THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

Effect of Knowledge Creation by Tourism Stakeholders on Destination Competitiveness, Baringo County, Kenya

Erick Were Odunga
Ph.D. Student, Department of Tourism Management,
Moi University, Eldoret, Kenya
Damiannah Kieti
Professor, Department of Tourism Management,
Moi University, Kenya
Jackson K. Too
Professor, Department of Research and Development,
Commission of University Education, Kenya

Abstract:
The pivotal role of knowledge as a tool for competitiveness has long been recognized, however, the tourism sector has been slow in adopting knowledge management approach mainly due to poor linkages between the sector and key knowledge creators such as academic researchers and besides, the tourism sector has been posited to have a reluctant knowledge adoption environment. The study sought to establish the effect of knowledge creation by primary tourism destination stakeholders on a destination's competitiveness. The study was informed by resource-based view theory and the Knowledge spiral model. Baringo County was targeted as the study area because of its undisputable potential for tourism in the North Rift region. The study utilized the ex- post facto research design. It employed purposive, stratified and simple random sampling to select 245 respondents. A semi structured questionnaire was administered to collect data. Structural equation modelling (SEM) was employed to reveal the effects between knowledge creation practices on destination competitiveness. The regression weight indicated that knowledge creation had significant effect on destination competitiveness ($\beta = 0.336$; $t=3.7$; $p<0.05$). A significant relationship exists between knowledge creation practices by primary tourism destination stakeholders and competitiveness. The study recommends that Kenya Tourism Board in the tourism sector should facilitate knowledge identification and creation in order to enhance a destinations performance.The study opines that the human resource is vital to managing knowledge effectively and therefore organizations need to invest in this resource both fiscally and psychologically to keep employees vested in adapting new and ever-changing aspects of knowledge creation. The stakeholders should facilitate knowledge identification through conducting seminars and team building where the managers will be able to identify the specific skills of the staffs, coding of newly identified knowledge, embrace best practices and device formal ways of storing knowledge.

Keywords: Knowledge, Creation, Tourism, Stakeholders, Destination, Competitiveness

1. Introduction

Competitiveness is an important factor in determining the long-term success of organisations. According to Hakkak and Ghodsi (2015), the competitiveness of a firm was dependant on a number of activities that are required to deliver a differentiated value for a firm. The various activities a firm engages in define the level of its competitiveness. Further afirm's competitiveness relates to its effortin developing and maintaining an added advantage over a long period of time. According to Kaplan (2010) a firm competitiveness may be influenced by three factors; size of the target market, increased access to resources and customers.

By its very nature, the tourism industry brings together a number of firms in various sectors thereby borrowing on all these strategies. Tourism being important for many national economies has seen these sector players engage in intense competition as they seek out those factors that may influence the choices made by tourists to visit their countryas a tourist destination (Barbosa, De Oliveira, & Rezende, 2010).Globally, the tourism sector has witnessed tremendous growth in recent years (Ruhanen & Cooper, 2015) and this has seen many new destinations emerge hence pushing up levels of competition. Contrary to the global trend the Kenya Tourism industry has been on a decline since 2013 albeit tourism accounting for 12 percent of Kenya Gross Domestic Product (GDP) and earning an annual revenue of $1.1 billion (KNBS, 2014). The number of tourists visiting Kenya dropped in 2014 compared to 2013 and in 2015 the numbers declined further by 25 percent in the first five months (KTB, 2015), showing how badly the industry had been damaged by Islamist militant attacks over the period.

In response to the turbulent business environment within many economies, most of the tourism businesses and stakeholders and there was a need for sustainable competitive advantage (SCA). This assertion is endorsed by Saravanan

(2017) that central to the developing a sustainable competitive advantage (SCA) is the ability to create new advantages that would keep it one step ahead of competitors. Organizations develop strategies to achieve sustainable competitive advantage (Porter, 1985).

Tourism destinations have been known to exhibit key indicators such as supporting situational conditions and demand(Dwyer, Larry, Kim & Chulwon ,2010).If in the right mix would lead to destination competitiveness and social economic prosperity of the people within the destination. The knowledge resource has been singled out as important in the current dispensation if a destination is to gain competitiveness. Knowledge management as a practice has as a result been propagated as the way to go for those industries seeking competitiveness.

Knowledge is defined as the refined data or meaningful information that enables timely and optimum decision-making, while Knowledge management (KM) is defined as a process of gathering, managing and sharing employees' knowledge. In today's competitive environment, many organizations are engaging in Knowledge Management (KM) to their stakeholders and customers. For knowledge management to be effective, every employee in the organization should have access to the pertinent information relevant to his department at the right time specifically during decision-making. Knowledge is a true asset of a marketing-oriented organization(Tan, 2011). The re-use of knowledge minimizes the need to refer explicitly improves the quality of solutions (Rajender & Kumar, 2012).

Bawden and Robinson (2008) concurred claiming that the crux of new technology is to facilitate faster access to information. Knowledge acquisition is regarded as fundamental to knowledge creation. Business pundits agree that crucial to competitive advantage is the capability of an organization to generate new knowledge with internal-sourced information. According to Malhotra(2000) the trend moved from just data preparation to knowledge creation and continuous development. This made the knowledge creation process one that entailed the developing and consistent change of knowledge to adapt to the current situation so that it acquired optimum usability (Bhatt, 2006). A general consensus emerged that culture and social processes had a significant impact on how knowledge was created and managed. This was espoused by the SECI model by Nonaka and Takeuchi(2001) where three of the four stages, which include; socialization, externalization and combination, include broad social collaborations among the organization's employees (Chua, 2002).

In the knowledge-based economy great importance is placed on the creation, use and effective diffusion of knowledge (Ford & Staples, 2006; Metaxiotis, Ergazakis & Psarras, 2005). Consequently, firms were expected to accumulate certain intangible knowledge assets that were relevant to their diverse operations. The new paradigm according to Uriarte(2008) was that within the organization, knowledge had to be shared in order for it to grow. Moustaghfir and Schiuma (2013) identifiesin Africa basic economic was not capital or natural resources or labor but knowledge.

In spite of Kenya being known as a favourite tourist destination in Africa, there are still many challenges that her tourism sector is experiencing (Gitau, 2014). Knowledge management is indispensable in Kenya. Wanjiru and Gathenya (2015) explain that knowledge management is very critical in social entrepreneurship. Social entrepreneurship is of essence innovative which enables social enterprises to be competitive in their economic mission. Most firms in the tourism industry have social objectives they seek to achieve.

In the context of devolved government and to be able to counter the down ward trend, County governments in Kenya formed economic blocs in order to be able to execute their mandates. The North Rift Economic Bloc (NOREB) is one such bloc that brings together Uasin Gishu, Nandi, Elgeyo Marakwet, Trans Nzoia, Baringo, West Pokot, Turkana and Samburu counties drawn from the North rift region of Kenya. The KTB is expected to work in partnership with these blocs as it promotes Kenya's tourism image (KTB,2015).The study was conducted in Baringo County which is situated in the Rift valley region of Kenya and one of the NOREB counties.

Baringo county has immense tourism potential ranging from wildlife attractions, cultural attractions, breathtaking sceneries, conservancies among others thus viewed as a vibrant tourism destination (Keitany, 2016). The declining trend in national tourism was observable in the number of visitors to Lake Bogoria National Park in Baringo County where the numbers declined from 94,400 in 2010, 108,300 in 2011, 114,600 in 2012 and 91,500 in 2013 to 80,500 in 2014. However, the number of visitors to Kabarnet Museum increased from 1,200 in 2010, 1,700 in 2011, 1,300 in 2012, 1,600 in 2013 and ultimately to 1,700 in 2014 (Kenya National Bureau of Statistics , 2015).

1.1. Statement of the Problem

When knowledge is effectively managed it leads to a reduction in operating costs, faster development of new products, better customer service thus competitiveness of firms in a destination. Njagi & Gachunga (2017) found that knowledge identification and knowledge acquisition affected the performance of the Kenya Tourism Board. Simaskiene (2014) informed by the pragmatism paradigm sought to determine the relationship between knowledge management and competitive advantage among enterprises in Lithuania. Sohrabi, Tabatabaei, Hajifarajzadeh, & Aqdam (2015) identified four knowledge management practices i.e. knowledge creation, knowledge storage, sharing and application.

Cheruiyot, Jagongo and Owino, (2012) observed that despite the generation and application of knowledge to feed innovation and product development being adjudged critical for competitiveness, most enterprises in Kenya were either slow, unaware and at times resistant in adopting knowledge management practices to gain competitiveness. This coupled with limited studies on the effect of knowledge creation by tourism stakeholders on a destinations competitiveness specifically in Kenya influenced the need to conduct this study. The findings of this study seek to bridge the knowledge gap that exists on the effect of knowledge creation on the competitiveness of firms within the tourism sector in Baringo and in extension in Kenya as a tourism destination.This study employed structural equation modeling to test hypothesis which is a new approach in achieving the study objectives.

2. Literature Review

2.1. Destination Competitiveness

McGuinness, et al., (2010) stated firm competitiveness level as the capability of firm to, produce, market and design products which are superior as compared to those products provided by competitors. According to Hakkak and Ghodsi (2015), firm competitiveness is a choice on a number of activities required in order to deliver value in the firm. It is related to the firm's efforts in developing and maintaining an advantage over a long period of time. In a tourism industrydestination must besuperior to that of the alternative destinations (Dwyer, 2010). Ideally, destinations seek to outwit their competitors globally, nationally and regionally by embracing the right competitive strategies. A tourism destination competitiveness aims at diagnosing the competitive positions of specific destinations (Enright & Newton, 2005). This study however sought to determine the effect of primary stakeholder knowledge creation on a tourism destination competitiveness.

2.2. Knowledge Creation

Harrison and Kessels (2013) identifies creation of new knowledge depends on existing organizational capabilities. Knowledge in an organisation comprises of its resources, values, hardware as well as software that give meaning and structure to the different data sources. In organizations, it represents in the form of reports, authoritative schedules, procedures, practices, and standards. (Davenport & Prusak, 2008). Emphasis on the importance of knowledge as a critical resource for organizations to draw upon Zheng *et al* (2010) as well as Tsai *et al* (2012) explored the relationship between Knowledge Management and Competitive Advantage.

Nandita (2013) study on knowledge management observed that generally, human beings are reluctant to share information thus compromising the knowledge spiral, this is despite the benefits of knowledge management having been undoubtedly touted in business literature over time. Wiig (2007) went ahead to highlight this by definingknowledge management as the creation of value for an organization by systematically using, developing and renewing available knowledge. He is credited with coining the four aspects of the knowledge process thus: creation, storage, transfer, and application. Foss & Pedersen (2012) support these findings by claiming that in a turbulent environment, knowledge creation and application is the strongest strategy for a firm in attaining sustainable competitive advantage.

2.3. Knowledge Creation and Competitiveness

Bawden and Robinson (2008) concurred claiming that the aim of new technology is to facilitate faster access to information. Filippov and Lastrebov (2010), stated that information and communication technology have transformed the accessibility of information exponentially. Knowledge acquisition is one of the fundamental aspects of the knowledge creation aspect in the knowledge process. The trend moving from data preparation to knowledge creation and continuous development (Malhotra, 2000).

Challenges arise where information creation is not an orderly procedure that can be firmly controlled, ideally, knowledge creation is supposed to be a deliberate procedure of knowledge management. Knowledge creation process is to entailthe developing and consistent change of knowledge to adapt to the current situation so that it acquires optimum usability (Bhatt, 2006). There is general consensus that culture and social processes have a significant impact on how knowledge is created and managed.

Harrison and Kessels (2013) views creation of new knowledge depends on organizational capabilities. The knowledge, built up an organization over a period. According to the SECI model, the process of creating knowledge in the organization begins when people socialize informally as they share perspectives and thoughts on various issues. This is followed by employees use of indirect wording like analogies to express hidden meaning which only those privies to it may understand clearly also referred to as externalization. At the third stage knowledge is shared clearly, and interpretation is easy. The spiral re-occurs when operational knowledge is learned in the first cycle (Hauschild *et al*, 2011).

The benefits of knowledge notwithstanding, human beings are reluctant to share information. Szulanski (1996) coined the term ''knowledge stickiness'' to refer to the hesitation and hindrance to effective knowledge sharing by individuals and the collective organization culture. She however added that this can be mitigated by cultivating a learning environment. Sven Carlsson (cited by Mylonopoulos & Tsoukas, 2003) established the criticality of knowledge in interorganizational networks andknowledge in competitive strategy and comparative advantage.Organizations are recognized as knowledge systems whose cognitive and social nature is represented in individual employees in the collective organizational practices and culture. Foss and Pedersen (2012) support these assertions by claiming that in a turbulent environment, knowledge creation and application is the strongest strategy for a firm in attaining sustainable competitive advantage.A few related studies have been done with regards to knowledge creation and competitiveness of firms, these include Pearce and Robinson (2007) study on implementation and control of competitive strategy among firms across Europe wherethe findings indicated that firms compete effectively when there is motivation of employees. Conclusions showed that employees provide a major resource for a firm along which it can compete well.

Nguyen (2010) findings reveal that KM capability of a firm is composed of technical KM infrastructure capability, social KM infrastructure capability, as well as KM process capability. El-Kot and Gamal, (2011) did a study on how does knowledge management drive competitiveness in Egyptian software companies. Mbugua, (2010), established that organization objective in introducing KM was to leverage implicit knowledge in motor vehicle service industry.

It is evident that the studies failed to focus on the knowledge creation and competitiveness in the tourism destination in general. Arising from the findings above, clearly, many of the areas on knowledge creation and competitiveness in the

tourism industry remain understudied. The studies did not focus on knowledge creation and competitiveness of firms in the tourism destination in Kenya. This study sought to address how does knowledge creation by primary stakeholders affect competitiveness of tourism destination in Kenya.

3. Theoretical Framework

The study was based on resource-based theory and Knowledge spiral theory. The Resource based theoryfocuses on gaining of competitive advantage. It helps in evaluation of the amount of assets available to organization. The theory was founded by Barney and improved by Porter (1979) and Bain (1968) as complements making them its major proponents. The study placed more focus on the resources of a firm which influence competitiveness of a destination depending on the way in which they were available to stakeholders. The Resource Based View theory has changed over the last decade with a number of names such as resources, capabilities, assets or firm competencies being used to describe factors that affect firm competitiveness.

This Resource Based View theory is considered as effective in explaining the competitive advantage of firms as a result of its strengths on valuableness, rare, inimitable and the fit of the framework in an organization that offers the competitive advantage to firms. This theory has the capability of providing a discounted value for the expected future income stream. According to resource-based theory, the competitive advantage of a firm depends majorly in its use of valuable tangible and intangible resources at its disposal (Barney, 2011). Knowledge spiral theory divides knowledge into tacit and explicit knowledge. The idea of knowledge creation should be the key to be considered since there is constantly changing competitive environment as well customer preferences and hence knowledge cannot stay for long.

The second theory examined is knowledge spiral theory by Nonaka and Takeuchi (1995). This theory lays emphasizes on knowledge spirals that explain the change of tacit knowledge into explicit knowledge as a unit for individual, group, as well as organizational innovation (Dalkir, 2011). The knowledge spiral model demonstrates how knowledge is generated and recycled. It explains the process of knowledge interaction and how it enhances the growth of both explicit and tacit knowledge (Hauschild *et al*, 2011). Nonaka and Takeuchi explain knowledge conversion which include first from tacit knowledge to tacit knowledge process of socialization.

4. Research Methodology

This study was carried out in Baringo County which is located in the formerly Rift Valley Province now rift valley region. Its headquarters is Kabarnet. The County have atotal human population of 555,561 and 110,649 Households on land area of 11,015 Km^2 (The 50 Treasures of Kenya Trust, 2016).

Baringo County had immense tourism potential as exhibited by the impressive attractive scenery i.e. Kipkogom/ Kapkiamo rocky cliffs, Kerio valley, the physical features such as Lake Baringo, Lake Bogoria, Lake Kamnorok, Nuregoi, Cheploch Gorge. Other attractions include the Lake Kamnorok Game reserve, Lake Bogoria National reserve and the hot springs and geysers, numerous reptile parks, diverse bird species, Kabarnet Museum, Nature conservancies (Ruko, Kaptuiya, Morop/ Tarambas, Ngenyin and Kimngochoch), prehistoric sites at kipsaraman, the highland forests and lowland Arid and Semi-Arid Lands flora and the Equator crossing at Mogotio. Besides the county had set up a Tourism Information and Resource Centre at Mogotio, numerous Curio Businesses and cultural centres (Keitany, 2016)

To cater for the large number of travelers, a number of hospitality establishments are operational in the county, which include Kabarnet Hotel, Kibelion hotel, Rift Valley Spa Hotel, Paradise Hotel, Sportsline Hotel, Saimo resort, Terrix Hotel, Chambai Hotel among others. These Establishments are of different rating with some located right in the administrative towns and a number near the tourist attractions away from the towns.

The study was guided specifically by the assumptions of the post positivist research paradigm which adopted a reductionist approach by breaking down the general idea into variables that could be tested. Knowledge creation practices by primary destination stakeholders as the independent variable was broken down into 10 statements then related to the competitiveness of the tourism destination that was broken into 15 statements. These sub variables informed the hypotheses of the study which was tested for effect as expected under this paradigm. To enable testing of the hypothesis, quantitative data was collected using a semi structured questionnaire that was administered to the respondents. The data obtained was then coded and subjected to analysis in order to discern the existing relationships between the variables.

This study employed the ex post facto research design where a correlation investigation was conducted to determine the knowledge creation indicators associated with destination competitiveness. Ex- post facto was preferred for this study because it was not possible to use the more powerful experimental designs and secondly, the researcher was unable to manipulate the independent variable which was knowledge creation practices by primary destination stakeholders. To actualise the ex-post-facto design the study explored knowledge creationand its likely effect on destination competitiveness. The study identified a sample from amongst the primary tourism stakeholders who operated within the Baringo County

The study targeted primary stakeholders (firms/ entities without which tourism could not be able to take place) within Baringo County(tourism destination). These primary stakeholders were deemed to be those individuals or groups that actively participated in the delivery of the tourism product. The study specifically targeted the Baringo County Government staff drawn from the Departments of Tourism, Planning and information and purposively the County Executive Committee (CEC) members, Chief Officers and Directors in charge were to be included in the sample, the Kenya Wildlife Services staff, Conservancy proprietors/ chairmen, the National Museums of Kenya staff, the Tourism Information Centre staff, the Tourist class hotels and restaurants staff and Tour operators and guides operating within the county especially around Lake Bogoria and Baringo and the Kenya Forest Services staff.

This study employed both probability and non-probability sampling designs.Baringo County was purposively targeted as the study area because of its undisputable potential for tourism in the North Rift region(Keitany, 2016). The target population was divided into strata based on the organizations the respondents were drawn from as a way of ensuring representation. Simple random sampling used to select the respondents. It was preferred because it gave each element an equal chance of participating in the study thus minimizing bias.

This study adopted the use of formulae to determine sample size as this allowed for capturing desired combinations of levels of precision, confidence and variability. Some of proposed formulae according to Israel (1992) were by Cochran (1963) and Yamane(1967), of which the study adopted the more simplified Yamane formulae.To determine sample size (n) the Yamane formulae ($n = N/ (1+ N (e)^2)$) assuming 95% confidence level and margin of error (P= 0.05) was applied. According to the Baringo County Annual Development plan 2018, the targeted population cumulatively was 732 members of staff. Hence a sample size of 259 respondents was selected.

The study aimed at collecting primary data through use of questionnaires which were administered to respondents and document analysis conducted to obtain preliminary secondary data for the study. Staff at different levels in the organization structure in each establishment were requested to fill the questionnaire, the purpose of which was to assist the researcher triangulate the responses given by the staff of the same establishment. Stratification was done for other respondents in respect to the organisations they were serving i.e. main stream financial institutions, Kenya Wildlife Services, National Museums of Kenya, Tourism Information Centers, Kenya Forest Services, Conservancies, boating companies and other tourist attractions.

To acertain content validity of the research intruments experts in tourism were requested to check for relevance of the instrument for the purpose of the study, relevance of items and the whole instrument to the respondents, appropriateness of the questions in the instrument to the respondent, coverage of content domain of interest, clarity of language used and clarity of the items and questions.The study ensured internal validity by developing accurate instruments and standardised data collection procedures through the training of research assistants and external validity by selecting respondents randomly and stratifying primary stakeholders to increase the chances of representativeness of all in the study.

Dependability of the research instrument results was ascertained by subjecting the instruments to a reliability test. This was achieved through a pilot study, which was conducted outside the area of study i.e. in Elgeyo Marakwet County whose aim was to avoid the actual respondents targeted by the study. Piloting was done after approval of the instruments. Upon analysis of the data generated from the questionnaires a Cronbach's alpha of 0.853 was obtained.These results showed an alpha value above the recommended of 0.7(Kothari, 2004) thus indicating that instrument results were reliable hence provided the confidence to proceed and administer the instrument to respondents for the study.

Prior to piloting, the researcher had received clearance to proceed to the field from Moi University and had obtained a research permit from the National Commission for Science Technology and Innovation. The questionnaires upon collection from the field were sorted and labeled, data therein was coded before analysis was undertaken. The Statistical Package for social Sciences (SPSS) version 21 used to run descriptive statistics to allow for data cleaning, checking for errors, missing values and outliers. The data was transferred to SPSS Amos to allow for generation of a Structural Equation Model that would enable analysis to meet the research objectives on how knowledge creation affected a destination's competitiveness.

SEM was preferred because of its versatility in combining factor analysis, regression, path analysis, estimating relationships between latent variables, allowing for explicit testing of models i.e. exploring direct, indirect and total effects in an integrated fashion (Ringle *et al.* 2018 &Sarstedt *et al.*, 2019). SEM statistical tool offers a more direct method of dealing with multiple relationships simultaneously using confirmatory analysis (Hair *et al.*, 2014; Kline, 2011). This is unlike the other multivariate statistical analysis methods which though providing researchers with powerful tools for addressing a wide range of theoretical and managerial questions, are limited to examining single relationships at a time (Hair *et al.*, 2014).

Since SEM allows latent constructs to be tested using multiple indicators, rather than using the mean score of the multiple indicators, the share variance of these indicators is used to test the relationship(s) under investigation. McQuitty and Wolf (2013) stated SEM is to test a theory that explains the relationships among a group of variables using confirmatory analysis. A questionnaire was developed based on literature to provide a theoretical base of the observational variables in order to measure the latent variables for the model under investigation.

In addition, it allowed for hypothesis testing thus fulfilling the requirement of the study.Using SEM, validation of measurement models consistent with the latent variables (knowledge creationand destination competitiveness) was conducted for confirmatory, construct validity, convergent validity and discriminant validity. Unidimensionality was to be confirmed by factor loadings being positive and above 0.6 (Awang, 2012), while convergent validity evaluated by examining factor loadings (> 0.6) and Average Variance Extracted(AVE) beyond 0.5 for good convergence (Henseler *et al* ,2015).Fit indices used to examine a good fit between the measurement model anddata.

5. Results

5.1. Validation of the Measurement Models

Two measurement models consistent with the two latent variables namely: knowledge creation, and destination competitiveness were validated using confirmatory analysis. For each of the measurement models, unidimensionality was confirmed by factor loadings being positive and above 0.6 (Awang, 2012). Standard factor loadings of above 0.6 and AVE of 0.50 or greater suggested a good convergent validity for the construct (Henseler *et al.*, 2015). Fit indices were then

calculated to examine whether they indicated a good fit between the measurement model and data. The overall fit was achieved using indices of Cheung and Rensvold (2002) where; χ^2 d/f <5.0; GFI>0.90; NFI>0.90; RFI>0.90; IFI>0.90; TLI>0.90; CFI>0.90 and RMSEA of <0.05.

5.2. Destination Competitiveness

Destination competitiveness was measured using 15 statements derived from exploratory factor analysis pattern matrix. An examination of the unidimensionality requirements for confirmatory factor analysis (CFA) revealed that three out of fifteen indicators of knowledge application factor loadings exceeded the recommended value of 0.6. The indicators (customers, revenue and prices) were therefore deemed to be unidimensional and were retained (Table 1). Figure 1 shows that the indicators (record, visitors, competitors, imitate, unique, innovation, transparent, consultation, feedback, follow-up, advance and advantage) had a factor loading of less than 0.6 which was way below the minimum value of 0.6 (Awang, 2012). These indicators failed to attain the threshold of the confirmatory unidimensionality and were therefore omitted from the overall measurement model.
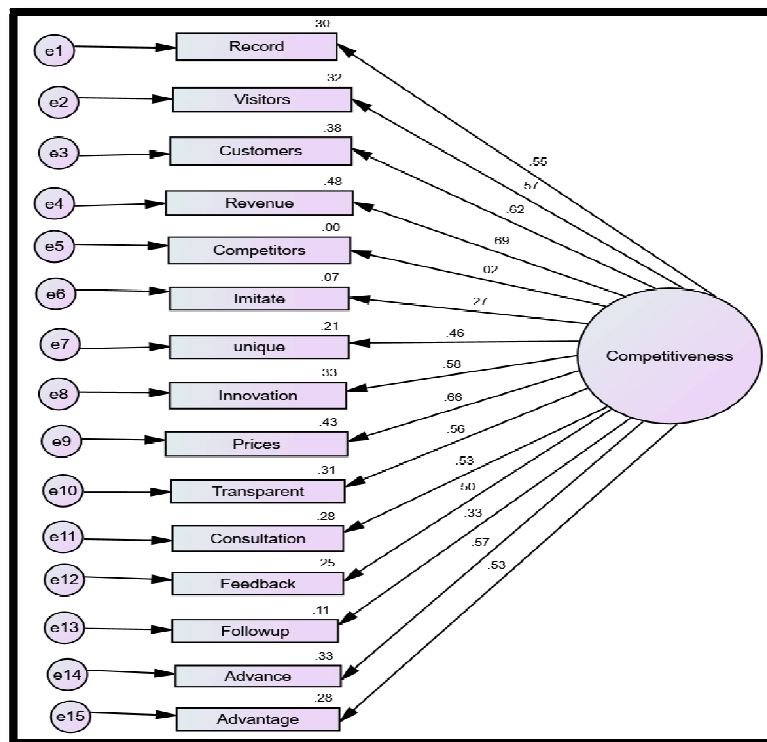

Figure 1: Destination Competitiveness Measurement Model

The AVE value (0.429) for the remaining three indicators revealed not a good convergent validity for the destination competitiveness when the other twelve indicators were omitted (Table 1). The composite reliability of 0.692 was close to 0.7, confirming that the destination competitiveness construct was reliable.

Construct	Items	Factor loadings	AVE	CR
Competitiveness	Customers	.616	0.429	0.692
	Revenue	.690		
	Prices	.656		

Table 1: Composite Reliability and AVE for Destination Competitiveness

5.3. Knowledge Creation

Knowledge creation was measured using ten statements derived from exploratory factor analysis pattern matrix. An examination of the unidimensionality requirements for confirmatory factor analysis (CFA) and four out of ten indicators of knowledge creation were positive and exceeded the recommended value of 0.6. The indicators (mechanisms, procedures, recordings and storing of information) were therefore deemed to be unidimensional and were retained (Figure 2). These shows that the indicators (manage, culture, standard, brainstorming, benchmarking and mentoring) had a factor loading of less than 0.6 which was way below the minimum value of 0.6 (Awang, 2012). These indicators failed to attain the threshold of the confirmatory unidimensionality and were therefore omitted from the overall measurement model.
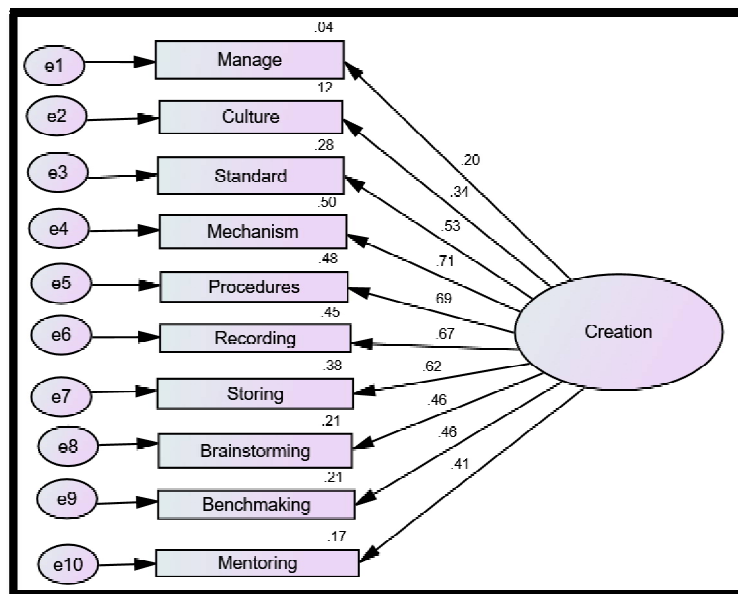
Figure 2: Knowledge Creation Measurement Model

Composite reliability (CR) was calculated using the composite reliability calculator (www.sem_stats.xls.com). AVE was calculated using formula:

AVE = (sum of squared factor loadings) / (sum of squared factor loadings + sum of error variance).

All standard factor loadings for mechanism, procedures, recording and storing wasgreater than 0.6 and AVE within the recommended level of 0.5 (Henseler *et al.*, 2015). The AVE value (0.450) for the remaining four indicators revealed not a good convergent validity for the knowledge creation when the other six indicators were omitted (Table 2). Results suggest not a good convergent validity for the knowledge creation. The composite reliability of 0.766 was way above 0.7, confirming that the knowledge creation construct was reliable.

Construct	Items	Factor loadings	AVE	CR
Creation	Mechanism	.706	0.450	0.766
	Procedures	.690		
	Recording	.670		
	Storing	.615		

Table 2: Composite Reliability and AVE for Knowledge creation

5.4. Proposed Overall Measurement Model

The proposed overall measurement model was a correlated two–factor model with four indicators loading on the knowledge creation factor and three indicators, loading on the competitiveness factor (Figure 3).
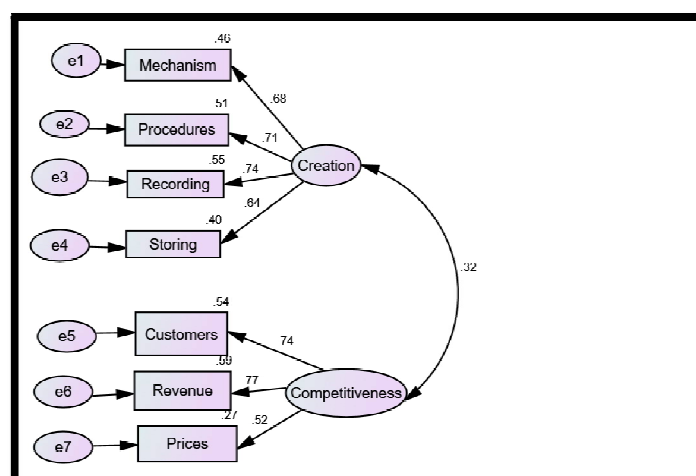

Figure 3: The Proposed Measurement Model

5.5. Fit Indices for the Proposed Overall Measurement Model

Fit indices indicated a poor fit between the model and data. The test indices of the measurement model (Table 3) violated the fit indices (Cheung & Rensvold, 2002). The proposed measurement model had Chi-square = 28.305 and indices fit (χ^2/df =2.177; GF1 = 28.305; AGFI = 0.880; NFI = 0.938; RFI = 0.900; IFI = 0.966; TLI = 0.943; CFI = 0.965;

RMSEA = 0.069). The RMSEA indices violated the recommended model fit indices. Thus, the modification of indices was undertaken.

Fit Indices	Recommended Value	Test Value
χ^2/df	<5.0	2.177
GFI	>0.90	28.305
AGFI	>0.90	0.880
NFI	>0.90	.938
RFI	>0.90	.900
IFI	>0.90	.966
CFI	>0.90	.965
TLI	>0.90	.943
RMSEA	<0.05	.069

Table 3: Proposed Measurement Model Fit

5.6. Modified Measurement Model

The proposed measurement model was modified usingmodification indices (Figure 4). The following error terms were therefore correlated e1↔e2; e3↔e4 and e3↔e5. Although the resulting first modified measurement model had a better fit with a Chi-square = 5.95 (χ^2/df =.595; NFI = 0.987; RFI = 0.973; IFI = 1.009; TLI = 1.019; CFI = 1.000; RMSEA = 0.000). All the model fit indices were not violated and were within the recommended model fit indices.
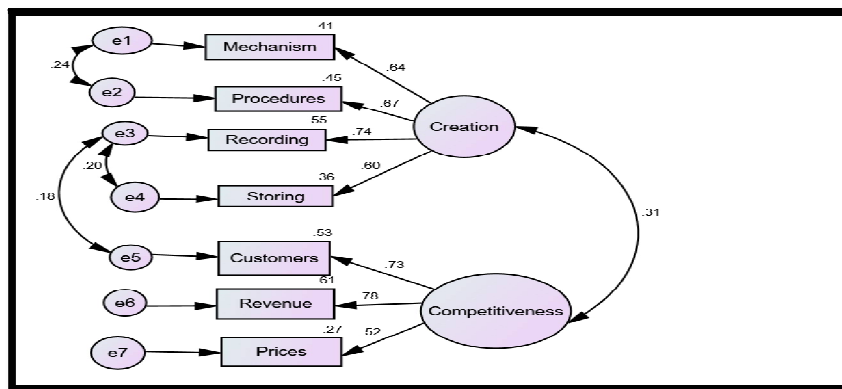

Figure 4: Modified Measurement Model

5.7. Validation of the Structural Model

The structural model involved one exogenous and one endogenous latent variable. The hypothesized structural model conceptualized that the exogenous variables; knowledge creation, had direct effects on destination competitiveness. In addition, the model posited that covariance existed between knowledge creation on application (Figure 5).
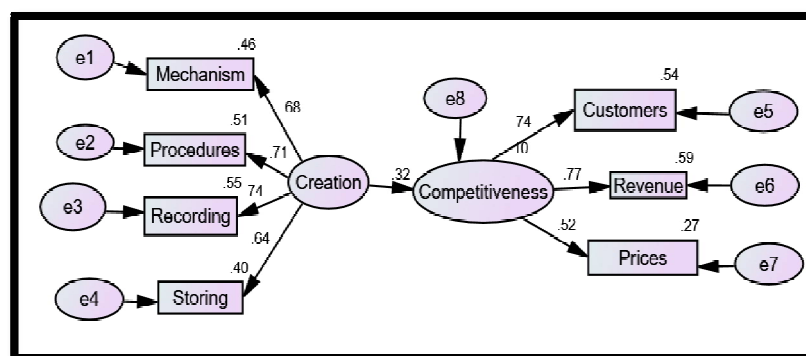

Figure 5: The Hypothesized Structural Model

The analysis of moment structures of the hypothesized structural model had the initial model Chi-square = 28.305. The hypothesized structural model had some poor fit indices to the data (χ^2/df =2.177; GF1 = 0.916; NFI = 0.938; RFI = 0.900; IFI = 0.966; TLI = 0.943; CFI = 0.965; RMSEA = 0.069).

5.8. Modification of Hypothesized Structural Model

In order for a better structural model fit, modification of indices (MI) on the model fit was improved. The initial model was modified using modification indices (Figure 6).
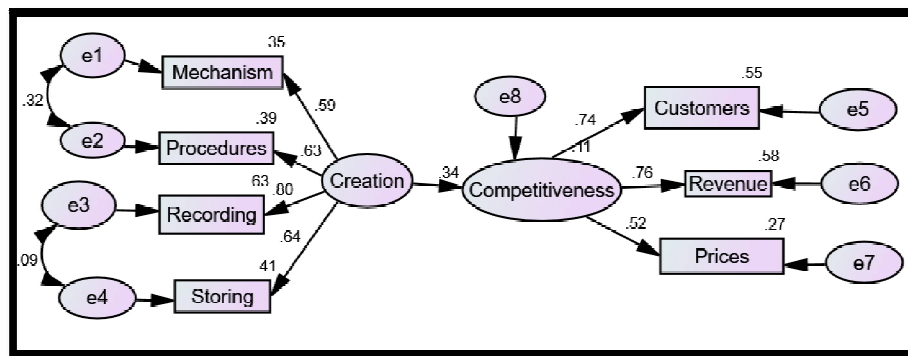
Figure 6: The Hypothesized Structural Model

The fit indices l indicated a perfect fit of modified model and the data (χ2= 9.883: χ2/df =.898; NFI = 0.978; RFI = 0.959; IFI = 1.003; TLI = 1.005; CFI = 1.000; RMSEA = 0.000). The results indicated that the chi square value 9.883 was not statistically significant, *p*>0.05, and likewise, fit statistics were within the acceptable limits. This model was the final model, since the MI did not suggest further paths.All the model fit indices were not violated and were within the recommended model fit indices.

5.9. Results of Hypothesis Testing

The final step in the data analysis was to test the null hypothesis. The hypothesis was tested by using the path coefficients. This path was from Competitiveness <--- Creation. Hence, the hypothesis was formulated to test the conceptualized relationships between knowledge creation practices and destination competitiveness in the present study. The results revealed that the hypotheses were statistically significant (Table 4).

			Estimate	S.E.	Standardized Regression Weights	C.R.	P	Label
Competitiveness	<---	Creation	.356	.096	.336	3.703	***	
Mechanism	<---	Creation	.588	.100	.589	5.892	***	
Procedures	<---	Creation	.624	.102	.626	6.095	***	
Storing	<---	Creation	.642	.110	.643	5.808	***	
Prices	<---	Competitiveness	.488	.066	.519	7.413	***	
Recording	<---	Creation	.795	.120	.796	6.633	***	
Revenue	<---	Competitiveness	.717	.070	.763	10.245	***	
Customers	<---	Competitiveness	.699	.069	.744	10.085	***	

Table 4: Regression Weights (Default Model)

Hypothesis H_{01} postulated that knowledge creation by primary destination stakeholders had no significant effect on destination competitiveness in Baringo County. The knowledge creation regression weight had significant (β = 0.336; t=3.7; p<0.05) on destination competitiveness. This agrees with Nonaka, Toyama and Konno (2000), that knowledge creation in organizations is enhanced by innovation, which occurs when their internal knowledge processes allow interactions between tacit and explicit knowledge. This implies that tourism destination stakeholders involved highly in knowledge creation, were located in areas where assets contributed to majority of the firm's revenues.

Destinations Knowledge Creation position is positively related to its competitiveness. This agrees with Malhotra, (2000) that the trend has moved from simply acquiring useful knowledge during the knowledge creation process to generating new knowledge within the organization that serves to enhance competitive advantage. Vanpoucke, Vereecke & Wetzels, (2014) views Knowledge creation plays a crucial role in enhancing competitiveness.

6. Conclusion

Knowledge creation underpins that exchanging and sharing knowledge within an organization. The process of creating knowledge in the organization begins when people socialize freely, sharing perspectives and thoughts on various issues. The study concludes that the knowledge creation by primary tourism stakeholders does affect the competitiveness of Baringo County in the tourism sector.

7. Recommendation

The human resource is vital to managing knowledge effectively and therefore destinations need to invest in this resource both fiscally and psychologically to keep employees vested in adapting new and ever-changing aspects of knowledge creation. The study recommends that tourism destination stakeholders and marketing agencies such as the Kenya Tourism Board and other organisations in the tourism sector should facilitate knowledge identification and creation in order to enhance the destination's performance.

8. References

i.   Alavi, M. & Leidner, D. (2001). Knowledge Management and Knowledge Management Systems: Conceptual Foundations in Research Issues. *MIS Quarterly* 25,1. 107-36.

ii.   Awang, Z. (2012). *Structural equation modelling using AMOS graphic*. Penerbit Universiti Teknologi MARA.

iii. Bain, J., (1968). Economies of scale, concentration and condition for entry in twenty manufacturing industries. *American economic review*, 44, 15 -39

iv.   Barbosa, L. G., De Oliveira, C. T., & Rezende, C. (2010). Competitiveness of tourist destinations: the study of 65 key destinations for the development of regional tourism. *Revista de Administração Pública, 44*(5).

v.   Barney, J. B. (2011), Gaining and sustaining competitive advantage (4th Ed.). Upper Saddle River, NJ: Pearson Education, Inc.

vi.   Bawden, D. & Robinson, L. (2008). The Dark Side of Information: Overload, Anxiety, and other Paradoxes and Pathologies. *Journal of Information Science*, Vol. 35, No.2, pp. 180-191.

vii. Bhatt, G. D. (2006). Knowledge Management in Organizations: Examining the Interaction Between Technologies, Techniques and People, *Journal of Knowledge Management*, Vo1.5, pp. 68-75

viii. Cheruiyot, C. K., Jagongo, A., & Owino, E. O. (2012, May). Institutionalization of Knowledge Management in Manufacturing Enterprises in Kenya: A Case of Selected Enterprises. *International Journal of Business and Social Science, 3*(10), 127-138.

ix.   Cheung, G. W., & Rensvold, R. B. (2002). Evaluating goodness-of-fit indexes for testing measurement invariance. *Structural equation modelling*, *9*(2), 233-255.

x.   Chua A. (2002). 'Taxonomy of Organizational Knowledge.' Singapore *Management Review,* 24(2), pp. 70-75

xi.   Crescenzi, R.; Nathan, M.; Rodríguez-Pose, A. (2016). Do inventors talk to strangers? On proximity and collaborative knowledge creation. *Res. Policy* 45, 177–194.

xii. Crouch, G. I. (2007). *Modeling Destination Competitiveness: A Survey and Analysis of the Impact of Competitiveness Attribute.* Australia: CRC for Sustainable Tourism Pty Ltd.

xiii. Davenport, T. H., Prusak, L., & Strong, B. (2008). Putting ideas to work. *Wall Street Journal Eastern Edition*, *251*(57), R11.

xiv. Dwyer , L., & Kim , C. (2010). Destination Competitiveness: Determinants and Indicators. *Current Issues in Tourism, 6*(5), 369-414.

xv.   El-Kot, G., & Gamal, D. (2011). How Does Knowledge Management Drive Competitiveness in Egyptian Software Companies?*Review of Management,1*(4), 56.

xvi. Enright, M. J., & Newton, J. (2005). Determinants of Tourism Destination Competitiveness in Asia Pacific: Comprehensiveness and Universality. *Journal of Travel Research, 43*(4), 339-350.

xvii. Ergazakis, K., Karnezis, K., Metaxiotis, K., & Psarras, I. (2005). Knowledge management in enterprises: a research agenda. *Intelligent Systems in Accounting, Finance & Management: International Journal*, *13*(1), 17-26.

xviii. Ford, D. P., & Sandy Staples, D. (2006). Perceived value of knowledge: the potential informer's perception. *Knowledge management research & practice*, *4*(1), 3-16.

xix. Foss, N. J., Pedersen, T., & Pyndt, J. (2012). *Innovating organization and management: New sources of competitive advantage*. Cambridge University Press.

xx.   Gitau, P. N. (2014). *An Assessmentof Cultural Factors Affecting Insurance Uptake-A Survey of The Nairobi County Central Business District* (Doctoral dissertation, The Management University of Africa).

xxi. Hair Jr F., Sarstedt, J., Hopkins, M., & G. Kuppelwieser, V. (2014). Partial least squares structural equation modelling (PLS-SEM) An emerging tool in business research. *European Business Review*, *26*(2), 106-121.

xxii. Hakkak, M., & Ghodsi, M. (2015). Development of a sustainable competitive advantage model based on balanced scorecard. *International Journal of Asian Social Science*, *5*(5), 298-308.

xxiii. Hauschild, M., & Pelikan, M. (2011). An introduction and survey of estimation of distribution algorithms. *Swarm and evolutionary computation*, *1*(3), 111-128.

xxiv. Kaplan, R. (2010). Conceptual Foundations of the Balanced Scorecard. Harvard University, Harvard Business School: working paper 10-074

xxv. Keitany, W. (2016). Unlocking County's Tourism and Entreprise potential. *Baringo Today*(007), p. 14.

xxvi. Keitany, W. (2016). Unlocking County's Tourism and Entreprise potential. *Baringo Today*(007), p. 14.

xxvii. Kenya National Bureau of Statistics . (2015). *Economic Survey 2015.* Nairobi: Kenya National Bureau of Statistics.

xxviii. Kline, R. B. (2011). *Convergence of structural equation modelling and multilevel modelling*. na.

xxix. Kothari. C, R. (2004). *Research Methodology: Methods and Techniques* (2nd ed.). New Delhi: New Age International (P) Ltd.

xxx. Malhotra, Y. (2000). Knowledge management for e-business performance: advancing information strategy to 'internet time'. *Information Strategy: The Executive's Journal*, *16*(4), 5-16.

xxxi. Malhotra, Y. (2000). Knowledge management for e-business performance: advancing information strategy to 'internet time'. *Information Strategy: The Executive's Journal*, *16*(4), 5-16.

xxxii. Mbugua, R. W. (2010). *Knowledge management as a competitive advantage tool in motor vehicle service industry: a case study of Kingsway Tyres Ltd* (Doctoral dissertation, University of Nairobi, Kenya).

xxxiii. McGuinness, S., Kelly, E., & O'connell, P. J. (2010). The Impact of Wage Bargaining Regime on Firm-Level Competitiveness and Wage Inequality: The Case of Ireland. *Industrial Relations: A Journal of Economy and Society,49*(4), 593-615.

xxxiv. Moustaghfir, K., & Schiuma, G. (2013). Knowledge, learning, and innovation: research and perspectives. *Journal of knowledge management*, *17*(4), 495-510.

xxxv. Mwaura, A. T. W., Gathenya, J. W., & Kihoro, J. (2015). Dynamics of entrepreneurial orientation on the performance of women owned enterprises in Kenya. *International Journal of Academic Research in Business and Social Sciences*, *5*(9), 14-34.

xxxvi. Mylonopoulos, N., & Tsoukas, H. (2003). Technological and organizational issues in knowledge management. *Knowledge and Process Management*, *10*(3), 139.

xxxvii. Nandita, S. (2013). Improving organization performance through knowledge management practices. *Advances in Management*.

xxxviii. Naylor, B., Dussuyer, I., Harrison, L., Kessel, R., & Barnett, J. (2013). The role of Civil Society in monitoring and overseeing closed environments. *Available at SSRN 2317148*.

xxxix. Nguyen, T. N. Q. (2010). Knowledge management capability and competitive advantage: an empirical study of Vietnamese enterprises.

xl. Njagi, J. E. M. (2017). *Effect of Knowledge Management on Performance of Tourism Sector in Kenya: A Case of Kenya Tourism Board (KTB)*. Strategic Journal of Business & Change Management, 4(2)

xli. Nonaka, I., & Nishiguchi, T. (2001). *Knowledge emergence: Social, technical, and evolutionary dimensions of knowledge creation*. Oxford University Press.

xlii. Nonaka, I., & Takeuchi, H. (1995). *The Knowledge-Creating Company: How Japanese Companies Create the Dynamics of Innovation.* New York: Oxford University Press.

xliii. Nonaka, I., Toyama, R. & Konno, N. (2000). 'SECI, Ba and Leadership: A Unified Model of Dynamic Knowledge Creation', *Long Range Planning* (32). 5-34.

xliv. Pearce, J. A., & Robinson, R. B. (2007). Strategic Management: Strategy Formulation and Implementation. Richard D. *Irwin Inc.*

xlv. Porter, M. (1985). *Competitive Advantage: Creating and Sustaining Superior Performance.* New York: The Free Press.

xlvi. Porter, M. (1996). What is Strategy? *Harvard Business Review, 74*(6), 61-78.

xlvii. Porter, M. E. (1980). *Competitive Strategies:Techniques for Analysing Industries and Competitors.* New York: Free Press.

xlviii. Porter, M. E. (1980). *CompetitiveStrategy:TechniquesforAnalyzingIndustriesandCompetitors.* New York: Free Press.

xlix. Porter, M. E. (1985). *Competitive Advantage.* New York: Free Press.

l. Porter, M. E. (1990). New Global Strategies for Competitive Advantage. *Strategy and Leadership, 18*(3), 4-14.

li. Porter, M., Sachs, J., & McArthur, J. (2001). *Executive summary: Competitiveness and stagesofeconomicdevelopment.* In World Economic Forum.

lii. Rajender, K. and Kumar, K.P. (2012). Knowledge Management Practices in SME Sector an Empirical Study, *International Journal of Business and Management Tomorrow,* 2 (4), 1-9.

liii. Ringle, C. M., Sarstedt, M., Mitchell, R., & Gudergan, S. P. (2018). Partial least squares structural equation modelling in HRM research. *The International Journal of Human Resource Management*, 1-27.

liv. Ritchie, J. B., & Crouch, G. I. (2003). *The competitive destination: A sustainable tourism perspective*. Cabi.

lv. Ruhanen , L., & Cooper, C. (2015, January). Applying a Knowledge Management Framework to Tourism Research. *Journa lof Sustainable Tourism*, 2015.

lvi. Saravanan, K. (2017, January-June) Sources of Sustainable Competitive Advantage: A Study & Industry Outlook. *St. Theresa Journal of Humanities and Social Sciences* Retrieved from www.stic.ac.th/ojs/index.php/sjhs/article/download/111/59

lvii. Sarstedt, M., Ringle, C. M., Cheah, J. H., Ting, H., Moisescu, O. I., & Radomir, L. (2019). Structural model robustness checks in PLS-SEM. *Tourism Economics*,

lviii. Simaskiene, T. (2014). Influence of KnowledgeManagement to the Competitiveness of Enterprises. *Societal Studies, 6*(3), 557-578.

lix. Sohrabi, A., Tabatabaei, S. A., Hajifarajzadeh, H., & Aqdam, B. G. (2015, May). The Role of Knowledge Management Practices in Developing Human Capital. *International Journal of Economics, Commerce and Management, III*(5).

lx. Szulanski, G. (2000). The process of knowledge transfer: A diachronic analysis of stickiness. *Organizational behavior and human decision processes*, *82*(1), 9-27.

lxi. Tan, C. N. L. (2011). Knowledge Management Acceptance: Success Factors amongst Small and Medium-Size Enterprises, *American Journal of Economics and Business Administration*, 3(1), 73-80

lxii. Tsai, M. T., Chen, K. S., & Chien, J. L. (2012). The factors impact of knowledge sharing intentions: the theory of reasoned action perspective. *Quality & Quantity*, *46*(5), 1479-1491.

lxiii. Uriarte, F. A. (2008). *Introduction to knowledge management*. Asean Foundation.

lxiv. Vanpoucke, E., Vereecke, A., & Wetzels, M. (2014). Developing supplier integration capabilities for sustainable competitive advantage: A dynamic capabilities approach. *Journal of operations management*, *32*(7-8), 446-461.

lxv. Wiig, K. M. (2007). Effective societal knowledge management. *Journal of Knowledge Management*, *11*(5), 141-156.

lxvi. Zheng W., Y& B. & McLean G.N. (2010). Linking Organizational Culture, Structure, Strategy, and Organizational Effectiveness: Mediating Role of Knowledge Management. *Journal of Business Research,* 63, 763–771