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FOREWORD

Dear Authors and Esteemed Readers
It is with deep satisfaction that I write this Foreword to the Proceedings of the 2nd International Conference on the Future of Tourism (ICFT) held in Arusha, Tanzania, April 16 - 17, 2019.

ICFT continues a tradition of bringing together researchers, academics and professionals from all over the world, experts in tourism and hospitality.
The conference particularly encouraged the interaction of research students and developing academics with the more established academic community in an informal setting to present and to discuss new and current work. Their contributions helped to make the Conference as outstanding as it has been. The papers contributed the most recent scientific knowledge known in the field of Sustainability of Tourism; Domestic Tourism and SMEs Development; Tourism and Economic Development; Culture and Tourism; Innovation in Tourism; Customer Care in Tourism; Methods of Measuring Tourism; and National Tourism Policy.

In addition to the contributed papers, two invited keynote presentations were given: by Mr. Richald Rugimbana, the Executive Secretary of Tourism Confederation of Tanzania who spoke about the Issues for future tourism development with special focus of Tanzania; and Prof. Zororo Muranda, Pro-Vice Chancellor, Chinhoyi University of Technology in Zimbabwe who gave presentation on the Future of tourism: Tourism of the future.

The Conference was preceded by a tailor made training in *e-Tourism and Management of World Heritage sites*. The facilitators of training were: Prof. George Oreku, a professor of ICT from the Open University of Tanzania and Mr. Erick Kajiru, an expert of Management of UNESCO World Sites from the UNESCO Commission in Tanzania.

These Proceedings will furnish the scientists of the world with an excellent reference book. I trust also that this will be an impetus to stimulate further study and research in all these areas.

We thank all authors and participants for their contributions.

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ENTREPRENEURIAL ORIENTATION AND TOURISM FIRM'S PERFORMANCE IN TANZANIA: REFLECTIONS INTO THE FUTURE

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Abstract
The study investigated the relationship between entrepreneurial orientation and tourism firm performance in selected regions in Tanzania mainland and Zanzibar. Structural equation modeling using AMOS was used in data analysis. Findings revealed that employee autonomy is the most important dimension to explain tourism firm performance, followed by innovativeness and proactiveness. Competitive aggressiveness did not produce significant relationship with tourism firm performance. Similarly, Risk taking did not have significant relationship with tourism firm performance. The study calls for tourism firms to promote employee autonomy, and become more innovative and proactive in overcoming the future challenges of tourism.

Keywords: Entrepreneurial orientation, Future of Tourism, Firm performance

Introduction

Tourism is considered to be the world's largest industry and its revenues support a significant proportion of the economies of many nations with an enormous contribution to millions of employment opportunities (Farkhondehzadeh et al. 2013). Tourism includes various services, facilities and attraction that generate a lot of entrepreneurial opportunities (Nicoletta, 2018). Kumasaru and Kumara (2016) assert that the tourism sector has a multiplier effect on the local community. In addition, tourism generates employment and government's revenue through tax and foreign exchange (Jaensson and Uiso, 2015). For consecutive seven years effective 2011, tourism's direct growth outpaced the global economic growth (WTTC, 2018). In Tanzania, the direct contribution of tourism to GDP was TZS 4,405.7 billion (USD 1,975.9 million) which was 3.8% of the total GDP in 2017 and was projected to rise by 7.2% p.a from 2018 to 2028 (WTTC, 2018). This progress calls for companies and businesses engaging in tourism to become more entrepreneurial than ever in serving the future markets.

Most studies that were conducted regarding tourism and entrepreneurship focused on assessing entrepreneurial behavior of individuals rather than the entrepreneurial orientation of the firms in general (Nieto, et al., 2011). The few studies that focused on the firms EO suggest that entrepreneurial orientation dimensions (innovation, risk taking, proactiveness, aggressiveness, and

employee autonomy) have bearing on tourism firm performance (Fadda, 2018). This paper addresses the question of which Entrepreneurial Orientation dimensions are more important today in driving tourism firm performance and gives way to reflect into the future of tourism. To the best of the researchers' knowledge; such a study has not been conducted in Tanzania where tourism is predominantly for export, targeting foreign tourists. It then looks into the extent to which tourism companies might need to adapt the EO dimensions in order to survive the future challenges of tourism.

Conceptualization of the Entrepreneurial Orientation Concept

Miller in 1983 identified entrepreneurial orientation as a phenomenon consisting of three main dimensions; Innovativeness, risk-taking, and proactiveness. Later on, Lumpkin and Dess (1996) introduced two more dimensions namely competitive aggressiveness and employee autonomy hence making up five components of EO. Most studies combined these dimensions into one single factor i.e unidimensional measure (Walter et al., 2006). Studies on entrepreneurial orientation suggests that firms have to introduce innovations in existing products, services and processes and be more proactive compared to competitors in all aspects (Fadda, 2018; Kallmuenzer and Peters, 2018; Thomas & Wood, 2015). Recently, many scholars have followed the five dimensions of entrepreneurial orientation model presented by Lumpkin and Dess (1996).

Shayo (2018) defined entrepreneurial oriented firm in terms of five attributes including engaging in product market innovations, undertaking somewhat risky ventures, embracing autonomous idea generation, and being first to come up with 'proactive' innovations while aggressively taking offensive stance in dealing with competitors. Much of the published work on EO investigate firms entrepreneurial behavior and reason behind it, its consequences, the cultural and contextual factors that affect corporate entrepreneurial behaviour and whether antecedents and moderating influences differ from those of conservative firms (Fadda, 2017).

The Future of Tourism

Pinnock (2014) predicted a shift of tourists from less industrialized destinations to the newly industrialized one due to market globalization, intensified competition, economic recession, and the dynamic evolution of new technologies and increasingly man-made tourism. The adoption of information communication technologies (ICT) in tourism facilitates accessibility to tourists and helps tourism service providers to offer customized services and compete effectively (Farkhondehzadeh et al. 2013). These developments of the tourism industry call for the need to have firms which are more innovative and proactive and ready to take relatively high risks than competitors by allowing a degree of autonomy on the part of employees to act aggressively in the ever increasing competition in the tourism industry. This is partly supported by Fadda (2018) who found a significant and positive relationship between innovativeness,

proactiveness and autonomy on one hand and tourism firm performance. On the other hand she found non-significant relationship between risk-taking and competitive aggressiveness and tourism firm performance.

Farkhondehzadeh et al. (2013) stressed that since travelers do not have possibility to pre-test the product or receive their money back if the trip does not meet up to their expectations, access to accurate, reliable, timely and relevant information was essential to help them make an appropriate choice. The rapid shift between 'traditional tourism sector' and 'new tourism industry' has made technology a strategic role in reshaping the value chain in the industry and in the process, consumers continue to adapt to the new values, lifestyles and new tourism products, which are re-engineered by the new technologies.

Firm Innovativeness and Tourism Firm Performance
Innovation is the implementation of a new or significantly improved product (good or service), or process, or a new marketing method, or a new organizational method in business practices, workplace organization or external relations (OECD, 2005). Firm innovation is one of the five dimensions that determines the firm's entrepreneurial behavior and is said to play a vital role in the current tourism industry. Booyes and Rogerson (2016) contemplate further that innovation by tourism firms is pervasive, although it is largely incremental in nature. Accordingly, Thomas & Wood (2015) stresses the importance of innovation in tourism because of strong competition in order to build competitiveness. They caution that tourist firms do not spend significantly on in-house research and development but rely on suppliers, customers and business networks to express their doubt on whether mere existence of networks promotes innovation.

Slivar et al. (2016) assert that innovation represents an improvement and a desire to develop an enterprise and adapt its offer to the market needs. Sources of innovation in the tourism industry may originate from outside the tourism sector. One such example is information and communication technology (ICT) which is primarily responsible for innovative tourism development (online services such as e-check-in and online reservation systems). From the aforementioned studies, it is imperative that innovativeness is inevitably one of the important dimensions of entrepreneurial orientation that will continue to shape the tourism industry. The following hypothesis is proposed:

H1: There is a significant positive relationship between innovativeness and tourism firm's performance

Firm Proactiveness and Tourism Firm Performance
Fadda (2018) and Kallmuenzer and Peters (2018) suggest firm proactiveness and the advantages of being the first mover as one of the EO dimensions that explain tourism firm performance. Accordingly Kallmuenzer and Peters (2018) add that

proactive monitoring of the business environment is the major factor for survival of tourist firms. Micro firms might face difficulties in either implementing proactive efforts due to the limited workforce, expected margins or limited financial means to exploit these proactive capabilities. This leads to Hypotheses H2 which states that there is significant positive relationship between firm proactiveness and tourism firm performance

Employee Autonomy and Tourism Firm Performance
Autonomy refers to the right employees have in making independent decisions through considerable discretion, freedom, and independence in scheduling work, determining work tasks, and choosing methods (Langfred and Moye, 2004). Tourism employees achieve autonomy by being in charge of their daily tasks. They informally take advice and seek support from peers and junior experts rather than following formal rules. Kumasaru and Kumara (2016) claimed that employee autonomy is positively related to tourism firm performance. Based on these arguments, the following hypothesis was stated.

H3: There is a significant and positive relationship between employee autonomy and tourism firm performance.

Competitive Aggressiveness and Tourism Firm Performance
Stambaugh et al. (2011) refer to competitive aggressiveness as the willingness to challenge and outperform rivals through the firm's orientation toward competitive actions. Competitive aggressiveness is more rival-focused. According to Kumasaru, and Kumara (2016) competitive aggressiveness is among the most influential dimensions in determining the entrepreneurial orientation. The following hypothesis is therefore stated:

H4: There is a significant positive relationship between competitive aggressiveness and tourism firm performance

Risk Taking and Tourism Firm Performance
Risk-taking reflects a firm's inclination towards supporting investments in which the expected returns are uncertain (Walter et al. 2006). According to Kallmuenzer and Peters (2018), long-term orientation leads to the rather risk-averse behavior of rural tourism family firms. However, Kumasara and Kumara (2016) suggest that risk-taking is the most influential factor in explaining tourism firm performance. The following hypothesis is proposed:

H5: There is a significant positive relationship between risk-taking and tourism firm performance

Methodology
This study used primary ordinal data collected from randomly selected 202 firms operating in Arusha, Dar es Salaam, Mwanza, Tanga and Zanzibar using

structured questionnaire. The companies involved were tour guide operators, tourist hotels, air charter operators, campsites and travel agents who operate in the selected study area. Measures of tourism firm performance were based on the managers' perception using nine items as suggested by Zou et al., (1998). Multidimensional measure of EO was adapted in order to capture each individual dimension's influence rather than their cumulative influences. The EO scale was adapted from Lumpkin and Dess (1996) and customized to fit the Tanzanian socio-economic context.

Structural equation modeling using AMOS software was used to test the relationships between the entrepreneurial orientation dimensions and tourism firm performance. Exploratory Factor Analysis through Principal-axis factor extraction was conducted to determine the factor structure using SPSS software prior to conducting confirmatory factor and structural analysis.

Results

Exploratory factor analysis produced six (6) factor structure through retention of factors with Eigenvalues greater than 1. All the communality values were above 0.6. Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) was satisfactory at 0.871, indicating that the sample size was sufficient to proceed with factor analysis. Bartlett's Test of Sphericity was significant at $p = 0.000$ indicating that there were correlation between variables. All items loaded fairly well into their respective constructs with factor loadings above 0.45. Cases of cross loading and low factor loadings were dealt with through deletion. The remaining indicators are presented in appendix 1.

Normality test produced good measures of skewness and kurtosis both having absolute values below 1.5. There were no Multicollinearity issues as the factor correlation matrix (Appendix 2) showed lack of high correlation between the constructs; the highest correlation coefficient being 0.466. Missing data were handled through listwise deletion method. Composite reliability (CR) produced 0.883, 0.813, 0.917, 0.822, 0.896 and 0.90 for firm performance, firm innovativeness, firm proactiveness, firm risk-taking, employee autonomy and firm's competitive aggressiveness respectively suggesting that the scale used was a reliable measure of the constructs.

Convergent validity using Average Variance Extracted (AVE) was 0.656, 0.592, 0.789, 0.619, 0.744 and 0.750 for firm performance, firm innovativeness, firm proactiveness, firm risk-taking, employee autonomy and firm's competitive aggressiveness respectively. Discriminat validity was achieved by ensuring that all redundant items were constrained as a free parameter and the correlation between all constructs was lower than 0.90. To confirm disctriminant validity, Fornell-Lacker criterion was used to ensure that the AVE estimate for each construct was greater than the squared correlation estimate for each pair of constructs (Awang, 2011).

CFA model was fitted by achieving the following fit indices; CMIN/DF = 2.565, TLI = 0.902, GFI = 0.853, CFI = 0.922 and RMSEA = 0.088 (Refer to Appendix 3).

Hypothesis Testing

Results from the structural model analysis (Appendix 4 and 5) supported hypothesis 1 that there is a positive and significant relationship between tourism firm's innovativeness and performance by producing a significant value of p= 0.004, standardized regression weight = +0.283, and critical value = 2.878. Hypothesis 2, proactiveness and tourism firm performance was supported with p = 0.007, standardized regression weight was +0.228, and the critical ratio of 2.705.

Hypothesis 3, employee autonomy and tourism firm performance was strongly supported with p = 0.000, standardized regression weight was +0.357 and the critical ratio was 3.492.

Hypothesis 4, Competitive aggressiveness and tourism firm performance was not supported as p-value was nonsignificant at 0.762, standardized regression weight was +0.026 and Critical ratio was 0.303.
Hypothesis 5, risk-taking and tourism firm performance was not supported with a nonsignificant p-value of 0.223 and negative standardized regression weight of -0.95.

Conclusion

The findings of this study have revealed the important interplay between EO and tourism firm performance. First, we have identified three EO dimensions that are important to drive tourism firm performance which are employee autonomy, proactiveness, and innovativeness. Secondly, it has further identified that competitive aggressiveness does not have a significant bearing on tourism firm performance. Lastly, the study has found out that risk-taking tends to have a negative nonsignificant relationship with tourism firm performance.

Recommendations

It is recommended therefore that, tourism firms should adapt autonomy by encouraging employees to come up with new ideas and implement them. Employee involvement in decision making is among the ways to cultivate autonomy in organizations. Allowing a degree of discretion in implementing strategies and programmes is of paramount importance. The fact that tourism firm performance is negatively related (although nonsignificant) to risk taking calls for companies to carefully make investment and risk analysis prior to engaging into any tourism business.

Directions for future research

Since EO is context specific, future research could moderate its relationship using the type of tourism whether cultural or nature in order to see whether these

relationships differ. Secondly, future research may be geared towards looking into the influences of owner-managers individual characteristics such as education level, experience in business, gender etc on this relationship.

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Appendix 1: EFA Pattern Matrix

	Factor					
	1	2	3	4	5	6
IN1					-.620	
IN2					-.708	
IN3					-.583	
IN4					-.651	
IN5					-.813	
PR1			-.870			
PR2			-.498			
PR3			-.820			
PR4			-.775			
RT1		.660				
RT2		.510				
RT3		.899				
RT4		.686				
RT5		.790				
EA1						-.738
EA2						-.734
EA3						-.594
EA4						-.403
AG1				-.548		
AG2				-.807		
AG3				-.822		
AG4				-.574		
AG5				-.484		
P1	.816					
P2	.817					
P3	.721					
P4	.559					
P5	.930					
P6	.678					
P7	.505					
P9	.473					

Extraction   Method: Principal   Axis   Factoring.
Rotation Method: Oblimin with Kaiser Normalization.
a. Rotation converged in 12 iterations.
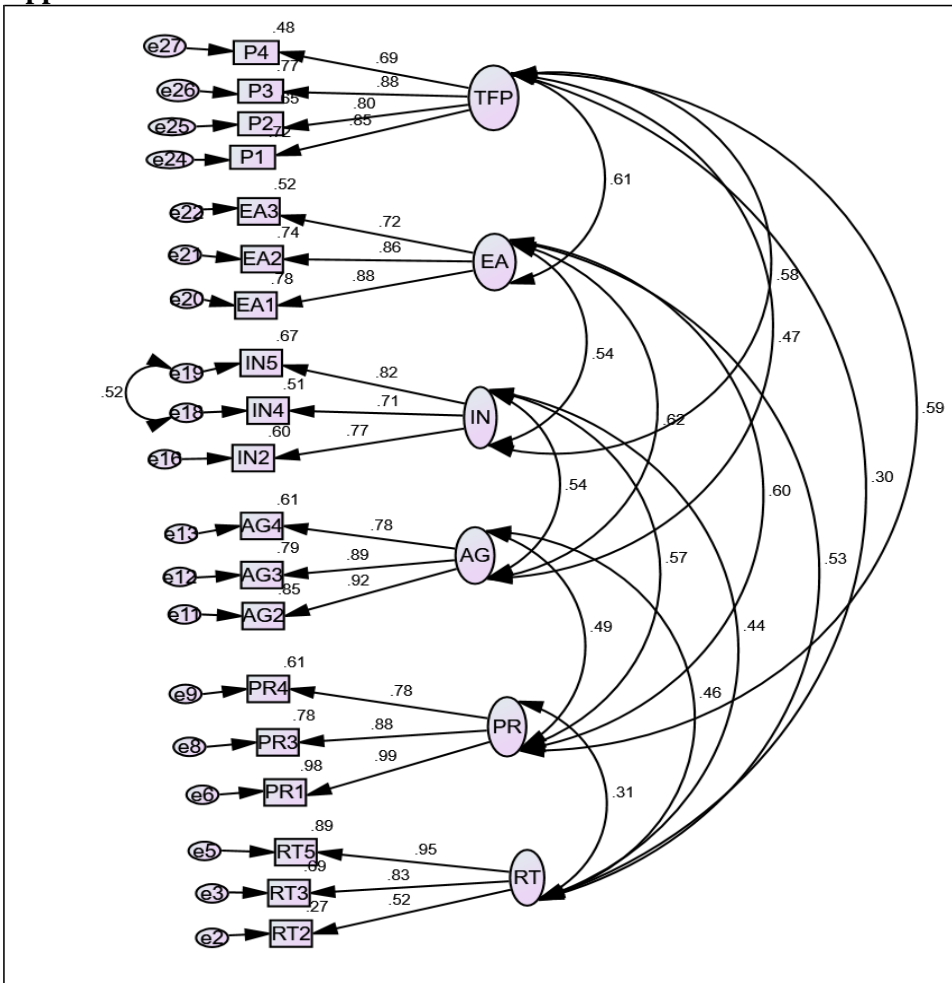
Appendix 2: Factor Correlation Matrix

Factor	TFP	RT	PR	AG	IN	EA
TFP	1.000					
RT	.198	1.000				
PR	-.314	-.303	1.000			
AG	.459	.280	-.264	1.000		
IN	.412	.182	-.358	.367	1.000	
EA	-.466	-.280	.417	-.410	-.376	1.000

Extraction Method: Principal Axis Factoring.
Rotation Method: Oblimin with Kaiser Normalization.

Appendix 3: The CFA Model

Appendix 4: Standardized and Unstandardized Estimates

			Unstandardized Estimate	S.E.	C.R.	P	Standardized Estimates
TFP	<---	EA	.328	.094	3.492	***	.357
TFP	<---	IN	.282	.098	2.878	.004	.283
TFP	<---	AG	.023	.077	.303	.762	.026
TFP	<---	PR	.175	.065	2.705	.007	.228
TFP	<---	RT	-.108	.088	-1.219	.223	-.095

Appendix 5: The Structural Model