STRATEGIC MANAGEMENT PRACTICES AND PERFORMANCE OF
SELECTED TRAVEL AND TOUR AGENCIES IN NAIROBI CITY COUNTY,
KENYA.

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D53/39489/2016

A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS IN
PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF THE
DEGREE OF MASTER OF BUSINESS ADMINISTRATION (STRATEGIC
MANAGEMENT) OF KENYATTA UNIVERSITY

NOVEMBER, 2020
DECLARATION

This research proposal is my original work and has not been submitted for an award in any other university for examination purposes.

Signature……………… Date………………

Deborah Mokeira Kennedy D53/39489/2016

This research proposal has been done under my supervision and has been submitted for examination with my approval as University Supervisor.

Signature……………… Date………………

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DEDICATION

I dedicate this work is dedicated to my beloved parents Rogers and Jane, my siblings Grace and James and to all my friends, who have been there for me throughout the period of this study.
ACKNOWLEDGMENT

I give glory and praise to God for granting me His grace, peace, patience, strength, and wisdom to undertake my studies. Secondly, I acknowledge my parents and siblings for all the support they accorded me during the time I was writing the proposal, without them, it would have been hard for me to accomplishing what I have. Finally, I appreciate my supervisor, Dr. Elishiba Murigi who accorded me all the help, guidance and constant encouragement throughout the planning and execution process of this study.
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## OPERATIONAL DEFINITION OF TERMS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Customer Focus</td>
<td>It refers to a strategy employed by companies to keep in check the profiles of their customers to be able to serve them better and improve the performance of the company.</td>
</tr>
<tr>
<td>Expansion strategy</td>
<td>This refers to a growth strategy adopted by companies that attempt to achieve high growths compared to their past performance.</td>
</tr>
<tr>
<td>Organization Performance</td>
<td>It refers to the actual output that an organization realizes compared to its intended output such as goals and objectives.</td>
</tr>
<tr>
<td>Strategic Management Practices</td>
<td>This refers to a set of strategic actions that give direction to a business entity and ensure its competitive advantage in the market.</td>
</tr>
<tr>
<td>Strategic planning</td>
<td>This refers to strategy aimed at establishing an organization’s direction and improving on its performance by setting strategic goals, strategies, and plans for ensuring the strategies are implemented.</td>
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Strategic Partnership

It refers to an alliance between two or more companies that agree to work towards achieving a specified mutual goal but remain legally independent.
**ABBREVIATIONS AND ACRONYMS**

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ANOVA</td>
<td>Analysis of Variance</td>
</tr>
<tr>
<td>CRM</td>
<td>Customer Relationship Management</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>KATO</td>
<td>Kenya Association of Tour Operators</td>
</tr>
<tr>
<td>KPI</td>
<td>Key Performance Indicator</td>
</tr>
<tr>
<td>SA</td>
<td>South Africa</td>
</tr>
<tr>
<td>SMART</td>
<td>Smart, Measurable, Attainable, Realistic, Timebound</td>
</tr>
<tr>
<td>SME</td>
<td>Small and Medium Enterprises</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for Social Science</td>
</tr>
<tr>
<td>USA</td>
<td>United States of America</td>
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</table>
The travel and tour agencies play an important role in the economy of a country as they help in promoting the tourism sector by linking customers to the tourism sector. The agencies make both national and international tourism easy by providing services to the customers which they would have had a difficult time getting on their own like getting Visas for international travel. At the same time, they help in creating employment to a large number of people. Despite. The focus of the research was on strategic management practices on the performance of selected travel and tour agencies in Nairobi City County. Strategic management practices are crucial as they cushion the agencies against these uncertainties and competition. The study investigated ways in which the agencies can apply strategic management practices to solve these problems and make the business of travel and tours more sustainable. The specific objectives of the study was to investigate the effects of strategic planning on the performance of the travel and tours agencies, to establish how strategic partnership on the performance of the travel and tours agencies, to determine the extent to which expansion strategy on the performance of the travel and tours agencies and to assess how customer focus on the performance of the travel and tours agencies.

The study was anchored on Strategic Management Theory, Resource-Based Theory, Dynamic Capabilities Theory and Balanced Scorecard Model. The study will be significant to other researchers as it exposed gaps that they can seek to address in their studies, it will also be relevant to managers of travel and tour agencies as it gave guidelines on areas in which they can focus on to improve the performance of their agencies. The research employed the use of descriptive research design. The study’s population was 19 selected travel and tour agencies in Nairobi City County who are members of the Kenya Association of Tour Operators whose performance was greatly affected. The target population for this survey was 76 managers from the selected agencies. Semi-structured questionnaires were administered to the respondents to obtain the primary data needed. To ensure efficiency, validity and reliability of the data collection instrument was tested; validity was measured by conducting both empirical and literature review. Reliability on the other hand, was measured using Cronbach alpha. A pilot study was conducted in Kiambu County which helped in ensuring the reliability and validity of the instruments. SPSS software was used to analyze the collected data, descriptive analysis was used for analysis. The study findings revealed that strategic planning, strategic partnership, expansion and customer focus were positively and significantly correlated with performance of travel and tour agencies, though they were not being fully implemented. The study recommended that management of the agencies to encourage practice of strategic planning through proper allocation of available resources as well as communicating the strategic objectives clearly to all as well as working within budget. It was also recommended that management should also come up with a modern way of managing their customer management. The management should also ensure that the needs of all the partners are met and that they become strategic in selecting partners to work with.
CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Travel and tours agencies are responsible for selling, making arrangements for transportation, accommodation, tours and trips for travelers (Moutinho & Vargas-Sanchez, 2018). In Malaysia, tourism is the third source of foreign exchange. According to the Travel and Tourism Competitiveness Report 2013, in USA, the sector accounted for 9% of gross domestic product (6 trillion US Dollar). In 2018, the travel agency industry in the United States was projected to generate revenue of 17.3 billion U.S. dollars by 2020 from around 15 billion U.S.A dollars in 2015, however, according to a research from tourism economics, international travel to the U.S since 2016, grew by just 2%, with a decline visitation of tourists from the Asia-Pacific region declining by 0.9% (Sheivachman, 2017). This goes to show how the performance of the agencies has been on a decline.

The diversity, beautiful landscape and political calmness in South Africa has made it a popular tourist destination with global travelers since its rejoining the international stage in 1994. Tourism in South Africa has become an important sector for its economy (Krige, 2019). However, due to both natural factors and other factors like instability caused by violence such as xenophobia, and other political and economic instabilities have started taking its toll on the travel and tour operators which affects the performance of the travel agencies (Ferreira & Perks, 2016). In Rwanda, the agencies have been facing a declining performance resulting from factors such as lack of diversity and limited resources (Mutandwa, Taremwa & Tubanambazi, 2015).
Kenya, has seen an emergence of many travel and tour agencies spread across the country in the recent past, owing to the fact that Kenya is considered to have one of the biggest and diverse tourism industry in East Africa (The Report Kenya, 2016).

The agencies are however facing many challenges that hinder their performance, for instance, with the escalating use of online platforms, customers are able to make online bookings for themselves (Yilmaz & Bititci, 2006). Customers also prefer having customized packages at convenient prices which make it hard for the agencies to come up with packages that suits them all. There is also competition from online platforms like the Airbnb website which allow clients to make bookings online and organize tour activities for the clients (Waithira, Wasike & Mungai, 2019). Performance of these agencies could be on the decline due to the fact that they do not have strategic management practices which could cushion them against such challenges (Mayaka & Prasad, 2012). The area of focus for this research was on agencies located in Nairobi City County as its the capital city and majority of the agencies operating there are registered members of Kenya Association of Tour Operators (KATO).

1.1.1 Strategic Management Practices

Strategic management refers to the continuous act of planning, monitoring, analysis, and assessment carried out by organizations to meet their goals and objectives (Ansoff, Kipley, Lewis, Helm-Stevens, & Ansoff, 2018). With the ever-rising rate of innovation, emerging and improving technologies and high expectations and demand from customers, companies are forced to think and act strategically for them to become successful (Thompson, Strickland, & Gamble, 2015). The process requires the management to analyze cross-functional business decisions that have been made prior to implementing them. The
organizations are therefore able to allocate resources effectively and strengthen their core competencies thus gain competitive advantage.

According to Sharabati and Fuqaha (2014), strategic management is a crucial practice that sets organizations apart. Strategic management practices give direction to a business entity and ensure its competitive advantage in the industry. In order to enhance their outcome, the strategic drivers of competitiveness both locally and internationally should be linked closely to the specific strategies. This study explored the various strategic management practices such as strategic planning, strategic partnerships, expansion strategy, and customer relationship management. Strategic planning refers to the process of an organization defining its strategy, making decisions and allocating resources to pursue the set strategies.

According to Steiner (2010), strategic planning is the backbone support to strategic management. It provides a framework for strategy formulation and implementation. Strategic planning is very crucial in the success of companies as a wrongfully executed strategy might lead to serious difficulties. For managers to be able to carry out successful strategic planning, they have to have a grasp of both intuitive-anticipatory plannings where they use their intuition and creative imagination to plan for the future and formal systematic planning (Aosa, 2011). It is more of a process that requires companies to set their aims clearly, define strategies and policies to achieving the goals, then developing detailed plans of making sure the strategies get implemented (Kamau, 2008). For this research, strategic planning was measured in terms of scenario planning and strategic objectives of the organizations.

Strategic partnerships, on the other hand, create an opportunity for all partnering companies to share managerial tasks and have control over the performance of the tasks together.
According to (Todeva & Knoke, 2005), strategic partnerships refer to an alliance between two or more companies that agree to work towards achieving a specified mutual goal but remain legally independent (Hoang & Rothaermel, 2016). The companies interdepend on each other to bring out new benefits to all of them. Agencies in the travel and tours industry may create partnerships with other companies that may either be in the industry or in a different industry. The organizations that manage to form strong strategic alliances end up gaining a competitive edge against their competitors. The organizations can collaborate with key individuals in a society like celebrities that have a large following to increase their chances of getting more customers. Strategic partnerships was measured in terms of collaborations formed and the quality of technology and knowledge exchange (Teo & Bhattacherjee, 2014).

Once companies have set a strategic plan and formed strategic alliances, they set out to expand their companies. Organizations that want to achieve high growths compared to their past achievements adopt an expansion strategy. The expansion strategies refer to strategies that organizations adopt to enable them to grow considerably in terms of market share, they are able to increase their scope of operation in terms of broadening its customer base, customer function and having alternatives when it comes to technology (Blackburn, Hart, & Wainwright, 2013). Different companies have different reasons for expanding, ranging from increasing market share, survival, increasing their economies of scale and social benefit. Expansion strategies are part of market development where a company aims to identify and develop new market segments (Filatotchev & Bruton, 2017).

The agencies then have to adopt a customer focus strategy which enables them to cater to the dynamic needs of their customers. According to Hill and Brierley (2017), customer
focus provides a positive customer experience before and after service delivery. For organizations to have good performance, they have to keep their relationship with their customers in check. They do so by engaging themselves in customer relationship management. CRM that enables a company to manage its interaction with its customers. A CRM system compiles data from different communication channels like the organization's website, social media platforms, telephones and also live chats. From the data collected, the business is able to learn more about their target audience and best ways to cater for them (Kumar, 2010). All the company’s departments assemble data of their customer in terms of the patterns, characteristics, etc. From the information gathered from the departments, the marketing team then creates a single database, the customer data platform, which makes it easy for them to analyze customers patterns (Greenberg, 2017).

Organizations have to be strategic in the technology they use when handling the customer relationship management as it basically deals with software’s they have to incorporate current ones. The companies have to protect their customer’s data since some of the information provided is confidential. For that reason, they have to invest in their data warehouse technology (Buttle, 2009). An agency should keep a customer database to keep track of the patterns of their customer and develop customer metrics to enable them to measure progress.

1.1.2 Organizational Performance

The organizational performance is made up of the actual results of the organization, compared to the intended output that the organization had. The performance of an organization is equated to a state of competitiveness of the organization achieved through attaining a given level of efficiency and productivity which ensures a sustainable market
Organizational performance refers to the actual results that an organization realizes compared to the intended output such as the goals and objectives they had in place. The main purpose is to assist in decision making and understanding of progress towards meeting the planned outcomes. To measure performance, indicators must be put in place. These are detailed quantitative and/or qualitative descriptors that describe what the organization is doing or has done (Tadić & Boljević, 2015).

In order to measure performance, there should be a clearly defined link between the objectives of the organization, tools for measuring and the actual results. The importance of the performance metrics should also be defined clearly. The performance of organizations can be measured through different methods such as the Balanced Scorecard, Management by Objectives and Key Performance Indicator (KPIs). The key performance indicator evaluates the success or failure of an organization or of a particular activity such as projects, programs or other indicators (David, 2016). They define a set of values against which to measure. KPIs are of two categories, quantitative and qualitative. It measures factors like input, output, activity, mechanism, control and time.

KPIs should follow the specific, measurable, attainable, realistic and time-bound (SMART) criteria. According to Hladchenko (2015), the balanced scorecard is a strategic performance tool that managers use to monitor the execution of their staff’s activities and at the same time control and keep a close look on consequences arising from those activities. The balanced scorecard aims at giving organizations chance of translating their strategies into action (Martello, Watson, & Fischer, 2016). In this study, the performance of the agencies was measured in terms of their competitive advantage against their competitors, performance based on their annual revenues and their market share.
1.1.3 Travel and Tour Agencies in Nairobi City County

Kenya’s travel and tour industry is one of the biggest and most diverse in East Africa, it is connected to the tourism sector of the country. The agencies provide a wide range of services to their customers ranging from organizing both national and international tour, getting visas for customers, hotel bookings and even transportation services. In the year 2018, the sector recorded growth by 5.6% contributing Ksh. 790 billion boosting the economy of the country, they also created 1.1 million job for otherwise unemployed people. According to the World Travel & Tourism Council, Kenya is positioned as the third largest tourism economy in Sub-Saharan Africa after South Africa and Nigeria (Kusters, 2019). This high rise in the performance of the industry has given rise to many job opportunities as many people have ventured into the travel and tours agency jobs in the country more so in Nairobi county.

According to the Kenya Association of Travel Agents (KATO), an association that represents the interests of tour operators in Kenya, there are 250 registered tour operators in Nairobi County who are represented by KATO. The members are put into six categories: A, B, C, D, E and affiliates. Category A members are those whose gross annual turnover exceeds KSHS 120 million, category B, are those with a gross annual income of KSH 80 million but less than 120 million, category C members have a gross annual turnover of KSH 40 million but below 80 million, category D members comprises those whose gross annual turnover of KSH10 million and below 40 million, category E comprises of members with a gross annual turnover of below KSH 10 million. The affiliate members are those whose membership to KATO is of benefit to the Association, they pay KSH 18,200 (Kamau, 2008).
The agencies offer variety of services such as inbound and outbound tours & safari services, visa processing, hotel bookings, air ticketing. The industry is very competitive hence the huge number of agencies joining. They, however, contribute to the development of the tourism sector and Kenya's economy in general by offering employment to many individuals, by partnering with other organizations and bringing tourists into the country they help boost the economy (Waithaka, Wasike & Mungai, 2019). For the study, only category A to E were considered. Affiliates were not considered as their activities are affiliated to tourism and KATO benefits from them but they do not have KATO license.

1.2 Statement of the Problem

The travel and tour industry in Kenya is one of the biggest and diverse in East Africa. Travel and tour agencies being the link between clients and the tourism sector, help in promoting the success of the tourism sector through connecting clients to the wide range of tourism activities and places. However, performance of these agencies have been on the decline in the recent past. According to the world travel and tourism council, (2017), Kenya saw a decline in the return from the industry from a 2.6 billion dollars (17%) in 2015 to 2.1 billion dollars (16.7%,) in 2017. The report attributed the decline in performance to a series of events from continuous wave of terrorist attacks since 2011, the 2014 outbreak of Ebola that occurred in West Africa, political unrest and various security concerns affected the agencies performance. According to the report, the travel and tourism in Kenya was projected to grow to 7% in 2018 but failed to reach the target and only grew to 5.6%.

Emergence of online platforms such as the magical Kenya, and the AirBnb website that allow customers to make online bookings and get the same deals from the internet also act as competition to these agencies as the internet tend to be the preferred trend. A 2015 report
done by Kenya National Bureau of statistics indicated a drop from 8.1 to 7.4 billion in Kenya’s total annual earnings from tourism and associated industries like the travel and tour industry. The report further indicated that the earnings had been declining steadily by about 2% every year from 2011. Key players in the industry are keen to see the removal of Government’s 16% value-added tax policy added onto sales, as many of them see it as harmful to the recovery of the sector (Sintayehu, 2017). Strategic management practices would act as cushions for these agencies that would prevent them from falling out of business when stiff competition comes about.

Various researchers have conducted investigations on strategic management and performance of travel and tour agencies. Some of the studies were based on other countries, therefore, the findings could not be applied to SMEs in Nairobi. For instance, Alade and Ehigbochie (2019), did a survey on understanding the effects of strategic business management on small and medium scale enterprises for enhanced productivity in Nigeria. The current study based its focus in Nairobi to investigate if the findings would be similar. Other studies used different research designs, Njoroge (2018), for example conducted a study on the effect of strategic planning on organization performance of planning firms in Nairobi CBD. The current study however, used the descriptive research design. Other researchers conducted studies on strategic management practices with their population being the public sector, the current study will focus on the travel and tour agencies which are in the private sector. For instance, Sasaka, Namusonge & Sakwa (2014), explored the effect of strategic management practices on corporate social responsibility performance of parastatals in Kenya, they did not cover the travel and tour agencies. The current study was therefore focused on bridging these gaps by investigating the influence of strategic management practices and performance of travel and tour agencies in Nairobi County.
1.3 Objectives of the Study

1.3.1 General Objectives

To investigate the effect of strategic management practices on performance of travel and tour agencies in Nairobi City County.

1.1.2 Specific Objectives

(i) To examine the effects of strategic planning on performance of travel and tour agencies in Nairobi City County.

(ii) To establish how strategic partnership on performance of travel and tour agencies in Nairobi City County.

(iii) To determine the extent to which expansion strategy on performance of travel and tour agencies in Nairobi City County.

(iv) To assess the effects of customer focus on performance of travel and tour agencies in Nairobi City County.

1.3 Research Questions

(i) What is the effect of strategic planning on performance of travel and tour agencies in Nairobi City County?

(ii) What is the effect of strategic partnership on performance of travel and tour agencies in Nairobi City County?

(iii) What is the effect of expansion strategy on performance of travel and tour agencies in Nairobi City County?

(iv) What is the effect of customer focus on performance of travel and tour agencies in Nairobi City County?
1.5 Significance of the Study

This results of this investigation will be of benefit to managers in the travel and tour agencies, even those that were not included in the study as it will give them an understanding of what is on the ground and how they can use strategic management practices to their advantage. Other scholars will also find this research significant as it will increase their knowledge on matters concerning strategic management practices and the influence on travel and tour agencies. The study also highlighted some research gaps that other researchers can focus on in future. All this will be made easy through the researcher’s publication that that will make it easy for others others to find the findings easily and use it to address the gaps.

1.6 Scope of the Study

The study focused on strategic management practice on performance of selected travel and tours agencies in Nairobi City County. The study was limited on exploring the strategic management practices adopted by travel and tour agencies in Nairobi County. The study population comprised of 19 selected agencies whose performance had been greatly affected. The target population and respondents was 76 top managers from the 19 agencies. The study concentrated on strategic planning, strategic partnerships, market expansion and customer focus on these agencies and how they affect performance. The descriptive research design was used in the study. The research study was carried out over a period of three months within which the researcher was able to collect data from the agencies, analyze it as well as present the findings.
1.7 Limitations of the Study

One constraint expected by the researcher was unwillingness by the respondents to participate in the survey. The researcher ensured the respondents were assured of confidentiality by making them understand that the study was only meant for academic purpose and would not be used elsewhere as a mitigation for this limitation. The researcher also faced the limitation of slow response and inaccurate response by the respondents. The researcher ensured this limitation was countered by allocating ample time for filling the questionnaire and picking them later which allowed the respondents to respond under minimal pressure.

1.8 Organization of the Research Study

The project has five chapters: chapter one describes the study, its background and tries to show the relevance of the study and why it should be conducted. It also gives a brief idea of things that might happen. Chapter two then tries to analyze some literature relating to the study that already exists. It covered both theories and literature. It also identified gaps in the study and gave a conceptual framework. Chapter three then identified the method used to execute the study by discussing the design, target population, instruments used procedure and method used to analyze and present the data. This chapter also displayed some of the ethical considerations that the researcher took into consideration. Chapter four presents the findings from the research analysis and their discussions and presentations. The fifth chapter of the project carries the summary of the research findings, conclusions, recommendations and suggested area for future research.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter contains a review of relevant theories as well as a review of empirical literature. A conceptual framework is also included in this chapter; which gives a diagrammatic illustration of the relationship between the variables of this study.

2.2 Theoretical Review

Four theories were the main anchors for this investigation. The theories are, the Strategic Management Theory, Dynamic Capabilities Theory, Resource-Based View Theory and the Balanced Scorecard Model. The purpose of these theories was to provide a deeper comprehension on the variables relationship.

2.2.1 Strategic Management Theory

Strategic Management Theory was first introduced by Porter (1960). The theory gives direction on strategic management practices. The theory informs objective one and four of the study which deals with strategic planning and customer focus by providing guidelines on strategic planning and strategic thinking. It states that strategic management incorporates the concepts of strategic planning and strategic thinking. The theory stresses the need for diverse management practices and perspectives being integrated to ensure set goals and objectives are attained in the context of the ever growing and competitive world economy. The theory directs that companies should make long term goals by assessing potential futuristic opportunities and threats. An organization is also supposed to develop the capabilities of gaining a competitive advantage against its competitors by mobilizing their
resources and allocating the resources strategically. The theory majorly focusses on what measures companies can make now to bring about a desirable future performance (Gray & Karp, 1994).

The theory provides direction by giving guidance to companies on how they can strategically specify their objectives, come up with policies and company culture, and develop ways of achieving the goals and objectives by tapping on their available resources. According to Porter (1960), three major principles have to be incorporated in strategic management practices to facilitate the success of the organization, the first principle is to ensure the organization creates for itself a position in the market that is both unique and valuable at the same time, the second principle for organizations to decide on what not to do in order to make trade-offs. The third principle states that organizations should create fit, by aligning their activities together in a way that they support the chosen strategy. The theory has been critiqued in that it overly constrains managerial discretion in an environment that is very dynamic. The theory was relevant to this particular study as it connected with the study objectives, giving guidance on how managers can incorporate strategic management practices for improved performance of their organizations.

2.2.2 Resource-Based View Theory

This theory was first discussed by Barney, (1991). It determines the strategic resources of the organization for them to be able to attain comparative advantage through use of the resources. In order for the organization to realize a competitive advantage that is sustainable, they should effectively utilize their resources.
According to Barney (1991), competitive advantage and performance depend on historically developed resources. The organizations should build on resources that are valuable, rare, not easily imitated, and non-substitutable in a manner that they are effective and efficient (Hunt & Morgan, 1995). The managers should identify and relate key resources and performance catalysts to their value in the organization and its programs. The theory exposes the fact that value-creation is the rationale behind alliance formation and the potential of organization resources being pulled together (Barney, 2001). The theory was therefore relevant for this study’s second objective of strategic partnerships as it stresses on the importance of organizing resources for strategic alliances to boost organization performance.

The theory has been explicitly adopted as a framework for analyzing performance in international markets (Hooley et al., 1996). By providing greater value to customers, the organization is able to gain competitive advantage and can have superior performance, measured in the conventional terms such as market-based performance like market share and customer satisfaction (Bharadwaj, Varadarajan, & Fahy, 1993). The significance of this theory to this study was that it exposed the unique ability that organizations can use their resources to form alliances, formulate expansion strategies. It therefore helped in assessing the performance of the organization in terms of its market share and customer satisfaction. Firms with more dynamic capabilities are more likely to have a competitive advantage (Martin & Eisenhardt, 2001).
2.2.3 Dynamic Capabilities Theory

The theory was articulated by Teece, Pisano, & Shuen, (1997). They defined it as a company’s ability to integrate, build and reconfigure both the internal and external competencies in an effort to address the rapidly changing environment.

Unlike previous models of operational capabilities that focused on an organization’s current operations, dynamic capabilities model pays more attention to the capacity of an organization’s ability of changing their operations responsively and develop resources effectively based on the market conditions (Helfat et al., 2009).

This exploration’s third and second objective were well informed by this theory which puts focus on expansion strategy and strategic alliance of organization which enables their survival. The theory stresses the need for companies using their resources to create short-term competitive advantage that have the potential of being progressed into long-term ones. It stresses on maintaining competitive survival for the companies. The theory directs managers to develop strategies for adapting to new technologies slowly while still practicing on their traditional technology to in order to maintain their competitive survival, instead of changing all their process on short notice which can leave them vulnerable (Teece et al., 1997).

Three factors contribute to the success of an organization applying the dynamic capability theory which includes employees quick learning ability and ability to create strategic assets that are innovative, as well as assimilating the new strategic assets such as technology, and customer feedback into the company and the final factor being the ability to transform and put an already existing asset whose value is depreciated to use (Eisenhardt & Martin, 2000).
Companies have to develop processes for making changes in an inexpensive manner prior. Processes like decentralization, making departments independent and forming strategic partnerships help in making the process inexpensive. The theory was therefore relevant to our study as it helped in giving guidance on ways through which the companies could gain sustainable competitive advantage through objective two and three that deals with strategic partnerships and expansion ways they can use strategic planning to maintain their competitive advantage.

2.2.4 Balance Score Card Model

The balance scorecard was first proposed in 1992 by Kaplan and Norton. It is a strategy performance management tool that aids managers and executives with ways that are both efficient and effective for assessing performance. The model has evolved from being just a performance management system to being an element of planned approaches in strategic management. The model can be used to measure both financial and non-financial performance. The model revolves around four viewpoints: the financial perspective, customer perspectives, internal business process and the learning growth. The company’s long-term goals are represented by the financial perspective. Traditionally, financial measures have been the measure of performance for companies. It involves analyzing elements such as profitability, sales growth and revenue per sales. The model was relevant to this current study as it showed how the dependent variable of the study would be measured by the organizations.

The model advocates the need for incorporating other measures to determine success but stresses the fact that financial measure remains an extremely strong measure (Slater, Olson, & Finnegan, 2011). The model stresses the need for companies understanding their
customers well when initiating the customer perspective. This will enable them to be able to create strategies that best suit their customers, hence increasing their chances of success. The relevance of the model to the study was that it connected the dependent variable of organization performance giving guidance on how companies measure their performance. It also gave guidelines on what could be done to enhance the performance of the companies. The model was also relevant as it aligned well with the strategic planning variable.

2.3 Empirical Review

This section tried to analyze previous studies that have been undertaken on strategic management practices and performance of travel and tours agencies. The strategic management practices that were considered included strategic planning, strategic partnerships, expansion strategy and customer focus.

2.3.1 Strategic Planning and Organization Performance

Strategic planning is a framework for strategy formulation and implementation in strategic management (Steiner, 2010). It involves a process that requires a company to set its aims clearly, define strategies and policies to achieving the strategies to ensure the strategies are implemented. For a company’s performance to be made effective by strategic planning, managers have to integrate their intuition planning and formal planning process.

A study conducted by Macharia and Makhamara (2019), on strategic planning and organization planning in the ministry of foreign affairs in Kenya. The purpose of the study was to determine the effect of strategic planning on organization performance in the public sector in Kenya. The descriptive research design was employed for the study. A stratified sampling technique was used to categorize the population into strata. Data was then
analyzed by use of the SPSS software. The results of the study indicate that strategy planning and implementation, strategic evaluation of objectives, organization culture all had a significant effect on organization performance. Planning. The findings also revealed that inorder to achieve compatibility that is long-term, then strategic planning should be a proactive process of help This review was significant to the study as itrelates with the study’s objective on strategic.

Another study conducted by Njoroge (2018), on the effect of strategic planning on organization performance of planning firms in Nairobi CBD. The target population for the study wasevent planning firms in Nairobi CBD. The study adopted the use of descriptive design. Additionally, a non-probability purposive sampling method was used to select the sample size.primary data was collected by use of structured questionnaires. The descriptive and inferential statistics was analyzed with the help of SPSS software. Inferential analysis included the regression and correlation analysis which showed the influence and relationship strategic planning had on performance. Thefindings of the study expose a strong relationship between strategic planning and organization performance. It was recommended that firms should take into consideration all the steps in the strategic planning process to improve on the performance.

Another study conducted by Ali and Wambua (2019), on strategic management practices and performance of Mandera County government, Kenya. The purpose of the Exploration was to determine the effect fo strategic management practices on performance of Mandera County government, Kenya. The study adopted the descriptive survey design, with a target population of 70 employees. The data was collected by use of structured questionnaires. SPSS software was used to analyze the collected data. The analysis included inferential and
descriptive analysis. Descriptive analysis compared variables numerically while inferential employed correlation and regression to assess the degree of influence. The findings revealed that adaption of technology led to development of new services, functions and new alliances with other organization. It was concluded that it is important for organizations to conduct strategic planning to help them organize themselves better.

2.3.2 Strategic Partnership and Organization Performance

Strategic partnership refers to a relationship between two commercial enterprises the relationship is formalized through a business contrac. Companies form the partnerships when they possess assets or expertise that will be of benefit to the other partner (Mowery, Oxley, & Silverman, 1996). Companies forming strategic partnerships can utilize their strengths not only for their own benefit but also to strengthen their new partners in the long-run.

A study conducted by Wanjiku (2016), on the effect of partnership strategies on performance of commercial banks in kenya. The purpose of the study was to establish the effect of strategic partnerships on the performance of commercial banks in Kenya. a total of 42 banks were included in the study. Primary data was collected for purpose of analysis and questionnaire was used as the instrument for data collection. The researcher was able to achieve a response rate of 88%. Data was analyzed using simple linear regression. The result findings indicate that 54.7% variation in the performance of commercial banks is determined by strategic partnerships, and 65.9% of change in performance attributed to a unit change in partnership strategy. The conclusion that strategic partnership had a positive and significant effect on performance.
Another study was conducted by Muthee (2019), on determinants of partnership practices and performance of selected technical vocational and training education institutions in Nairobi City County, Kenya. The study concentrated on infrastructure, brand status, and credit transfers. The descriptive research design was used in the study. Primary data was used for the study and was collected by self-administered questionnaires. Data was analyzed through descriptive and inferential statistical forms. The findings indicated strategic partnerships in credit transfers enhanced competitiveness. The relationship between strategic partnership and performance was positive and statistically significant. It was concluded that forming alliances is an easier way of service providers being able to meet customers needs. The alliances though should be purposive and tactical. It was argued that alliances can effectively be used to achieve competitiveness and growth for the training institutions.

Muteshi, and Awino (2018), conducted a study on strategic alliances and performance of food and beverage manufacturing companies in Kenya. The study target population was 125 largescale food and beverage manufacturing companies. Primary data was the main source for data for the study. The instrument used to collect the data was self-administered semi-structured questionnaires. The alternative hypothesis that strategic alliance has on performance was tested. SPSS software was used to analyze the data. The results from the analysis indicated that the relationship between strategic alliances and performance was insignificant. Therefore, performance of the beverage manufacturing companies were not being influenced by strategic alliances.

2.3.3 Expansion Strategy and Organization Performance

Expansion strategy refers to a growth strategy identifying and developing new market segments for current products. It targets non-buying customers in the already existing
segment and getting new clients for new segments. The strategy deals with market expansion through capturing of new users for the product, or diversifying the use of already existing products. Expanding the market is beneficial to a company as it gets them new customers, increases the revenue and grows the company in terms of market share, leading to competitive advantage.

A study conducted by Nzomo (2019), on the effects of expansion strategies on performance of insurance industry in Kenya. The purpose of the study was to establish effect of diversification strategy, product development strategy, penetration strategy on performance of insurance companies. A correlational survey design was employed for use in the study. The census method was used to determine the size of the respondents. The findings indicate that both diversification strategy, product development and penetration strategy had a positive significant effect on performance. It was also found that 63.7% of organization performance was influenced by expansion strategy. It was concluded therefore that efforts should be made to enhance diversification, product development and penetration strategies by the firms to enhance their performance.

Another study was conducted by Ate (2018), on implementation of expansion strategy at KCB group public limited company, Kenya. The study adopted the use of case study research design. Primary data was used for the study were the instrument for data collection used as the interview with the help of an interview guide. Content analysis was used to analyze the collected data. The study established that expansion strategy implemented at KCB used bottom approach. It was also revealed that training was being as a tool for aligning bank structure and culture to the expansion strategy implementation. The study
also highlighted that challenges were faced when trying to implement an expansion strategy. Recommendation for proper and adequate training for the employees was made.

Gure and Karugu (2018), conducted a study on strategic management practices and performance of small and micro enterprises in Nairobi City County, Kenya. The study focused on focus strategy, differentiation strategy, cost leadership on performance of SMEs. The study used the descriptive research design. Primary data was collected by use self-administered, semi-structured questionnaires. Data analysis was conducted by use of descriptive and inferential statistics with the help of SPSS software. The results indicated that all the independent variables significantly influenced organization performance of SMEs in Nairobi City County. The variables explained 85.11% of the changes in organization performance. It was therefore concluded that expansion strategies under strategic management were positive and statistically significant.

2.3.4 Customer Focus and Organization Performance

Consumer focus is an approach by the travel and tours agencies to manage their interaction with current and potential customers. The agencies collect their customer data and use data analysis of their customer history with them to improve how they relate with them. They focus specifically on customer retention and capturing new ones to increase sales.

Research carried out by Kavulya, Muturi, Rotich and Ogollah (2018), on the effect of customer focus strategy on the performance of SACCOS in Kenya. The study used the cross-sectional survey with a descriptive research design. Semi-structured questionnaire was used to collect primary data. The descriptive analysis technique was employed on the collected data. The results show that correlation analysis indicated that customer focus
strategy was positively and significantly relassociated to performance. At the same time, the regression analysis also exposed the fact that customer focus had a positive and significant effect on performance of SACCOS in Kenya. The researchers recommended that SACCOS to provide quality services to customers as it will create confidence of the customers with the firm. The firms were also encouraged to provide friendly customer-management relationship.

A study carried out by Mbithe and Kilika, (2017) on external environment and the implementation of customer focus strategy in Equity bank Kenya, limited. The sample size was 54 staff which was 50% of the target population. Descriptive research was used and primary data was collected by use of a close-ended questionnaire. The quantitative data was analyzed by the help of the SPSS software whereas content analysis was used to analyze the qualitative data. The findings reveal that employee training have an influence on customer focus strategy implementation as well as encouraging seminars and workshops between the staff and management. It was recommend that bank management ought to encourage employee workshops as well as branding their banks in a way that customers would like to be associated with them.

Another study was conducted by Kafko (2017), on effect of customer relationship management on marketing performance of commercial banks in Kenya. The study adopted the descriptive research design. Purposive sampling technique was used to select the respondents. Survey questionnaires was used to collect data which was later analyzed by use of the SPSS software. Multi regression analysis established the relationship between the study variables. The findings revealed a significant relationship between customer
orientation strategies and performance. The study recommends firms to put in place customer orientation strategies as they lead to increased performance.

2.4 Research Gaps

An empirical review is important when conducting a study as it gives the researcher the opportunity to look at other similar studies, identify how other researchers conducted their studies. The reviewed literature exposed gaps. Most of the reviewed research were also carried out in other countries thus, their findings cannot be generalized for Kenya. Table 2.1 gives a brief description of the studies, stating their findings, conclusions and the identified research gaps.
Table 2.1: Research Gaps

<table>
<thead>
<tr>
<th>Author &amp; Year</th>
<th>Topic of Study</th>
<th>Findings</th>
<th>Research Gaps</th>
<th>Focus of Current Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Njoroge, 2018)</td>
<td>Effect of strategic planning on organization performance of event planning firms in Nairobi CBD.</td>
<td>Effective strategic planning has a significant influence on a company’s performances.</td>
<td>The study used the cross-sectional study design.</td>
<td>The study used descriptive research design.</td>
</tr>
<tr>
<td>(Muthee, 2019)</td>
<td>Determinants of partnership practices and performance of selected technical vocational and training education institutions in Nairobi City County, Kenya.</td>
<td>Strategic partnership influences performances of the technical vocational and training education institutions.</td>
<td>The study focused on the education industry.</td>
<td>The study focused on the travel and tour industry.</td>
</tr>
<tr>
<td>(Nzomo, 2019)</td>
<td>Effects of expansion strategies on performance of insurance industry in Kenya.</td>
<td>Market development and expansion enhances the competitiveness of organizations</td>
<td>The study focused on performance of insurance companies.</td>
<td>The study investigated travel and tour agencies.</td>
</tr>
<tr>
<td>(Kafko, 2017)</td>
<td>Effect of customer relationship management on marketing performance of commercial banks in Kenya.</td>
<td>Customer focus is an important factor when it comes to enhancing the competitive advantage of an organization.</td>
<td>The study lacked conceptualization.</td>
<td>The study provided clear conceptualization.</td>
</tr>
<tr>
<td>---------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>-----------------------------------</td>
<td>----------------------------------------</td>
</tr>
<tr>
<td>(Macharia &amp; Makhamara, 2019)</td>
<td>Strategic planning and organization planning in the ministry of foreign affairs in Kenya.</td>
<td>Managers are the key drivers for successful strategic planning and implementation.</td>
<td>The study focused on the public sector.</td>
<td>The study will focus on travel and tour agencies which are in the private sector.</td>
</tr>
<tr>
<td>(Muteshi &amp; Awino, 2018)</td>
<td>Strategic alliances and performance of food and beverage manufacturing companies in Kenya.</td>
<td>Alliances should be purposeful and tactical with the aim of meeting the needs of customers.</td>
<td>The study focused on food and beverage companies.</td>
<td>The study focused on travel and tour agencies in Kenya.</td>
</tr>
</tbody>
</table>

Source: Literature Review
2.5 Conceptual Framework

The framework provides a vivid visual description exposing the link existing between the independent and dependent variables (Mugenda & Mugenda, 2011). The conceptual framework for this study showed the relationship between strategic management practices which are the independent variables and that of organizational performance, the dependent variable. This research’s dependent variables included: strategic planning, strategic partnerships, expansion strategy and customer focus. Each of the variable had its own indicators. While the dependent variable for the study was organization performance which also had its own indicators. Figure 2.1 illustrates the connection between the variables.
Figure 2.1: Conceptual Framework

Source: Researcher, (2020)

Independent Variable

Strategic planning
- Scenario Planning
- Strategic Objectives

Strategic Partnerships
- Collaborations
- Technology transfer

Expansion Strategy
- Market Growth
- Establishing Customer Niche

Customer Focus
- Customer Database
- Customer metrics

Organizational Performance
- Revenues
- Market share

Dependent Variable

Framework
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

The chapter includes, the target population for the study, data collection method and instrument as well as the data collection procedure. The method for analyzing data and presenting the data was clearly elaborated on in this chapter, as well as the method for testing for the validity and reliability of the data collection instruments.

3.2 Research Design

This establishes the basis for data collection and analysis in research (Cooper & Schindler, 2009). Research design guides on ways for collecting data, analyzing the data that is collected as well as acquiring answers to different questions that arise. The descriptive method of research was used for this investigation. The descriptive method was best suited to help in this investigation since the researcher was able to gather a wide range of data which helped in facilitating the comparison of the study variables (Robson, 2002). Descriptive research design is a structured method specifically designed for measuring described characteristics in a research question. For this study, descriptive design method was found suitable for identifying the correlation that existing between the independent and dependent variables. That is, influence of strategic management practices on organizational performance of travel and tour agencies in Nairobi City County.

3.3 Target Population

It refers to items or events of interest that have similar characteristics, or a group of individuals that are to be subject of interest for the research (Kothari, 2011). The population
used for this exploration was 19 travel and tour agencies which are KATO members, facing extreme challenges on organizational performance, and are active members of KATO based in Nairobi County.

The research target population were four top managers from each of the selected agency, totaling 76 managers. The top managers of the agencies included; a general manager, operations manager, finance manager, and marketing manager from each agency, giving a total of 4 managers from each agency. The total number of respondents was therefore 4 managers from each agency for all the 19 agencies totaling to 76 respondent. Appendix (III) contains the list of the selected agencies. The reason for selecting the managers to be the respondents was because they are more knowledgable about strategic issues and are able to formulate strategies effectively compared to other staff.

Table 3.1: Target population

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Target population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category A</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>Category B</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Category C</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Category D</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>Category E</td>
<td>7</td>
<td>28</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>19</strong></td>
<td><strong>76</strong></td>
</tr>
</tbody>
</table>

Source: KATO (2019)
3.4 Sample and Sampling Technique

The census method was used to collect data from the target population. The 76 managers from the selected agencies became the respondents for the exploration. Using the census method allowed inclusion of all the managers to be used as unit of observation. A small sized sample makes the census method more effective (Mugenda & Mugenda, 2003). The method was considered to be more appropriate for the study as it is more reliable and accurate as it eliminates instances of error brought about by sampling (Mugo, 2002).

3.5 Data Collection Procedures/ Instrument

Primary data was collected for use in this research. The data collected was then used to make inferences and conclusions regarding the study population. According to Kothari, (2011), data collection is the practice of assembling empirical evidence that will be used to attain new or add more insights on a particular issue and provide solutions to research problems. For the actual process of collecting data, instruments which were semi-structured questionnaires were adequately prepared to aid in the process. The semi-structured were self-administered. The decision to use this instrument was reached upon based on the fact it is cheap yet effective compared to other methods. Numerical values from the results of the data were then assigned numbers 1 to 5 from a Likert scale, for ease of interpretation. The instrument for data collection had six sections in which each section had its own set of questions that required the respondents to answer accordingly. A letter of authorization permitting the researcher to collect data was sought from Kenyatta University’s Graduate school, and another one from NACOSTI. After dropping the questionnaires, the respondents were left with them and the researcher went back and picked them later on an agreed date.
3.6 Piloting Study

This research’s pilot study was conducted in Kiambu County. The main purpose for conducting it was testing the reliability of the instrument to be used for collecting data process. Eight travel and tour agencies in Kiambu, County were involved in the process. The eight agencies represented 10% of the main investigation. The pilot study sample should be 10% of the sample main exploration (Connelly, 2008). Using a small sample for the pilot study will help the researcher save on time and operate within the set budget. The respondents for the pilot study included four top managers from the travel and tour agencies in Kiambu, County; general managers, customer relation managers, marketing manager and finance managers. Therefore, the respondents amounted to 8 managers. Conducting a pilot test helped the researcher in testing validity of the instrument, giving room for adjustments to be made in advance. Pilot tests help in identifying errors present in the questionnaire, giving room for corrections to be made before the actual data collection process.

3.6.1 Validity of the Research Instrument

The instrument to be used during the research process is usually tested check on its accuracy before being put to actual use. This test tests whether the instrument is valid or not. The accuracy of the data collection instrument is what is referred to as validity. The validity of the instrument gauges whether or not the instrument will be able to measure that which it is intended to measure and how truthful the results will be (Golafshani, 2003a). Both construct and content validity ensured the instrument’s validity for the study. To cater for content validity, the questionnaires were given only to strategic management experts including supervisor for reviewing the work regularly. Construct validity was also achieved
through reviewing of empirical and theoretical review which helped in giving deeper insight on the research’s concepts.

### 3.6.2 Reliability of the Research Instrument

The consistency of the study’s results over time and its accurate representation of the total population is referred to as reliability of the instrument (Golafshani, 2003b). For the instruments to be considered reliable, consistency with which questionnaire questions are answered should remain constant. This constitutes to the stability of the instrument. It is therefore, the repeatability of a research instrument. Cronbach alpha was then used to measure the instrument’s reliability. A 0.7 and above coefficient was found to be acceptable (Mugenda & Mugenda, 2013).

### 3.7 Data Analysis and Presentation

Data analysis is the process of extracting meaningful material from the raw data collected (Kombo & Tromp, 2006). After data collection, the instruments were then checked for their lucidity and level of completion. This helped in ensuring consistency of the data was enough for it to be analyzed. The data was then edited, classified and coded ready to be analyzed. Descriptive statistics analysis was employed in this research to analyze the data as it provided statistics such as standard deviation, frequencies and mean. The study also adapted the use of inferential analysis within the multi-regression model. The model shows degree of influence between the study variables. The model is presented below.

\[ Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon \]

Y=Performance

\( \beta_0 \)=Constant

\( X_1 \)=Strategic planning
More so, the qualitative data was analyzed through content analysis. Tables, pie charts and graphs was used to present the analyzed data.

3.8 Ethical Considerations

Ethics refer to the norms or standards acceptable by the society that an individual is expected to uphold. They distinguish between right and wrong. Ethical considerations help in determining what are acceptable behaviors and the behaviors that are not acceptable. Ethical standards guide people from falsifying or fabricating the data collected, and also guides on how one should relate with the respondents, for example by seeking their consent for them to participate in your study. The researcher upheld all the expected ethical considerations when conducting this study by getting permits from all the necessary bodies and seeking consent from the respondents. The researcher also assured the respondents of confidentiality and made it clear to them that the purpose of the investigation was purely academic, no question that would cause them psychological harm was asked.
CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF RESULTS

4.1 Introduction

This chapter presents the crucial results of the findings of the study. The study aimed at analyzing the effect of strategic management practices on the performance of travel and tour agencies in Nairobi City County, Kenya. The data that was collected from different respondents who included the operations managers, customer relations managers, marketing managers and finance managers helped in computing the research findings. The findings were based on the facts gotten from the questionnaires administered to the respondents.

4.1.1 Response Rate

The results of the analysis presented in table 4.1 show that out of the 76 questionnaires that were handed out to the various respondents of the study, who were the managers of the selected travel and tour agencies, 57 were dutifully filled and the researcher was able to get them back. The returned questionnaires accounted for 75%, the 19 questionnaires that were not returned made up for the remaining 25%. The response rate of 75% was good enough to warrant the researcher to progress to analyze the data. A response rate above 50% is adequate enough for an analysis to be made if the research is in the social science field (Mugenda & Mugenda, 2013).
Table 4.1 Response Rate

<table>
<thead>
<tr>
<th>Respondent Category</th>
<th>Administered Questionnaires</th>
<th>Returned questionnaires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations managers</td>
<td>19</td>
<td>13</td>
</tr>
<tr>
<td>Customer relations managers</td>
<td>19</td>
<td>13</td>
</tr>
<tr>
<td>Finance managers</td>
<td>19</td>
<td>13</td>
</tr>
<tr>
<td>Marketing managers</td>
<td>19</td>
<td>18</td>
</tr>
<tr>
<td>Total</td>
<td>76</td>
<td>57</td>
</tr>
</tbody>
</table>

Source: Field Data (2020)

The fact that the investigator was able to achieve quite a high response rate can be attributed to the fact that ethics were put into consideration. Another factor that could have played a role in achieving the high response would be the fact that the investigator assured the respondents that the purpose for the study was purely academics and the findings would not be used elsewhere and also, the fact that the respondents were assured of confidentiality of the responses they were going to give. The response rate shows that the respondents were convinced and they therefore went ahead to provide information that was needed for the analysis.

4.1.2 Reliability of the Instrument

The reliability of the research data collection instrument was scrutinized by using the data collected from the questionnaires from the pilot study. The internal consistency of the questionnaires was verified using the computation of cronbach alpha. A cronbach alpha coefficient of above 0.7 was accepted as having a good internal consistency. According to Mugenda & Mugenda (2013), when using the cronbach alpha to test for reliability, a coefficient that is above 0.7 is acceptable for use.
Table 4.2 Reliability analysis

<table>
<thead>
<tr>
<th>Variable</th>
<th>Number of items</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic planning</td>
<td>8</td>
<td>.806</td>
</tr>
<tr>
<td>Strategic partnerships</td>
<td>8</td>
<td>.801</td>
</tr>
<tr>
<td>Expansion strategy</td>
<td>8</td>
<td>.786</td>
</tr>
<tr>
<td>Customer focus</td>
<td>8</td>
<td>.815</td>
</tr>
<tr>
<td>Organization performance</td>
<td>6</td>
<td>.798</td>
</tr>
</tbody>
</table>

Source: Survey Data (2020)

Table 4.2 gives the cronbach alpha result of the study variables which included strategic planning, strategic partnership, expansion strategy, customer focus and organization performance. The table shows that the cronbach’s alpha of all the variables were above the minimum requirement coefficient of 0.7. As per the above presented results in table 4.2, the data collection instrument had a strong internal consistency and was therefore appropriate for use.

4.2 Descriptive Analysis

Descriptives statistics help in elaborating the level of agreement of the respondents with regards to the practice of strategic management practices. The statistics also help specifically in understanding the patterns of data distribution. For this part of the analysis, simple descriptive statistical tools were put to use to bring out the results as presented by the respondents.
4.2.1 Demographic Information

Bio-data of the respondents that was collected for analysis during the data collection is illustrated in this section. It includes their gender, age bracket, level of education and their job level in the agency.

Figure 4.1 Respondents gender distribution
Source: Survey Data (2020)

As illustrated in the above figure 4.1, majority of the respondents for this study were male who were 31 accounting for 54.4% while the female respondents were 26, representing 45.6%. This shows that majority of the respondents in managerial positions in the agencies in Nairobi City County are male. This could also be attributed to the fact that in our African culture, some jobs like managerial positions have been stereotypically believed to belong to a specific gender. However, as per the results from the figure, it shows that the difference between the percentages of males and females is not that wide which shows that steps are being taken to include both male and female gender in such positions. According to Graci (2013), a representation of all gender in organizations is important for their performance.
Figure 4.2 Respondents Age Bracket
Source: Survey (2020)

Figure 4.2 above shows the results analysis of the respondents age bracket. The results show that majority of the respondents, belonged to the age bracket of 31-40 years, which was 50.9%, the age bracket of 41-50 years followed with 21.1%, followed by the age bracket of 18-29 which was 19.3% then the age of 50 and above had the least number of respondents which accounted for 8.7%. This result shows that majority of the managers were quite young energetic and mature. According to the results, it can be stated that most agencies employ managers who are still young and youthful as such category are believed to be quite energetic and up to date with the current trends. According to Muya (2018), employees aged between 30-40 years don’t hope from one job to another easily but instead they are more concerned about job stability and in turn work hard in their current positions to achieve their goals and get promotions instead of moving to new workplaces.
The results presented in figure 4.3 show that majority of the participants in the survey were degree holders with a representation of 49.1%. Those that held a postgraduate degree and a diploma certificate followed closely with a representation of 36.8% and 14.1% respectively. From the results, it can be seen that none of the participants had any other form of qualifications. The results go ahead to show that the managers in these agencies are well educated thus, possessing skills adequate enough to enable them accomplish their tasks and make decisions in regards to strategic management practices effectively. The findings concur with Caroline (2017) research findings which stated that employees with adequate skills were able to perform their mandates well.
The analysis of the results as presented in figure 4.4 show that 22.8% of the survey participants were operations managers, 22.8% and 22.8% were represented the finance and marketing managers respectively, while 31.6% were the customer relations managers. The results imply that the participants were almost equally distributed. These finding are in agreement with a study conducted by Vincent (2016) which stated that equitable position distribution encourages proper coordination and freeflow of feedback in an organization.
4.2.2 Strategic Planning

The travel and tour agencies in Nairobi City County, are exposed to many factors that affect their performance. These factors are diverse and cut across both political, economic, financial social as well as natural factors. They affect the performance of these agencies both directly and indirectly if not properly managed. Strategic management practices help in managing such factors hence prevent the agencies performance from being serverley affected. Therefore, this exploration sought to asses the level to which agencies in Nairobi practice strategic planning. The measures for the strategic planning were put in a likert scale that ranged from 1 which represented strongly disagree to 5 which represented strongly agree, and 2, 3 and 4 in between representing disagree, neutral and agree respectively. The results from the analysis are presented in table 4.3 below.
Table 4.3: Strategic Planning

<table>
<thead>
<tr>
<th>Statement</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>All head of departments are well trained on formulating scenario planning.</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>4.11</td>
<td>.489</td>
</tr>
<tr>
<td>The strategic objectives of the agency aligns with the mission and vision</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>4.19</td>
<td>.560</td>
</tr>
<tr>
<td>Balance scorecards are used to track accomplishments of the objectives.</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>3.95</td>
<td>.548</td>
</tr>
<tr>
<td>All the staff are aware of the strategic plans of the agency.</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>4.23</td>
<td>.512</td>
</tr>
<tr>
<td>Setting strategic plans increase performance of the agency.</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>4.12</td>
<td>.629</td>
</tr>
<tr>
<td>There are specific structures and processes to plan and control strategic plans in a systematic way</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>3.82</td>
<td>.495</td>
</tr>
<tr>
<td>It is the responsibility of every head of department to formulate strategic plans that would affect the agency’s performance.</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>3.64</td>
<td>.476</td>
</tr>
<tr>
<td>Strategic planning is considered a major factor contributing to the organization’s performance</td>
<td>57</td>
<td></td>
<td></td>
<td>3.978</td>
<td>.535</td>
</tr>
</tbody>
</table>

Valid N (listwise)

Mean

Source: Survey Data (2020)

The result analysis of response about strategic planning by travel and tour agencies in Nairobi City County is summerized in table 4.3. The means and standard deviations for each
statement is given. A mean of 4 and above give an indication that the respondents were in agreement with the statement, while a mean of 3 to 3.99 indicated that they neither agreed nor disagreed with the statement. From the table above, majority of the respondents agreed that head of staff were well trained on formulating scenario planning inorder to promote performance with a mean of 4.11 and a standard deviation of 0.489. The statement that the strategic plans of the agency align with its mission and vision was also agreed on by majority of the respondents with a mean of 4.19 and a standard deviation of 0.560. These results tally with Waweru and Omwenga (2015), study which record that for an organization’s performance to improve, the strategic plans should align with the objectives and there should be communication and internalization of the mission and vision. However, the respondents did not support the statement that balance scorecard was used to track progress of the objectives as the mean of the statement was 3.95 and its standard deviation 0.548.

The respondents agreed with the statement that all staff were aware of the strategic plans of the agency, as it had a mean of 4.23 and a standard deviation of 0.512. Majority of the respondents also agreed that setting strategic plans increased performance. The statement had a mean of 4.12 and a standard deviation of 0.629. However, the statement that there were structures to plan and control strategic plans in a systematic manner had a mean of 3.82 and a standard deviation of 0.495 which means that majority of the respondents neither agreed nor disagreed with the statement. As a mean ranging from 3 to 3.99 indicate neither agree nor disagree. The statement that it was the responsibility of every head of department to formulate strategic plans that would affect the agency’s performance had a mean of 3.64 and a standard deviation of 0.476 which shows that majority of the respondents were neutral with the statement. The study findings by Maina (2018) tally with these study findings
that strategic planning is only moderately practiced but it has a significant influence on performance.

Additionally, the statement that strategic planning was considered a major factor contributing to the organization’s performance had a mean of 3.76 and a standard deviation of 5.67 indicating that majority neither agreed nor disagreed. With the overall mean of the strategic planning being 3.98, which indicated that majority of the respondents were neutral with it being applicable to their agency. This generally goes ahead to show that few of them agree that travel and tours agencies in Nairobi practice bits of strategic planning supported by all the statements that had a mean of ≥4, however, the results in the table depicts a reflection that majority of the respondents neither agreed nor disagreed with most statements which had means of <4. This gives a reflection that strategic planning is only moderately practiced by travel and tour agencies in Nairobi, County. Research findings by Theuri (2015), are in agreement with the current discovery that strategic planning analyses an organization’s current position and its capabilities and ultimately improve its efficiency in pursuit of its objectives, mission and vision.

4.2.3 Strategic Partnership

Strategic partnership helps agencies work well together with other players within the industry as well as with organizations in other industries in order to achieve a desirable output. This is particularly important as no organization operates in a vacuum. Therefore, the researcher wanted to establish the level to which strategic partnership was practiced to aid the performance of travel and tours agencies in Nairobi City County. The respondents had to rate various statements on strategic partnership which were given on a likert scale
that ranged from 1 to 5 which represented strongly disagree to strongly agree. Table 4.4 below gives a representation of the analysis of the responses given.

Table 4.4: Strategic Partnership

<table>
<thead>
<tr>
<th>Statements</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing policies make it hard for agencies to collaborate.</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>3.96</td>
<td>.498</td>
</tr>
<tr>
<td>Positive governments relationships promote international collaborations.</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>4.32</td>
<td>.540</td>
</tr>
<tr>
<td>Having partners promotes technology transfer and cushions against unnecessary risk.</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>3.90</td>
<td>.500</td>
</tr>
<tr>
<td>The agency has clear communication with all its partners</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>3.88</td>
<td>.483</td>
</tr>
<tr>
<td>Having many partners leads to coordination difficulties</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>4.18</td>
<td>.601</td>
</tr>
<tr>
<td>The roles of all the partners are clearly defined.</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>4.16</td>
<td>.591</td>
</tr>
<tr>
<td>The interest of all the partners are put into consideration when making a decision</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>4.14</td>
<td>.549</td>
</tr>
<tr>
<td>You are satisfied by how the agency benefits from its partners.</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>3.87</td>
<td>.548</td>
</tr>
</tbody>
</table>

Valid N (listwise)                                                                 |
Mean                                                                                         | 4.05 | .539 |

Source: Survey Data (2020)
Table 4.4 above shows the analysis of the responses on strategic partnership as per the travel and tours agencies in Nairobi City County. According to the mean of the statement that existing policies made it hard for agencies to collaborate which was 3.96 and a standard deviation of 0.498, this shows that majority of the respondents did not support the statement as most neither agreed nor disagreed as represented by a mean of less than 4. However, majority of them agreed on the statement that positive government relations promoted international collaborations which was represented by a mean of 4.32 and a standard deviation of 0.540. These findings were in agreement with the results of the study conducted by Omari (2015), Esther (2018), which state that intergovernmental collaborations promote positive performance globally through investments by multinational firms. Majority of the respondents however failed to support the statements that partners promote technology transfer and cushion the agency against unnecessary risks and another statement saying the agency had clear communication with all its partners, these two statements had means of 3.90 and 3.88 and standard deviations of 0.500 and 0.483 respectively. Another statement that the respondents neither agreed nor disagreed on was that they were satisfied by how the agency was benefiting from its partners, it had a mean of 3.87 and a standard deviation of 0.548.

However, majority of the respondents agreed with the statement that having many partners often lead to coordination difficulties, the statement had a mean of 4.18 and a standard deviation of 0.601. A mean of ≥4 the respondents agree on the statement. The findings agree with Mworia (2009), findings which found out that there’s coordination challenges in strategic alliances as it is hard agreeing on mutually beneficial and fair deal structure which creates trust issues, which challenges performance. The statements that the roles of the partners were clearly defined and the needs of the partners were put in consideration before
making a decision was agreed on by the respondents as they had a mean of 4.16 and 4.14 respectively and standard deviations of 0.591 and 0.549 respectively. The findings concur with research conducted by Waweru and Omwenga (2015), findings which show that organizations should relate with all its partners and maintain the support by taking their interest into consideration and try to balance them in an effort of promoting successful performance.

The table shows that the overall mean of strategic partnership was 4.05 which goes to show that majority of the respondents agreed on majority of the statements which had means of ≥4 the statements with these means overshadowed the few that had means of <4. This generally shows that majority of the travel and tours agencies in Nairobi practiced strategic partnership. The response was in agreement with research findings by Maina (2018), who stated that organizations engage on partnerships for diverse reasons such as lessening uncertainties and attaining competitive advantage in order to increase profits and market value. The overall responses from the participants indicate that strategic partnerships influence organization performance of travel and tours agencies in Nairobi County.
The analysis results presented in figure 4.5 establishes that 21 out of the 57 respondents responded by stating that the agency tries to balance the needs of all its partners by involving all of them in the decision making process. This results concur with those from the study by Omari (2015), which stated that for successful organization performance required the involvement of all stakeholders in decision making. From the results, it was also discovered that sixteen of the participants felt like regular meetings held in the agencies helped in balancing their needs as through the meetings, their expressed their views, expectations and desires. While the remaining 20 out of the 57 of the respondents felt like by the agencies giving out shares to the stakeholders helped in balancing their needs.
4.2.4 Expansion Strategy

The travel and tours agencies venture into different markets and diversify the services they offer to their customer. For this reason, the researcher set to assess extent to which the agencies in Nairobi City County set their expansion strategies. Participants were required to rate statements regarding expansion by ticking where appropriate on a Likert scale. The results of the analysis is presented in table 4.5 below.
Table 4.5: Expansion strategy

<table>
<thead>
<tr>
<th>Statements</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer dynamism and preference influence the expansion strategy an agency adopts.</td>
<td>57</td>
<td>2</td>
<td>5</td>
<td>4.12</td>
<td>.683</td>
</tr>
<tr>
<td>There are many regulations that limit venturing into new markets</td>
<td>57</td>
<td>2</td>
<td>5</td>
<td>3.97</td>
<td>.651</td>
</tr>
<tr>
<td>Agencies gain competitive advantage when they explore new markets</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>4.11</td>
<td>.564</td>
</tr>
<tr>
<td>Agencies that venture into international markets are more successful.</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>3.86</td>
<td>.527</td>
</tr>
<tr>
<td>Expansion strategies enhance value addition on services provided by the agencies.</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>3.91</td>
<td>.557</td>
</tr>
<tr>
<td>Adequate market research is conducted well before an expansion strategy is adopted.</td>
<td>57</td>
<td>2</td>
<td>5</td>
<td>3.84</td>
<td>.626</td>
</tr>
<tr>
<td>The expansion of this agency is limited by financial constraints.</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>4.12</td>
<td>.569</td>
</tr>
<tr>
<td>The agency has diversified its services into the international market.</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>3.81</td>
<td>.557</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>57</td>
<td></td>
<td></td>
<td>3.97</td>
<td>.592</td>
</tr>
</tbody>
</table>

Source: Survey Data (2020)
The results of the analysis on expansion strategy are presented on table 4.5 above. From the table, it is seen that majority of the participants agreed on the statement that expansion strategies were influenced by customer preference and dynamism. The statement had a mean of 4.12 and a standard deviation of 0.683. Another statement that majority of the participants agreed with was that agencies gained competitive advantage when they ventured into new markets, which had a mean of 4.11 and a standard deviation of 0.564. These findings agree with the study conducted by Afande (2013), which state that venturing into new markets or targeting a specific market segment helps an organization remain competitive.

The participants also agreed on the statement that the agencies expansion efforts were constrained by shortage in finances, this statement had a mean and standard deviation of 4.12 and 0.569 respectively. All these statements had means of above 4, indicating that the respondents agreed.

However, majority of the participants did not support the statement that there were many regulations that limited venturing into new markets, it had a mean of 3.97 and a standard deviation of 0.651. The statement that agencies that ventured into international market had participants neither agreeing nor disagreeing as it also had a mean of less than 4 its mean was 3.86 and standard deviation of 0.527. The participants again did not support the statement that expansion enhance value addition of the services the agency provided, this was represented by a mean of 3.91 and a deviation of 0.557. These findings correspond with findings from the study carried out by Mbithi, Muturi and Rambo (2015), which agreed that expansion strategy enhanced value addition of service provided but was only moderately practiced in the sugar industry. with. As shown in the table, majority of the participants neither agreed nor disagreed on the statement that they conduct adequate market research before adopting an expansion strategy, the mean was 3.84 and a deviation of 0.626.
The overall mean of the variable expansion strategy shows that the respondents neither agreed nor disagreed as it was < 4 it was 3.97. The statements that also had a mean of less than 4 were also many compared to the ones that had means above 4. These show that expansion strategy is only practiced moderately by the travel and tour agencies in Nairobi City County. The results relate with study conducted by Mworia (2009), findings that agree that different factors affect an expansion strategy, such as government policy regulations, technology, legal policies. According to the study, financial constraints limit expansion. Mworia’s study agreed that expansion strategy has an influence on how an organization performs.

![Factors Contributing to expansion failure](image)

**Figure 4.6: Factors contributing to expansion failure**

Source: Survey Data (2020)
The results on the respondents view on the factors that were contributing to the failures of expansion strategies are presented in Figure 4.6 above. 15 out of the 57 study participants gave the response that inconsistencies in following up with the strategies contributed to their failure. Another 21 of the study participants were for the opinion that financial constraints was the reason why expansion strategies were not succeeding. Additionally, respondents stated that vague ideas in the strategies contributed to their failure, this category summed up to 9 out of 57 of the respondents. 12 of the participants on the other hand felt that lack of accountability by those responsible for the expansion strategies contributed to their failure.

![Bar chart showing measures for success of expansion strategies]

Figure 4.7: Measures for success of expansion strategies

Source: Survey Data (2020)
From figure 4.7 above, 18 of the 57 study respondents suggested that for the expansion strategies to become successful, the agencies should then develop ideas which are practical. Another twenty-nine of the participant responded by saying that there should be constant reviews done to track progress as well correct problems as soon as they occur instead of waiting the challenges to build up. The results are in agreement with those by Mburi, Mutwiri and Rambo (2015), who stated that failure to do constant reviews contributed to failure. The researchers further made the conclusion that reviews should be made regularly to assess progress. 10 of the participants out of the 57 were for the idea that all stakeholders should be involved in the whole process right from formulation to the implementation process.

4.2.5 Customer Focus

Customer focus is an important component aiding performance of travel and tours agencies. The researcher set out to establish levels to which it is practiced by the travel and tours agencies in Nairobi City County. A likert scale was provided and participants were requested to rate responses. The results of the response analysis is presented in table 4.6 below.
Table 4.6: Customer focus

<table>
<thead>
<tr>
<th>Statements</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The agency has an effective way of measuring customer metrics.</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>4.25</td>
<td>.576</td>
</tr>
<tr>
<td>The needs of the customers are well researched and are given attention</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>3.97</td>
<td>.484</td>
</tr>
<tr>
<td>All the staff are empowered to serve the customers well.</td>
<td>57</td>
<td>2</td>
<td>5</td>
<td>4.16</td>
<td>.591</td>
</tr>
<tr>
<td>The customers are well engaged and have a clear channel for giving their feedback.</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>3.74</td>
<td>.459</td>
</tr>
<tr>
<td>The agency has invested in a quality customer relationship technology</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>3.98</td>
<td>.560</td>
</tr>
<tr>
<td>Services are customized to meet the needs of the customers</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>4.12</td>
<td>.649</td>
</tr>
<tr>
<td>Having customer relationship management leads to successful customer interaction.</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>4.15</td>
<td>.595</td>
</tr>
<tr>
<td>Customers information is kept safe and is well protected.</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>3.98</td>
<td>.568</td>
</tr>
<tr>
<td><strong>Mean</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>57</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Survey Data (2020)
Table 4.6 gives a summary of the analysis of customer focus as responded by the participants of the study. From the table, it is seen that majority of the participants agreed to the statement that the agency had an effective way of measuring customer metrics as this had a mean = 4.25 and a standard deviation = 0.576. However, the statement that the needs of the customers were well researched and given priority had a mean of less than 4, which indicates that only few participants agreed with it and majority neither agreed nor disagreed. Its mean was 3.97 and standard deviation = 0.484. Majority of the respondents agreed with the statements that the staff were well prepared to handle customers well and that the agency had invested on quality customer relationship management. The means of the statements were 4.16 and 4.11 respectively and standard deviations of 0.591 and 0.630 respectively.

The findings run parallel with those by Kangogo, Musiega and Manyasi (2013), which agree that in the tourism sector, customer satisfaction affects positively the performance of an organization through increased purchase, customer retention, increases referrals and also reduces customer complaints.

The mean = 3.74 and standard deviation = 0.459 shows only a few number of those involved in the survey supported the statement that customers were well engaged and had a clear channel for giving feedback. Additionally, the statement that services were customized to meet the needs of the customers had a mean = 3.98 and standard deviation = 0.560, indicating that only a few respondents agreed on it and the majority neither agreed nor disagreed. The mean of 4.12 and standard deviation of 0.649, indicate that majority of the respondents agreed with the statement that having customer relationship management led to successful customer interaction. These agree with the findings by Kilonzo (2014), study findings which
agreed that customer focus was strongly related to performance of organizations in the tourism sector in Kenya. Additionally the mean=4.15 and standard deviation =0.595, also show that the majority of the respondents supported the statement that customer information was well protected and kept safe.

The overall mean for the variable customer focus was 3.98 which shows that majority of the participants neither agreed nor disagreed with majority of the statements as only a few had a mean of above 4.00 The interpretation of this is that the participants agreed that customer focus was practiced but only at a moderate rate by travel and tours agencies in Nairobi. The findings concur with Kilonzo (2014), study findings which customer focus strategy is one key factor strongly correlated to organization performance. Kilonzo Further highlighted that customizing products to meet the needs of customers increases their loyalty and hence influence organization performance positively.

![Customer reward system](image)

Figure 4.8: Customer reward system
Figure 4.8 shows that out of the 57 participants, a small number of 11 of those involved in the survey felt that the organization rewarded their loyal customers by giving them loyalty cards which at some point the customers would benefit from. Another section of the participants who amounted to nineteen, responded by saying customers were rewarded by being given free trips by the agencies as a form of rewarding and encouraging them to continue being their customers. 27 of the 57 respondents of the study survey established that their customers were offered subsidized offers which acted as a form of reward to them. These results agree with Mohammed and Rashid (2012) who reported that rewarding customers for their loyalty is an important factor in ensuring they remain customers.

4.2.6 Organization Performance

The researcher set out to assess the performance of travel and tours agencies in Nairobi City County. The participants had to give a response by ticking on an appropriate box on a likert scale. The results of the responses is presented in table 4.7 below.
Table 4.7: Organization Performance

<table>
<thead>
<tr>
<th>Statements</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The asset inflows of the agency are always high compared to asset outflow</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>4.16</td>
<td>.552</td>
</tr>
<tr>
<td>There is focus strategy targeting a few target markets employed in the agency.</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>3.98</td>
<td>.481</td>
</tr>
<tr>
<td>The efficiency of the strategic management practices facilitates a better performance of the agency.</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>3.74</td>
<td>.559</td>
</tr>
<tr>
<td>The agency often engages in new demographics which result to high profits for the agency</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>3.60</td>
<td>.463</td>
</tr>
<tr>
<td>The agency has experienced a shortage of finances in the recent past.</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>4.37</td>
<td>.555</td>
</tr>
<tr>
<td>More effort should be put in to enhance the performance of the agency.</td>
<td>57</td>
<td>3</td>
<td>5</td>
<td>3.89</td>
<td>.555</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>57</td>
<td></td>
<td></td>
<td>3.96</td>
<td>.497</td>
</tr>
</tbody>
</table>

Source: Survey Data (2020)
Table 4.7 displays the results on the analysis on performance of travel and tours agencies in Nairobi county. The mean=4.16 and standard deviation =0.552, indicate that majority of the respondents agreed with the statement that the asset inflows of the agency were high compared to the asset outflows. The results correspond with the findings of which. Majority of the respondents neither agreed nor disagreed with the statement that the agency had a focus strategy aimed at target markets with a mean=3.98 and standard deviation 0.481. The statement that the efficiency of the strategic management practices facilitate better performance had a mean of 3.74 and a standard deviation of 0.559, this shows that the respondents neither agreed nor disagreed with the statement. With the mean 3.60 and standard deviation of 0.463 show that majority of the respondents also failed to agree with the statement. However, majority of the respondents agreed on the statement that the agency had experienced a shortage of finances in the recent past. These results agree with the results findings of Njeru (2013), which stated that financial constraints was among the leading cause of poor performance of tour firmsin Kenya.

The statement had a mean of 4.37 and a standard deviation of 0.555. Additionally, majority of the participants agreed with the statement that more effort had to be put in to enhance the performance of the agency, this was represented with a mean=4.37 and a standard deviation of 0.555. Majority of the mean responses had a mean of less than 4, and only a few statements had their means above 4. The overall mean was 3.96, which did not meet the 4.00. Therefore, implying that the performance of travel and tours agencies in Nairobi City County was not apprehensible. The findings of the study concur with Afande (2013), study that states that there is a significant relationship between the strategic management chosen by an organization and its performance with respect to performance indicators such as
revenue growth, market share growth, total asset growth and the overall performance growth.

4.3 Study Variables Correlation Analysis

The following section presents the details of correlation analysis among the study variables. The degree of bivariate correlation of relationship existing among the dependent and independent variables was determined using the Pearson correlation. The matrix presented in table 4.12 shows the results of the correlation.

Table 4.8: Study Variables Correlation Analysis

<table>
<thead>
<tr>
<th></th>
<th>OP</th>
<th>SP</th>
<th>S₂P₂</th>
<th>ES</th>
<th>CF</th>
</tr>
</thead>
<tbody>
<tr>
<td>OP</td>
<td>Pearson Correlation</td>
<td>1</td>
<td>.686**</td>
<td>.479**</td>
<td>.768**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>57</td>
<td>57</td>
<td>57</td>
<td>57</td>
<td>57</td>
</tr>
<tr>
<td>SP</td>
<td>Pearson Correlation</td>
<td>.686**</td>
<td>1</td>
<td>.704**</td>
<td>.531**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.001</td>
<td>.001</td>
<td>.001</td>
<td>.001</td>
<td>.001</td>
</tr>
<tr>
<td>N</td>
<td>57</td>
<td>57</td>
<td>57</td>
<td>57</td>
<td>57</td>
</tr>
<tr>
<td>S₂P₂</td>
<td>Pearson Correlation</td>
<td>.479**</td>
<td>.704**</td>
<td>1</td>
<td>.647**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.001</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>57</td>
<td>57</td>
<td>57</td>
<td>57</td>
<td>57</td>
</tr>
<tr>
<td>ES</td>
<td>Pearson Correlation</td>
<td>.768**</td>
<td>.531**</td>
<td>.647**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>57</td>
<td>57</td>
<td>57</td>
<td>57</td>
<td>57</td>
</tr>
<tr>
<td>CF</td>
<td>Pearson Correlation</td>
<td>.824**</td>
<td>.482**</td>
<td>.466**</td>
<td>.569**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.001</td>
<td>.001</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>57</td>
<td>57</td>
<td>57</td>
<td>57</td>
<td>57</td>
</tr>
</tbody>
</table>

Correlation is significant at the 0.01 level (2-tailed)

**Independent variables:** Strategic Planning (SP), Strategic Partnership (S₂P₂), Expansion strategy (ES) and Customer Focus (CF).

**Dependent variable:** Organization Performance (OP)
Source: Survey Data (2020)

The results of the analysis presented in table 4.8 show that strategic planning was positively and strongly significantly correlated with performance of travel and tours agencies in Nairobi City County, with $r=0.686$, $p=0.001$ and $\alpha = 0.01$. The positive relationship goes to show that when the management of these travel and tour agencies improved on strategic planning, it resulted in an improved performance of the agency. Organization performance improved in terms of revenues and market shares. These results corresponds with previous study findings by Maina (2018) which stated that strategic planning is essential in organization performance as it has a positive correlation. The study further recorded that aligning the strategic plans to organization goals and objectives is crucial to its performance.

Strategic partnership was also significant and positively related to organization performance of travel and tour with $r=0.479$, $p=0.001$ and $\alpha = 0.01$. The positive relation between the two variables therefore indicate that organization performance of the agencies increased in terms of revenues and market shares when the management concentrated on improving its level of strategic partnership. Thus, strategic management can be said to be an important factor that contributes to the performance of travel and tours agencies. These results of the study are in line with the study conducted by Mbui (2016), Maina (2018) the findings of these studies also indicated that strategic partnerships had significant and positive relationship on organization performance. Mbui argued that partnerships help organization benefit from each other in terms of skill and technology transfer which translates to better performance for the organizations.

On the other hand, expansion strategy also was significant and had a strong positive relationship with the organization performance of the travel and tours agencies in Nairobi
County with $r=0.768$, $p=0.000$ and $\alpha = 0.01$. These results indicate that an improved expansion strategy translated to improved organization performance for the travel and tour agencies. From the agreement by the respondents with this variable, it implies that it plays an important role in organization performance through improving the market share. The findings concur with the study findings by Kariithi (2015), which stated that expansion has a strong positive relationship with organization performance of air travel agents in Nairobi County.

Customer focus on the other hand had $r=0.824$, $p=0.000$ and $\alpha = 0.01$, which suggests that the relationship between customer focus and organization performance was positive and significant. The positive correlation thus point out that when management improved on their customer focus, then organization performance of the agency improved. By the agreement by majority of the participants on this variable, it goes to show that it plays an important role in influencing the performance of the travel and tours agencies in Nairobi County. The findings are corresponding with Kamau (2008), findings which state that customer focus has a strong positive relationship with organization performance of tour operators. Kamau further argued that organizations that invest on quality customer relationship management and customize their services to meet the needs of the customers were more likely to have a better performance. Therefore, it is important for the managers to integrate all these components to ensure proper coordination which will ensure improved organization performance.

4.4 Multi-Regression Analysis

This section presents the results of linear regression analysis. The variables included for the analysis were the independent and dependent variables. The independent variable had four
study variables which were strategic planning, strategic partnership, expansion strategy and customer focus. The dependent variable on the other hand was organization performance. The Analysis of Variance (ANOVA), coefficient of determination ($R^2$) and regression coefficients were determined by incorporating the multi-regression in the analysis. Table 4.13 below shows the results of the multicollinearity test.

Table 4.9: Multicollinearity Test

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.334</td>
<td>.504</td>
<td>4.646</td>
<td>.011</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic Planning</td>
<td>.316</td>
<td>.122</td>
<td>.247</td>
<td>1.659</td>
<td>.044</td>
<td>2.024</td>
</tr>
<tr>
<td>Strategic</td>
<td>.203</td>
<td>.152</td>
<td>.420</td>
<td>4.251</td>
<td>.010</td>
<td>2.505</td>
</tr>
<tr>
<td>Partnership</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.399</td>
<td></td>
</tr>
<tr>
<td>Expansion Strategy</td>
<td>.483</td>
<td>.149</td>
<td>.310</td>
<td>3.965</td>
<td>.002</td>
<td>2.171</td>
</tr>
<tr>
<td>Customer Focus</td>
<td>.549</td>
<td>.124</td>
<td>.563</td>
<td>4.415</td>
<td>.000</td>
<td>1.483</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Project performance
Source: Survey Data (2020)

The results in table 4.9 indicate that there is no multicollinearity symptom among the independent variables as their variance of inflation factors (VIF) all lie between 1 and 9.9, which is the expected margin. The results are also an indication that the predictor variables do not show any exact linear relationship.
Figure 4.9: Normal distribution graph

Source: Survey Data (2020)

Figure 4.9 gives the results of scatter data points. The figure shows that the data was normally distributed as the scatter points are lying close to the line of good fit and are having a clear pattern. According to Criswell(2014), data points close to line of goodness of fit with a clear pattern indicate normally distributed data.
Table 4.10: Model Summary

<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>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.762^a</td>
<td>.581</td>
<td>.567</td>
<td>.37610</td>
</tr>
</tbody>
</table>

a. Predictors: Constant, Customer focus, Strategic planning, Expansion strategy, Strategic partnership

Source: Survey Data (2020)

Table 4.10 gives the results of the correlation coefficient (R), between the dependent variable organization performance and the independent variable strategic management practices. From the table, it is seen that 0.762 was the correlation coefficient of the dependent and independent variables, which shows a strong positive relationship that exists between the independent and dependent variables. The table also gives a result of $R^2 = 0.581$ this means that 58.1% of the organization performance can be influenced by strategic planning, strategic partnership, expansion strategy and customer focus. The organization performance can also be influenced by other factors which were not included for this study that cover the remaining 41.9%.
Table 4.11: ANOVA Analysis

<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>3.416</td>
<td>4</td>
<td>.854</td>
<td>9.825</td>
<td>.000a</td>
</tr>
<tr>
<td>Residual</td>
<td>4.520</td>
<td>52</td>
<td>.087</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>7.937</td>
<td>56</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: organization performance

b. Predictors: (Constant), customer focus, strategic planning, expansion strategy, strategic partnership

Source: Survey Data (2020)

Table 4.11 shows that the significance level was lower than $\alpha = 0.05$, the significance of the ANOVA model was 0.000, with its F value being 9.825. These results mean that statistically, strategic management practices have an effect on organization performance.

Table 4.12: Regression Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.334</td>
<td>.504</td>
<td></td>
<td>.011</td>
</tr>
<tr>
<td>1</td>
<td>SP</td>
<td>.316</td>
<td>.122</td>
<td>1.659</td>
</tr>
<tr>
<td></td>
<td>SP2</td>
<td>.203</td>
<td>.152</td>
<td>4.251</td>
</tr>
<tr>
<td></td>
<td>ES</td>
<td>.483</td>
<td>.149</td>
<td>3.965</td>
</tr>
<tr>
<td>CF</td>
<td>.549</td>
<td>.124</td>
<td>.563</td>
<td>4.415</td>
</tr>
</tbody>
</table>

a. Dependent Variable: organization performance

Source: Survey Data (2020)

Table 4.12 above shows the results of the analysis of coefficient of independent variables (strategic planning, strategic partnership, expansion strategy and customer focus), t and the
p values. The relationship of the variables tasted through the multi-regression model was estimated as:

\[ Y = 1.334 + 0.316X_1 + 0.203X_2 + 0.483X_3 + 0.549X_4 \]

The model informs that when all the independent variables remain constant, then organization performance of the travel and tour agencies stand at 1.334. However, the explorer set out to assess the effect of strategic management practices on the organization performance of travel and tour agencies in Nairobi City County by the use of regression analysis. The value of \( \beta_1 \) is positive which translates to the fact that strategic planning had a direct positive effect on the organization performance of travel and tours agencies in Nairobi County. \( \beta_1=0.316, \ t=1.659, \ p=0.004 \) and \( \alpha = 0.05 \). This shows that when management make an addition of one unit of strategic planning, organization performance will increase by 0.316 units. These results are congruence with Kamau (2008) who assessed the influence of strategic planning practices on the performance of tour operators in Kenya. Kamau pointed that improved strategic planning positively influenced performance. Kamau further emphasized on the importance of reviewing strategic plans to align them with organization mission and vision.

The effect of strategic partnership on organization performance was also set to be established. From the presented results, it is seen that strategic partnership’s significance on organization performance was statistically positive. It had an effect of \( \beta_2=0.203, \ t=4.251, \ p=0.010 \) and \( \alpha = 0.05 \). The positive beta value indicates that strategic partnership have a positive effect on the organization performance of travel and tours agencies. A single unit increase in strategic partnership reflects by an increase in organization performance by 0.203 units. This study results concur with the study by Nzuki (2016), study findings that
highlighted strategic partnership as key element that influence performance of Kenya commercial bank.

Additionally, the researcher also used the regression analysis to assess the effects of expansion strategy on the organization performance of travel and tours agencies. The findings show that expansion strategy has an effect which is statistically significant on organization performance. It had a $\beta_3=0.483$, $t=3.965$, $p=0.02$ and $\alpha = 0.05$. With a $\beta_3=0.483$, it indicates that with one unit increase in expansion strategy, then organization performance in turn increases by 0.483 in the same direction. These results are in accord with that of Kariithi (2015), studies that indicated expansion strategies and market development as having relevant influence on organization performance. The findings also agree with the study findings by Gatwiri, Bichanga, Loki and Makau (2014) who assessed the influence of expansion strategies on performance of selected commercial banks in South Nyanza region, Kenya. It was highlighted that expansion strategies have a significant influence on performance.

The researcher also wanted to assess the effect of customer focus on organization performance using the regression analysis model. According to the results presented on table 4.16, it shows that customer focus hasa statistically significant effect on organization performance of travel and tours agencies in Nairobi County. This was proven by a $\beta_4=0.549$, $t=4.415$, $p=.000$ and $\alpha = 0.05$. in translation, this shows that customer focus has a positive effect on organization performance and when the management improves it by one unit, it reflects by a positive change in organization performance by 0.549. These results are in agreement with the study findings conducted by Kibe (2015). The findings stated that customer focus influenced the performance of travel agents in Kenya. Kibe further pointed
out that more emphasis should be put on customer focus as opposed to focusing on service. The study findings by Malowa (2016), correspond to these findings. Malowa set to assess competitive strategies adopted by Kenya Association of Tours and Operators. Customer focus was among the findings which had a strong influence.
CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter contains a detailed summary of the findings of the research, conclusions from the conducted analysis and formulated recommendations together with suggested areas for further research. The study was set out to investigate the effect of strategic management practices on performance of selected tours and travel agencies in Nairobi City County, Kenya, due to a prolonged concern about the declining performance of these agencies in terms of their annual revenues and market shares. The researcher conducted the investigation by imploring the descriptive research design and collected primary data by administering semi-structured questionnaires to 76 respondents. Out of the 76 instruments, 57 were fully filled and returned. This was a 75% response rate which was good enough to warrant the data to be used for analysis.

5.2 Summary of the Findings

The results of the exploration indicated that organization performance of tours and travel agencies in Nairobi County was influenced by the variables of the study, which comprised of planning, strategic partnership, expansion strategy and customer focus. The discussions below give detailed summary of all the study variables.

5.2.1 Strategic Planning

On the first objective of the study, majority of the respondents were neutral about it as they neither agreed nor disagreed that religiously practicing strategic planning was one of the factor affecting the agencies performance. The correlation between strategic planning and
organization performance was both positive and significant. Results from the multi-regression analysis also indicated a significant positive relationship between strategic planning and organization performance. It indicated that when management improved on strategic planning, organization performance also improved significantly. Strategic planning was a key element which affected performance. However, strategic planning was only being moderately practiced by the travel and tour agencies in Nairobi City County, Kenya. It was also found that it is important for the strategic plans to align with the vision, mission and objectives of the organization. Involving the staff in the strategic plans was also considered a bonus which ensures improved performance.

5.2.2 Strategic Partnership

Effect of strategic partnership on organization performance of tours and travel agencies in Nairobi County was the second objective of the research. The results of the analysis show that majority of the participants agreed with the variable. This shows that a big number the respondents agreed that the agencies highly practiced strategic partnership and it was a key element in influencing the organization performance. The results portrayed a strongly positive and strong relationship between strategic planning and organization performance.

Multi-regression results established that strategic planning had an effect that was statistically significant on organization performance. This shows that when strategic planning was improved, than organization performance increased as well. The analysis showed that having many partners increased coordination challenges, existing policies also hindered partnerships and thus affected performance. It was found that partnership is a key influence in performance of organizations. Partnering helped organization improve on their
skills and technology and at the same time reduce uncertainties. Additionally, those involved in the survey were of the opinion that involving all stakeholders in decision making, selling shares to stakeholders and having constant meetings could help in balancing their needs.

5.2.3 Expansion Strategy

The study findings also showed that expansion strategy was not fully practiced by the tour and travel agencies in Nairobi County. This was in relation to the third objective of the study which was to investigate the effect of expansion strategy on the performance of tours and travel agencies in Nairobi county. A big number of the participants neither agreed nor agreed with the variable. From the results of the correlation analysis indicate that expansion strategy had a strong positive and significant relationship with organization performance. This positive correlation implied that organization performance improved significantly when management improved expansion strategies. However, the respondents also saw financial constraints, lack of accountability and vague plans as being the reason as to why expansion strategies failed. The results from the multi-regression showed a statistically significant relationship between expansion strategy and organization performance.

5.2.4 Customer Focus

The study also set out to assess the influence of customer focus on performance of organization performance which was the fourth objective. The results from the analysis indicate that customer focus was not being fully incorporated in the tours and travel agencies. The mean shows that majority of the participants were neutral on the variable and they neither agreed nor disagreed on most of the statements that were provided on the likert scale. According to the results, customer focus was significantly and positively related to
organization performance of the tours and travel agencies. Participants reported that giving customer loyalty cards, free trips and subsidized offers were the organizations method for rewarding the customers. The relationship between customer focus and organization performance was found to be statistically significant according to the results of the multi-regression analysis.

The positive correlation indicates that when customer focus was improved, then organization performance also increased. From the results of the analysis it was evident that the agencies had started embracing the concept of customer focus but they were not practicing it to the maximum as it was only but moderately practiced. Customer focus was among the findings which had a strong influence. The findings indicated that customer focus had an influence on organization performance.

5.3 Conclusions of the Study

From the results findings from the analysis, conclusions that strategic planning has a strong positive effect on performance of travel and tour agencies in Nairobi city County, Kenya. Strategic planning and organization had a positive correlation resulting from the Pearson analysis. The positive correlation the positive results from the multi-regression analysis therefore established the fact that strategic planning had a significant effect on travel and tours agencies performance. Therefore an improvement in strategic planning influences the performance of the agencies in a positive spectrum.

The findings from the analysis also reveal that strategic partnerships had a correlation that was both statistically and strong positive from the Pearson correlation analysis conducted. The results from the regression analysis explained that strategic partnership had a strong positive effect on performance of the travel and tour agencies. It was also concluded that
strategic partnerships promoted collaborations and technology transfer with the agencies in Nairobi City County, which had a significant effect on organization performance. It was also established that balancing the needs of all the partners was crucial in performance of the travel and tour agencies.

Additionally, the result findings exposed the fact that expansion strategy had a statistically significant and strong positive correlation with performance of the travel and tour agencies in Nairobi City County, Kenya. There was also evidence of a strong positive effect of expansion strategy on performance of travel and tour agencies. The positive relationship shows that if expansion strategy is positively improved, then it would result in a positive improvement on performance. Altogether, it was stated that establishing customer niche was crucial in helping the performance improve while still growing.

Finally, it was also established that customer focus had a strong and positive correlation with performance of the travel and tour agencies in Nairobi City County, Kenya. From the analysis, it was also discovered that customer focus had a strong positive effect on travel and tour agency performances. Agencies had different methods for rewarding their customers which included giving them free trips, subsidizing offers for them as well as giving them customer loyalty cards. These methods had an influence on customer retention and hence performance. It was therefore established that an improvement on customer focus had the potential for significantly improving the performance of the travel and tour agencies.
5.4 Recommendations of the Study

The findings of the study have significant implications to various stakeholders such as the travel and tour management, policy makers in the tourism sector, investors as well as the clients of the travel and tour agencies. As a result, several recommendations were derived from the findings of the study. From the findings, considering the positive correlation results between strategic partnership and organization performance, it was recommended that the travel and tour agencies should have formal and documented strategies which should be formulated by representatives of all partners. As by including all the partners was seen to have a positive influence on the performance of the organizations. After making the strategies, they should then be reviewed annually to track progress.

Another recommendation based on the fact that expansion strategy had a strong significant relationship on performance of the travel and tour agencies was that the management should conduct prior and vigorous market research before investing in on an expansion strategy which will help ensure that the plan they adopt is both viable and has the potential to grow their business. This will help the agencies from wasting resources on projects that are not viable and at the same time establish new market niches that need to be tapped.

Customer focus variable had a positive and significant relationship on organization performance, therefore, management of the agencies should also develop policies on how they can will be dealing with customer issue and complains as well as developing conflict resolution plans for their partners. which will help in ensuring partners are considerate of others interest as they will know they are being monitored. This will help manage the performance of travel and tour agencies in Nairobi city county. Another recommendation is
that the agencies should expand their operations internationally which will not only help them spread out risks, but will also help improve on their performance.

The study found strategic planning to significantly predict the organization performance of the travel and tour agencies, it was therefore recommended that the management of the travel and tour agencies should ensure proper strategic planning is done professionally and regular monitoring to be done periodically to ensure they do not deviate from the plans. Control measures should also be put in place to enable the control and maintainace of the startegies. Allocation of adequate resources should also be put in place as this will ensure the set plans follow through.

**5.5 Suggestions for Further Research**

The current study focused on assessing the effect of strategic planning practices and organization performance of travel and tour agencies in Nairobi City County, Kenya. Future researchers could focus their scope in a different geographical location as the results from this study are relevant for the travel and tour agencies in Nairobi City County. Another potential area of research should be on assessing whether the strategic management practices have the same effect on different industry apart from the travel and tourism sector which the current study has covered.
REFERENCES


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APPENDICES

APPENDIX I: LETTER OF INTRODUCTION

Deborah Mokeira
Mob: +254 712302926
P. O. Box 43844-00100
Nairobi, Kenya.

Date: .....................

Dear Respondent,

My name is Deborah Mokeira, I am a student at Kenyatta university, pursuing a Masters degree in Business Administration. I am currently doing my proposal, my area of interest is strategic management practices on the performance of travel and tours agencies in Nairobi, County. The research is purely for academic purposes and won’t be used for any other purpose. I am humbly requesting for your assistance in participating in any way that can be of assistance to me. Confidentiality and anonymity of any information given are guaranteed.

Thanks and regards.
APPENDIX II: QUESTIONNAIRE

The instrument consists of six subdivisions; the first one requires the respondent to answer four background questions. The other sections gives the respondents questions in which they are given the option of expressing their feelings from a range of strongly agreeing to strongly disagree. They respondents are expected to tick in the section appropriate to his/her opinion.

Please answer all the questions honestly and exhaustively by selecting (ticking) the most appropriate box.

Section 1: Background Information

1. Sex
   Male ()
   Female ()

2. Age range
   18-30 yrs. ()
   31-40 yrs. ()
   41-50 yrs. ()
   51-60 yrs. ()

3. Highest level of education
   Certificate/diploma ()
   Bachelors ()
   Postgraduate ()
   Other qualification ()
4. Job role

Finance Manager ( )  Operational Manager ( )  Marketing Manager ( )  Customer Relationship Manager ( )

Section 2: Strategic Planning

This section aims at assessing the practices and management of strategic planning. Please tick on the appropriate box where you deem most appropriate response regarding the asked question.

<table>
<thead>
<tr>
<th>Statement</th>
<th>(5)</th>
<th>(4)</th>
<th>(3)</th>
<th>(2)</th>
<th>(1)</th>
</tr>
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<tbody>
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<td>Strongly agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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<td>Neutral</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disagree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Strongly disagree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. All head of departments are well trained on scenario planning in the agency</td>
<td></td>
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</tr>
<tr>
<td>2. The strategic objectives of the agency aligns with mission and vision statement</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>3. The agency uses scorecards to track the progress of accomplishing objectives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. All the employees are made aware of the strategic plans of the agency</td>
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<tr>
<td>5. Setting strategic plans increases the performance of the agency</td>
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<tr>
<td>6. There are specific structures and processes to plan and control strategic plans in a systematic way</td>
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<tr>
<td>7. It is the responsibility of every head of department to formulate strategic plans that would affect the agency’s performance</td>
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<tr>
<td>8. Strategic planning is considered a major factor contributing to the organization’s performance</td>
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</tbody>
</table>
Section 3: Strategic Partnership Strategy

This part will be assessing the effect of strategic partnership on the performance of travel and tours agencies in Nairobi, County.

<table>
<thead>
<tr>
<th>Statement</th>
<th>(5) Strongly agree</th>
<th>(4) Agree</th>
<th>(3) Neutral</th>
<th>(2) Disagree</th>
<th>(1) Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The government makes it hard for agencies to collaborate through the set policies.</td>
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<td>2. Positive governments relationships promote international collaborations</td>
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<td>3. Having partners promotes technology transfer and cushions against unnecessary risk</td>
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<tr>
<td>4. The agency has clear communication with all its partners</td>
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<tr>
<td>5. Having many partners leads to coordination difficulties</td>
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<td>6. The roles of all the partners are clearly defined</td>
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<tr>
<td>7. The interest of all the partners are put into consideration when making a decision</td>
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<tr>
<td>8. You are satisfied by how the agency benefits from its partners</td>
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<tr>
<td>9. How does the agency balance the needs of all the partners to avoid miscommunication and inefficiency</td>
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</tbody>
</table>

...
Section 4: Expansion Strategy

The effect of expansion strategy on the performance of travel and tour agencies in Nairobi, County will be assessed in this section.

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<tr>
<th>Statement</th>
<th>(5)</th>
<th>(4)</th>
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<td>Strongly agree</td>
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<td>Agree</td>
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<td>Neutral</td>
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<tr>
<td>Disagree</td>
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<tr>
<td>Strongly disagree</td>
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<tr>
<td>1. Customer dynamism and preference influence the expansion strategy an agency adopts</td>
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<tr>
<td>2. There are many regulations that limit venturing into new markets</td>
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<tr>
<td>3. Agencies gain competitive advantage when they explore new markets</td>
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<tr>
<td>4. Agencies that venture into international markets are more successful</td>
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<tr>
<td>5. Expansion strategies enhance value addition on services provided by the agencies</td>
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<tr>
<td>6. Adequate market research is conducted well before an expansion strategy is adopted</td>
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<tr>
<td>7. The expansion of this agency is limited by financial constraints.</td>
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<tr>
<td>8. The agency has diversified its services into the international market.</td>
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</table>

9. What factors do you think make an expansion strategy fail?

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10. What measures can be taken to ensure success of the expansion strategies?

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Section 5: Customer Focus

This section will assess the effect of customer relationship management and its effect on the performance of travel and tours agencies in Nairobi City, County.

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<th>Statement</th>
<th>(5)</th>
<th>(4)</th>
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</thead>
<tbody>
<tr>
<td>The agency has an effective way of measuring customer metrics.</td>
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<tr>
<td>The needs of the customers are well researched and are given attention.</td>
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<tr>
<td>All the staff are empowered to serve the customers well.</td>
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<tr>
<td>The customers are well engaged and have a clear channel for giving their feedback.</td>
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<tr>
<td>The agency has invested in a quality customer relationship technology.</td>
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<tr>
<td>Services are customized to meet the needs of the customers.</td>
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<tr>
<td>Having customer relationship management guarantees successful customer interaction</td>
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<tr>
<td>Customers information is easily accessible to all the agency’s staff.</td>
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</tbody>
</table>

9. How does the agency reward their customers?

Loyalty cards  {..} Free trips  {..} Subsidized offers  {..}

Section 6: Organizational Performance

The section will assess the performance of travel and tours agencies in Nairobi, County. Strategic management practices influence performance in the following terms:
<table>
<thead>
<tr>
<th>Statement</th>
<th>(5)</th>
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<tbody>
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<td>Strongly agree</td>
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<tr>
<td>Disagree</td>
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<tr>
<td>Strongly disagree</td>
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<tr>
<td>1. The asset inflows of the agency are always high compared to asset outflow.</td>
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<tr>
<td>2. There is focus strategy targeting a few target markets is employed in the agency.</td>
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<tr>
<td>3. The efficiency of the strategic management practices facilitates a better performance of the agency.</td>
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<td>4. The agency often engages in new demographics which result to high profits for the agency</td>
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<td>5. The agency has not experienced a shortage of finances in the recent past.</td>
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<td>6. You are satisfied with how the agency has been performing.</td>
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</table>

Thank You For Participation In The Survey.
# APPENDIX III: LIST OF AGENCIES

## Target Population

<table>
<thead>
<tr>
<th>Agency Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acacia Holidays Ltd</td>
</tr>
<tr>
<td>Archers Tours &amp; Travel Ltd</td>
</tr>
<tr>
<td>Travel Creations Ltd</td>
</tr>
<tr>
<td>Tour Africa Safaris</td>
</tr>
<tr>
<td>Holiday Bazaar Ltd</td>
</tr>
<tr>
<td>Chameleon Tours</td>
</tr>
<tr>
<td>Domino Di Dorianio</td>
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<tr>
<td>Ballon Safaris Ltd</td>
</tr>
<tr>
<td>Twiga Car Hire &amp; Tours Ltd</td>
</tr>
<tr>
<td>Wildlife Safari (K) Ltd</td>
</tr>
<tr>
<td>Rhino Safaris</td>
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<tr>
<td>Savage Wilderness Safaris</td>
</tr>
<tr>
<td>Eco Adventures Limited</td>
</tr>
<tr>
<td>Muthaiga Travel Ltd</td>
</tr>
<tr>
<td>Big Five Tours &amp; Safaris Ltd</td>
</tr>
<tr>
<td>Luca Safari Ltd</td>
</tr>
<tr>
<td>Phoenix Safaris Lt</td>
</tr>
<tr>
<td>Cheetah Tours Ltd</td>
</tr>
<tr>
<td>Big Foot Adventures Ltd</td>
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</tbody>
</table>
APPENDIX IV: LETTER FROM GRADUATE SCHOOL

KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean-graduate@ku.ac.ke
Website: www.ku.ac.ke

FROM: Dean, Graduate School
TO: Deborah Mokeira Kennedy
        C/o Business Administration Dept.

DATE: 21st May, 2020
REF: D53/39489/2016

SUBJECT: APPROVAL OF RESEARCH PROPOSAL

We acknowledge receipt of your revised Research Proposal as per our recommendations raised by the graduate school board of 26th February, 2020 entitled “Strategic Management practices and Organization Performance of selected Travel and Tour Agencies in Nairobi City County, Kenya”.

You may now proceed with your data collection, subject to clearance with Director General, National Commission for Science, Technology and Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking and progress report forms per semester. The forms are available at the University’s Website under Graduate School webpage downloads.

Thank you.

ELIJAH MUTUA
FOR DEAN, GRADUATE SCHOOL

C.c. Chairman, Department of Business Administration
Supervisors:

1. Dr. Elishiba Mutigi
        C/o Department of Business Administration
        Kenyatta University

LM/Inn