer visitation.

### 6.3.7 Objective 7: Financial and non-financial factors influencing balanced scorecard performance measures for hotel and restaurant SMEs growth

The results and analysis discussed in the previous studies revealed that financial and non-financial factors contributed to performance measures for hotel and restaurant SMEs. The proposed conceptual framework presented in the last section indicated that financial and non-financial factor also added to the balanced scorecard for SMEs growth. In the data analysis and discussion, the revelation was that minority participants and few respondents told that there were factors that harmed hotel and restaurant SMEs growth. They explained that financial and customers were the main contributors to the hotel and restaurant SMEs growth. The findings in the follow-up interview revealed that the central issue in the industry was the seasonality pattern spending of customers. For instance, participants highlighted that few customers visit their business between December and March. Further, they narrated that the company picks up from April to October each year. Another challenge they encountered was financing the capital infrastructure using the income generated from operation instead of using the long-term loan. Interviewees also noted that most SMEs not easily financed because they lack collateral. Lastly, the problem the hotel and restaurant SMEs encountered was managing customers' complaints because they have different needs as they were from a diverse cultural background. The developed performance measurement framework developed could be a useful tool to target and manage activities that would please customers in the seasons where they flow in the country and encouraged business to identify training gaps staff would require to service customers irrespective from which background. Hotel and restaurant SMEs could use the framework to develop staff performance management system.

### 6.3.8 Objective 8: Association between financial and non-financial factors and balanced scorecard performance measures for hotel and restaurant SMEs growth

During the discussion, it revealed that some participants explained that hotel and restaurant SMEs were having a challenge of financing new product or services. The findings of the study showed that there was an association between financial and non-financial factors and balanced scorecard for hotel and restaurant SMEs growth. However, few participants in the follow-up indicated that there was an association between financial and non-financial factors; there was a challenge of financing the related product or service. The proposed conceptual framework developed showed there was an association between financial and non-financial factors influencing BSC performance measures for hotel and restaurant SMEs growth. The BSC performance measurement framework developed would help management to identify operational and capital product and services. The capital product and service suggested using long term funding, whereas operational activities would use working capital, cash available in the bank and overdrafts.

Another problem raised was the association between budget and customer services. The participants indicated that budgets preparations and management was prerogative of owners of the business since this was a family-owned entity. It highlighted in the previous section above that most of the SMEs were established by entrepreneurs with their families. The proposed conceptual framework indicated there was an association between financial factors and BSC performance measures for SMEs growth. The developed BSC performance measurement framework suggested that owners and management should consider involving employees involved planning to participate in the budgeting process for hotel and restaurant SMEs growth. The framework could motivate staff members to bring new suggestion on activities that require funding for operational income and capital expenditure.

Another problem raised during the follow-up interview was lack of financial skills and experience within the industry. The study revealed that few employees involved in planning had a diploma or degree qualification. There were even very few of those holding the financial qualification, and as results, they could not evaluate the performance for hotel and restaurant SMEs sector. The proposed conceptual framework indicated that there was an association between employees' skills and performance of hotel and tourism growth in Eswatini. Therefore, the developed BSC framework stated that there was a cause and effect relationship between learning and growth (employees' skills) and internal business processes. The BSC performance measurement framework suggested that hotel and restaurant SMEs should develop skills employees that would contribute to the internal business process (Operations) of the company. The next section would practically demonstrate how the BSC performance measurement framework implemented could occur in hotel and restaurant SMEs sector. The operation of the frame would base on the four perspectives of the balanced scorecard.

## 6.4 BSC Performance measurement Model for Eswatini hotel and restaurant SMEs

### 6.4.1 Introduction

This section discusses the new and useful BSC performance measurement framework, which makes the hotel and tourism SME sector to be more productive. The practical BSC, performance measurement framework, based on the issues discussed above. The balanced scorecard perspectives, as highlighted in the literature review, develop to measure and manage the performance of the business in respect of size (Kala and Bagri, 2014). Moreover, the balanced scorecard established the cause and effect relationship was earlier criticized in the literature review chapter, where they argued that BSC did not recognize the competition and technology development (Awadallah and Allam, 2015). The balanced scorecard also gets criticized for the assumption that there was a cause and effect relationship among the financial and non-financial measures (Giannopoulos; et al., 2013). However, David J. Cooper et al. (2017), diffused this criticism by arguing that the BSC model was useful and SMEs could incorporate their own business needs, customized the framework to their local practices. This customization creates a useful operationalization of BSC performance measurement framework. This current study developed BSC performance measurement framework that monitors and evaluate the growth of hotel and restaurant SMEs growth strategy as illustrated by **Figure 6.2.**

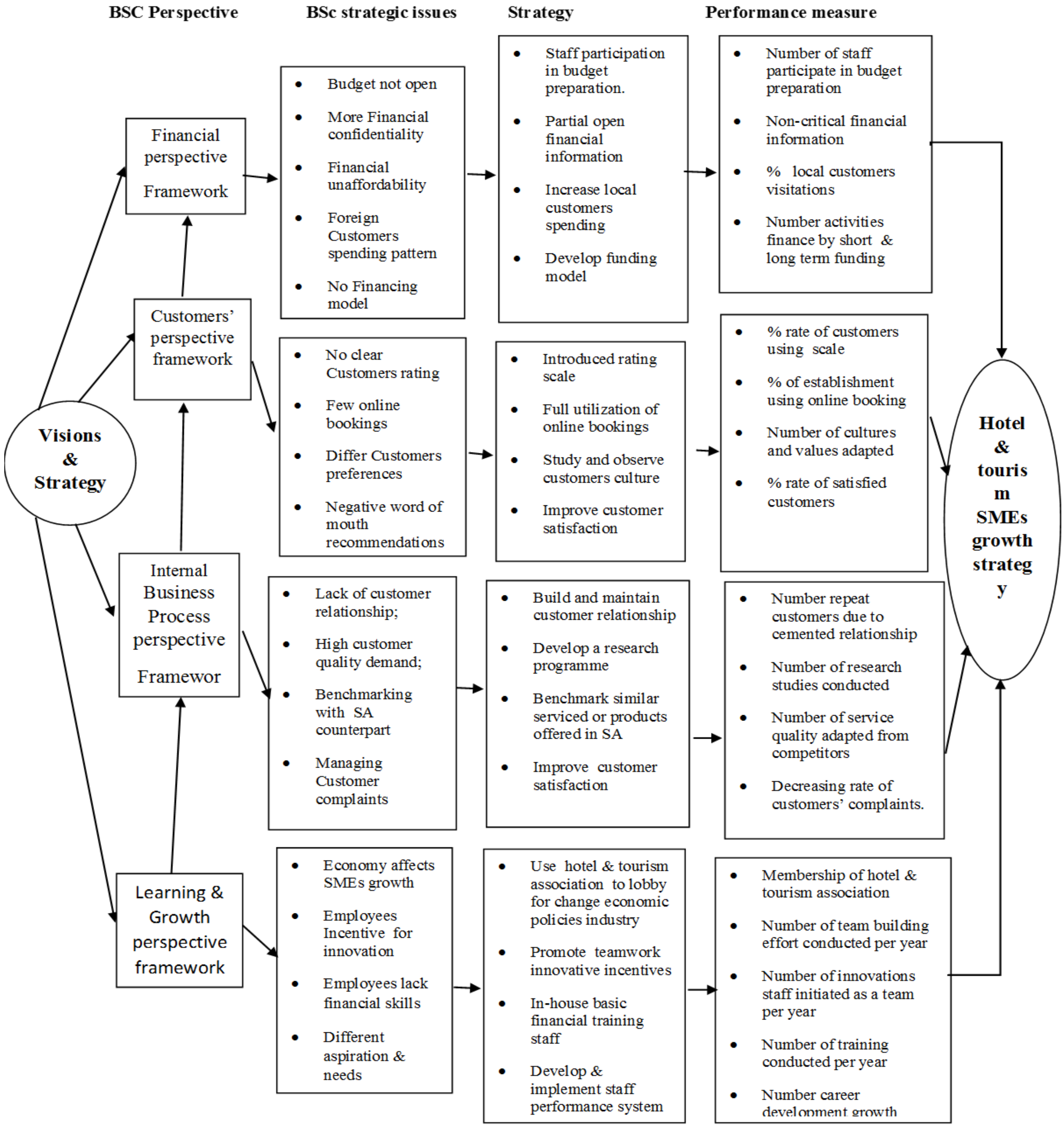


*Figure 6-2 BSC performance measurement framework for hotel and restaurant SMEs growth strategy –source: Author*

The BSC performance measurement framework was customized to suit hotel and restaurant SMEs challenges. In a typical scenario, the categorised of problems were according to the four balanced scorecard perspectives. The Balanced scorecard perspectives were developed based on the vision, mission and strategy of the organization.

### 6.4.2 Vision, mission and strategy

**Vision**

Wikipedia defined the vision as a desire or intended future state of the organization. This statement implied that a vision is a long term view of how the organization would look like in the industry it operates. The vision is a natural quality that is inspirational and charismatic, which motivates management and employees of the organization. In the current study the vision, mission and strategy were outside the scope because the assumption was that most SMEs in hotel and tourism do not have open vision statement since there were family-owned business and staff were not aware of. Moreover, the hotel and restaurant SMEs sector have no written vision statement, yet the intension and aspiration of owners of the hotel were in their mind. The non-written of vision was the leading cause for most SMEs failure at an earlier stage. The balanced scorecard performance measures linked the vision and strategy of the organization, and it was a useful performance measurement tools that translate the vision, communicate and connect the strategy, integrate the business plans and provide feedback (Kala, 2014). A balanced scorecard translates the vision and strategy so that management would have full understanding and confidence on performance measures, objectives and targets/goals they desire to achieve (Kaplan and Norton, 2007). The developed BSC performance suggested that hotel and tourism management should craft intention or aspiration of the business future by setting up a vision. The vision statement leads the hotel and tourism small and medium enterprises to develop a mission statement.

**Mission**

Many authors defined mission the different ways. In this study, the mission statement was described as fundamental purpose why the business exists and what it does to achieve its vision (vision can, therefore, be end and mission means to that end). This definition demonstrated the mission statement identifies the scope of a firm's operations in term of products and services, and it addressed the fundamental question most strategists faced “what is our business?” For instance, the business for hotel and restaurant SMEs sector in this study was to offer quality service to its customers.Quesado; et al. (2017), stated that with balanced scorecard model organizations could drive consensus regarding the strategy because management would able to clarify the mission and strategy meaningful into manageable terms. The model demonstrated that translating the vision and mission would result in the identification of key indicators for the entire organization based on the objectives set.

**Strategy**

The Chartered Institute of Management (CIMA), in the UK, defined strategy as the course of action used to achieve specific objectives. Others described a strategy as an overall plan for deploying existing resources efficiently to meet the favourable position. Grant (2005) highlighted that the strategic management process fulfils decision support, coordination and vision (strategy as target). A plan as a target implied that an organization could set its goals suing the procedure so that they would motivate employees to stretch themselves to extreme limits in a rapidly changing business environment. In a strategy as decision support - the strategy guides decision making process and enhances the quality and consistency of decisions, Strategy as coordinating device – as a company grows it employs more people at different levels with different specializations. It is, therefore, more complex to manage. As highlighted earlier, more hotel and tourism small and medium enterprises did not have the strategy that opened to all staff members. The developed BSC performance measurement framework could help management to adapt it to develop their business strategy for business growth. The strategy at first could be not rational because the industry environment was rapidly changing due to some factors, including Corona-19, which compelled them to change the game plan. The development of the BSC performance measurement framework would support the hotel and restaurant SMEs sector to set achievable targets, make the right decision and coordinate all activities among the departments. The freewheeling opportunism strategy was appropriate because it was not flexible but seize opportunities as they emerged. Although this model had criticised for reactive approach rather than proactive and purposeful, lack of coordinating and control of strategy and over-emphasis on the profit motive than company’s social responsibility or employee commitment, it had appropriate as start-up strategy development process than not having anything at all.

Figure 6.2 suggested that vision, mission and strategy developed and aligned with the four balanced scorecard perspectives for SMEs growth strategy. The developed BSC performance measurement framework indicated that hotel and tourism small and medium enterprises a vision could be developed based on financial, customers, internal business processes and learning and growth. Each balanced scorecard perspectives used to identify the strategic challenges discussed in section 6.2 above concerning the objectives of the study. The view influenced the strategic issues, and the issues would result in the development of goals and targets, which then led to the identification of performance measures that eventually contributes to the hotel and restaurant SMEs growth strategy.

### 6.4.3 Financial perspective performance framework

As earlier stated, the financial perspectives overall objective focused on the creation of shareholders value through profit maximization and institutional growth. Moreover, the earlier results and literature suggested that financial perspective had a direct relationship with customers' views and thus the framework indicated that customer perspectives contributed to the financial performance and growth in hotel and restaurant SMEs sector. The financial aspects discussed demonstrated that the organization in the hospitality and tourism industry could identify financial strategy issues as it had highlighted in the study. The strategic challenges discussed below include:

**Budget not open-** the budgets were not opened to staff to the staff members as individual members established the institution. The developed financial performance promote that hotel and restaurant SMEs should open up the budget processes to the cluster or leaders of departments or unit so that they could get sufficient information from the staff members. The open up of the budget would result in setting realistic targets that would motivate staff members to achieve with minimal supervision. The budget would close the gap of over or underspend in each department.

**Financial confidentiality** - this would remain a problem while business still at the growth stage. However, when the company becomes mature, there would be a need to relax a little bit in particularly to those who were in a management position. The financial confidential remained closed to all staff. The framework suggested that incomplete financial information such sales per month and per year could disclose so that management should strive to achieve high sales targets than the previous week, month and year. The financial confidentiality would result in SMEs growth strategy.

**Customers spending pattern** – earlier alluded that spending pattern of hotel and tourism customers was seasonal. In the performance measurement framework, this was strategic issues related to the financial performance of the entity. With this new BSC performance measurement framework, hotel and tourism management could able to set objectives on increasing local customer spending during the offseason. The local customer spending would measure in terms of % of new local customers visiting the establishment. The new customers could increase or maintain the growth of sales based on new spending. The spending pattern for local customers would increase if entertainment such as swimming areas were available to attract even children to increase new customers visiting the establishment.

**Financing model** – the study proposed that hotel and restaurant SMEs should use a financing model that separate operation expenditure from capital projects. For instance, the framework of the financial perspective suggested that hotel and restaurant SMEs should identify projects and financing in using long term funding such as the extension of houses, construction of swimming poles and roads leading to the establishment to finance with long term debt or equity funding not through the sales of rooms per night. Operation activities discussed in the recurrent budget would fund the operating expenses. However, previous findings revealed that in other countries, SMEs lack banking funding because they lack collateral. In Eswatini financial institution financed SMEs as long as they viable business plan with a clear vision, mission, strategies in marketing, operation, human resources and non-current assets such acquired and required for running of the business.

Furthermore, the government, through the SMEs guarantee scheme managed at the central bank, could use as back up collateral.

### 6.4.4 Customer perspective performance framework

The customer perspectives performance framework focused on how the hotel and restaurant SMEs should appear to customers to achieve their vision. Based on the previous analysis and results, the performance measurement framework suggested that hotel and tourism SME should developed strategies and performance measures with customers' perceptions in mind. The BSC customer performance framework revealed the customer issues raised when discussing the conceptual framework against the objectives of this research study. The BSC performance categorised the challenges based on the customer performance framework.

**Customer not diligent rating establishment** – in most cases, the customers' rate the service of the customers while there check out and this affects the due thorough rating process because the questionnaire might even take longer to complete. The developed customer performance measurement framework suggested that a short and straightforward rating should develop as a strategy to increase the customer rating the establishment. The performance measures would be % of the number of customers using the customer rating instrument. This instrument would assist management to improve customers' services and the growing number of new or repeat customers if the customer satisfaction level was rated high. The BSc performance measurement tool for small and medium enterprises in Eswatini demonstrated that customer rating of service diligent would affect to repeat and new customers in the hotel and restaurant SMEs sector.

**Customer booking online -** When discussing and analysing the results of the mixed method, one of the challenge hotel and tourism small and medium sector encountered was the self or using the urgent in booking for accommodation and events to take place in Eswatini. They prefer to use online booking owned by hospitality and tourism companies such as booking.com or trip advisor. However, most of the hotel and restaurant SMEs had not subscribed to these websites, and they use the traditional approach to book through making calls to the establishment. The developed BSC performance measurement framework in figure 6.2 suggested as the industry used the model technology to book the online small and medium hotel and restaurant SMEs should consider a subscription to the booking.com and trip advisor website to ensure that customers could book online. As earlier alluded, the usage of the model technology such as the internet, website and other social media make customers book easily and enhance customer satisfaction (Sitawati, 2015). The developed BSC performance measurement framework for hotel and restaurant SMEs supported Elliot and Joppe (2016) findings that central reservation systems (CRS) provide new sources of revenue and attracting new booking processes in their accommodations through destination management organisation (DMOs) with relevant and timely performance measures.

**Customers different preferences and cultures** in the orientation chapter it was stated that customers for small and medium enterprises were tourists from European countries, the United States of America and South Africa. These customers were having different preferences of services and service as they were from diverse culture. The developed BSC performance measurement framework suggested that small and medium enterprises study and learn the different cultures and preferences of different customers. The study included the reception of customers, quality service and preparation of meals. When the number of customers preferences and culture satisfaction increase, the hotel and restaurant SMEs would have prospects of receiving new customers and maintain the existing one. The developed BSC performance measurement demonstrated tha*t* the high number of culture and customer preferences would result in the high growth of small and medium enterprises as they would more bookings from the establishment. The developed performance measurement concurred with Sitawati (2015), findings that hotels and lodges could offer the same price with offering attributes such as architecture or interior design to properties or create cultural packages for customers as a competitive strategy to outplay the competition.

**Negative customer word of mouth -** the literature revealed that positive word of mouth recommendations was a result of customer satisfaction. When customers were satisfied with the service, they recommended it to their friends and relatives, the excellent quality services received from the hotel or tourism establishment. The quality service would results in high new bookings from those people who wanted to taste the services themselves (Sitawati, 2015). The developed BSC performance measurement framework using the discussions of the results and conceptual framework in the previous section demonstrated negative word of mouth recommendations could damage the image of the hotel and restaurant SMEs growth. Therefore, the developed BSC performance measurement framework in Figure 6.2 indicated that hotel and restaurant SMEs should first identify the customer word of mouth issues, then developed a strategy to improve customer satisfaction that would yield positive customers word of mouth recommendations. The strategy would determine or measured by the percentage rate of customer satisfaction level. The customer performance measurement supported Ćorluka et al. (2017), findings that word of mouth could attract more or drive away potential customers.

### 6.4.5 Internal business process performance framework

The internal business process performance framework focused on how hotel and restaurant SMEs should satisfy their stakeholders and customers. They had to identify the business process they must excel at. The earlier discussions and results revealed that hotel and restaurant SMEs applied effective and efficient business processes that would make the business more successful. The internal business processes were rated the most used and implemented performance measures for hotel and restaurant SMEs sector. The conceptual framework suggested that the internal business process performance measures were associated with critical success factors, factors and innovation, trust culture, shared valued and cluster (location) theories. After the follow-up interview and results, the model demonstrated that internal business processes problems were facing the hotel and restaurant SMEs sector. The issues included building a good relationship with customers, quality services against demand, benchmarking with South African competitors and managing customers complaints.

**Establishment customer relationship** – the follow-up interview revealed that hotel and restaurant SMEs establishing good customer relationship was critical success factors for hotel and restaurant SMEs. The developed BSC performance measurement framework suggested that hotel and tourism should identify strategic issues around establishing good customer relationship and build the appropriate strategy. The structure indicated that several repeat and new customers would be performance measures of internal business process and the developed internal business process performance framework contributed to SMEs growth strategy.

**Quality services against customers demand** – The earlier results discussed indicated that quality service was one of the critical success factors and factors that contributed to equal performance measure for hotel and restaurant SMEs growth strategy. The developed BSC performance measurement tool suggested that the organizations should prioritise valuable services customers' demands through mini researches. The feedback from customers should be continuously measured using the performance tool. The quality service strategy and performance measurement framework should assess whether they contributed towards small and medium enterprises growth.

**Benchmarking with South African competitors-** the follow-up interview results and analyses discussed in the previous chapter revealed that hotel and restaurant SMEs sector sometimes benchmarked their performance with those of South Africa counterpart. The challenge though was that economy, and the standard of rendering the service was different from each country. The BSC performance measurement framework indicated that hotel and tourism should identify services offered better by the competitors and developed plan how they can serve the customer better or similar to the customers. The performance measure would number of services adapted from South Africa services, and this should monitor and evaluate if they contributed to small and enterprises sector growth strategy. This strategy suggested that hotel and tourism should benchmark with South African similarly better performing entities. This framework supported Christie et al. (2013), findings that services and accommodation standard in the Sub-Sahara region should benchmark with South Africa.

**Managing customers' complaints** – literature and mixed data analysis indicated that hotel and tourism small and medium enterprises take customer complaints seriously. The developed BSC performance measurement framework suggested that organizations should identify the number of things that lead to customer complaints. They should develop strategies to improve customer services, and this would improve customer satisfaction. The management of hotel and tourism small and medium enterprises should use the framework. The administration of customers complaints reduced the chances of talking negatively about the establishment (Sitawati, 2015).

## 6.4.6 Learning and growth performance measurement framework

As earlier highlighted in chapter 1, this perspective focused on achieving the vision. Therefore, the developed strategies would sustain their ability to change and improvement required. The discussion and interpretation of results in the previous chapter demonstrated that there were still issues raised in hotel and restaurant SMEs despite the usage and implementation of balanced scorecard and theories for business growth. Learning and growth issues raised and discussed below:

**Economy contributes to hotel and restaurant SMEs growth** – the previous findings indicated that hotel and tourism small and medium in particularly within Manzini-Mbabane corridor were easily affected by the environmental factors. The results of the study demonstrated environmental factors such as economy contributed hotel and restaurant SMEs sector growth. The developed BSC performance measurement framework suggested that hotel and tourism small and medium should affiliate to the Hotel and Tourism of Eswatini (HOTAE) which would represent them in lobbying for all policies such like economic policies that would affect business growth. The association could use the performance measurement framework to recruit more establishments to join the association to lobby for government policies that affect them. The performance measurement framework suggested that hotel and tourism could be a vibrant association speaking in a voice to lobby any government policies government could impose.

**Employees' expectation regarding innovation** – the results of the study revealed that innovation contributed to small and medium enterprises growth. However, the results indicated that innovation prolonged because the majority of owners or management were above 40 years which affect the innovative and creativity of hotel and restaurant SMEs. The follow-up interview results and analysis revealed that employees often expect to incentivize when they bring new idea or invention. They suggested that such incentives could either be in the forms of promotion or any monetary incentives. The performance measurement framework suggested hotel and tourism small and medium enterprises should develop teamwork incentive strategies to ensure that all staff members benefit from innovation. The framework demonstrated that high the promotion of corporate incentives would contribute to the number of innovation and creativity would improve small and medium enterprises sector growth if all staff were involved in planning. It also demonstrated that SMEs should engage their staff, particularly the youth, to promote innovation in their establishments.

**Employees' lack of financial skills** – the results of the study indicated that employees in hotel and tourism small and medium enterprises lack financial skills. The basic understanding of financial information such as budgets and procurements were very crucial for hotel and restaurant SMEs sector because employees deal with customers and suppliers. The staff's understanding of the underlying financial information as necessary for the SMEs sector. The developed BSC performance measurement framework suggested that the in-house basic financial training for staff so that they could be useful when budgeting for the activities of the company. The performance measurement framework also reflected that when the number of training increased, it would influence organizational growth.

**Different career aspirations and needs** – the results of both quantitative and quantitative data analysis indicated that employees in hotel and tourism had diverse ambitions and needs, and therefore the trust culture might not be relevant. However, the challenge was that such an analysis not identified more scientifically. The developed performance measurement framework used to create a staff performance measurement system in the hotel and restaurant SMEs sector. This performance measurement tool could assist management and owners of hotel and tourism to understand the staff different career aspirations and needs. However, ambition and requirements should be in line with the organizations' goals and vision. The new skills and qualifications could result in increasing the sales and profitability of the company. In the end, this could contribute to the hotel and restaurant SMEs growth.

## 6.5 Implementation plan for Eswatini hotel and restaurant SMEs sector

This section discusses the implementation framework of the hotel and restaurant SMEs sector of Eswatini which was developed based on the BSC performance measurement framework. As earlier stated in the previous sections, the BSC performance measurement framework focused on issues raised in the qualitative research findings. The proposed implementation framework was the implementation of the operation plan derived from the conceptual framework to BSC performance measurement framework.

The implementation model was developed based on the four perspectives of the balanced scorecard as well. Therefore, the focus of this section is to deliberate the process of implementing the framework developed for the hotel and restaurant SMEs to cater to specific issues raised and highlighted in Figure 6.2. The implementation framework addressed the practical steps of hotel and tourism small and medium enterprises could follow as illustrated in Table 6.1.

*Table 6.1 BSC Implementation model for Eswatini Hotel and restaurant SMEs Sector*

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Balanced Scorecard** | **Strategy** | **Strategic objective (KPA)** | **Actions/ Activities and processes** | **Key performance Indicator / measure** | **Target /goal** | **Period** | **Budget Item** |
| 1.Financial perspective performance framework | 1.1 Staff participation in budget preparation | To realist budget for activities used in the department or unit | 1.1.1 engage head of departments | Number of Hod Buy in in budgeting process | 90% of staff understand the financial planning | April 2021 | Meeting expenses |
| | | | 1.1.2 HoD engage their subordinate in developing the budget | All Staff budget for the items and activities | 100% budget figures have the base | June 2021 | Normal salary |
| | | | 1.1.3 Finance manager or accountant consolidate budget | Approved Consolidated budget available for use | All staff participated in the financial planning | July 2021 | salary |
| | 1.2 Increase local | To increase revenue | 1.2.1 Identify products or services that | % local customers visitations | 50% customers | Dec 2021 | Marketing expenses |

| | | | | | | | |
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| | customers spending during off season | and cash flow bases | will draw more customers | | must local clients | | |
| | | | 1.2.2 Market the product or service to right channel | | | | |
| | | | 1.2.3 assess the response rate | | | July 2021 | Office expenses |
| | 1.3 Develop a financing model | To have the financing model that would cater to capital expenditure and operating expenses | 1.3.1 Identify capital and operational activities | Number activities finance by short & long term funding | 50% of capital expenditure financed through the debt | April 2021 | |
| | | | 1.3.2 design budget indicating capital and operational expenses | | | June 2021 | |
| | | | 1.3.3 develop a business plan for capital activities to be financed through debt | | | July 2021 | Office expenses |
| | | | 1.3.4 Present or submit the business | | | August 2021 | Travelling and communi |

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| | | | plans to the financial institution for funding capital activities; | | | | cation expenses |
| **Balanced Scorecard** | **Strategy** | **Strategic objective (KPA)** | **Actions/ Activities and processes** | **Key performance Indicator** | **Target /goal** | **Period** | **Budget item** |
| 2.Customers perspective performance framework | 2.1 Full utilization of online bookings | To ensure that customers access the hotel or tourism SMEs online and book for accommodation ore services online | 2.1.1 identify service provider or agent | Service provider selected | One service provider identify | Sept 2021 | |
| | | | 2.1.2 subscribe to the service provider or agent | Get a quotation from the service provider | Subscribe to the chosen provider | Nov 2021 | Communication and marketing expenses |
| | 2.2 Improve customer satisfaction | To minimize negative publicity of the business | 2.2.1 identify service or product the customers' need most | Number of service or products customers need | Select at least three services or products like most | Jan 2022 | Communication expenses |
| | | | 2.2.2 Offer those products or | Customers happy with the product | 90% of customers satisfied with | Feb 2022 | Research expenses |

| | | | | | | | |
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| | | | services at best | or service offered | product or service | | |
| | | | 2.2.3 continuously rating the quality of service or product | Customers filling scaling rate | Customers get the best services and product | March 2022 | General service costs |
| | 2.3 Introduced rating scale | To measure customer satisfaction level | 2.3.1 Identify simple rating scale the business can use | Have a simple rating scale in place design | Measure services rendered to customers | June 2021 | Salary or wage expenses |
| | | | 2.3.2 Develop the rating scale | Have the simple rating scale developed | Customer satisfaction rating scale developed | July 2021 | Salary or wage expenses |
| | | | 2.3.3 Implement the rating scale for evaluating the staff and organization performance | Staff give and assisting customers in filling the rating scale | 80% per day customers filled the scale | August 2021 | Salary or wage expenses |
| **Balanced Scorecard** | **Strategy** | **Strategic objective (KPA)** | **Actions/ Activities and processes** | **Key performance Indicator** | **Target /goal** | **Period** | **Budget Item** |

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| 3. The internal business process performance framework | 3.1 Build and maintain custome r relations hip | To establish a relationsh ip with repeat and loyal customers | 3.1.1 Identify the faithful or repeat customer s | List of repeat and loyal customers | Acknowle dge their business support | Jan 2021 | General expenses |
| | | | 3.1.2 Develop annual special once-off package offer to repeat and loyal customers | List of packages identified and selected | Give out presents & gifts to repeat or loyal customers | Feb 2021 | Marketing & promotion expenses |
| | | | 3.1.3 Annual give out gifts and present to customers l | Number of acknowledge ment gifts or presents given to customers | Establish and maintain a good customer relationsh ip with repeat and loyal customers | April 2021 | Marketing & promotion expenses |
| | 3.2 Develop quality research program me | To meet customer quality service demand | 3.2.1 hotel and restaurant SMEs establish the research programme | Increase membership number of HOTAS | SMEs speak in one voice | Oct 2020 | Research and developm ent expenses |
| | | | 3.2.2 conduct research continuously | The number of customer services | One survey | Nov 2020 | Research & developm |

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| | | | customer demand survey | surveys conducted. | conducted per year | | ent expenses |
| | | | 3.2.3 Implement findings of the research | Adjust and correct services as per recommendations of the feedback | At least 50% of conclusion implement | December 2021 | General expenses |
| | 3.3 Benchmark similar serviced or products offered in SA | To improve services and product quality standard | 3.3.1. Identify hotel or tourism SMEs in SA offering a related product or service. | Have a collaboration agreement with SA counterpart | Offer service and product likes by customers | Jan 2021 | Travelling expenses |
| | | | 3.3.2 Visit the facility | Identify success factors for SA counterpart s | Offer similar or better services than the SA counterpart | March 2021 | Travelling expenses |
| | | | 3.3.3 Implement the selected services | Customize and implement service and product make SA successful. | Improve and offer assistance and product similar to or beyond | | General expenses |

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|---|---|---|---|---|---|---|---|
| | | | | | SA counterpart | | |
| **Balanced Scorecard** | **Strategy** | **Strategic objective (KPA)** | **Actions/ Activities and processes** | **Key performance Indicator** | **Target /goal** | **Period** | **Budget Item** |
| 4. Learning and growth perspective framework | 4.1 Use hotel & tourism association(HOTAS) to lobby for change Socio-economic policies industry | To have socio-economic policies driving SMEs growth | 4.1.1 Hotas to list of hotel and tourism establishment not affiliated | Establish several members of hotel and tourism | 90% of hotel and restaurant SMEs affiliated to Hotas | Dec 2020 | Hotas operation budget |
| | | | 4.1.2 Hotas encouraged nonmembers to join the associated with speaking in one voice. | New hotel and restaurant SMEs participating Hotas | New members increase by 20% per year | December 2021 | Hotas Budget |
| | | | 4.1.3 continue identification of policies and regulations affecting the industry | Number of policies and regulations affecting organizations growth | Identify those policies and regulation clauses affecting organizational growth | Feb 2022 | All members budgets |

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| | | | 4.1.4 Engage government to review and introduce policies | Government review, amend & add policies and regulation affecting SMEs in the hotel and tourism sector | Review, revise and propose policies and regulation affecting hotel and restaurant SMEs growth | Dec 2022 | Government budget |
| | **4.2 Promote innovative teamwork incentives** | To have co-operative research papers in Eswatini published internationally | 4.2.1 identify team building activities for the staff | Number of activities identified for team building | Select three activities that would improve the spirit of teamwork | Dec 2020 | Team building expenses |
| | | | 4.2.2 select affordable teamwork activities that would benefit all staff members | Approved accessible team building activities | Implement one event for team building | Aug 2021 | Team building expenses |
| | | | 4.2.3 implement a team building once a year | Appoint a team to lead staff team-building initiative | Team 2-5 members responsible for organizin | Sept 2021 | Team building expenses |

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| | | | | | g the event | | |
| | | | 4.2.4 Review the impact of excise | Report on staff behaviour after the team building | Staff working as a team to enhance innovation and other initiatives | Oct 2021 | Meeting expenses |
| | 4.3 In-house essential financial training staff | To increase staff knowledge and understanding of essential financial information | 4.3.1 identify a consultant or financial expert to facilitate the session | Appoint expert to train staff on basic accounting reporting | 90% of staff understand and use financial information | Jan 2021 | Training expenses |
| | | | 4.3.2 Staff understanding and knowledgeable on primary financial | Team leaders and head of department/units appreciate staff involvement in the financial activities such as budget s | 80% of staff responsible for planning and management understand their role in the financial input of hotel and restaurant | July 2021 | Training expenses |

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| | | | | | SMEs sector | | |
| | | | 4.3.3 continuous mentoring staff members on financial input issues | Team leaders and head of department/units monitoring staff members on input on financial information | Ensure that staff members ongoing understand their roles in financial input data | Ongoing | Salary & wage |
| | **4.4 Develop and implement of staff performance management system (PMS)** | To track staff performance and career development aspirations | 4.4.1 Develop terms of reference for staff PMS | Approved terms of reverence | A clear scope of work for PMS | Jan 2022 | Consultants and professional fees |
| | | | 4.4.2 Engage the external person to develop PMS | Appoint expert to develop PMS in line with Job descriptions | Draft PMS prepared by expert | March 2022 | Consultants and professional fees |
| | | | 4.4.3 Expert submit draft PMS for review and ratification | Well-articulated and simple document review by management and staff. | Ensure that draft scrutinize before submitted | June 2022 | Consultants and professional fees |
| | | | 4.4.4 PMS document implemented | Approved PMS was in line with | Employees appraised | Sept 2022 | Consultants and |

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| | | | | employees job descriptions | annual based on the PMS developed | | profession al fees |

The propose BSC implementation framework for Eswatini hotel and restaurant SMEs sector categorised into 8. The first categorised included balanced scorecard, strategy, strategic objectives / Key performance Areas(KPAs), key performance indicator (KPI), target goals, period and budget item. The strategy and performance indicator/measures were expansion from BSC performance measurement framework in the previous section. The four balanced scorecards was used as the base for this implementation framework. The balanced scorecard was useful in this framework because it unpacked both the conceptual and performance measurement frameworks. The conceptual framework was a simple, helpful tool hotel, and tourism small and medium enterprises sector could adapt and minimize the issues raised above and ensure there were measured and have the proposed financial plan. The hotel and restaurant SMEs could choose or customers the categories to suit their needs.

## 6.6 Summary and conclusion of the Chapter

The study's chapter first has shown how the balanced scorecard performance measures contributed to the small and medium business growth strategy. The performance measures depended on the critical success factors, other factors, innovation, shared valued, trust culture and location (cluster) theories. This model supported the statistical analysis test that there was an association between different variables. For instance, the findings of the study indicated that there was an association between balanced scorecard performance (financial and non-financial) measures and critical success factors discussed in the previous chapter for SMEs growth strategy. Again, the results indicated there was an association between innovations, shared valued, trust culture and cluster theories and performance measures for hotel and restaurant SMEs sector. The follow-up interview results confirmed the association between the variables, but some participants raised issues around the associating, which had results developed a balanced scorecard performance measurement framework according as per the eight objectives of the study.

The BSC performance measurement framework was developed based on the findings of mainly the follow-up interview conducted. The framework developed to address that research problem statement that hotel and tourism were not having a performance measurement tool such as balanced scorecard to monitor and evaluate their organizational growth. First, the framework recognised the significance of having the vision, mission and strategy so that the hotel and tourism small and medium enterprises could have a clear roadmap. The four balanced scorecard performance depended on the organizational vision, mission and strategy. The performance measurement assesses the strategic issues analysed in the follow-up interview discussions from strategic issues then developed strategic direction. Then the performance measure suggested that there should be a performance measure which would contribute to small and medium enterprises growth strategy.

The developed implementation framework which hotel and tourism small and medium enterprises could adapt and customise to establish performance and measurement tool for their establishment, their association for hotel and tourism sector in Eswatini. The small and medium enterprises could able to develop budget items at the end. The implementation framework first establish BSC as a pillar, followed by strategy, strategic objectives (key performance areas), actions/ activities to be carried out, key performance indicator (Measures), target (goals), time frame and estimated costs of the event or strategy.

# 7.0 SUMMARY AND CONCLUSIONS OF THE RESEARCH STUDY

The last chapter of the dissertation highlights the summary of the research study in terms of the problem statement, the research objectives and mixed research questions and how the study addressed all these areas. The chapter summaries the main findings and presents the conclusions made in the study. Based on the conclusion and research findings, the researcher formulated several recommendations which include further studies.

## 7.1 Research summary

This section will briefly summarize the background of the overall study, research problems, research design and methodology, main findings of the study, the achievement of the research objectives and solution to the research problem statement.

### 7.1.1 Background of the overall study

A balanced scorecard uses the four financial perspectives, customers, internal business process and learning and growth not only as of the performance measurement and management tool but as base establish organizational objectives, performance indicators and targets for the organizational success. The BSC had used to set new strategic direction, effective communication and get feedback from customers and staff members for management to make informed decision-making process (Kirsten et al., 2015). Despite the criticism that balanced scorecard focused on the internal and ignore the outside focus, it is the most popular management, and measurement tool organizations used regardless of its size (Kala, 2014). Large companies in developed countries had widely used the model than in developing countries. As highlighted earlier in the literature, few hotel and tourism small and medium enterprises had adopted the model in the developing countries.

Literature indicated that there were critics of the balanced scorecard argued that the model was not flexible to highly dynamic business environment, and creating risk when organization focused only on the four perspectives (Awadallah and Allam, 2015, Giannopoulos; et al., 2013). Nonetheless, the practitioners of balanced scorecard diffused the argument claiming that the model had been successfully used and implemented by the small and large organization (David J. Cooper et al., 2017). Sainaghi et al. (2018), indicate that users of BSC incorporate the model into their business needs, then customize to local practices and these require the expert to explain this to the real case which makes the business succeed in the competitive environment.

Small and medium enterprises hotels and tourism sectors used the BSC model had improved their quality of services and customer satisfaction level. They also realised the sales growth of room and realised more profit. Some realised the need for the training their services for customers demand and more bookings for accommodation and services rendered (Al-Azzam, 2016). In the current study, the BSC model literature review was conducted in collaboration with cluster, innovation, shared valued, trust culture and knowledge sharing theories to develop a conceptual framework for small and medium enterprises growth strategy. The related literature revealed that there were very few studies conducted in the sub-Sahara region on balanced scorecard usage and implementation. Even those who used the model, there were not aware that they apply the four perspectives monitoring and evaluation of the business growth (Kala, 2014). The next section defines the problem statement.

### 7.1.2 Research problem statement

In the last ten years, there has been a high influx of tourists in Eswatini (Swaziland), and this has resulted in the development of the hospitality and tourism industry; more specifically the increase in the number of small and medium hotels in the country. However, these hotel and tourism small and medium enterprises (SMEs) seem to have no formal performance measurement system or model such as a balanced scorecard (BSC) to monitor and evaluate the SMEs organization growth. Thus the primary purpose of the study was to investigate the usage of the balanced scorecard as a performance measurement tool to monitor and evaluate hotel and tourism small and medium enterprises growth in Eswatini

### 7.1.3 Research design and methodology

The research study used the explanatory mixed sequential method. This research method requires to collect primary data, to begin with, a quantitative survey, analysed the data and then use the results to establish follow-up research questions (Creswell and Cresswell, 2018). In this study, the first data was collected from 350 respondents while the second phase interview was for 14 participants of 35 establishments who agreed to participate in the study. The research questions designed to separate based on the eight objectives of the study. The second phase interview follows up was to assess in-depth the first results and purpose sampling selection focused to directors and senior management of hotel and tourism small and medium enterprises. Information was gathered from the hotel and tourism small-medium enterprises on current used and implemented of four balanced scorecard perspectives.

Before embarking into collection information, as discussed in chapter 5, the researcher ensured that appropriate research questions asked after an extensive review of the literature on the study. The research questions were compared and adjusted in line with previous research studies. The researcher tested both qualitative and quantitative instruments' suitability, reliability and consistency, and ensured that they were in line with Creswell and Cresswell (2018) concepts of mixed explanatory sequential method. Various performance measurement and cluster theories were to determine the appropriateness and previous usage. This approach led to the development of the conceptual framework for this study discussed in Chapter 6. The next section discusses the findings of both analyses briefly.

### 7.1.4 Main findings of the study

The usage of performance measurement systems such as the balanced scorecard in the rapid socio-economic and competitive environment signifies the importance of the small and medium enterprises practises and other sectors to monitor and evaluate performance according to set strategies and targets of the organizations. The business model, like a balanced scorecard, helps to identify factors contributing to small and medium enterprises growth. Nevertheless, it was not formally adopted as a performance measurement system to help the hotel and tourism sector to monitor and evaluate their performance. The usage of the balanced scorecard s performance measurement in hotel and restaurant SMEs in Eswatini would help in advancing economic growth, enhance job creation and stimulate the overall growth in the sector.

Therefore, the research embarked on investigating issues contributing to the usage of the balanced scorecard as performance measurement in hotel and restaurant SMEs sector of Eswatini, selected as the main focus in meeting objectives discussed in Chapter 5. Based on these discussions, the researcher had sufficiently addressed the objectives shown in chapter 1 as thus:

**Objective 1;** *to examine the four BSC perspectives usage and implementation in hotel and restaurant SMEs sector*

The research achieved this objective by the collection of conducting the survey first and used the results to develop and interview participants in the second phase cycle of the study in line with (Creswell and Cresswell, 2018) method explained in chapter 3. As earlier discussed in chapter 3 and 4, the survey was using the Likert scale 1-4 rating and the results discussed in chapter 5 revealed that hotels and tourism use the four balanced scorecard perspectives to measure performance. Table 4.1 detailed results and analysis revealed that internal business process (67.7%), customer performance measures (64%), 52.2% learning and growth and financial (46.3) used and implemented performance measures for hotel and restaurant SMEs growth strategy. The follow-up interview then was to investigate why financial performance measurement was the lowest used and implemented. Participants accepted that financial performance not necessarily least used, but financial information as only known by directors and selected managers because the business was not only private family-owned but also financial information was highly confidentiality for staff. This information had used to develop new and useful performance measurement framework and implementation model for hotel and tourism SME sector.

**Objectives 2:** *To assess the significance of the association between financial and non-financial performance measures for hotel and restaurant SMEs growth*

The research study also achieved this objective first by collecting and analysing quantitative data results which indicated that the association was significant between financial and non-financial performance measures (customers, internal business process and learning and growth). The Pearson Chi-square in Table 4.2 indicated that $P \leq 0$. Since $P \leq .01$ or $P \leq .005$ implied that there was a sign of association between financial measures and non-financial performance measures. The follow-up interview results and analysis revealed that there was a significant association between financial and non-financial measures. The association between financial and non–financial performance measures revealed that financial growth relies on the customers, internal business process and learning and growth. The statistical analysis supported the previous studies that the financial scorecard depends on non-financial scorecard using the cause and effect relationship (Kala, 2014). This study, therefore, developed the conceptual framework based on the original balanced scorecard perspectives cause and effect relationship. However, some participants argued that non-financial performance measure was not associated with budgets of small and medium business because the staff were not privy to financial information such as the profitability and budgets of the organization since these were the private family-owned business. The non-participation of staff in budget preparation discussed in chapter six. Nonetheless, the majority of participants supported the quantitative results that there was the significance of the association between financial and non-financial performance measures.

**Objective 3:** *To examine financial and non-financial critical success factors influencing BSC performance measures*

The research achieved the objective of examining financial and non-financial critical factors influencing balanced scorecard performance measures by answering the quantitative and qualitative research questions. The quantitative questionnaire assessed the critical success factors hotel they adopted. The surveyed findings in Table 4.3 revealed that overall respondents (68.8%) acknowledge that hotel and restaurant SMEs had adopted the financial and non-financial critical success factors as the contributing factors to balanced scorecard performance measures for hotel and restaurant SMEs growth strategy. The results ranked in order from highest to lowest, the customer (73.7%), internal business process (69.5%), financial (69.2%), learning and growth (62.8%) critical success factors. The follow-up interview was on reasons why hotel and restaurant SMEs had adopted the critical success factors as a contributor to the balanced scorecard performance measures for organizational growth. In the previous discussion explained in chapter

5, that critical success factors such staff appearance, well-trained staff, technology advancement and experiences staff among others contribute to balanced scorecard performance measures for hotel and restaurant SMEs sector growth strategy. The main reason these critical success factors were significant for BSC performance measures was that it increases the customer satisfaction level, which in return increase house occupation and maximizes the profitability of the organizations. Another critical factor raised during the discussion was customer relationship. Participants indicated this could be a strategic focus area for the hotel and restaurant SMEs growth. Customers' establishment as one strategic issue for BSc performance measurement framework in which hotel and restaurant SMEs could consider adapting to the implementation framework in Table 6.2. However, the quantitative and qualitative results and analysis revealed that hotel and restaurant SMEs had adopted the financial and non-financial critical success factors, and there were clear reasons why they were adopted.

**Objectives 4:** *To assess the significance of the association between financial and non-financial critical success factors*

This objective achieved in this study by using first the survey and the follow-up interview data collections and results analysis. The questionnaire survey assessed if the association was significant between financial and non-financial critical success factors with the balanced scorecard performance measures for hotel and restaurant SMEs growth. The Pearson Chi-Square $P \leq .001$ revealed that the association was significant between critical success and performance measures. This association resulted in the development of the conceptual framework in figure 6.1, which was in detail discussions in chapter 6. This framework resulted in the development of the BSC new and useful performance measurement framework and implementation plan. The follow-up interview results supported the quantitative results that there was an association between financial and non-financial success factors and balanced scorecard performance measures for hotel and restaurant SMEs growth.

**Objective 5:** *To examine the cluster (location), innovations, trust culture, shared value/knowledge sharing theories contribution to BSC performance measures;*

The objective accomplishment occurred through the examination of theoretical attributes contributing to the balanced scorecard performance measures for hotel and restaurant SMEs growth in Eswatini. The descriptive statistics results revealed that overall respondents (68.9%) agreed that theoretical attributes were contributing factors for hotel and restaurant SMEs sector. The theoretical attributes results analysis include cluster /location (73.7%), trust culture (68.7%) innovations (67.7%),and shared valued (65.5%). Furthermore, the majority of the participants in the following interview supported the quantitative results that the theatrical attributes contribute to the hotel and restaurant SMEs growth. However, few participants opposed the findings because they claimed that the industry lack the teamwork instil innovation. The main reason was that raised was that employees get tips from staff; therefore, there was lack of trust culture among employees that could enhance innovation. As a result, the development of BSC performance measurement framework, conceptual framework and implementation plan would help management to set a performance target that would increase teamwork innovation among the staff members. The innovation and trust culture realised through the theoretical framework, and performance measurement framework developed. Nevertheless, results and analysis of mixed sequential study found that their theoretical attributes contributed to the hotel and restaurant SMEs growth.

**Objective 6***: To examine the significance of the association between clusters (location), innovations, trust culture, shared value/knowledge sharing with BSC performance measures*

The objective realised through the non-parametric statistical Chi-square test. The statistical test found that there was a significant association between the overall theoretical attributes and the balanced scorecard performance measure for hotel and restaurant SMEs. The analysis and results suggested that one should develop the conceptual framework illustrated in Figure 6.1, which demonstrated the link between the overall theoretical attributes with BSC performance measures for hotel and tourism SME sector growth strategy. The association of the theoretical attributes and performance measures had led to the development of the BSc performance measurement framework in Figure 6.2. The framework was resultant to development of implementing plan Table 6.1 that hotel and restaurant SMEs could adapt to reduce deficiencies of innovation, trust culture and shared value discussed in chapters 5 and 6. Although, the majority of participants in the follow-up interview results and analysis confirmed that there was an association between theoretical attributes and BSC performance measures, and there identified challenges that weaken the associations. For instance, one participant argued that the performance of staff and job satisfaction was not associated with innovation trust culture, shared value and location, but it was related to individual job descriptions.

**Objective 7:** *To assess financial and non-financial factors influencing BSC performance measures;*

The objective was realised through data collections from both quantitative and qualitative sources as described in chapter 3, 4 and 5. The detailed analysis results found that financial and non-financial factors influenced the hotel and restaurant SMEs growth strategy illustrated in Table 4.7. The majority of respondents (63.3%) acknowledged that financial and non-financial factors contributed to the small and medium enterprise growth. The leading factors were customers (68.8%) and financial (65.9%) while the least factors were internal business process (62%) and learning and growth (56.5%). The follow-up interview question required an explanation of why the customers and financial factors were leading factors. The reasons why internal business process and learning and growth were least factors were open for future research study because there were not part of the current study. In the followed up interview the analysis of the results, the majority of participants gave different reasons discussed in chapter 5. These include the industry complexity, which was so rapidly and continuously financial injection to capital infrastructure to name the few. The challenges raised in chapter 5 and 6 was financing the capital and operation expenditure factors. Therefore, the result and analysis led to the development of the conceptual framework Table 6.1. The model illustrates that the factors contribute to balanced scorecard performance measures for hotel and tourism small and medium enterprise sector growth strategy.

**Objective 8:** *to examine the significance of the association between financial and non-financial factors and BSC performance measures for hotel and restaurant SMEs growth*

The Chi-Square test for non-parametric variables found that there was a significant association between financial and non-financial factors influencing BSC performance measures for SMEs growth. The overall analysis had a P value of less than 0. The findings implied that association was significant among the factors according to the interpretations of the results in chapter 4 Table 4.8. These results advocated for the development of a theoretical framework for hotel and restaurant SMEs sector. The conceptual framework proposed that there was the significance of the association between financial and non-financial factors and balanced scorecard performance measures for hotel and restaurant SMEs sector growth strategy. The overall association of factors and balanced scorecard determines the small and medium enterprises growth.

The interview data analysis and results confirmed that there was an association between financial and non-financial factors and balanced scorecard performance measures for hotel and restaurant SMEs growth. The majority indicated that factors related to sales were associated with profitability, and quality service was associated with a financial plan (budget). However, some participants argued that financial and financial factors were not associated with balanced scorecard performance measures because hotel lack finances to upgrade their infrastructure, and top management was not involving all staff members involved in planning. Due to the challenges and reasons discussed in chapter 4 and 5, the conceptual framework, BSC performance measurement framework and implementation in chapter 5 had designed to tackle all the challenges hotel and restaurant SMEs encountered. The implementation plan tracked the performance from the balanced scorecard perspective, developed strategy, action plan, performance indicator/ measures, targets/ goals, time frame and budget required for the activity. This plan would help management to discuss the strategic issues when they have department or units meet.

### 7.1.5 Achievement of the research objectives and solution to the research problem statement

In summary, the eight objectives of the study achievements occurred in four ways. First, the objectives assessed the usage of balanced scorecard performance measures, critical success factors, theoretical attributes and other factors for hotel and restaurant SMEs growth. The findings revealed that all these attributes were used and implemented for hotel and restaurant SMEs sector. Secondly, this research study assessed whether there was a significant association between financial and financial measures and critical success factors, factors and theoretical attributes for organizational growth strategy. In all the four analysis, the results indicated that there was significant association because the P≤.000. Thirdly, the follow-up results from participants accepted hotel and restaurant SMEs used and implemented balanced scorecard performance measures in the hotel and restaurant SMEs sector. There was the significance of associations between BSC performance measures with critical success factors, factors and theoretical attributes to hotel and restaurant SMEs growth strategy. Lastly, the conceptual framework, BSC performance and implementation solved the challenge of not having the formal performance measurement system for monitoring and evaluation of hotel and tourism sector growth strategy. The developed proposed conceptual framework, BSc performance measurement framework together with implementation plan could be adopted by SMEs to develop strategy, strategic objectives, action plans, target and set time frame and estimate financing of the activity for SMEs growth.

## 7.2 conclusions

In conclusion, the research study answered the surveyed and interview research questions in collaboration with research aims and objectives. The research findings resulted in the development of the theoretical framework, the BSC performance measurement framework for hotel and restaurant SMEs sector and implementation plan that could monitor and evaluate the organizational performance. The models would lead to the development of the SME's strategy, written vision, mission and organizational objectives.

## 7.3 Recommendations

Based on the research findings and conclusions, this section proposes the recommendations below hotel and restaurant SMEs could immediately consider and implement for SMEs growth strategy, monitoring and evaluating. The recommendations include the adoption of the balanced scorecard, introducing new and useful performance measurement framework and implementation plan for hotel and restaurant SMEs growth strategy in Eswatini.

### 7.3.1 Adoption of the BSC for monitoring and evaluation of the organizational performance

Following the association of the balanced scorecard performance and the critical success factors, factors and theoretical attributes, hotel and tourism small-medium enterprise should adopt the balanced scorecard perspectives. The balanced scorecard in the conceptual framework in figure 6.1 is the intervening variable which was associated with critical success factors, factors and theoretical attributes for organizational growth. By adopting the four perspectives, hotel and restaurant SMEs would able to identify critical success factors that influence the financial, customers, internal business process and learning and growth performance measurement tools for monitoring and evaluation the organizational performance.

The adoption of the balanced scorecard would help management and staff of hotel and restaurant SMEs would able to use and implement innovation, trust culture and shared value strategies that contribute to the organizational growth. For instance, innovation and trust culture could enhance employees' performance and teamwork. Furthermore, the adoption would support in identification of factors contributing positive or negative to hotel and restaurant SMEs growth. The adoption of the balanced scorecard perspectives would result in new and useful BSC performance framework.

### 7.3.2 Introducing the new and useful BSC performance measurement framework

Once the hotel and restaurant SMEs conceptual framework had adopted the balanced scorecard, new and useful BSC performance measurement framework recommended for endorsement The new effective performance measurement would be useful to management and owners to reorganize the vision, mission and overall strategic direction of small and medium enterprises. The strategies would align with balanced, scorecard performance perspectives. The BSC perspectives would lead to the development of the overall strategic objectives of each scorecard (Kaplan and Norton, 1996). The strategic objectives based on each BSC perspectives advocate management and owners to identify different strategic issues as illustrated in Table 6.2. The strategic issues would assist management to establish management strategies that could be measured. The management strategies would result in establishing performance measures or indicators at a high level. The performance indicators contribute to hotel and tourism small and medium enterprises growth strategy. The next level recommended is the implementation plan for the new and useful performance measurement framework.

### 7.3.3 Implementation plan for Eswatini hotel and restaurant SMEs sector

The BSc implementation plan for hotel and tourism small and medium enterprise was on the conceptual framework and the BSc performance measurement framework. The hotel and restaurant SMEs sector implementation plan is the action plan to be used for monitoring and evaluation of the organization plan. The small and medium enterprises could adopt the implementation plan based on the four balanced scorecard perspective, which linked to the strategy developed in the performance measurement framework. The developed strategies would use lead to the establishment of objectives, and these objectives aligned to detail activities or the action plans. The hotel and restaurant SMEs used to achieve the objectives.  The action plan/activities would set performance measures and indicators. These indicators would assist in developing targets /goals to achieve in each activity. Each target would have a time frame and estimated budget. Based on the attributes of the proposed implementations plans, the recommendations for monitoring and evaluation of performance would help management and owners of the hotel and restaurant SMEs sector to identify business gaps and develop strategies to fill them.

## 7.4 Value and implication of the study

This section summarised the value and implication of the study, which include the review, develop and implement the plans, Government policies, regulations and legislation and contributing to the present study.

### 7.4.1 Review, develop and implement plans

The findings of this study would assist hotel and tourism owners and management to review, develop and implement plans for easily monitored and evaluated to assess the organizations' growth. The review, develop and implemented plans would also assist managers and owners to develop strategic plans that thoroughly analysed, selected and control the activities in all the plans. Again, the research study would contribute to the future identification and implementation of the critical success factors, innovations, shared valued, and other factors contributing to the growth of the organization. The plans would then assist management and directors of hotel and restaurant SMEs to develop business plans proposal for requesting finances from financial institutions.

### 7.4.2 Government policies, regulations and legislations for hotel and restaurant SMEs growth

The research study would also help government significance of the study would assist government and small and medium sectors to review, amend and effect policies, regulations that promote socio-economic growth in small and medium enterprises in Eswatini. Based on the implementation plan model discussed above, the hotel and tourism association of Eswatini could identify policies, regulations and Acts that hindered the growth of the sector. Collectively, the association could influence the government through the Ministry of Tourism and Environment to review, amend and implement policies, regulations and acts that would promote the effective and efficient operation of hotel and tourism in Eswatini taking into consideration the SMEs sector.

### 7.4.3 Contribution to existing empirical studies

The study would contribute to the research study on the usage of balanced scorecard in hotel and tourism SME sector globally. As discussed in chapter 2, there were very few studies conducted in the hospitality and tourism sector in developing countries, and this study would contribute to the existing empirical studies.

## 7.5 Research limitation

This section discusses the research limitation includes geographical location, non-participation of customers and exclusion of the big hotels.

### 7.5.1 Geographical location

The geographical location of the study was Manzini – Mbabane corridor with four towns out of 15 towns with hotel and restaurant SMEs. The study excluded the hotels in other small. One could argue that the findings were not the accurate reflections for hotel and restaurant SMEs sector growth had no measurement tool to monitor and evaluate performance. However, this limitation would not affect the study because the majority of hotel and restaurant SMEs located within Manzini-Mabane in particularly in Ezulwini Urban area.

### 7.5.2 Customers participation

The other limitation was that customers of hotel and tourism small and medium enterprises sector did not participate in the study. Their non-participatory might led to imbalanced of the results and analysis. The customers non-participation has a less effect on the study because customers regularly evaluate the service quality of hotel or tourism SMEs either online or on paper when they were about to check out in that establishment. However, future studies could consider probable repeat customers to participate in the study in particularly under customers' balanced scorecard perspectives.

### 7.5.3 Limitation on excluding big hotel establishments

The last limitation of the study was the exclusion of large hotel establishments such as Sun International and Hilton Garden Court hotels. These establishments were excluded from the study because they have the performance measurement systems that were designed in head offices and implemented in all hotels around the world. Management in the parent and host country was able to review the performance of the establishment frequently. The study excluded them because results were not going to be an accurate reflection. After all, small and medium enterprises have no formal and written performance measurement tool to monitor and evaluate their performance.

## 7.6 Future research study

The follow-up interviews in objective 1 revealed that hotel and restaurant SMEs used and implemented the balanced scorecard performance measures. One of the follow-up interview questions focused on why the financial performance measures were least used and implemented in the hotel and tourism SME sector. The future research study could focus on why non-financial performance measures (customers, internal business and learning and growth) were most used and implemented in hotel and tourism SME sectors. Another follow-up interview questions for future study base should be on objective 7—the study interview participants on why hotels and tourism SMEs focused on financial and customers factors. Therefore, future studies could examine why the internal and learning and growth factors considered least or hotel and tourism small and medium enterprises growth strategy.

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**APPENDIX A QUESTIONNAIRE**

UNIVERSITY OF KWAZULU-NATAL
INYUVESI YAKWAZULU-NATALI

**GRADUATE SCHOOL OF BUSINESS & LEADERSHIP**

**Title: Balanced scorecard usage as a tool for Hotel and restaurant SMEs' Performance Growth of ESwatini**

**SECTION A**

1. Gender (please put tick)

| | |
|---|---|
| Male | |
| Female | |

2. Age group ( Please put a tick)

| | |
|---|---|
| Years | |
| 18- 20 | |
| 20-30 | |
| 31-40 | |
| 41 -50 | |
| Above 50 | |

3. Please tick the category hotel and tourism sector you are working for.

| | |
|---|---|
| Hotel | |
| Bed & Breakfast | |
| Lodge | |
| Guesthouse | |
| Game Park | |
| Entertainment and sports facility | |
| Restaurant and conference centre | |

4. Level of your position (please put a tick)

| | |
|---|---|
| Owner, GM or Assistant GM | |
| Directors | |
| Middle Management | |
| Functional or supervisors | |

5. How long have you worked for the hotel or tourism SME sector? (please put a tick)

| Number of years | |
|---|---|
| Less than 5 | |
| 5- 10 | |
| 10-15 | |
| 15 – 20 | |
| Over 20 years | |

6. Education level ( please tick)

| Qualifications | |
|---|---|
| Less than or equal to matric | |
| Certificate | |
| Diploma | |
| Bachelor's Degree | |
| Master's degree | |
| Doctoral degree | |

7. Work location

| | |
|---|---|
| Matsapha | |
| Manzini | |
| Mbabane | |
| Ezulwini | |
| Within 10km from the towns above | |

**SECTION B –FINANCIAL AND NON-FINANCIAL PERFORMANCE MEASURES**

8. The financial performance measure of your organization is centred around

| Statement | Strongly disagree (1) | Disagree (2) | Neutral (3) | agree (4) | Strongly (5) |
|---|---|---|---|---|---|
| Gross and net operation profit percentage | | | | | |
| The organizational activities costs against the budget | | | | | |

9. Your organization's Customer performance measures are based on : -

| Statement | Strongly disagree (1) | Disagree (2) | Neutral (3) | agree (4) | Strongly (5) |
|---|---|---|---|---|---|
| Number of bookings received | | | | | |
| Number Customer of suggestions | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| on-time delivery of product/service | | | | | |
| customer satisfaction survey | | | | | |
| customer response time | | | | | |
| No of customer complaints | | | | | |

10. The performance measures of internal business processes of your organization are based on:-

| Statement | Strongly disagree (1) | Disagree (2) | Neutral (3) | agree (4) | Strongly (5) |
|---|---|---|---|---|---|
| number of new products or service launch | | | | | |
| the response rate to customer services | | | | | |
| Staff members are efficiency and effectiveness rate of customer service. | | | | | |

11. Learning and growth performance measures of your organization are based on:-

| Statement | Strongly disagree (1) | Disagree (2) | Neutral (3) | agree (4) | Strongly (5) |
|---|---|---|---|---|---|
| Per cent of key staff turnover(leaving the organization) | | | | | |
| Employees satisfaction level | | | | | |
| Total number of workers injured | | | | | |
| Human resources development cost | | | | | |
| Employees performance | | | | | |
| Time to launch a new product or service | | | | | |

**SECTION C: FINANCIAL AND NON-FINANCIAL CRITICAL SUCCESS FACTOR YOUR ORGANIZATION WIDELY USED**

**12.** Please tick the financial perspective critical success factors your organization is using**:**

| Critical success factors | Strongly disagree (1) | Disagree (2) | Neutral (3) | agree (4) | Strongly (5) |
|---|---|---|---|---|---|
| Room rates, facilities, and services are critical success factors | | | | | |
| Free ancillary services such as Wi-Fi | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| Accuracy billing and payment system | | | | | |
| Cost of food and beverages | | | | | |

**13. Please tick customer perspective critical success factor**

| Critical success factors | Strongly disagree (1) | Disagree (2) | Neutral (3) | agree (4) | Strongly (5) |
|---|---|---|---|---|---|
| Customer satisfaction | | | | | |
| Customer loyalty | | | | | |
| Repeat customers | | | | | |
| Facilities are attractiveness | | | | | |
| Customers well know the organization brand | | | | | |
| Convenience location to customers | | | | | |

14. Please tick the internal business process critical success factors of your organization

| Critical success factors | Strongly disagree (1) | Disagree (2) | Neutral (3) | agree (4) | Strongly (5) |
|---|---|---|---|---|---|
| Launched new products or service frequently | | | | | |
| Effective reservation process | | | | | |
| Food & Beverages | | | | | |
| Facility cleanness | | | | | |
| Quality service rendered | | | | | |

15. Please tick learning and growth critical success factors of your company

| Critical success factors | Strongly disagree (1) | Disagree (2) | Neutral (3) | agree (4) | Strongly (5) |
|---|---|---|---|---|---|
| We have experienced staff members. | | | | | |
| Good and effective management | | | | | |
| Staff appearance to customers | | | | | |
| Well trained employees | | | | | |
| Low Staff turnover | | | | | |
| Satisfied employees | | | | | |
| Stick to technology advancement | | | | | |

## SECTION D: THEORETICAL ATTRIBUTES THAT HAS CONTRIBUTES TO PERFORMANCE AND GROWTH OF YOUR COMPANY

16. Please tick Innovation theories that relate to finance and nonfinancial perspectives.

| important of attributes | Strongly disagree (1) | Disagree (2) | Neutral (3) | Agree (3) | Strongly Agree(5) |
|---|---|---|---|---|---|
| Staff innovations and initiatives are essential factors for your organization success | | | | | |
| Other services such as entertainment and touring facilities around Eswatini increase the customer base. | | | | | |
| Customer feedback improves innovations. | | | | | |

17. Share vision -relates to sharing ideas and commitments shared by all employees. Please tick your company's share vision.

| Statement | Strongly disagree (1) | Disagree (2) | Neutral (3) | Agree (3) | Strongly Agree(5) |
|---|---|---|---|---|---|
| Information and knowledge sharing throughout sections and departments. | | | | | |
| Frontline staff collects feedback from customers and share it for continuous improvement. | | | | | |

18. Trust culture fuels mutual interactions among the people. Please tick the level of trust culture in your organization.

| Statement | Strongly disagree (1) | Disagree (2) | Neutral (3) | Agree (3) | Strongly Agree(5) |
|---|---|---|---|---|---|
| Through knowledge sharing, employees have developed a trust culture. | | | | | |
| Staff members are willing to support others | | | | | |

19. Clustering theory: - The location of the company influences the learning and growth perspective. Please tick what is related to the learning and growth of the company.

| Statement | Strongly disagree (1) | Disagree (2) | Neutral (3) | Agree (3) | Strongly Agree(5) |
|---|---|---|---|---|---|
| The location of your organization within the Manzini – Mbabane corridor make the business to collaborate easily and interact with local competitors since tourism competition is more globally. | | | | | |
| My organization participates in information sharing of the tourism sector in the Kingdom of Eswatini. | | | | | |
| Since my organization's location within Manzini-Mbabane cluster, it is easily influenced by environmental factors. | | | | | |
| Internet, website, and others make customers book online easily. | | | | | |

**SECTION E FINANCIAL AND NONFINANCIAL FACTORS INFLUENCING PERFORMANCE GROWTH OF YOUR ORGANIZATION**

20. Please tick financial factors that influence your organization's performance and growth.

| Statement | Strongly disagree (1) | Disagree (2) | Neutral (3) | Agree (3) | Strongly Agree(5) |
|---|---|---|---|---|---|
| Sale of the products and services | | | | | |
| Managing the costs of the business | | | | | |

21. Please tick customer factors that influence organizational performance and growth

| Statement | Strongly disagree (1) | Disagree (2) | Neutral (3) | Agree (3) | Strongly Agree(5) |
|---|---|---|---|---|---|
| Good customer services | | | | | |
| A lot of customer entertainment | | | | | |

22. Please tick internal business processes influencing performance measurement and growth of your organization.

| Statement | Strongly disagree (1) | Disagree (2) | Neutral (3) | Agree (3) | Strongly Agree(5) |
|---|---|---|---|---|---|
| skill shortage, | | | | | |
| Management expertise | | | | | |
| time and money | | | | | |

23 Please tick the learning and growth perspectives that influence the performance and growth of your organization.

| Statement | Strongly disagree (1) | Disagree (2) | Neutral (3) | Agree (3) | Strongly Agree(5) |
|---|---|---|---|---|---|
| Research and develop new products or services are developed. | | | | | |
| Management and entrepreneurial skills | | | | | |
| Employees training | | | | | |
| Engagement of stakeholders such as government, suppliers, environment, and employees | | | | | |
| | | | | | |

**APPENDIX B - INTERVIEW SCHEDULE**

**RESEARCH TOPIC: BALANCED SCORECARD USAGE AS A PERFORMANCE AND MEASUREMENT TOOL FOR HOTEL AND TOURISM GROWTH**

SECTION A- GENERAL INFORMATION

Company category: ______________________________________________

Location: ________________________________________________________

1. Gender
   - Female
   - Male
2. Age
   - 20-29
   - 30-29
   - 40-49
   - Above 50

3. Designation or Job title
   - Owner OR Director
   - General manager
   - Financial manager
   - Operation manager
   - Other, please specify__________________________

4. Education Level
   - Primary
   - Secondary
   - High School
   - Vocational
   - Certificate/ Diploma
   - Undergraduate Degree
   - Postgraduate degree

5. Years of experience
   - Less than 1 year
   - 2 to 3 years
   - 3 to 4 years
   - 4 to 5 years
   - More than 5 years

**SECTION B INTERVIEW RESEARCH QUESTIONS**

1. The results indicate that 57% of respondents confirm to use and implement the balanced scorecard performance measures in hotel and tourism small and medium enterprises. The usage and implementation of the scorecard are ranked as follows: - Internal business process (67.7%), customer performance measures (64%), Learning and growth (54%) and financial (46.7%). Explain why the financial performance measures are least used and implemented in hotel and restaurant SMEs?

   ______________________________________________________________________
   ______________________________________________________________________
   ______________________________________________________________________
   ______________________________________________________________________
   ____________________________________

2. The overall results indicate that 68.8 % of respondents of hotel and restaurant SMEs sector had adopted financial and non-financial critical success factors (CSF). The critical success factors are ranked as follows: - customer CSF (73.7%), Internal business CFS (69.5%), financial CSF (69.3%) and learning and growth CSF (62.8%). Explain why hotel and tourism Small and Medium Enterprises had adopted financial and non-financial critical success factors for their growth?

   ______________________________________________________________________
   ______________________________________________________________________
   ______________________________________________________________________
   ______________________________________________________________________
   ____________________________________

3. The overall results indicate that 68.9% of respondents claim that cluster, innovation, shared vision and trust culture theories contribute towards hotel and restaurant SMEs growth in Eswatini. The respondents are ranked as follows: - - cluster (73.7%), trust culture 68.7%, innovation 67.9% and shared vision (65.5%).Explain why cluster, innovation, shared vision and trust culture theories contributing balanced scorecard performance measures of hotel and restaurant SMEs growth?

   ______________________________________________________________________
   ______________________________________________________________________
   ______________________________________________________________________
   ______________________________________________________________________
   ____________________________________

4. The overall results indicate that 63.3% of respondents that financial and non-financial factors influence hotel and restaurant SMEs growth. The factors are categorised as follows customer factors (68.8%), financial factors (65.9%), internal business process factors (62%) and learning and growth factors (56.5%). Why do customers and financial factors are leading influencers of hotel and restaurant SMEs growth?

   ______________________________________________________________________
   ______________________________________________________________________

______________________________________________________________________
______________________________________________________________________
______________________________________________________________________

5. Assess significance association between financial measures and non-financial (customers, internal business process and learning and growth) performance measures for hotel and restaurant SMEs growth.

a. Assess whether profitability was associated with customer services, efficient and effective internal business processes and human resources development for hotel and tourism SME growth?
   i. Yes
   ii. No
   iii. Justify your comments ………………………………………………………….

b. Assess whether the budget was associated with customer services, efficient and effective internal business processes and human resources development for hotel and restaurant SMEs growth?
   i. Yes
   ii. No
   iii. justify your comments…………………………………………………………….......................
   .............................................................................................................................
   ...............................................................................................

6. Assess the significance of the association between financial and non-financial critical success factors with the balanced scorecard performance measures for hotel and restaurant SMEs growth.

   a. Assess whether the number of bookings was associated with customer satisfaction for hotel and restaurant SMEs growth.
      i. Yes
      ii. No
      iii. Justify your comments ………………………………………………………………………… ………………………………………………………………………… ………………………………………………………………………… …………………………….

   b. Assess whether the response rate to customer services was associated with quality service for hotel and restaurant SMEs growth
      i. Yes
      ii. No

iii. Justify comments
………………………………………………………………………………
………………………………………………………………………………
………………………………………………………………………………
……………………………..

7. Assess the significance of the association between clusters, innovations, trust culture and shared vision theories and balanced scorecard performance measures for hotel and restaurant SMEs growth.

   a. Assess whether profitability was associated with cluster (location) for hotel and restaurant SMEs growth
      i. Yes
      ii. No
      iii. Justify your answer
      ………………………………………………………………………………
      ………………………………………………………………………………
      ………………………………………………………………………………
      ………………………………

   b. Assess whether quality services rendered was associated with innovation for the hotel and restaurant SMEs growth
      i. Yes
      ii. No
      iii. Justify your answer
      ………………………………………………………………………………
      ………………………………………………………………………………
      ………………………………………………………………………………

   c. Assess whether employees satisfaction was associated with trust culture for hotel and restaurant SMEs growth.
      i. Yes
      ii. No
      iii. Justify your answer
      ........................................................................................................
      ........................................................................................................
      ........................................................................................................

   d. Assess whether the number of customer satisfaction rate was associated with Shared vision for hotel and restaurant SMEs growth
      i. Yes
      i. No
      ii. Justify your answer
      ………………………………………………………………………………
      ………………………………………………………………………………
      ………………………………………………………………………………

8. Assess the significance of the association between financial and non-financial factors for hotel and restaurant SMEs growth in Eswatini?

   a. Assess whether profitability was associated with sales for hotel and restaurant SMEs growth?
      i. Yes
      ii. No
      iii. Justify your answer …………………………………………………………………………… …………………………………………………………………………… ……………………………………………………………………………

   b. Assess whether quality service was associated with cost management for hotel and restaurant SMEs growth?
      i. Yes
      ii. No
      iii. Justify your answers …………………………………………………………………………… …………………………………………………………………………… ……………………………………………………………………………

   c. Assess whether the number of customers booking the rooms was associated with Customer service for hotel and restaurant SMEs growth?
      i. Yes
      ii. No
      iii. Justify your answer …………………………………………………………………………… …………………………………………………………………………… ……………………………………………………………………………

   d. Assess whether the staff turnover was associated with lack of skills and expertise for hotel and restaurant SMEs growth?
      i. Yes
      ii. No
      iii. Justify your answers…………………………………………………………………… …………………………………………………………………………… ……………………………………………………………………………

   e. Assess whether Time to launch the new product was associated with on research and development of new products and services?
      i. Yes
      ii. No
      iii. Justify your answer ………………………………………………………......................................... ........................................................................................................................ ........................................................................................................................

# APPENDIX D – ETHICAL CLEARANCES

UNIVERSITY OF KWAZULU-NATAL ™
INYUVESI YAKWAZULU-NATALI

18 July 2019

Mr Wilson Bafana Dlamini (218054025)
Graduate School of Business & Leadership
Westville Campus

Dear Mr Dlamini,

**Protocol reference number: HSS/0359/019D**
**Project title:** Balanced scorecard usage as a tool for Hotel and Tourism Small and Medium Enterprises' Sector for Performance Measurement and growth strategy

**Approval Notification – Expedited Application (QUESTIONNAIRE PHASE ONLY)**

In response to your application received on 12 April 2019, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol has been granted **FULL APPROVAL**.

**Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number. PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.**

**The ethical clearance certificate is only valid for a period of 1 year from the date of issue. Thereafter Recertification must be applied for on an annual basis.**

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

[redacted]

**Dr Rosemary Sibanda (Chair)**

**/ms**

Cc Supervisor: Dr Orthodox Tefera
cc Acting Academic Leader Research: Dr Emmanuel Mutambara
cc School Administrator: Ms Zarina Bullyraj

**Humanities & Social Sciences Research Ethics Committee**
**Dr Rosemary Sibanda (Chair)**
**Westville Campus, Govan Mbeki Building**
**Postal Address:** Private Bag X54001, Durban 4000
**Telephone:** +27 (0) 31 260 3587/8350/4557 **Facsimile:** +27 (0) 31 260 4609 **Email:** ximbap@ukzn.ac.za / snymanm@ukzn.ac.za / mohunp@ukzn.ac.za
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INYUVESI
YAKWAZULU-NATALI

02 October 2019

Mr Wilson Safana Dlamini (218054025)
**Graduate School of Business & Leadership**
**Westville Campus**

Dear Mr Dlamini,

**Protocol reference number:** HSS/0359/019D
**Project title:** Balanced scorecard usage as a tool for Hotel and Tourism Small and Medium Enterprises' Sector for Performance Measurement and grwoth strategy

**Approval Notification – Expedited Application**

In response to your email received on 14 June 2019, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol has been granted **FULL APPROVAL**.

**Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number. PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.**

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I take this opportunity of wishing you everything of the best with your study.

Yours faith[redacted]

..................[redacted]..................
**Dr Rosemary Sibanda (Chair)**

/ms

Cc Supervisor: Dr Orthodox Tefera
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