FACTORS AFFECTING THE PERFORMANCE OF TOUR FIRMS IN NAIROBI

BY

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UNITED STATES INTERNATIONAL UNIVERSITY - FRICA

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A Research Project Report Submitted to the Chandaria School of Business in Partial Fulfillment of the Requirement for the Degree of Masters in Business Administration (MBA)

UNITED STATES INTERNATIONAL UNIVERSITY- AFRICA

SPRING 2018
STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution, or university other than United States International University - Africa in Nairobi for academic credit.

Signed: ........................................ Date: ........................................

Fardowsa Abdullahi Diriye (638215)

The project has been presented for examination with my approval as the appointed supervisor

Signed: ........................................ Date: ........................................

Professor Paul Katuse

Signed: ........................................ Date: ........................................

Dean, Chandaria School of Business
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ABSTRACT

The purpose of the study was to establish factors affecting the performance of tour firms in Nairobi. The specific objectives of this study are: To determine how technological advancement, organizational culture, leadership style and resource allocation affect the performance of tour firms in Nairobi.

The study utilized a descriptive research design and incorporated both quantitative and qualitative research to gain a better knowledge and in-depth understanding of the results. The target population for this study will be 152 respondents who oversee the performance in Tour firms. The study used stratified random sampling technique and a sample of 60 respondents was utilized for the study although only 55 responded. Primary data was collected by administering open and close-ended questionnaire to the respondents. The questionnaire was sent via mail to the respondents. The descriptive statistical tool, Statistical Package for Social Sciences (SPSS) and applications was used to help the researcher describe the data and determine the extent used and this will be through descriptive analysis and inferential statistics.

The findings revealed that that technology advancement determines strategy performance in the firm. It was also revealed that executives and senior managers are committed to performance. The study also revealed that competitive capacity of organizations can be increased by building strong people and effectively managing them. In addition, organizational culture plays an indirect role in influencing behaviour by using reasonable managerial tools, such as strategic direction, goals. Thirdly, the study revealed that leaders in the tour firms encourages (staff) to participate in decision making. The study also revealed that leaders monitors progress towards goal achievement only and leaders needs to control every activity. The study established that tour firms enhance strategy implementation through employee relations strategies. The study also established that lack of leadership commitment hinders strategy implementation.

The study concluded that that technology advancement determines strategy performance in tour firms. It was also revealed that executives and senior managers are committed to ensuring increased performance in the sector. It was also established that the sector has experienced challenges of performance due to dynamic business environment although use of technology advancement has offered the firms vision, strategically thinking and plan. Tour firm have aimed to create a culture that integrates the strategic and operational
activities by use of IT and technology system unit has facilitated internal devolution of management capacities. The study concluded that competitive capacity of organizations can be increased by building strong people and effectively managing them. The finding also revealed that leaders clarifies his or her own role within the group and put other people’s needs, aspirations and interests above their own. The study also concluded that lack of leadership commitment hinders strategy implementation although the firms ensure funds for strategy implementation are offered in their budget, and its oftenly used as an evaluation and control tool in implementation. This also aids in improving competitiveness in the enterprise.

The study recommended that there is a need for tour firm to utilize technology advancement in order to improve strategy performance in the tour firms. Tour firm should be encouraged to integrate strategic and operational activities by use of IT and technology system inorder to facilitate internal devolution of management capacities. thirdly, tour firms need to support a culture that allows the firms build strong workforce and thus improve the performance through developing the capabilities of teams. Lastly, there is a need to continue employing skilled employee in order to facilitate realization of goals.

This study only focussed on technology advancement, culture, leadership style and resource allocation. There is a need to undertake further studies to determine how other variables like staff competence, systems, and goals influence performance of tour firms
ACKNOWLEDGEMENT

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My supervisors Prof. Juliana Namada, and Prof. Paul Katuse, you have both been a spring of knowledge and encouragement. Your essence of excellence has encouraged and motivated me. Thank you for offering guidance and assistance throughout writing of this project.
DEDICATION

To the millions of business professionals, friends and families who made it possible.
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<th>Description</th>
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<tbody>
<tr>
<td>GDP</td>
<td>Growth Domestic Product</td>
</tr>
<tr>
<td>WTTC</td>
<td>World Tours and Travel Council</td>
</tr>
<tr>
<td>KTB</td>
<td>Kenya Tourism Board</td>
</tr>
<tr>
<td>KATO</td>
<td>Kenya Association of Tour Operators</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and Communication Technology</td>
</tr>
<tr>
<td>ROA</td>
<td>Return on Assets</td>
</tr>
<tr>
<td>ROE</td>
<td>Return on Equity</td>
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<tr>
<td>ROI</td>
<td>Return on Investment</td>
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<td>EPS</td>
<td>Earnings per Share</td>
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Performance is an unstable balance between efficiency and effectiveness (Ostroff and Schmitt, 1993). Performance is also seen as a state of the enterprise’s competitiveness, reached by a level of effectiveness and efficiency that ensure sustainable market presence (Niculescu and Lavalette, 1999). Performance involves also the economic concept of creation of wealth or value to the organization. Thus, performance is a relation between cost and the value of benefits obtained (Lorino, 2001). Performance is understood as achievement of the organization in relation with its set goals. It includes outcomes achieved, or accomplished through contribution of individuals or teams to the organisation's strategic goals. The success or failure of a firm’s performance can often be the result of the firm’s strategy (Porter, 1991).

Porter (1996) adds that there is no general definition of what strategy actually consists of since strategy itself is multidimensional and situational and will therefore vary by industry and circumstance. However in general terms, strategy can be said to be the activities and processes conducted within a firm in order to take an organization from point A to point B. Dobni (2013) concludes that strategy has two main objectives. The first objective of strategy should be to position the company in order to compete and the second objective of strategy is to create a climate to support implementation (Dobni, 2013).

Tourism represents one of the most important factors influencing economic growth and development of contemporary societies. Tourism is primary or secondary activity for a large portion of the population living in for tourism attractive regions around the world, but also a large number of people living in other locations around the world. Tourism is perceived as a very important mean of economic development both in developing and developed countries worldwide (Goeldner & Ritchie, 2013). In common thought tourism is usually perceived as an activity of leisure of fun, but the facts speak of billions of dollars in tourism business around the world. Having this in mind, without doubt tourism should and is seriously analyzed both by scientists, researchers, policy makers, national and local governments etc. Although, geographical position and natural resources play an
important role in the development of tourism, numerous examples around the world prove that this is not enough. Obviously the ability to use the gifts of nature in order to attract tourists. Building proper touristic capacities and using proper business strategies in order to gain competitive advantage, the competitive edge in the harsh and competitive world of tourism is of crucial importance for all businesses that are engaged in tourism. The situation gets even more complicated having in mind that the success of touristic companies, besides all other factors is in many cases influenced by the overall hospitality of the population with a given region.

The Travel and Tourism sector makes a substantial contribution to European economies. In total in 2016, including the services that Travel & Tourism businesses use through their supply chains, Travel and Tourism supported 14 million jobs, one in ten of all jobs in Europe, and made over €2 trillion in contribution to gross domestic product (GDP), or 9.7% of total European GDP. With its market mature and future development constrained by space, the region has the lowest growth forecast over the next ten years of all areas of the world. Still, by 2027, the Travel & Tourism sector’s total economic contribution is expected to grow to 17 million jobs and €2.8 trillion in contributions to GDP (10.9% of total European GDP). World Travel & Tourism Council (WTTC)’s economic data on Travel & Tourism covers all 28 countries of the European Union plus an additional 15 countries for a total of 43 countries in the wider region of Europe. This report looks within the countries at the 17 cities of Amsterdam, Antalya, Barcelona, Berlin, Brussels, Dublin, Istanbul, Lisbon, London, Madrid, Moscow, Munich, Paris, Prague, Rome, Stockholm and Warsaw. Collectively, these 17 cities directly contribute 18% of the region’s Travel & Tourism GDP (Goeldner & Ritchie, 2013).

European cities are largely reliant on international demand, with the USA the leading long haul market for five of the cities in this study: London, Madrid, Munich, Paris, and Rome. However, intra-regional travel from other European source markets provides the bulk of this international demand. Stokes (2007) did a study on tourism strategy making in events tourism in Australia. He investigated the stakeholder orientations of strategy makers in this domain. For this study, a two-step, qualitative methodology involving convergent interviews and multiple case research. Findings show that events tourism strategies of public sector events agencies (within or outside tourism bodies) are mostly reactive or proactive relative to emerging episodes/events by the different stakeholders.
Past research concerning strategy implementation has largely focused on top management and how their actions and involvement can affect the implementation process (Shimizu, 2017). Top management plays an important part in setting the organizational conditions for effective implementation. It is the top managers that communicate the vision and direction of the company. Further they are also responsible for encouraging members of the organisation to be responsive and provide ideas and feedback to higher management. (Shimizu, 2017) However research has found that strategy implementation is seldom consistent with strategy development, indicating an implementation gap between the top management and the lower levels of an organisation (Miller, Wilson, & Hickson, 2015). Furthermore, Lohrke, Bedeian, and Palmer (2015) identified the need for further research in the area of strategy implementation, outside that of the top management perspective.

Crittenden and Crittenden (2014) adds that strategy that is impeccable in its formulation has little to no value unless it is effectively implemented. This is especially important when one takes into consideration that 66% of corporate strategy is actually never even executed (Johnson, 2015) or that 70% of strategic plans and strategies are never successfully implemented (Sterling, 2013). In addition to this a study of a 1000 different organizations illustrated that 60% of employees think that their organization is weak in strategy execution and that only 37% of an organizations employees have a clear understanding of what the organization is trying to achieve and why. (Shimizu, 2017) Another study conducted by Kaplan and Norton (2005) found that 95 % of a company’s employees either do not understand or are unaware of the company’s strategy. This implies that a gap occurs between the formulation and the implementation of a strategy, a gulf between the strategies conceived at top management levels and awareness at lower levels (Thomas & Ambrosini, 2015).

This phenomenon has been called the implementation gap and research has shown that this gap is widening. A strategy with a successful implementation can prove to be largely beneficial to a company. Effective implementation of strategy is even more crucial in a situation where a firm faces declining performance. During declining circumstances a company’s management team needs to take action and quickly formulate and then successfully implement strategies in order to turn the situation around and save the company from failure. (Lohrke, Bodleian, & Palmer, 2015). Furthermore a more recent study has found that the effectiveness of strategy implementation is positively related to a
company’s market performance (Slater, Hult, & Olson, 2015). For management, the current challenge lies in implementing strategy and not so much in formulating it (Dobni, 2013).

Tourism being one of Kenya’s largest foreign exchange earners, The United States of America still stands as the third largest market for Kenya’s inbound travel market, behind United Kingdom and Germany, respectively. With Americans spending three times that of the European traveler, the American Market holds a very strong standing in Kenya’s tourism. International arrivals improved by 13.5 per cent this is attributed to continued aggressive marketing by KTB in the traditional markets and in the Far East. The improvement was also supported by the growing conference tourism and the launch of new tourism circuit as value addition to complement the traditional products of beach and wildlife. The increase in the number of international arrivals was also as a result of continued product development and diversification of tourism coupled with a growth in sports tourism (Kaose, 2014).

The Kenya Association of Tour Operators (KATO) is a leading tourism trade association, representing the interests of over 300 of the most experienced tour operators in Kenya. It was founded in 1978 as a non-political member's organization with the following objectives: to promote Kenya as a prime destination in all trade markets worldwide; to ensure that a high standard of service is offered by the Kenya Travel Industry; to uphold the business ethics of the travel profession (Kenya Association of Tour Operators, 2014). The Kenya Association of Tour Operators (KATO) is Kenya's foremost tourism trade association, representing the interests of over 250 of the leading and most experienced professional tour operators in Kenya. The members offer a wide range of services that can be broadly divided into the following: Air safaris, Incentive travel group safaris, Custom safaris for individual travelers, Camping safaris (luxury & budget), Indian Ocean & Coast holidays, Cultural & Community Safaris, Golf Safaris, Agro Safaris, Special interest safaris (e.g. mountaineering, deep sea fishing, horse riding) (Kaose, 2014). It is for this reason that this study will focus in the sector.
1.2 Problem Statement

Previous research has operated under the conception that middle managers are inconsequential or even worse as detrimental and a reason for why strategy execution failed. Achieving a middle management perspective on strategy implementation is further complicated by the fact that middle managers’ focus on processes makes identifying and understanding outcomes relevant to middle management more difficult than outcomes relevant to top management. Since top management research focuses solely on effects affecting the company as a whole compared to middle management research who in addition to outcomes affecting the whole company also researches the intermediate outcomes. This has led to the middle management strategy research becoming rather fragmented (Wooldridge, Schmid, & Floyd, 2014).

However recent literature is increasingly operating under the view that middle management is highly valuable for strategy implementation (Salih & Doll, 2013). Implementation of strategy and execution research has been facing a number of challenges for a long time. This area is in need of further research (Sarin, Challagalla, & Kohli, 2012; Thomas & Ambrosini, 2015). Since at present there is a lack of literature regarding strategy implementation even though companies fail more often due to implementation reasons and not due to strategy formulation reasons (Thomas & Ambrosini, 2015). This makes developing new research efforts more complicated. Nyarangi (2012) undertook a study to determine factors affecting performance of Staff of local authorities in Kenya where he established that team work, leadership and technology was very important factor in all aspects of performance. Similarly, Ongori, Iravo and Munene (2013) revealed that successful and sustainable performance of hotels and restaurants relies on top management ability to strategically analyze both external and internal environment and plan for strategic service offerings and thus a need to establish if it affects the Tourism sector.

Limited studies have been done in Kenya about stakeholder tourism response with little reference studies currently present. Studies done in Kenya regarding tourism industry have generally not targeted the wider scenario. These studies have not looked at the industry as a whole to determine what factors affect tour operators in the country which provides a research gap. This study therefore seeks to address the knowledge gap
that exists on the performance of Tour firms in Nairobi. The purpose of this study is to identify factors affecting performance of Tour firms in Nairobi.

1.3 Purpose of the study

The general purpose of the study was to establish factors affecting the performance of tour firms in Nairobi.

1.4 Specific Objectives

The specific objectives of this study were:

1.4.1 To determine how technological advancement affect the performance of tour firms in Nairobi.

1.4.2 To determine how organizational culture affect the performance of tour firms in Nairobi.

1.4.3 To determine how leadership style affect the performance of tour firms in Nairobi.

1.4.4 To determine how Resource allocation affect the performance of tour firms in Nairobi.

1.5 Significance of the Study

1.5.1 Tourism Board

This will benefit the Kenya Tourism Industry stake holder i.e. Travel Agents, Tour operators, Hoteliers, Airlines, Communities, NGOs, The Kenya Utalii College and a host of private sector organizations involved. They will be able to identify the challenges on Strategy Implementation and their impact on their business as they work together with KTB and anything touching KTB concerns them directly in the tourism industry.

1.5.2 Government Agencies

Government Agencies especially the Ministries of Tourism, Finance, Trade and Planning: which are concerned with the tourism industry in Kenya, plus policy makers may use the results to formulate positive national policies on a framework concerning the tourism industry in Kenya.
1.5.3 Researchers
Future researchers and current scholars in using the study as a source of reference on the challenges and successful responses to strategic planning implementation challenges act as a basis for further research.

1.6 Scope of the Study
The study was carried out in Kenya, with a focus on tour firms operating in Nairobi County. The study took place between January and July 2018, and utilized a descriptive research design where both quantitative and qualitative research was used to gain a better understanding of the results. The primary population of study selected for this research, the scope was employees from tour firms and according to the Kenya Association of Tour Operators website there are total numbers of 152 tour operators in the Nairobi country which represent the study population. Primary data was collected by administering open and close-ended questionnaire to the respondents. The descriptive statistical tool, Statistical Package for Social Sciences (SPSS) and excel applications was utilized to undertake descriptive analysis by use of means, standard deviations, and frequencies.

1.7 Definition of Terms

17.1 Technological Advancement
Technological advancement is the generation of information or the discovery of knowledge that advances the understanding of technology. Burgelman et al. (1996) refer technology as the theoretical and practical knowledge, skills, and artifacts that can be used to develop products and services as well as their production and delivery systems.

17.2 Organizational Culture
Organizational culture is a widely used term but one that seems to give rise to a degree of ambiguity in terms of assessing its effectiveness on change variables in an organisation. Therefore, organisational culture is to an organisation what personality is to an individual (Johnson, 1990).

17.3 Leadership Style
Leadership is a social influence process in which the leader seeks the voluntary participation of subordinates in an effort to reach organization goals (Thomas & Ambrosini, 2015).
1.7.4 Resource Allocation

Resource allocation is how a firm’s budget is distributed across products, geographies, and marketing tools (Munene, 2013).

1.8 Chapter Summary

The study focuses on the factors affecting the performance of tour firms in Nairobi. The specific objectives of this study are to determine the extent in which technological advancement, organizational culture, leadership style and resource allocation affect the performance of tour firms in Nairobi. Chapter two will take on the literature review of different studies conducted by different scholars on the determinants of these factors. Chapter three consists of the research methodology of the study with the method, procedures and data analysis of the study.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

Different literature on factors affecting the performance of tour firms in Nairobi is discussed in this chapter. The chapter discusses literature based on the following research objectives which is; to determine how technological advancement, organizational culture, leadership style and resource allocation affect the performance of tour firms in Nairobi.

2.2 Effect of Technological Advancement on Performance

2.2.1 Technological advancement

Information and communications technology (ICT) ensures continuous interaction between managers and their subordinates (Davenport, 2013). Technology is the key in improving performance in an organization. Kleis et al. (2012) state that prior research concerning information technology (IT) business value has established a link between business IT investment and tangible returns such as output productivity. The study further suggests that IT is vital to intermediate processes such as those that produce intangible output. Among these, the use of IT in innovation and knowledge creation processes is, perhaps, the most critical to a firm’s long-term success. A study conducted by Azih (2013) emphasizes the need for building secretaries’ capacity in modern office technology. He mentioned that secretaries should be abreast of the importance and use of modern office technology, and recommended the need for training program to be organized periodically for secretaries to update their knowledge on modern office skills, and institutions training secretaries must include in their curriculum these modern office technology skills for program relevance.

Azih (2013) also showed that training is important in complementing the use of modern office technology. He mentioned that secretaries and managers perform various office duties in their organization, and their ability to apply some of these modern office technologies leads to efficiency in the performance of their assigned roles. The necessary office technology equipment should be provided in every organization, and training and retraining program should be organized for secretaries in every organization for occupational relevance. According to Kao, Kuo, Chen and Wang (1996), the productivity
frontier shows the maximal attainable productivity at different levels of technology and management (ability of manpower). It should be noted that, in a firm, management has a much stronger impact on productivity than technologies do (Lorenzi and Riley, 2013). A firm can derive a strategy to improve productivity by taking other factors into account, although productivity can be seen as being confined to the technologies of firms.

Ziedonis (2015) mentions that the functions and effectiveness of business managers in today’s business organizations depend on the availability of office technologies, and on the skills and competencies of the managers. The ability to use technologies to benefit the organization can help managers to easily complete their tasks, and, most importantly, can increase their performance. Modern business organizations have come to appreciate the roles and importance of business managers, and the need to provide necessary office machines and equipment to facilitate managerial functions (Barber & Bretz, 2014). Margaret and Pac (2013) assert that, based on the reorganization of the office and introduction of automated office equipment, managers’ work is produced faster and with a professional touch. The manager is also able to concentrate on more creative tasks with the assistance of modern technologies. A study states that rapid developments in information technology (IT) have not left any sphere of man’s work life untouched (Tony, 2012). Organizations are growing in size and functions and are working across nations, thus, becoming more and more complex to handle. Therefore, technological trends bring about the need for automated business to maintain profession in some business tasks, and such complexity brings with it a need for well-organized managers to control management functions in the organization. More and more organizations are integrating IT into their human resource activities to improve their effectiveness.

Tohidi (2011) shares that the idea of on-demand business combines information technology and business to make the companies more rapid, responsible and profitable. He mentions that, today, the most important thing that can be considered for an enterprise is flexibility, which, in this context, means having more adaptability in responding to new demands of the market and grasping the opportunities. In order to increase its flexibility, first of all, business enterprise takes a look at its interrelated activities and, then, specifies which activity is distinct and axial and which can be outsourced. If the companies can combine and coordinate these activities as they desire, then, they will enjoy remarkable excellence in market (Tohidi, 2011). According to Tohidi (2011), study of the business processes is used for modelling internal and external operations of the organizations for
several decades, and accidentally, such a modelling has rapidly become a standard modelling in businesses, companies and enterprises, booming outsourcing market and making the enterprises and companies grow by such modelling and benefit from remarkable savings. All these have to be imbedded in a company strategy.

A recent study by Dharmadhikari and Basak (2015) states the fact that technology strategy alignment with business strategy of a company plays a vital role in the sustained growth of the business. Dharmadhikari and Basak (2015) mention that, in today’s competitive climate, business leaders understand the importance of aligning products, markets and technology with strategic plans. It is important to understand how the amalgamation of technology strategy gets with business strategy and chalks the growth path of success of companies. Businesses need to think about how they can build a robust technology roadmap and align the same with their business strategies by evaluating their policies. The technology implementation capability has to be aligned with business strategies. Also, companies need to focus efficiently on choosing the right technologies that will effect path-breaking growth of the company.

2.2.2 Impact of Technology on Performance

Bengi (2013) in her study concludes that organizations only used IT effectively in strategy formulation stage and not as well in assessing opportunities. The study highlights that IT provides opportunities such as alignment of organizations with stated goals, creating sustainable competitive advantages and enabling organizations to catch up with rivals. At the formulation stage, IT serves to increase quality and volume of essential information needs for planning and also enhances cost reduction in communication as well as labour costs. Generally, IT has a positive impact on strategy formulation stage. Bett (2013) conducted a case study at the Kenya Petroleum Refineries Limited on technology. The target respondents were Chief Executive Officer; the Chief Operating Officer, the Human Resource Manager, the Chief Finance Officer and the Information Technology Manager. The conclusion was that firm performance and technology are strongly aligned. The alignment of strategy with technology more often than not occasions change.

Kambuti, (2013) on the use of technology as a strategy in Kenya police detection of crimes in Nairobi city established that the Kenya police have not adopted latest technologies. The situation has thus hindered strategic use of technology to prevent crime.
The qualitative data was obtained through interactive interviews. The only technology adopted was the use of mobile phones and walkie-talkies and he recommended structural re-engineering with regard to hardware and software technologies. Kambuti (2013) asserted that modern technology will enhance the capacity of the Kenya police in crime management.

At KenGen ICT is utilized both at the tactical and implementation stages of strategic management process and has aided in improving service delivery to its customers. Odinga, (2014) in his study, the role of ICT in strategy formulation in KenGen found out that IT is key determinant of an organization’s strategic direction as well as increasing its efficiency. Okumu, (2014), conducted a study on strategy, technology and innovation in low-cost housing. This was a case study of the Elsek and Elsek Kenya Limited which has adopted modern building technologies. The study concluded that the problem of housing shortage experienced in developing countries can be alleviated through adoption of modern building technologies. It is worth noting that according to this study, it pays to invest in internal resources such as innovation and technology to aid in successful execution of strategies.

2.2.3 Factors affecting Technology Adoption

According to Fawcett et al. (2015) and Ilhu (2013) organizations are not a uniform or standardized set of businesses. They are in fact a highly heterogeneous collection of enterprises and vary substantially by size, sector, age, structure and location. These characteristics can directly influence the organization’s adoption of ICT (Apulu et al. 2011). Nath and Standing (2010) highlight the influence of company size upon the adoption of ICT and also claim that the adoption of ICT is directly related to the type of industry to which the organization belongs. Larger organizations are usually in possession of technical, human and financial resources that can be used to aid and enhance the adoption of ICT solutions. It is often a different case with SMEs, particularly in the face of limited financial and human resources (Mpofu and Watkins-Mathys 2011).

However, it has been argued that SMEs are able to exploit ICT opportunities and adopt ICT more easily than larger organizations, simply because of the flexibility advantage they possess that makes decision making faster (Awa et al. 2011). The barriers to utilisation and adoption of ICT in SMEs can be broadly classified as internal and external (Awa et al. 2011). Internal barriers are those that exist within an organization and can also
be resolved within the organisation, that is, they are within the control of the organisation. They typically include organisational culture, lack of resources, managers/owners attitude towards ICT, and the level of training of employees. The external barriers are those that lie outside the immediate control of the organisation. These include a lack of infrastructural facilities and lack of funds from banks and other governmental bodies. It has been suggested that in order for these to be overcome SMEs need to work collaboratively (Kapurubandara and Lawson, 2014).

Perhaps one of the most surprising barriers to ICT adoption is the lack of knowledge of ICT solutions, of how they work, how they should be implemented and how they can benefit the institutions (Asharfi and Murtaza 2015). Studies have shown that most managers of these firms, and some of the employees, could not select an ICT solution that would be appropriate for a given type of organisational problem (Apulu and Latham 2013; Abor and Quartey 2010). Hence, there is a need for both the managers and the employees to undergo some form of training in order to be aware of the vast changing nature of ICT and to find the most suitable solution for the organisation (Golding et al. 2015). However, many managers’ fear that they will lose their employees to other organisations after investing in training (Arendt 2015).

Nguyen (2013) argues there are three main reasons for the slow rate of adoption and unsuccessful implementation of ICT in SMEs. The first is that the management of the firms are not clear about how and why their firms should adopt ICT in the first place (Modimogale and Kroeze, 2011). Managers of most SMEs do not understand the relationship between ICT and the firm. For example, young managers tend to be fascinated by unique and fresh initiatives and are more willing to take more risks than older managers. An older manager may therefore be reluctant to take risks to try out new technology (Chuang et al. 2013). Finally, the ever-changing ICT environment requires regular update and training to remain abreast of developments and opportunities (Modimogale and Kroeze 2011). The attitude of management in an organisation plays a crucial role in the adoption of ICT as in most cases in SMEs the managers are the owners (Apulu and Latham 2013). Support from management of an organisation, most especially top management, is essential for successful ICT implementation and adoption for SMEs. If the management is not disposed to its adoption and utilisation, then SMEs will not be able to use ICT. The manager/owner’s weakness therefore becomes a limitation of the business (Modimogale and Kroeze 2011). Secondly, managers’ perceptions of security
and reliability significantly inhibit ICT adoption. These range from the fear of computer viruses, to the theft of money during eICTronic transactions, and data theft (Arendt 2008). The perceived potential of hackers gaining access to people’s information and the level of fraud is one of the major barriers to ICT adoption in Nigeria. The majority of people do not believe that their information is safe online. For this reason, individuals and SMEs might be reluctant to perform transactions online that require the exchange of personal information (Olusegun et al. 2016).

As a result utilisation of ICT in B2C (business to consumer) may be low. The lack of trust in supply chains can be argued not to be the fault of the organisation since customers might not be interested in using the ICT solutions offered by the company. This can be for reasons that include the potential for data or money theft (Olusegun et al. 2016). Such developments may also require a restructuring of the entire logistics and supply chain system to better serve and retain the customers (Arendt 2008) and this may be the reason for a company to shun the idea of implementing ICT solutions. Thirdly, most SMEs do not have the capability to expand their IT resources due to limited access to capital (Golding et al. 2008).

This is a common factor that affects the adoption of ICT in SMEs (White et al. 2011). Most SMEs in Nigeria do not have access to bank loans or funding to support the development of ICT in their businesses due to lack of adequate collateral (Olusegun et al. 2016). Also paying back loans that have high interest rates and high bank charges can be too much of a burden for the majority of SMEs to bear. Poor infrastructure can also be a problem that affects the adoption of ICT. The lack of internet access is recognised as a barrier to the adoption of ICT in Nigerian SMEs. It cannot be claimed that Nigeria completely lacks the necessary infrastructure, but it can be argued that the infrastructure is in a poor condition (Oshikoya and Hussain 2007). The unstable nature of electricity supply in Nigeria is one of the factors affecting the adoption of ICT: E-commerce technologies work hand-in-hand with stable sources of electricity supply (Apulu and Latham 2013). In fact it can be argued to be the most discouraging factor of ICT adoption by SMEs in the country as a whole (AkpanObong, 2007).
2.3 Effect of Organizational Culture on Firm Performance

2.3.1 Organization Culture

Today organizations try to achieve fast growth, continuum improvement, profitability, preparation for future, and top situation in their activities in global spectrum (Salajegheh, Chamanifard, Chamanifard, & Nikpour, 2015). Furthermore, today organizations work in an environment that constantly changes and is very hard to predict these changes. This issues have caused the organizations to spend a lot of time and money over the changes so as to achieve high performance. Indeed, at this time that has been renamed the age of changing, achieving performance excellence through traditional methods of management is not possible, and organizations are forced to use the new managerial approaches (Taslimi, 2015). Therefore, to achieve high performance of organization, it is necessary to identify the factors affecting organizational performance. In this regard, the studies have revealed that among the factors that can be effective on organizational performance are the company’s organizational culture and employee’s organizational commitment (Denision & Mishra, 1995; Irefin & Mechanic, 2014).

There are various definitions of organizational culture being proposed by various researchers over the years, but as a matter of fact there are not any commonly accepted definition (Øgaard, Larsen, & Marnburg, 2005). Organizational culture is a pattern of shared basic assumptions. These basic premises are the ones that the group learned as it resolved its difficulties and troubles. The problems are related to external adaptation and internal integration. Organizational commitment is one of the most fashionable variables which has been studied for the last three or four decades. It is quite difficult to provide universally accepted definition for organizational commitment like every other psychological construct (Suma & Lesha, 2013). The definition of organizational commitment includes the degree to which the employee feels devoted to their organization (Akintayo, 2010). Organizational commitment has been defined as the relative degree of recognition with the organization and involvement in it (Nobarieidishe, Chamanifard, & Nikpour, 2014). Organizational commitment includes emotional commitment, continuum commitment, and normative commitment (Meyer & Hersovitc, 2001).

Organizational performance is considered as one of the basic notions in management and most of the management’s tasks are formed according to the mentioned notion. Of course,
organizations’ success can be reflected in their performance. Oxford English Dictionary defines performance as performing, applying, and doing each regular and committed work. This definition is related to inputs and outputs and also indicates that performance has close relationship with work and its outcomes (Chamanifard, Nikpour, & Chamanifard, 2014). Organizational performance is considered to be the sum of accomplishments achieved by all businesses/departments. These accomplishments are involved with an organizational goal within a given period of time. The goal is either meant for a specific stage or on the overall extent (Lee & Huang, 2012). The idea of organizational performance is affiliated to the survival and success of an organization (Ahmed & Shafiq, 2014).

According to Hofstede and Jan (2013), Organizational culture includes the shared beliefs, norms and values within an organization. It sets the foundation for strategy. For a strategy within an organization to develop and be implemented successfully, it must fully align with the organizational culture. Thus, initiatives and goals must be established within an organization to support and establish an organizational culture that embraces the organization’s strategy over time. Organizations that remain flexible are more likely to embrace change and create an environment that remains open to production and communication (Hofstede and Jan, 2013).

2.3.2 Role of Culture in Firm Performace

Waweru (2011) in his study Comparative Analysis of Competitive Strategy Implementation presents research findings on Competitive Strategy Implementation which compared the levels of strategy implementation achieved by different generic strategy groups, comprising firms inclined towards low cost leadership, differentiation or dual strategic advantage. The study revealed that the predictors of strategy implementation include the firm’s capacity to overcome resistance to change, its effectiveness in strategy implementation and the environmental rate of change. Nyariki (2012) in his study on Challenges of Strategy Implementation at the University of Nairobi identified culture as a component of strategy implementation indicating that the university has put in place measured to recruit and constant training of staff in all operational areas to build capacity as well as the right culture. The study also established that University of Nairobi adopts a formal strategic planning process which involves members of the management team, while other staff members are represented by respective trade unions.
Depending on the organizational culture can vary dramatically, a central goal of understanding organizational culture is to minimize the occurrence and consequences of cultural conflict and use it to build advantage during the implementation of strategy Nyariki (2012).

Divan (2012), Flexible, strong and unified cultures will approach strategy implementation and affect implementation in a positive manner by aligning goals. Goals can come into alignment when the organizational culture works to focus on productivity and getting the organization’s primary mission accomplished. This may include getting products delivered to customers on time, shipping out more products than the organization’s chief competitor or similar goals. This will create a domino effect in the organization that ensures that all work performed by each individual in the company and work group focuses on performance and on the strategic importance of the company. This allows culture to align with strategy implementation at the most basic level. For this level of unification to work, goal setting must align with and be supported by systems, policies, procedures and processes within the organization, thereby helping to achieve strategy implementation and continuing the cultural integrity of the organization.

Blacklock (2012) asserts due to the increasing imperative for organisations to improve their flexibility capability, flexibility is no longer confined to the working relationship between an employee and their manager. It involves many parts of the organisation working together to create a successful transformation. Whether it be creating new processes and systems around work; requiring managers and employees to change the way they work; or implementing new infrastructure and technology, organisations need to create a holistic, integrated approach that involves all key stakeholders. Leaders also need to play a role in supporting flexibility, whether it be via resourcing, modelling flexibility themselves or creating accountability for the transformation. The strategic approach enables internal decision makers to make choices that support the overall business direction. This is the role of a flexibility strategy, to enable decision making, as well as support implementation more broadly. According to Hofstede and Jan (2013), indicates that workplace flexibility is a key driver of employment decisions and job performance for both women and men. For organisations across Australia, there is an immediate opportunity to improve an organization’s overall position by offering flexible working arrangements: Flexibility has significant potential to improve attraction and retention. In a
recent global study, 43% of respondents indicated they would prefer flexibility over a pay rise (Blacklock, 2012), while research from Diversity Council Australia shows that flexibility is one of the top five employment drivers for men. Flexibility can significantly improve productivity. Flexibility has been shown to contribute to improved work performance, improved organisational performance, reduced absenteeism and reduced turnover.

According to Abu-Jarad et al., (2010), organisational culture affects various employees and organisation related outcomes. Organisational culture affects employee behaviour, learning and development, creativity and innovation and knowledge management (McDermott & Tseng, 2010). The studies related to the effect of organisational culture on performance outcomes are quite extensive (Zain et al., 2009). Yet, the results seem to inconclusive due to definitonal, structural and design related differences and problems. There are also studies that found mediating effects of other factors such as knowledge conversion, knowledge management (Zheng et al., 2010), organisational innovativeness between organisational culture and performance. Saffold (1988) argued that interactive nature of culture, process, and organizational outcomes need to be considered when investigating the culture-performance link. The argument underlying this line of research is that organizational culture affects performance outcomes through other mediating factors (Zheng et al., 2010).

Lee and Kimm (2017) undertook a study was to examine the role of organizational culture in helping to translate corporate social responsibility (CSR) into firm performance. The study utilized CSR strategy view to highlight the effectiveness of CSR and the contingency approach to explain the vertical fit between CSR and the organizational culture in a firm. The results suggested that some organizational cultures moderate the relationship between CSR and financial outcomes, and that organizational culture may play an important role in enhancing a positive relationship between CSR and firm performance. This study will therefore seek to establish whether culture affects performance of tour firms in Kenya.

2.3.2 Problems Firms Face in Managing Organization Culture

Organizational culture has a strong impact on organization and management, which emerges from its nature and its content. Organizational culture is defined as a system of assumptions, values, norms, and attitudes, manifested through symbols which the
members of an organization have developed and adopted through mutual experience and which help them determine the meaning of the world around them and how to behave in it (Janičjević, 2011). Thus, organizational culture, through its influence on the interpretative schemes and behaviour of the members of an organization, participates in shaping other components of organization and management. Depending on the values and norms contained by the organizational culture, top management selects strategy and designs organizational structure, managers shape their leadership style, employees define their motives and needs, and the human resource manager designs the compensation system in a company. A concrete form of the impact of organizational culture on an organization and management is observed in the fact that components of an organization and management differ in different kinds or types of organizational culture (Wheelan and Hunger, 2008).

Organizational culture impacts the selection of adequate organizational change management in the same way it impacts all other aspects of management (Simba, 2010). Cultural assumptions and values shared by the members of an organization determine the way in which employees and managers will understand the organization itself, and thereby the adequate way to change it (Mogaka, 2008). What will be determined as a suitable, efficient, or useful way of changing the organization will depend significantly on the shared assumptions and values of employees’ and managers built in their interpretative schemes.

Whether the changes are incremental or radical, comprehensive or partial, directed from the top down or from the bottom up, focused on the change of the ‘hard’ or of the ‘soft’ component of organization, will all to a great extent depend on how the leader and the members of the organization see its functioning and a suitable, useful, or effective way of making changes. This is the reason why the process of organizational change management will be very different in different organizational cultures. For example, if organizational culture is dominated by the value of flexibility, this means that the members of the organization will consider changes as something good and useful for the organization and themselves. In this case changes are likely to be continual, and thereby also incremental in nature, because there will be no need for radical changes precisely due to the fact that they are continual. Also, changes will be conducted with less resistance and more participation by the employees. On the other hand, if organizational culture contains the values of stability and conservatism, then the members of the organization
will consider changes as harmful, both for themselves and the organization. Changes will be rare, but when they do happen they will be radical and comprehensive. They will be conducted with a great degree of resistance from and a relatively small degree of participation by the members of the organization, who will be mostly passive executives of change (Machuki, 2011).

Studies have been done on organizational factors influencing implementation of strategies by different authors and scholars and many challenges uncovered. Kim and Mauborgne (2005) identified some of the challenges to strategy implementation to be: failure to follow the plan, poor communication, inability to predict environmental reaction. Andreas (2004), Kaplan and Norton (2004), Wheelen and Hunger (2008), Thompson and Strickland (2003) state that organization structure, organization culture, leadership lack of staff motivation are also among some of the challenges faced. Previous research done by Ombati (2007); Simba 2010 also uncovered some more challenges such as: lack of a buy-in, finances, lack of use of modern technology, resistance to change, and failure to involve top management in the implementation process.

Turning closer home some local studies have been done on organizational factors influencing implementation of strategy on local firms. Mogaka (2008) carried out a study on analysis of challenges of implementation of the strategic management plan in the Nairobi City Water and Sewerage Company. She came up with challenges such as political influence, employee training, availability of resources and organizational change. Narua (2011) carried out some study on factors influencing implementation of strategic plans in Savings and Credit cooperative societies in Imenti North, Kenya. In this study, the researcher identified factors such as; availability of funds, manpower planning, and management style, legislation, and organizational structure. Another study on challenges of strategy implementation was done by Chege (2011) on factors influencing the implementation of strategic plans in the Nairobi City Water and Sewerage Company. Chege identified factors such as; leadership, organizational resources, organizational structure, organizational culture, organizational politics and technology. Last but not least Machuki (2011) carried out a study on investigation of the challenges facing implementation of strategies in local Authorities in Kenya: the case of Kisii Municipal Council and identified these challenges to be; inadequate rewarding system, organizational culture, staff training, administration challenges, leadership, resources, policies and procedures.
According to Andreas (2004) top management principal challenge in the cultural context is set to the cultural tone, pace and character to see if it is conducive to strategic changes that the executive’s are charged with implementing. Thompson and Strickland (2008) submit that the act of changing organizational culture is very difficult because of the heavy anchor of deeply held values and habits. This is because people like clinging to the old and familiar and fear change. In order to facilitate implementation of strategy, the old unhealthy organizational culture has to be replaced with the appropriate culture.

2.4 Effect of Leadership Style on Firm Performance

2.4.1 Firm Performance

Performance measurement refers to the process of measuring the action’s efficiency and effectiveness. Performance measurement is the transference of the complex reality of performance in organized symbols that can be related and relayed under the same circumstances (Lebas, 1995). In the current business management, performance measurement is considered to be in a more critical role compared to quantification and accounting (Koufopoulos, Zoubos & Argyropoulou, 2008). This is consistent with Bititci, Carrie and McDevitt (1997) who described performance management as a process wherein the organization manages its performance to match its corporate and functional strategies and objectives. Additionally, the firm’s value can be described as the benefits stemming from the firm’s shares by the shareholders (Rouf, 2011).

The company’s performance can be viewed from the financial statement reported by the company. Consequently, a good performing company will reinforce management for quality disclosure (Herly & Sisnuhadi, 2011).

Accounting-based measurement is generally considered as an effective indicator of the company’s profitability and the business when compared to benchmark rate of return equal to the risk adjusted weighted average cost of capital. The accounting based measurement indicators to the profitability of firms on the short term in the past years such as (ROA), (ROE), (ROS), (PM), (ROI), (OCF), (EPS). Higher ROA also reflects the company’s effective use of its assets in serving the economic interests of its shareholders (Ibrahim & AbdulSamad, 2011). The profit measure is criticized for its backward-looking element and its partial estimation of future events in terms of depreciation and amortization. The rate of profit is measured by the accountant, limited by standards established by the profession and is hence impacted by the accounting practices like the
various methods employed for the assessment of tangible and intangible assets (Kapopoulos & Lazaretou, 2007). According to Hutchinson and Gul (2004) and Mashayekhi and Bazazb (2008), accounting-based performance measures present the management actions outcome and are hence preferred over market-based measures when the relationship between corporate governance and firm performance is investigated. As a result, a company showing a positive performance through ROA, it indicates its achievement of prior planned high performance (Nuryanah & Islam, 2011).

2.4.2 Organizational Structure and Firm Performance

An organizational structure is an important element that an organization can use to implement strategy (Heide, Grønhaug and Johannessen, 2012). Schaap (2015) asserts that an organization that is usually successful alters its structure in relation to its strategy hence giving the organization an opportunity to implement the strategy effectively. Tran and Tian (2013) organization structure is used by organizations to allocate tasks, delegate power and determine decision-making procedures within the company among. Huber (2011) states that organizational structure is the formulation of strategies that states how activities are organized, allocated administered to achieve organizational goals. Williams (2015) states that an organization is able to link organizational structure and strategy implementation by rearranging it operation and job designs to accommodate changes based on resource availability and the environment.

Musyoka (2017) investigated the effects of leadership style and organization structure on strategy implementation and performance in hospitality industry. A case study of Safari-Park Hotel and Casino. It was revealed that organization structure influences strategy implementation. Waititu (2016) investigated relationship between strategy implementation and performance in commercial banks in Nairobi county Kenya. It was revealed that commercial banks that have invested in innovation, effective communication systems, inspirational leadership, functional organization structure and culture record high level of strategic implementation. Waribugo and Ekom (2016) researched on the impact of structure on strategy implementation among telecommunication firms in Nigeria. The study concluded that use of centralized structure will lead to slow pace of strategy implementation while use of specialization structure will enhance strategy implementation of the telecommunication firms.
Mukhalasie (2014) conducted an analysis of the factors affecting strategy implementation in Kenya Commercial Bank. It was revealed that strategy implementation at KCB is influenced by organizational processes, organizational culture and organizational structure. It was also revealed that organizational structure used at KCB gives employees and opportunity to participate decision making and feel part of the process of strategy implementation. Rumelt (2014) based on previous studies; it has said that the fit between strategy and structure of a firm leads to better performance. This is because; structure provides an organization with required system’s and process that can be used to successfully implementing strategy.

Mansoor, et al., (2012) asserted that performance effect of organizational structure is moderated by changes in the environment and hence, conclude that to attain desired superior performance by an organization, adequate attention is required to have organizational structure that can match the prevailing environment dynamism in place. These structures are characterized with different attributes such as control, communication, organizational knowledge, task, prestige, governance and values. Hajipour et al., (2011) studied on relationship between industry structure, strategy type, organizational characteristics and performance.


Kariuki (2015) study sought to determine the effect of organization structure on internal processes of large manufacturing firms in Kenya. The specific objective of this study was to determine the influence of organizational structure on internal processes of large manufacturing firms in Kenya. The study was a cross sectional survey targeting 102 large manufacturing firms and the response rate was from 94 firms. The study established that organization structure did explain any variation in internal processes of large manufacturing firms in Kenya. The management of large manufacturing firms in Kenya
should ensure they align the organizational structure so as to enhance and increase efficiency of the firm’s internal processes

2.4.3 Relationship between Leadership Style and Performance

Teece (2014) states that a leader must have superior skills and abilities that can be used to increase performance by sensing, seizing and transformation. Additionally, a leader that has strong leadership skills is able to increase performance of an organization operating in a dynamic environment. According to Griffins (2011), leadership in an organization affects strategy implementation by providing employees with a clear direction up to date communications and motivating employees and creating culture and values that will help an organization increase performance. Kihara, Bwisa and Kihoro (2016) investigated the relationship between leadership styles in strategy implementation and performance of Small and Medium Manufacturing Firms in Thika Sub-County, Kenya. It was established that transactional leadership style is used in Small and Medium Manufacturing Firms in Thika followed by transformational style and lastly the passive/avoidant behavior. It was also revealed that there was a positive and significant relationship between transformational leadership style and SME’s performance.

Aziz, Mahmood and Abdullah (2013) conducted a research on the effects of leadership styles and entrepreneurial orientation on the business performance of SMEs in Malaysia. The study revealed that there was a significant positive relationship between transactional leadership and performance and transformational leadership and performance. It was also revealed that there was a negative correlation between passive-avoidant leadership and performance. Ejere and Ugochuku (2012) investigated the impact of transactional and transformational leadership styles on organizational performance in Nigeria. It was established that transformational leadership had a strong positive impact on organizational performance whereas, there a weak positive relationship between transactional leadership style and organizational performance.

Paracha, Qamar, Mirza, Hassan and Waqas (2012) conducted a research on the impact of Leadership Style (Transformational and Transactional Leadership) on Employee performance and mediating role of job satisfaction study of private school. Findings revealed that there was a positive relationship between transactional and transformational leadership styles on employee performance. However, the study found that transactional leadership was significantly related to employee performance more than transformational
leadership style. Chege, Wachira and Mwenda (2015) investigated the effects of leadership styles on implementation of organization strategic plans in small and medium enterprises in Nairobi. It was revealed that autocratic leadership had the highest effect of implementation of strategic plans. It was followed by democratic leadership then laissez faire. It was recommended that for an organization to maximize implementation of strategic plans they should use all the three leadership styles.

2.5 Effects of Resource Allocation on Performance

2.5.1 Financial Resources and Performance

Kiraithe (2011) stated that lack of sufficient finance has been a major obstacle to the implementation of police strategic plan. Moreover, Finance is necessary for procurement of services, equipment and facilities necessary for the implementation of the organizational strategy (Mascarenhas, 2013). Lemarleni, Ochieng, Gakobo and Mwaura (2017) investigated the effects of resource allocation on strategy implementation at Kenya Police Service in Nairobi County. It was revealed that there exist a positive and significant relationship between financial resource and strategy implementation.

Kiraithe (2011) noted that lack of adequate finance has been a major obstacle to the implementation of police strategic plan. The 2014-2015 national budgets by the treasury for example, had the police given 42% less of the budget estimate. Finance is necessary for procurement of services, equipment and facilities necessary for the implementation of the organizational strategy (Mascarenhas, 2013). Nyongesa (2013) in her study on challenges facing strategy implementation in the Kenya police noted lack of cooperation from senior officers especially those in the field, rampant corruption within the system, inadequate finance, and political interference to the running of the police as major challenge. Pagdee, Kim and Daugherty (2011) assert that failure to plan and allocate financial and organizational resources are examples of challenges that organizations face during the implementation of strategic plans.

Akwara (2015) conducted a research on challenges of strategy implementation at the Ministry of Cooperative Development and Marketing Company. It was revealed that financial resources policies and procedures, organizational culture, human resource policy, information and operating systems and performance incentives are examples of barriers organizations faces while implementing strategy. Ngarama (2015) investigated factors influencing strategy implementation at progressive Credit Limited in Kenya.
Nairobi. It was revealed that key challenges that hindered effective implementation of strategy at Progressive Credit were: lack of adequate finances and resources to support the process of strategy implementation. Polle (2012) in his study on challenges of strategy implementation facing audit firms in Nairobi. It was established that insufficient financial resources and technology were the main challenges towards strategy implementations.

Okumus (2013) posit that during strategy implementation organizations should ensure that they have necessary financial resources, skills and knowledge to implement the strategy. He adds that during strategy implementation the main area organizations should also pay more attention on while allocating resources are techniques they will use to obtain and allocate financial resources that they will use during the implementation of the new strategy, knowledge and information employees need, time to complete the strategy and political and cultural issues within the company and their effect on resource allocation. Heldenberg, Croquet, Amone and Scoubeau (2012) states that an organization that does not have financial data will create uncertainty allow rumors and wrong information to thrive. Pool (2015) claims that various organizations combine their strategy reviews with a discussion of financial statements and add financial targets that they are supposed to achieve during their first phase of strategic planning.

2.5.2 Information Technology and performance

Hitt (2013) states that organizations that use technology are able to implement monitor and evaluate its strategic process easily. Technology gives organizations valuable assistance in implementing new policies, procedures and initiatives (Kepha, 2013). Aruna (2013) notes that technology adoption will significantly improve organizational performance in terms of profit, growth and market share. Kambuti (2013) investigated the use of technology as a strategy by Kenya Police in detection of Crimes in Nairobi City. Findings revealed that Kenya police force are not using technology to increase efficiency in crime detection. However, the use of mobile phones has made it possible for police officers to call for assistance whenever they come across crimes of technology in strategy implementation at the Nairobi county government. It was concluded that for an organization to increase competitiveness in strategy implementation and management process, the organization should align technology with the strategy.
Bengi (2015) states that information technology supports the competitive dimension of strategy by proving opportunities for better products or services to customers, giving firms an opportunity to respond quickly to changes that are taking place in the environment. Additionally, use of information technology also supports the internal dimension of strategy by providing opportunities for increased volume, accuracy and reliability of data (information) for planning and operations control, operational cost reduction, and enhancing regulatory compliance. Information technology similarly supports the portfolio dimension of strategy by affording opportunities for portfolio redesign and by raising entry barriers in current industries of operation. Mugasia, (2012) conducted a research on challenges facing the implementation of strategies adopted by the City Council of Nairobi for effective revenue collection. It was concluded that leadership, culture, technology, availability of substitute products/services are the major challenges facing strategy implementation at the City Council of Nairobi. Tanui (2016) conducted a research on the role of technology on strategy implementation in Tier two Commercial Banks in Kenya. It was recommended that the management of the Tier II banks should use information technology in the strategy implementation in human resources planning, staff training and retention, business level and objectives designing. According to Mutula (2014), information technology adoption helps banks improve performance through an effective strategy implementation.

Kabiru (2013) conducted a research on Influence of information technology in strategy implementation of the NGOS within the health sector in Nairobi County. It was concluded that information technology enhances strategy implementation. It was recommended that management of the NGOs should use information technology in the strategy implementation in human resources planning, staff training and retention, business level and objectives designing. According to Thompson and Strickland (2002), technological infrastructure provides an organization with valuable assistance during the implementation of new policies, procedures and initiatives. Organizations Use technology to increase and maintain communication and accountability for all employees throughout the change process, and to keep track of implementation and goal performance and what employees have achieved.
2.5.3 Budgeting and Performance

Schmidt (2013) asserts that an organization’s budget should reinforce its strategic plan. In times of declining resources, it is even more critical that budget development and strategic planning be tightly connected to ensure funding shortfalls do not hinder implementation of strategy. Lamb (2013) states that public sectors should make adequate budgetary allocations to support implementation of strategic plans. Songer and Molenaar (2015) researched on characteristics of project Success in the public sectors in Israel. The study revealed that lack of adequate budgetary allocation was a key inhibitor towards successful strategy implementation. Moreover, the process of implementation is expensive it requires a huge amount of resources to support all activities involved in the implementation of the strategy.

Njogu (2016) investigated challenges facing implementation of strategic plans in Nairobi City County, Kenya. The study recommends that Nairobi City County should ensure budgetary allocation with a 100% absorption rate to ensure adequate utilization of funds set aside for the implementation of strategic plans. This will enable top management to support all activities that concern strategic plans and provide a good work environment in which employees will be able to contribute. Mbindyo (2011) investigated challenges of strategy implementation at Kenya National Audit Office (Kenao). It was revealed that lack of adequate funding or minimal budget allocation, inadequate staff, lack of communication of responsibility and accountability, involvement of lower level members of the staff in strategic planning, lack of physical resources such as office space, equipment and vehicles, computers and ICT capacity amongst the staff, culture and lack of training poses a challenge in strategy implementation.

Carr and Joseph (2014) posit that firms use budget control as the main means of business internal controls; it provides a complete management platform for efficient and effective allocation of resources. Budgetary controls allows the management team to make future plans through implementing plans and monitoring activities to see whether they conform to the plan, effective implementation of budgetary control is an important guarantee for the effective implementation of budget in the organization. Ongongo (2014) investigated factors influencing strategy implementation At Kenya Commercial Bank Limited in Kenya. The study revealed that strategy implementation is affected by budgets, staff, systems, structure and culture leadership and communication, resources.
2.6 Chapter Summary

The chapter has provided an overview of the literature review related to the study on the factors affecting the performance of tour firms in Nairobi. The specific objectives were to determine how technological advancement, organizational culture, leadership style and resource allocation affect the performance of tour firms in Nairobi. Chapter three is the research methodology which will explain and describe the procedures, methods and analysis of the data collected from the study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
This chapter discusses research methodology that was used to achieve the research questions. Subsequently, the chapter also covers target population, sampling methods, and techniques employed when selecting the sample size.

3.2 Research Design
According to Cooper and Schindler (2014) a research design is a comprehensive plan, strategy, or structure used by researched to collect data. Additionally, research design is also used to get answers to research questions. Kothari and Garg (2014) posit that a research design is a conceptual framework within which research is conducted. The study used descriptive research.

Burns and Grove (2003), states that descriptive research “is designed to provide a picture of a situation as it naturally happens”. Descriptive research can also be used to make justification regarding current practice thus, make judgment and develop theories. Descriptive survey is used to identify and explain variables that under study and describe the relationship that exists between these variables thus, provide a picture of a particular phenomenon (Cooper and Schindler, 2008). Blaxter, Hughes and Tight (2012) add that descriptive research is used to provide researchers with accurate and true representation of the factors or variables that are related to the research question. Quantitative research was used. Quantitative research is used to answer questions on relationships between variables. It is also used to explain, predict and control phenomena (Leedy 1993).

3.3 Population
According to Sekaran and Bougie (2013), population is a group of individuals, events or items that a researcher wants to investigate and make inferences. Target population is defined in relation to geographical boundaries, elements, and time and research objectives. The target population for this study consist of 152 employees who work in top management team (managing director, human resources manager, operations manager, marketing manager, finance manager and administration manager) in tour firms in Nairobi.
3.4 Sampling Design

Sample design is a theoretical frame work within which research is conducted. It is a roadmap used by researchers to collect measure and analyze data based on research questions or objective (Kothari, 2008).

3.4.1 Sampling Frame

Cooper and Schindler (2014) defines sampling frame as part of statistical practice that deals with the selection of individual observations that are used to create knowledge regarding population under study. Sample frame for this study was selected from a total population of 152 employees. It consisted of managing director, human resources manager, operations manager, marketing manager, finance manager and administration manager.

3.4.2 Sampling Technique

Sampling technique is process of selecting a sub group from a population to take part in the study (Ogula, 2005). The study used stratified random sampling technique. Mugenda and Mugenda (2003), states that stratified random sampling is the process of selecting subjects in such a way that the existing subgroups in the population are more or less reproduced in the sample. Simple random Sampling was used to select the required sample.

3.4.3 Sample Size

A sample is a smaller group or sub-group gotten from the target population (Mugenda and Mugenda, 1999). Kothari (2004) defines a sample sizes as a collection of units chosen to represent the entire population in a study. A sample frame should neither be too large nor too small. Mugenda and Mugenda (2003) asserts that a sample size of between 10 and 30 percent is considered as a good representation of the target population. This research utilised Yamane 1967 formulae to determine the sample size.

\[ n = \frac{N}{1 + Ne^2} \]

Therefore, the sample size for this study was;

\[ n = \frac{152}{1 + 152 (0.1)^2} \]

\[ n = 60.3 \]
Table 3.1 Sample Size

<table>
<thead>
<tr>
<th>Unit Of Analysis</th>
<th>Population</th>
<th>Sample</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head Of Departments</td>
<td>16</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Managers</td>
<td>68</td>
<td>27</td>
<td>45</td>
</tr>
<tr>
<td>Assistant Managers</td>
<td>68</td>
<td>27</td>
<td>45</td>
</tr>
<tr>
<td>Total</td>
<td>152</td>
<td>60</td>
<td>100</td>
</tr>
</tbody>
</table>

3.5 Data Collection Methods

According to Cooper & Schindler (2008), data collection is the process of collecting and determining facts based on target variables. It is usually done in a systematic fashion hence enable a research to answer relevant questions and compare effects. Kothari (2008) defines primary data as data collected from the field. Primary data was collected using structured questionnaires was used to collect data. The questionnaire had a five point Likert scale where 1= strongly Agreed, 2= Agreed, 3= Neutral, 4= Disagree and 5= Strongly Disagree. The Questionnaire was also be divided into sections. The first section covered demography, second section covered questions on leadership style and strategy implementation, the third section covered questions on staff competence and strategy implementation and the forth section dealt with questions on resource allocation and strategy implementation.

3.6 Research Procedures

The study conducted a pilot study using 10 questionnaires. According to Robson (2007), a pilot study is used to determine uncertainty and assess the kind of answers given to determine a researcher can use them to achieve its objective. Mugenda and Mugenda (2003) states depending on the sample size, a pre-test sample should be between 1% and 10%, depending on the sample size. Questionnaires was hand delivered to respondents and a research assistant was used to help during data collection. Respondents was given ample time to answer the questionnaire and ask questions. In addition, respondents were also be assured that information was confidential and was used for academic research.

Validity is the degree to which a research instrument measures what the researcher wants to measure or how the results determined validity (Cresswell, 2014). Mugenda and Mugenda (2003) notes that reliability is a measure of the degree to which a research instrument yields consistent results or data after repeated trials.
3.7 Data Analysis

According to Wagner, Halley and Zaino (2011) data analysis is the process of analyzing, cleaning, transforming, and modeling data collected. Descriptive research was used. Collins and Hussey (2006) noted that descriptive facts is the process of transforming raw information into tables, charts using frequency distribution and percentages. Information can be used to create evidence from data. The research analyzed quantitate data using inferential statistics. Data collected from the field was also analyzed using SPSS. Pearson correlation and regression analysis was conducted. Pearson product-moment correlation coefficient denoted as r. It is used to measures the strength and direction of relationship that exists between dependent and independent variables Anastasiadou (2011).

The regression equation was established as below.

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \]

\[ Y = 1.148 + 0.590 X_1 - 0.014 X_2 + 0.099 X_3 + 0.053 X_4 + 0.32172 \]

Where:

- Y is the dependent variable (organization performance)
- \( \beta_0 \) is the regression constant;
- \( \beta_1, \beta_2, \beta_3 \) coefficients of independent variables;
- \( X_1 \) is technology advancement, \( X_2 \) organization culture, \( X_3 \) organization leader and \( X_4 \) Resource allocation \( \varepsilon \) is the error term.

and \( \varepsilon \) is the error term.

3.8 Chapter Summary

This chapter discusses research methodology that was used in the study. It discusses study population, sampling design data collection methods, and research procedures and data analysis.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the results of the study and their interpretations. The chapter has findings on the demographic information of the respondents such as gender, education, age and work experience. The chapter presents perceptions of the respondents on factors affecting the performance of tour firms in Nairobi. To achieve this the findings are presented in line with the research questions which seek to determine how technological advancement, organizational culture, leadership style and resource allocation affect the performance of tour firms in Nairobi.

4.1.1 Response Rate

The research issued a total of 60 questionnaires and a total of 55 were filled and returned giving a response rate of 93%. This was sufficient for the study as indicated in table 4.1.

Table 4.1: Response Rate

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filled and returned</td>
<td>55</td>
<td>92</td>
</tr>
<tr>
<td>Non-response</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100</td>
</tr>
</tbody>
</table>

4.2 Demographical Factors

The research analysed data with regard to the demographic factors and the results were presented as follows:

4.2.1 Gender

Analysis of the respondents’ gender revealed that male represented 48% with female being the majority representing 52%. As indicated in Figure 4.1 there was a balance between genders in the response rate, thus impartiality in regard to gender.
4.2.2 Highest Level Of Education

To analyse the literacy levels the result established that majority of respondents accounting for 70% were degree holders while 20% had a Masters degree and only 10% had a diploma as shown in Figure 4.2 below. This implies that the tourism sector has very literate individuals.

4.2.3 Age Range in Years

Figure 4.3 shows the respondent’s age. The findings of the study revealed that respondents’ age 26-35 years were the majority (40%), followed by those aged 36-45 at 30%, those aged below 25 years and those over 46 years were 15% respectively.
Analysis of the years worked as a manager in the sector revealed that those who had been managers for less than 3 years were 18%, those who had been in management position for 3-6 years were 52%, and on the other hand respondents who had been in management for over 7 years were 30%. This implied that respondents had enough knowledge of the industry.
4.2.5 Number Of Employees in the Branch

The study established that most of the branches had 16-25 employees accounting for 47% of the total response received, 38% had over 26 employees, and only 15% had less than 15 employees as shown in Figure 4.5

![Bar Chart: Number of Employees in the Branch]

Figure 4.5: Number of Employees in the Branch

4.3 Technological Advancement and Performance of Tour Firms in Nairobi

The first objective set to establish effect of technology advancement on the strategy implementation. To achieve this objective, respondents were asked a set of questions to indicate to what extent they agree or disagreed with statement using a five point Likert scale where 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly Agree

The results established were as follows:

4.3.1 Descriptives of Technological Advancement

The findings revealed that technology advancement determines strategy performance in the firm (M=4.45, SD=812). It was also revealed that executives and senior managers are committed to performance (M=4.47, SD=.663). The findings also show that managers influence the performance process (M=4.67, SD=.695), branch managers take part in critical formulation and implement of strategies (M=4.64, SD=.589). Utilisation of performance contracts hinders the operational autonomy to performance (M=4.64, SD=.729). Majority also agreed that they experience challenges of performance due to dynamic business environment (M=4.44, SD=.811).
Technology advancement provide the vision, the strategically thinking and plan (M=4.49, SD=.717). It was also revealed that tour firm aims to create a culture that integrates the strategic and operational activities by use of IT (M=4.15, SD=1.224). The findings revealed that use of technology motivates and inspire the peoples in the organization towards implementation (M=4.11, SD=1.012). In addition, the existence of technology system unit has facilitated internal devolution of management capacities (M=4.47, SD=.663).

Table 4.2: Descriptives of Technological Advancement

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Technology advancement determines strategy performance in the firm</td>
<td>4.45</td>
<td>.812</td>
</tr>
<tr>
<td>2  Executives and senior managers are committed to performance</td>
<td>4.47</td>
<td>.663</td>
</tr>
<tr>
<td>3  managers influence the performance process</td>
<td>4.67</td>
<td>.695</td>
</tr>
<tr>
<td>4  Branch managers take part in critical formulation and implement of strategies.</td>
<td>4.64</td>
<td>.589</td>
</tr>
<tr>
<td>5  Utilisation of performance contracts hinders the operational autonomy to performance</td>
<td>4.64</td>
<td>.729</td>
</tr>
<tr>
<td>6  We experience challenges of performance due to dynamic business environment</td>
<td>4.44</td>
<td>.811</td>
</tr>
<tr>
<td>7  Technology advancement provide the vision, the strategically thinking and plan</td>
<td>4.49</td>
<td>.717</td>
</tr>
<tr>
<td>8  Our firm aims to create a culture that integrates the strategic and operational activities by use of IT.</td>
<td>4.15</td>
<td>1.224</td>
</tr>
<tr>
<td>9  Use of technology motivates and inspire the peoples in the organization towards implementation</td>
<td>4.11</td>
<td>1.012</td>
</tr>
<tr>
<td>10 Existence of technology system unit has facilitated internal devolution of management capacities</td>
<td>4.47</td>
<td>.663</td>
</tr>
</tbody>
</table>

4.4 Organizational Culture and Performance Of Tour Firms in Nairobi

The Second objective set to establish effect of organizational culture on the strategy implementation. To achieve this objective, respondents were asked a set of questions to indicate to what extent they agree or disagreed with statement using a five point Likert scale where 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly Agree

The results established were as follows:
4.4.1 Descriptives of Organizational Culture

Competitive capacity of organizations can be increased by building strong people and effectively managing them (M=4.64, SD=.557). Success of an organization can only be attained by improving the performance of the employees through developing the capabilities of teams.(M=4.20, SD=.951). Patterns of behavior like how and where employees interact, how they behave in formal and informal meetings too encourage high performance (M=4.16, SD=.938).

Table 4.3: Descriptives of Organizational Culture

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive capacity of organizations can be increased by building strong people and effectively managing them.</td>
<td>4.64</td>
<td>.557</td>
</tr>
<tr>
<td>Success of an organization can only be attained by improving the performance of the employees through developing the capabilities of teams.</td>
<td>4.20</td>
<td>.951</td>
</tr>
<tr>
<td>Patterns of behavior like how and where employees interact, how they behave in formal and informal meetings too encourage high performance.</td>
<td>4.16</td>
<td>.938</td>
</tr>
<tr>
<td>Artifacts, that is, tangible evidence of organizational culture like computers, employee handbook, a company logo, corporate wares make employees identify with the Organization</td>
<td>4.33</td>
<td>.747</td>
</tr>
<tr>
<td>Organizational culture acts as the 'social glue' that bonds people together and makes them feel part of the organizational experience.</td>
<td>4.35</td>
<td>.751</td>
</tr>
<tr>
<td>Organizational culture assists in the sense-making process by helping employees understand what goes on and why things happen in the organization.</td>
<td>4.09</td>
<td>1.076</td>
</tr>
<tr>
<td>By providing a powerful mechanism for controlling behavior, organizational culture manipulates how employees attach meaning to their world and how they interpret events.</td>
<td>4.00</td>
<td>1.018</td>
</tr>
<tr>
<td>Specific practices that employees understand symbolize and represent the organization's culture.</td>
<td>3.82</td>
<td>1.172</td>
</tr>
<tr>
<td>Organizational culture plays an indirect role in influencing behaviour by using reasonable managerial tools, such as strategic direction, goals.</td>
<td>4.31</td>
<td>.717</td>
</tr>
<tr>
<td>My organization grants me greater autonomy and involves me in decision making.</td>
<td>4.38</td>
<td>.805</td>
</tr>
</tbody>
</table>

It was also established that artifacts, that is, tangible evidence of organizational culture like computers, employee handbook, a company logo, corporate wares make employees identify with the Organization(M=4.33, SD=.747). It was also established that
organizational culture acts as the social glue that bonds people together and makes them feel part of the organizational experience (M=4.35, SD= .751).

It was also revealed that organizational culture assists in the sense-making process by helping employees understand what goes on and why things happen in the organization (M=4.09, SD= 1.076) and by providing a powerful mechanism for controlling behavior, organizational culture manipulates how employees attach meaning to their world and how they interpret events (M=4.00, SD= 1.018). Specific practices that employees understand symbolize and represent the organization’s culture (M=3.82,SD=1.172). Findings also show that organizational culture plays an indirect role in influencing behaviour by using reasonable managerial tools, such as strategic direction, goals (M= 4.31, SD=.717). At the same time the organization grants me greater autonomy and involves respondents in decision making (M= 4.38, SD=.805).

4.5 Leadership Style and Performance of Tour Firms in Nairobi

The Third objective set to establish effect of organizational culture on the strategy implementation. To achieve this objective, respondents were asked a set of questions to indicate to what extent they agree or disagreed with statement using a five point Likert scale where 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly Agree

The results established were as follows:

4.5.1 Descriptives of Leadership Style

The study revealed that leaders in the tour firms encourages (staff) to participate in decision making (M= 4.27, SD=.804). It was also revealed that the firm focuses more on punishment for mistakes (M=4.38, SD=.933), and focuses on clarifying employees’ roles and task requirements (M=4.47, SD=.663). The study also revealed that leaders monitors progress towards goal achievement only (M=4.16, SD=1.014) and leaders needs to control every activity (M=3.82, SD=1.056). The finding also established that leaders makes suggestions on how to solve problems (M=4.13, SD=1.123), and have the tendency to serves others rather than be served (M= 4.13, SD=.795). It was also noted that the leaders seeks to develop leadership in the team members (M=4.22 , SD= .937

The finding also revealed that leaders clarifies his or her own role within the group (M=4.15, SD=1.079). It was also established that leaders put other people’s needs, aspirations and interests above their own (M=4.55, SD=.571).
Table 4.4: Descriptives of Leadership Style

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Encourages us (staff) to participate in decision making</td>
<td>4.27</td>
<td>.804</td>
</tr>
<tr>
<td>Focuses more on punishment for mistakes</td>
<td>4.38</td>
<td>.933</td>
</tr>
<tr>
<td>Focuses on clarifying employees’ roles and task requirements.</td>
<td>4.47</td>
<td>.663</td>
</tr>
<tr>
<td>Monitors progress towards goal achievement only.</td>
<td>4.16</td>
<td>1.014</td>
</tr>
<tr>
<td>Needs to control every activity</td>
<td>3.82</td>
<td>1.056</td>
</tr>
<tr>
<td>Makes suggestions on how to solve problems.</td>
<td>4.13</td>
<td>1.123</td>
</tr>
<tr>
<td>Serves others rather than be served.</td>
<td>4.13</td>
<td>.795</td>
</tr>
<tr>
<td>Seeks to develop leadership in the team members</td>
<td>4.22</td>
<td>.937</td>
</tr>
<tr>
<td>Clarifies his or her own role within the group.</td>
<td>4.15</td>
<td>1.079</td>
</tr>
<tr>
<td>Put other people’s needs, aspirations and interests above their own</td>
<td>4.55</td>
<td>.571</td>
</tr>
</tbody>
</table>

4.6 Resource Allocation and Performance of Tour Firms in Nairobi

The last objective sought to establish effect of resource allocation on the strategy implementation. To achieve this objective, respondents were asked a set of questions to indicate to what extent they agree or disagree with statement using a five point Likert scale where 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly Agree.

The results established were as follows:

4.6.1 Descriptive of Resource Allocation and Performance of Tour Firms in Nairobi

The study established that tour firms enhance strategy implementation through employee relations strategies (Mean=4.25, SD=.947). The respondents indicated that they had experienced resistance to change proposals (Mean= 4.38, SD=.991) and lack of human and physical resources hinders out strategy implementation (Mean=4.49, SD=.605). The study also established that lack of leadership commitment hinders strategy implementation (Mean=4.36, SD=.778). Majority also agreed that funds for strategy implementation was offered in their budget (Mean=4.29, SD=.786), and they also use budget as an evaluation and control tool in implementation (Mean=4.25, SD=.886). It was
also revealed that the firms have clear resource allocation that facilitate strategy implementation (Mean=3.93, SD=1.086). Having Sufficient financial resources has improved competitiveness in the enterprise (Mean=3.96, SD=1.036).

Table 4.5: Descriptive of Resource Allocation

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>We enhance strategy implementation through employee relations strategies</td>
<td>4.25</td>
<td>.947</td>
</tr>
<tr>
<td>We have experienced resistance to change proposals</td>
<td>4.38</td>
<td>.991</td>
</tr>
<tr>
<td>lack of human and physical resources hinders out strategy implementation</td>
<td>4.49</td>
<td>.605</td>
</tr>
<tr>
<td>Lack of leadership commitment hinders strategy implementation.</td>
<td>4.36</td>
<td>.778</td>
</tr>
<tr>
<td>We offer funds for strategy implementation in our budget</td>
<td>4.29</td>
<td>.786</td>
</tr>
<tr>
<td>We use the budget as an evaluation and control tool in implementation.</td>
<td>4.25</td>
<td>.886</td>
</tr>
<tr>
<td>We have to clear resource allocation facilitate strategy implementation.</td>
<td>3.93</td>
<td>1.086</td>
</tr>
<tr>
<td>Sufficient financial resources has improved competitiveness in our enterprise.</td>
<td>3.96</td>
<td>1.036</td>
</tr>
</tbody>
</table>

4.7 Inferential Analysis

4.7.1 Reliability Test

A reliability test was done by use of Cronbalch Alpha on the variables of technology advancement, organization culture, leadership style and resource allocation. Cronbach’s alpha measure assesses the reliability or internal uniformity, of a set trial items. The desired cronbalch alpha value should be above 0.7 (α >0.7) For the study the value all the values were above 0.7 hence making the variables very reliable as indicated in table 4.6
Table 4.6: Reliability Test

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology Advancement</td>
<td>.825</td>
<td>10</td>
</tr>
<tr>
<td>Organization Culture</td>
<td>.797</td>
<td>10</td>
</tr>
<tr>
<td>Leadership Style</td>
<td>.861</td>
<td>10</td>
</tr>
<tr>
<td>Resource Allocation</td>
<td>.848</td>
<td>8</td>
</tr>
</tbody>
</table>

4.7.2 Correlation Analysis

A Pearson correlation analysis was done to establish the relationship between organization performance, technology advancement, organization culture, leadership style and resource allocation. The result established a strong significant positive relationship between the variables as indicated in table 4.7. Therefore, an increase in combined variables technology advancement, organization culture, leadership style and resource allocation lead to an increase in organization performance.

Table 4.7: Correlation Analysis

<table>
<thead>
<tr>
<th></th>
<th>P</th>
<th>TA</th>
<th>C</th>
<th>L</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance (P)</td>
<td>Pearson Correlation</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology</td>
<td>Pearson Correlation</td>
<td>.752**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advancement (TA)</td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture (C)</td>
<td>Pearson Correlation</td>
<td>.570**</td>
<td>.687**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership (L)</td>
<td>Pearson Correlation</td>
<td>.619**</td>
<td>.714**</td>
<td>.790**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>Resource (R)</td>
<td>Pearson Correlation</td>
<td>.590**</td>
<td>.682**</td>
<td>.821**</td>
<td>.848**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>55</td>
<td>55</td>
<td>55</td>
<td>55</td>
<td>55</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
4.7.3 Simple Regression for Technology Advancement

The research analysed relationship between the technology advancement and how it affects performance. The results showed that the $R^2$ value was 0.565 hence 56.5% of the variation in tour firm performance was explained by the variations in technology advancement as illustrated in Table 4.8

Table 4.8: Model Summary for Technology Advancement

<table>
<thead>
<tr>
<th>Model</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>R Square Estimate</th>
<th>F</th>
<th>df1</th>
<th>df2</th>
<th>Sig. F</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.752a</td>
<td>.565</td>
<td>.557</td>
<td>.31801</td>
<td>565</td>
<td>68.870</td>
<td>1</td>
</tr>
</tbody>
</table>

ANOVA analysis result of the regression between technology advancement and performance at 95% confidence level, had an F critical of 68.870 and the P value was (0.000) therefore significant. This implied that there was a statistically significant relationship and could be used to assess the association between technology advancement and performance as illustrated in Table 4.9

Table 4.9: ANOVA of Technology Advancement and Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>6.965</td>
<td>1</td>
<td>6.965</td>
<td>68.870</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>5.360</td>
<td>53</td>
<td>.101</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>12.325</td>
<td>54</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: performance, Technology Advancement

b. Predictors: (Constant), Technology Advancement

The regression equation illustrated in Table 4.10 established that taking technology advancement into account and other factors held constant organizational performance improved by 0.710 units and both variables were significant. This implied that a unit change in technology advancement lead to a 0.710 change on organizational performance.
4.7.4 Simple Regression for Organizational Culture

The research analysed relationship between the organizational culture and performance. The results showed that the $R^2$ value was 0.325 hence 32.5% of the variation in tour firm performance was explained by the variations in organizational culture as illustrated in Table 4.11

Table 4.11: Model Summary of Organizational Culture

<table>
<thead>
<tr>
<th>Model</th>
<th>R Square</th>
<th>Adj R Square</th>
<th>Std. Error of R Square</th>
<th>R Square Change</th>
<th>F Change</th>
<th>df1</th>
<th>df2</th>
<th>Sig. F</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.570**</td>
<td>.325</td>
<td>.313</td>
<td>.39607</td>
<td>25.567</td>
<td>1</td>
<td>53</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), culture

ANOVA analysis result of the regression between organization culture and performance at 95% confidence level, had an F critical of 25.567 and the P value was (0.000) therefore significant. This implied that there was a statistically significant relationship and could be used to assess the association between organizational culture and performance as illustrated in Table 4.12
Table 4.12: ANOVA of Organizational Culture

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>4.011</td>
<td>1</td>
<td>4.011</td>
<td>25.567</td>
<td>.000*</td>
</tr>
<tr>
<td>Residual</td>
<td>8.314</td>
<td>53</td>
<td>.157</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>12.325</td>
<td>54</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: performance  
b. Predictors: (Constant), organization culture

The regression equation illustrated in Table 4.13 established that taking organization culture into account and other factors held constant organizational performance improved by 0.514 units and both variables were significant. This implied that a unit change in organization culture lead to a 0.514 change in organizational performance.

Table 4.13: Coefficients of Organizational Culture

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>I</td>
<td>(Constant)</td>
<td>2.176</td>
</tr>
<tr>
<td></td>
<td>culture</td>
<td>.514</td>
</tr>
</tbody>
</table>

4.7.5 Simple Regression for Organizational Leadership Style

The research analysed relationship between the organizational Leadership and performance. The results showed that the $R^2$ value was 0.383 hence 38.3% of the variation in tour firm performance was explained by the variations in organizational leadership as illustrated in Table 4.14

Table 4.14: Model Summary Of Leadership Style

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>R Square Change</th>
<th>F Change</th>
<th>df1</th>
<th>df2</th>
<th>Sig. F Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>.619*</td>
<td>.383</td>
<td>.371</td>
<td>.37875</td>
<td>.383</td>
<td>32.916</td>
<td>1</td>
<td>53</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), leadership
ANOVA analysis result of the regression between organization leadership and performance at 95% confidence level, had an F critical of 32.916 and the P value was (0.000) therefore significant. This implied that there was a statistically significant relationship and could be used to assess the association between organizational leadership and performance as illustrated in Table 4.15.

**Table 4.15: Anova of Leadership Style**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>4.722</td>
<td>1</td>
<td>4.722</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>7.603</td>
<td>53</td>
<td>.143</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>12.325</td>
<td>54</td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: performance
b. Predictors: (Constant), leadership Style

As illustrated in Table 4.16 the regression equation established that taking organization leadership into account and other factors held constant organizational performance improved by 0.486 units and both variables were significant. This implied that a unit change in organization leadership style lead to a 0.486 change in organizational performance.

**Table 4.16: Coefficients of Leadership Style**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>2.297</td>
</tr>
<tr>
<td></td>
<td>leadership</td>
<td>.486</td>
</tr>
</tbody>
</table>

**4.7.6 Simple Regression for Resource Allocation**

The research analysed relationship between resource allocation and performance. The results showed that the $R^2$ value was 0.349 hence 34.9% of the variation in tour firm performance was explained by the variations in resource allocation as illustrated in Table 4.17.
Table 4.17: Model Summary of Resources Allocation

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Change Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>.590&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.349</td>
<td>.336</td>
<td>.38922</td>
<td>.349</td>
</tr>
</tbody>
</table>

1. Predictors: (Constant), resource

ANOVA analysis result of the regression between resource allocation and performance at 95% confidence level, had an F critical of 28.358 and the P value was (0.000) therefore significant. This implied that there was a statistically significant relationship and could be used to assess the association between resource allocation and performance as illustrated in Table 4.18

Table 4.18: ANOVA of Resource Allocation

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Regression</td>
<td>4.296</td>
<td>1</td>
<td>4.296</td>
<td>28.358</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>8.029</td>
<td>53</td>
<td>.151</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>12.325</td>
<td>54</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Dependent Variable: performance
2. Predictors: (Constant), resource

As illustrated in Table 4.19 the regression equation established that taking resource allocation into account and other factors held constant organizational performance improved by 0.443 units and both variables were significant. This implied that a unit change in resource allocation lead to a 0.443 change in organizational performance.

Table 4.19 Coefficients of Resources Allocation

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>2.526</td>
</tr>
<tr>
<td></td>
<td>Resource</td>
<td>.443</td>
</tr>
</tbody>
</table>
4.7.7 Multiple Regression

The research analyzed the relationship between the dependent variable (organization performance) against technology advancement, organization culture, leadership style and resource allocation. The results showed that $R^2$ value was 0.580 hence 58% of the variation in organization performance was explained by the variations in technology advancement, organization culture, leadership style and resource allocation as illustrated in Table 4.20

**Table 4.20: Model Summary of Organization Performance and Co Factors**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of R Square</th>
<th>R Square Change</th>
<th>F Change</th>
<th>df1</th>
<th>df2</th>
<th>Sig. F</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.762&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.580</td>
<td>.547</td>
<td>.32172</td>
<td>.580</td>
<td>17.270</td>
<td>4</td>
<td>50</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), resource, technology advancement, culture, leadership

ANOVA analysis result of the regression organization performance, technology advancement, organization culture, leadership style and resource allocation at 95% confidence level, the F critical was 17.270 and the P value was (0.000) therefore statistically significant and can be used to assess the association between organization performance, technology advancement, organization culture, leadership style and resource allocation as illustrated in Table 4.21

**Table 4.21: ANOVA of Organization Performance and Cofactors**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>7.150</td>
<td>4</td>
<td>1.787</td>
<td>17.270</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>5.175</td>
<td>50</td>
<td>.104</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>12.325</td>
<td>54</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: performance

b. Predictors: (Constant), resource, technology advancement, culture, leadership

The regression equation illustrated in Table 4.22 established that taking technology advancement, organization culture, leadership style and resource allocation into account and other factors held constant a unit change in technology advancement led to a 0.590 positive change in performance, at the same time a unit change in organization culture led to a 0.014 negative change in performance, and a unit change in leadership led to a 0.099
positive change in organization performance. The study also revealed that a unit change in resource allocation led to a 0.053 positive change in organization performance holding all factors constant.

\[ Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon \]

\[ Y = 1.148 + 0.590X_1 - 0.014X_2 + 0.099X_3 + 0.053X_4 + 0.32172 \]

Where:

- \( Y \) is the dependent variable (organization performance)
- \( \beta_0 \) is the regression constant;
- \( \beta_1, \beta_2, \beta_3 \) coefficients of independent variables;
- \( X_1 \) is technology advancement, \( X_2 \) organization culture, \( X_3 \) organization leader and \( X_4 \) Resource allocation \( \epsilon \) is the error term.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.148</td>
<td>.410</td>
</tr>
<tr>
<td>Technology Advancement</td>
<td>.590</td>
<td>.129</td>
</tr>
<tr>
<td>Culture</td>
<td>-.014</td>
<td>.156</td>
</tr>
<tr>
<td>Leadership</td>
<td>.099</td>
<td>.149</td>
</tr>
<tr>
<td>Resource</td>
<td>.053</td>
<td>.147</td>
</tr>
</tbody>
</table>

4.8 Chapter Summary

This chapter has highlighted results and findings. The first section provided an analysis of demographic data of the respondents, the second section dealt with data on technology advancement, the third section looked at the data on organization culture, fourth section covered issues of leadership style and in the fifth section covered data on resource allocation. In chapter five this results was discussed and relevant conclusions and recommendations made with regard to performance of tour firms.
CHAPTER FIVE

5.0 DISCUSSIONS CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This section offered discussions of the findings in line with the literature review on the factors affecting performance of Tour firms in Nairobi. This was organized based on the specific research questions which sought to establish how technological advancement, organization culture, leadership style and resource allocation influence organization performance. The conclusion and recommendation are presented thereafter.

5.2 Summary of the Study

The general purpose of the study is to establish factors affecting the performance of tour firms in Nairobi. The specific objectives of this study were to determine how technological advancement, organizational culture, leadership style and resource allocation affect the performance of tour firms in Nairobi.

A descriptive research was adopted because the study was aimed at collecting information from respondents on their perceptions in relation to factors affecting the performance of tour firms in Nairobi. The target population for this study consist of 152 employees who work in top management team (managing director, human resources manager, operations manager, marketing manager, finance manager and administration manager) in tour firms in Nairobi.

The sampling technique was stratified random sampling method. From the initial target population of 152 the study applied stratified random sampling and 60 respondents were drawn from each strata. Out of the total of 60 questionnaires awarded only 55 were filled and returned giving a response rate of 92%.

Analysis of the first objective revealed that that technology advancement determines strategy performance in the firm. It was also revealed that executives and senior managers are committed to performance. The findings also show that managers influence the performance process, and branch managers take part in critical formulation and implement of strategies. Utilisation of performance contracts hinders the operational autonomy to performance. Majority also agreed that they experience challenges of performance due to dynamic business environment. Technology advancement provide the vision, the strategically thinking and plan. It was also revealed that tour firm aims to
create a culture that integrates the strategic and operational activities by use of IT. The findings revealed that use of technology motivates and inspire the peoples in the organization towards implementation. In addition, the existence of technology system unit has facilitated internal devolution of management capacities.

Competitive capacity of organizations can be increased by building strong people and effectively managing them. Success of an organization can only be attained by improving the performance of the employees through developing the capabilities of teams. Patterns of behavior like how and where employees interact, how they behave in formal and informal meetings too encourage high performance. It was also established that artifacts, that is, tangible evidence of organizational culture like computers, employee handbook, a company logo, corporate wares make employees identify with the organization. It was also established that organizational culture acts as the social glue’ that bonds people together and makes them feel part of the organizational experience. It was also revealed that organizational culture assists in the sense-making process by helping employees understand what goes on and why things happen in the organization and by providing a powerful mechanism for controlling behavior, organizational culture manipulates how employees attach meaning to their world and how they interpret events. Specific practices that employees understand symbolize and represent the organization’s culture. Findings also show that organizational culture plays an indirect role in influencing behaviour by using reasonable managerial tools, such as strategic direction, goals. At the same time the organization grants me greater autonomy and involves respondents in decision making.

The third objective revealed that leaders in the tour firms encourages (staff) to participate in decision making. It was also revealed that the firm focuses more on punishment for mistakes, and focuses on clarifying employees’ roles and task requirements. The study also revealed that leaders monitors progress towards goal achievement only and leaders needs to control every activity. The finding also established that leaders makes suggestions on how to solve problems, and have the tendency to serves others rather than be served. It was also noted that the leaders seeks to develop leadership in the team members. The finding also revealed that leaders clarifies his or her own role within the group. It was also established that leaders put other people’s needs, aspirations and interests above their own.
The study established that tour firms enhance strategy implementation through employee relations strategies. The respondents indicated that they had experienced resistance to change proposals and lack of human and physical resources hinders out strategy implementation. The study also established that lack of leadership commitment hinders strategy implementation. Majority also agreed that funds for strategy implementation was offered in their budget, and they also use budget as an evaluation and control tool in implementati. It was also revealed that the firms have clear resource allocation that facilitate strategy implementation. Having Sufficient financial resources has improved competitiveness in the enterprise.

A Pearson correlation analysis was done to establish the relationship between organization performance, technology advancement, organization culture, leadership style and resource allocation. The result established a strong significant positive relationship between the variables. Therefore, an increase in combined variables technology advancement, organization culture, leadership style and resource allocation lead to an increase in organization performance.

5.3 Discussion

5.3.1 Technological Advancement and Performance

The study established that technology advancement determines strategy performance in the firm. Technology is the key in improving performance in an organization. Kleis et al. (2012) state that prior research concerning information technology (IT) business value has established a link between business IT investment and tangible returns such as output productivity. The study further suggests that IT is vital to intermediate processes such as those that produce intangible output. Among these, the use of IT in innovation and knowledge creation processes is, perhaps, the most critical to a firm’s long-term success.

A study conducted by Azih (2013) emphasizes the need for building secretaries’ capacity in modern office technology. He mentioned that secretaries should be abreast of the importance and use of modern office technology, and recommended the need for training program to be organized periodically for secretaries to update their knowledge on modern office skills, and institutions training secretaries must include in their curriculum these modern office technology skills for program relevance.

The study revealed that technology advancement provide the vision, the strategically thinking and plan. Ziedonis (2015) mentions that the functions and effectiveness of
business managers in today’s business organizations depend on the availability of office technologies, and on the skills and competencies of the managers. The ability to use technologies to benefit the organization can help managers to easily complete their tasks, and, most importantly, can increase their performance. Modern business organizations have come to appreciate the roles and importance of business managers, and the need to provide necessary office machines and equipment to facilitate managerial functions (Barber & Bretz, 2014).

Margaret and Pac (2013) assert that, based on the reorganization of the office and introduction of automated office equipment, managers’ work is produced faster and with a professional touch. The manager is also able to concentrate on more creative tasks with the assistance of modern technologies. A study states that rapid developments in information technology (IT) have not left any sphere of man’s work life untouched (Tony, 2012). Organizations are growing in size and functions and are working across nations, thus, becoming more and more complex to handle. Therefore, technological trends bring about the need for automated business to maintain profession in some business tasks, and such complexity brings with it a need for well-organized managers to control management functions in the organization. More and more organizations are integrating IT into their human resource activities to improve their effectiveness.

The findings revealed that use of technology motivates and inspire the peoples in the organization towards implementation. A recent study by Dharmadhikari and Basak (2015) states the fact that technology strategy alignment with business strategy of a company plays a vital role in the sustained growth of the business. Dharmadhikari and Basak (2015) mention that, in today’s competitive climate, business leaders understand the importance of aligning products, markets and technology with strategic plans. It is important to understand how the amalgamation of technology strategy gets with business strategy and chalks the growth path of success of companies. Businesses need to think about how they can build a robust technology roadmap and align the same with their business strategies by evaluating their policies. The technology implementation capability has to be aligned with business strategies. Also, companies need to focus efficiently on choosing the right technologies that will effect path-breaking growth of the company.

The research analysed relationship between the technology advancement and how it affects performance. The results showed variation in tour firm performance was explained by the variations in technology advancement. Previous studies have established similar
results, for instance Odinga, (2014) in his study, the role of ICT in strategy formulation in KenGen found out that IT is key determinant of an organizations strategic direction as well as increasing its efficiency. Okumu, (2014), conducted on Strategy, technology and innovation in low cost housing. This was a case study of the Elsek and Elsek Kenya Limited which has adopted modern building technologies. The study concluded that the problem of housing shortage experienced in developing countries can be alleviated through adoption of modern building technologies. It is worth noting that according to this study, it pays to invest in internal resources such innovation and technology to aid in successful execution of strategies.

5.3.2 Organizational Culture and Performance

The findings established that competitive capacity of organizations can be increased by building strong people and effectively managing them. Lee and Kimm (2017) undertook a study was to examine the role of organizational culture in helping to translate corporate social responsibility (CSR) into firm performance. The study utilized CSR strategy view to highlight the effectiveness of CSR and the contingency approach to explain the vertical fit between CSR and the organizational culture in a firm. The results suggested that some organizational cultures moderate the relationship between CSR and financial outcomes, and that organizational culture may play an important role in enhancing a positive relationship between CSR and firm performance.

The study also established that the success of an organization can only be attained by improving the performance of the employees through developing the capabilities of teams. Blacklock (2012) asserts that due to the increasing imperative for organisations to improve their flexibility capability, flexibility is no longer confined to the working relationship between an employee and their manager. It involves many parts of the organisation working together to create a successful transformation. Whether it be creating new processes and systems around work; requiring managers and employees to change the way they work; or implementing new infrastructure and technology, organisations need to create a holistic, integrated approach that involves all key stakeholders. Leaders also need to play a role in supporting flexibility, whether it be via resourcing, modelling flexibility themselves or creating accountability for the transformation. The strategic approach enables internal decision makers to make choices that support the overall business direction.
It was also established that organizational culture acts as the social glue that bonds people together and makes them feel part of the organizational experience. According to Abu-Jarad et al., (2010), organisational culture affects various employees and organisation related outcomes. Organisational culture affects employee behaviour, learning and development, creativity and innovation and knowledge management (McDermott & Tseng, 2010). The studies related to the effect of organisational culture on performance outcomes are quite extensive (Zain et al., 2009). Yet, the results seem to inconclusive due to definitional, structural and design related differences and problems.

There are also studies that found mediating effects of other factors such as knowledge conversion, knowledge management (Zheng et al., 2010), organisational innovativeness between organisational culture and performance. Saffold (1988) argued that interactive nature of culture, process, and organizational outcomes need to be considered when investigating the culture-performance link. The argument underlying this line of research is that organizational culture affects performance outcomes through other mediating factors (Zheng et al., 2010).

Another study on challenges of strategy implementation was done by Chege (2011) on factors influencing the implementation of strategic plans in the Nairobi City Water and Sewerage Company. Chege identified factors such as; leadership, organizational resources, organizational structure, organizational culture, organizational politics and technology. Similarly, Machuki (2011) carried out a study on investigation of the challenges facing implementation of strategies in local Authorities in Kenya: the case of Kisii Municipal Council and identified these challenges to be; inadequate rewarding system, organizational culture, staff training, administration challenges, leadership, resources, policies and procedures.

It was also revealed that organizational culture assists in the sense-making process by helping employees understand what goes on and why things happen in the organization and by providing a powerful mechanism for controlling behavior. According to Andreas (2004) top management principal challenge in the cultural context is set to the cultural tone, pace and character to see if it is conducive to strategic changes that the executive’s are charged with implementing. Thompson and Strickland (2008) submit that the act of changing organizational culture is very difficult because of the heavy anchor of deeply held values and habits. This is because people like clinging to the old and familiar and
fear change. In order to facilitate implementation of strategy, the old unhealthy organizational culture has to be replaced with the appropriate culture.

Findings also show that organizational culture plays an indirect role in influencing behaviour by using reasonable managerial tools, such as strategic direction, goals. Organizational culture impacts the selection of adequate organizational change management in the same way it impacts all other aspects of management (Simba, 2010). Cultural assumptions and values shared by the members of an organization determine the way in which employees and managers will understand the organization itself, and thereby the adequate way to change it (Mogaka, 2008). What was determined as a suitable, efficient, or useful way of changing the organization will depend significantly on the shared assumptions and values of employees’ and managers built in their interpretative schemes.

The research analysed relationship between the organizational culture and performance. The results showed that variation in tour firm performance was explained by the variations in organizational culture. Other studies have also established similar results, for instance Narua (2011) carried out some study on factors influencing implementation of strategic plans in Savings and Credit cooperative societies in Imenti North, Kenya. In this study, the researcher identified factors such as; availability of funds, manpower planning, and management style, legislation, and organizational structure and culture.

5.3.3 Leadership Style and Performance

The study revealed that leaders monitors progress towards goal achievement and as a result leaders needs to control every activity. Teece (2014) states that a leader must have superior skills and abilities that can be used to increase performance by sensing, seizing and transformation. Additionally, leader that has strong leadership skills is able to increase performance of an organization operating in a dynamic environment. According to Griffins (2011), leadership in an organization affects strategy implementation by providing employees with a clear direction up to date communications and motivating employees and creating culture and values that will help an organization increase performance. Kihara, Bwisa and Kihoro (2016) investigated the relationship between leadership styles in strategy implementation and performance of Small and Medium Manufacturing Firms in Thika Sub-County, Kenya. It was established that transactional leadership style is used in Small and Medium Manufacturing Firms in Thika followed by
transformational style and lastly the passive/avoidant behavior. It was also revealed that there was a positive and significant relationship between transformational leadership style and SME’s performance.

The finding also established that leaders makes suggestions on how to solve problems, and have the tendency to serves others rather than be served. Paracha, Qamar, Mirza, Hassan and Waqas (2012) conducted a research on the impact of leadership style (Transformational and Transactional Leadership) on employee performance and mediating role of job satisfaction study of private school. Findings revealed that there was a positive relationship between transactional and transformational leadership styles on employee performance. However, the study found that transactional leadership was significantly related to employee performance more than transformational leadership style. Chege, Wachira and Mwenda (2015) investigated the effects of leadership styles on implementation of organization strategic plans in small and medium enterprises in Nairobi. It was revealed that autocratic leadership had the highest effect of implementation of strategic plans. It was followed by democratic leadership then laissez faire. It was recommended that for an organization to maximize implementation of strategic plans they should use all the three leadership styles.

It was also noted that the leaders seeks to develop leadership in the team members. Tran and Tian (2013) indicated that the organization structure is used by organizations to allocate tasks, delegate power and determine decision-making procedures within the company among. Huber (2011) states that organizational structure is the formulation of strategies that states how activities are organized, allocated administered to achieve organizational goals. Williams (2015) states that an organization is able to link organizational structure and strategy implementation by rearranging it operation and job designs to accommodate changes based on resource availability and the environment.

The research analysed relationship between the organizational leadership style and performance. The results showed that the variation in tour firm performance was explained by the variations in organizational leadership style. Aziz, Mahmood and Abdullah (2013) conducted a research on the effects of leadership styles and entrepreneurial orientation on the business performance of SMEs in Malaysia. The study revealed that there was a significant positive relationship between transactional leadership and performance and transformational leadership and performance. It was also revealed
that there was a negative correlation between passive-avoidant leadership and performance. Ejere and Ugochuku (2012) investigated the impact of transactional and transformational leadership styles on organizational performance in Nigeria. It was established that transformational leadership had a strong positive impact on organizational performance whereas, there a weak positive relationship between transactional leadership style and organizational performance.

5.3.4 Resource Allocation and Performance

The study established that tour firms enhance strategy implementation through employee relations strategies. Other studies have established that a lack of such relationship can be very detrimental. For instance Nyongesa (2013) in her study on challenges facing strategy implementation in the Kenya police noted lack of cooperation from senior officers especially those in the field, rampant corruption within the system, inadequate finance, and political interference to the running of the police as major challenge. Pagdee, Kim and Daugherty (2011) assert that failure to plan and allocate financial and organizational resources are examples of challenges that organizations face during the implementation of strategic plans.

Majority also agreed that funds for strategy implementation was offered in their budget. Kiraithe (2011) stated that lack of sufficient finance has been a major obstacle to the implementation of police strategic plan. Moreover, Finance is necessary for procurement of services, equipment and facilities necessary for the implementation of the organizational strategy (Mascarenhas, 2013). Lemarleni, Ochieng, Gakobo and Mwaura (2017) investigated the effects of resource allocation on strategy implementation at Kenya Police Service in Nairobi County. It was revealed that there exist a positive and significant relationship between financial resource and strategy implementation.

It was also revealed that the firms have clear resource allocation that facilitate strategy implementation. Schmidt (2013) asserts that an organization’s budget should reinforce its strategic plan. In times of declining resources, it is even more critical that budget development and strategic planning be tightly connected to ensure funding shortfalls do not hinder implementation of strategy. Lamb (2013) states that public sectors should make adequate budgetary allocations to support implementation of strategic plans. Songer and Molenaar (2015) researched on characteristics of project Success in the public sectors in Israel. The study revealed that lack of adequate budgetary allocation was a key
inhibitor towards successful strategy implementation. Moreover, the process of implementation is expensive it requires a huge amount of resources to support all activities involved in the implementation of the strategy.

Njogu (2016) investigated challenges facing implementation of strategic plans in Nairobi City County, Kenya. The study recommends that Nairobi City County should ensure budgetary allocation with a 100% absorption rate to ensure adequate utilization of funds set aside for the implementation of strategic plans. This will enable top management to support all activities that concern strategic plans and provide a good work environment in which employees was able to contribute. Mbindyo (2011) investigated challenges of strategy implementation at Kenya National Audit Office (Kenao). It was revealed that lack of adequate funding or minimal budget allocation, inadequate staff, lack of communication of responsibility and accountability, involvement of lower level members of the staff in strategic planning, lack of physical resources such as office space, equipment and vehicles, computers and ICT capacity amongst the staff, culture and lack of training poses a challenge in strategy implementation.

The study also established that sufficient financial resources has improved competitiveness in the enterprise. Okumus (2013) posit that during strategy implementation organizations should ensure that they have necessary financial resources, skills and knowledge to implement the strategy. He adds that during strategy implementation the main area organizations should also pay more attention on while allocating resources are techniques they will use to obtain and allocate financial resources that they will use during the implementation of the new strategy, knowledge and information employees need, time to complete the strategy and political and cultural issues within the company and their effect on resource allocation. Heldenberg, Croquet, Amone and Scoubeau (2012) states that an organization that does not have financial data will create uncertainty allow rumors and wrong information to thrive. Pool (2015) claims that various organizations combine their strategy reviews with a discussion of financial statements and add financial targets that they are supposed to achieve during their first phase of strategic planning.

The research analysed relationship between resource allocation and performance. The results showed that variation in tour firm performance was explained by the variations in resource allocation. Akwara (2015) conducted a research on challenges of strategy implementation at the Ministry of Cooperative Development and Marketing Company. It
was revealed that financial resources policies and procedures, organizational culture, human resource policy, information and operating systems and performance incentives are examples of barriers organizations faces while implementing strategy. Ngarama (2015) investigated factors influencing strategy implementation at progressive Credit Limited in Kenya Nairobi. It was revealed that key challenges that hindering effective implementation of strategy at Progressive Credit were: lack of adequate finances and resources to support the process of strategy implementation. Polle (2012) in his study on challenges of strategy implementation facing audit firms in Nairobi. It was established that insufficient financial resources and technology were the main challenges towards strategy implementations.

5.4 Conclusion

5.4.1 Technological Advancement and Performance

The study concluded that that technology advancement determines strategy performance in tour firms. It was also revealed that executives and senior managers are committed to ensuring increased performance in the sector. The managers in the insurance sector has influenced the performance process, and branch managers take part in critical formulation and implement of strategies. It was also established that the sector has experienced challenges of performance due to dynamic business environment although use of technology advancement has offered the firms vision, strategically thinking and plan. Tour firm have aimed to create a culture that integrates the strategic and operational activities by use of IT and technology system unit has facilitated internal devolution of management capacities.

5.4.2 Organizational Culture and Performance

The study concluded that competitive capacity of organizations can be increased by building strong people and effectively managing them. Success of tour firms depend solely from improving the performance of the employees through developing the capabilities of teams. The study also concluded that patterns of behavior like how and where employees interact, how they behave in formal and informal meetings too encourage high performance. It was also established that artifacts, that is, tangible evidence of organizational culture like computers, employee handbook, a company logo, corporate wares make employees identify with the organization and also acts as the social
glue’ that bonds people together and makes them feel part of the organizational experience.

5.4.3 Leadership Style and Performance

The study also included that leaders in the tour firms encourages (staff) to participate in decision making. The study also revealed that leaders monitors progress towards goal achievement only and leaders needs to control every activity. The finding also established that leaders makes suggestions on how to solve problems, and have the tendency to serves others rather than be served. It was also noted that the leaders seeks to develop leadership in the team members. The finding also revealed that leaders clarifies his or her own role within the group and put other people’s needs, aspirations and interests above their own.

5.4.4 Resource Allocation and Performance

The study concluded that tour firms enhance strategy implementation through employee relations strategies. The respondents indicated that lack of human and physical resources hinders out strategy implementation. The study also concluded that lack of leadership commitment hinders strategy implementation although the firms ensure funds for strategy implementation are offered in their budget, and its oftenly used as an evaluation and control tool in implementation. This also aids in improving competitiveness in the enterprise.

5.5 Recommendations

5.5.1 Recommendation for Improvement

5.5.1.1 Technological Advancement and Performance

There is a need for tour firm to utilize technology advancement in order to improve strategy performance in the tour firms. Executives and senior managers should ensure commitment to technology in order to ensure increased performance in the sector. use of technology advancement should be increased to ensure firms vision, strategically thinking and plan are adhered to. Tour firm should be encouraged to integrate strategic and operational activities by use of IT and technology system inorder to facilitate internal devolution of management capacities.
5.5.1.2 Organizational Culture and Performance

Tour firms need to support a culture that allows the firms build strong workforce and thus improve the performance through developing the capabilities of teams. Tour firms should encourage a culture in which employees are allowed to understand how the organization operates, vision, mission and goals that guide all stakeholders. The tour firms need to encourage employees to have a sense of identity which increases their commitment to work since this will positively influence organizational performance.

5.5.1.3 Leadership Style and Performance

The need to continue employing skilled employee in order to facilitate realization of goals. The firm also needs to have in place an effective communication system between managers and subordinates, this would ensure sufficient results are not only well articulated but also easily achieved. There is a need to have in place visionary and innovative leaders that are able to steer the firms in the varying environment.

5.5.1.4 Resource Allocation and Performance

The tour firms needs to put aside enough funds that would ensure a successful strategy implementation process hence impact positively on the overall performance. However, proper mechanisms should be put in place to ensure that the funds are used for the intended purpose. Where applicable the tour firms need adopt innovative strategies and e-business to enhance competitiveness of the firm in the dynamic tourism sector.

5.5.2 Recommendation for Further Studies

This study only focussed on technology advancement, culture, leadership style and resource allocation. There is a need to undertake further studies to determine how other variables like staff competence, systems, and goals influence performance of tour firms.
REFERENCES

Abok et. al (2013), *Culture's role in the implementation of strategic plans in nongovernmental organizations in Kenya*. Prime Journal of Social Science, Jomo Kenyatta University of Agriculture and Technology (JKUAT), Nairobi, Kenya


Waweru, M. A. S. (2011) *Comparative analysis of competitive strategy: Implementing a relationship perspective* unpublished MBA Project, United States University, Kenya


APPENDICES

APPENDIX I: COVER LETTER

Fardowsa
United States International University
P.O.BOX 14634-00800.
Nairobi, Kenya.

Dear Respondent,

RE: FACTORS AFFECTING THE PERFORMANCE OF TOUR FIRMS IN NAIROBI.

I am Graduate student at united state international university (USIU), AFRICA pursuing a degree in Masters in Business Administration (MBA). I am currently undertaking a research study to analyse the factors affecting the performance of tour firms in Nairobi. Your participation in this questionnaire is essential and is highly appreciated. Kindly take your few minutes to fill the attached questionnaires.

I assured you the information you give is considered confidentiality and will only be focused for academic purpose. Thank you for your time.

Yours faithful,

Fardowsa
0723967876
APPENDIX II: QUESTIONNAIRE

SECTION A: GENERAL INFORMATION

1. What is your Gender? Male □ Female □

2. What is your highest level of education?
   Diploma □ Degree □ Master □ Other □

3. What is your age range in years?
   Less than 25 □ 26-35 □ 36-45 □ 46 and over □

4. Number of years worked as a manager?
   Less than 3 year □ 3 – 6 years □ 7 and above □

5. Please indicate the number of employees in your branch
   Less than 15 □ 16-25 □ Over 26 □

SECTION B: TECHNOLOGICAL ADVANCEMENT AND PERFORMANCE OF TOUR FIRMS IN NAIROBI

What is your level of agreement to the following statements in relation to the effect resource allocation on the strategy implementation? (5- Strongly agree, 4- Agree, 3- Neutral, 2-Disagree, 1- Strongly Disagree)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
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</thead>
<tbody>
<tr>
<td>1. Technology advancement determines strategy performance in the firm</td>
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<tr>
<td>2. Executives and senior managers are committed to performance</td>
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<td>3. Managers influence the performance process</td>
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<td>4. Branch managers take part in critical formulation and implement of strategies.</td>
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<td>5. Utilisation of performance contracts hinders the operational autonomy to performance</td>
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<td>6. We experience challenges of performance due to dynamic business environment</td>
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<td>7. Technology advancement provide the vision, the</td>
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strategically thinking and plan

8 Our firm aims to create a culture that integrates the strategic and operational activities by use of IT. [ ] [ ] [ ] [ ] [ ]

9 Use of technology motivates and inspire the peoples in the organization towards implementation [ ] [ ] [ ] [ ] [ ]

10 Existence of technology system unit has facilitated internal devolution of management capacities [ ] [ ] [ ] [ ] [ ]

SECTION C: ORGANIZATIONAL CULTURE AND PERFORMANCE OF TOUR FIRMS IN NAIROBI

What is your level of agreement to the following statements in relation to the effect resource allocation on the performance? (5- Strongly agree, 4- Agree, 3-Neutral, 2-Disagree, 1- Strongly Disagree)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
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</thead>
<tbody>
<tr>
<td>1 Competitive capacity of organizations can be increased by building strong people and effectively managing them.</td>
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<td>2 Success of an organization can only be attained by improving the performance of the employees through developing the capabilities of teams.</td>
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<tr>
<td>3 Patterns of behavior like how and where employees interact, how they behave in formal and informal meetings too encourage high performance.</td>
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<td>4 Artifacts, that is, tangible evidence of organizational culture like computers, employee handbook, a company logo, corporate wares make employees identify with the Organization</td>
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<tr>
<td>5 Organizational culture acts as the ‘social glue’ that bonds people together and makes them feel part of the organizational experience.</td>
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<td>6 Organizational culture assists in the sense-making process by helping employees understand what goes on and why things happen in the organization.</td>
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<td>7 By providing a powerful mechanism for controlling behavior, organizational culture manipulates how employees attach meaning to their world and how</td>
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they interpret events.

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<th>Specific practices that employees understand symbolize and represent the organization’s culture.</th>
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<tr>
<td>8</td>
<td>Organizational culture plays an indirect role in influencing behaviour by using reasonable managerial tools, such as strategic direction, goals.</td>
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<td>9</td>
<td>My organization grants me greater autonomy and involves me in decision making.</td>
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**SECTION D: LEADERSHIP STYLE AND PERFORMANCE OF TOUR FIRMS IN NAIROBI**

What is your level of agreement to the following statements in relation to the effect of resource allocation on the performance? (5- Strongly agree, 4- Agree, 3-Neutral, 2- Disagree, 1- Strongly Disagree)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
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</thead>
<tbody>
<tr>
<td>1. Encourages us (staff) to participate in decision making.</td>
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<td>2. Focuses more on punishment for mistakes.</td>
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<td>3. Focuses on clarifying employees’ roles and task requirements.</td>
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<td>4. Monitors progress towards goal achievement only.</td>
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<td>5. Needs to control every activity.</td>
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<td>6. Makes suggestions on how to solve problems.</td>
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<td>7. Serves others rather than be served.</td>
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<tr>
<td>8. Seeks to develop leadership in the team members.</td>
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<tr>
<td>9. Clarifies his or her own role within the group.</td>
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<tr>
<td>10. Put other people’s needs, aspirations and interests above their own</td>
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**SECTION E: RESOURCE ALLOCATION AND PERFORMANCE OF TOUR FIRMS IN NAIROBI**

What is your level of agreement to the following statements in relation to the effect resource allocation on the performance? (5- Strongly agree, 4- Agree, 3-Neutral, 2- Disagree, 1- Strongly Disagree)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
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<tbody>
<tr>
<td>1 We enhance strategy implementation through employee relations strategies</td>
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<tr>
<td>2 We have experienced resistance to change proposals</td>
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<td>3 Lack of human and physical resources hinders strategy implementation</td>
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<td>4 Leadership commitment hinders strategy implementation</td>
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<td>5 We offer funds for strategy implementation in our budget</td>
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<tr>
<td>6 We use the budget as an evaluation and control tool in implementation</td>
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<tr>
<td>7 We have implemented IT effectively to facilitate strategy implementation</td>
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<tr>
<td>8 Introducing innovative IT strategies and e-business has improved competitiveness in our enterprise.</td>
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<tr>
<td>9 Information Technology infrastructure has facilitated our firm achieving its business objectives</td>
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