THE INFLUENCE OF STRATEGIC LEADERSHIP ON EMPLOYEE PERFORMANCE IN THE HOTEL INDUSTRY

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DECLARATION

This research report is my original work and has not been presented for examination in any academic institution.

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DEDICATION

This work is dedicated to my family for being an endless inspiration in my life. My mother Mary, my brother James and my father Joseph. I love you so much.
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ABBREVIATIONS

CEO - Chief Executive Officer
GDP - Gross Domestic Product
WTTC - World Trade Travel and Tourism Council
WORKING DEFINITIONS

Classified Hotels- Ranked by ministry of tourism interns of quality and service provision. More stars means good performance.

Strategy- The determination of mission and basic long term objectives of an enterprise

Strategic Leadership- Using strategy in management of employees with a clear goal in mind.

Performance- The degree of accomplishment of tasks that make up an employee’s job.

Mombasa County- A region situated in Coast Province of Kenya consisting of four constituencies: Kisauni, Changamwe, Likoni and Mvita (2012)
ABSTRACT

This research is about the influence of strategic leadership on employee performance in the hotel industry. The hotel industry is a service industry hence dependent on human labour for its growth and ultimate survival. Employees are crucial in determining whether a customer will leave happy and willing to come back or not because people don’t leave organizations but they leave management and leadership. The objectives of the study were to find out what kind of communication is applied in classified hotels, to examine the effects of implementation of strategic goals on employee performance and explore the relationship between strategic leadership and employee performance. The researcher used descriptive research design where qualitative data was collected. Descriptive approach helps to depict, describe, find patterns or simply try to understand occurrence of behaviour or phenomenon which is the essence of this study. Data was collected using closed ended and open ended questionnaires and analysed using inferential statistics where statistical findings from a sample were generalised to pertain to the entire population. The population was 2713 which resulted in a sample of 268, using simple random sampling. Out of this number 249 responded making a response rate of 93%. This enabled generalisation about the population and the key findings were that 44.55% of employees cited money as the main reason they reported to work. Majority of the organisations had some form of appraisal which mainly included promotions and financial gains but as discussed in chapter five there are various ways of appraisals like critical incident method, weighted checklist method, performance ranking among others that managers and leaders need to understand and utilise to improve performance. Some managers still felt lost and bored at work, making it even harder for them to motivate others in quest to improving organisational performance. Managers as strategic leaders have a role to motivate employees so that they can also feel responsible for organisational goal achievement and ultimate success. They have been tasked to look at the past, present and seek a better performance by working with people, not for the people and the organisation. It is clear from the findings that there is a communication breakdown between senior managers and subordinates. The recommendations are for organisations to train their leaders in employee motivation and performance analysis techniques. There is need to look into what demotivated employees cost an organisation’s resources.
CHAPTER ONE: INTRODUCTION

1.1 Background

The term strategy which is derived from the Greek word strategies meaning “general” has been used in different ways. Authors differ in major aspects. Some writers focus on both the end points (mission/purpose and goals/objectives) and the means of achieving the policies and plans. Others emphasize on the means to an end in the strategic process rather than the end per se. Strategy refers to the determination of the mission or fundamental purpose and the basic long-term objectives of an enterprise, followed by the adoption of course of action and allocation of resources necessary to achieve these aims (Cannice & Koontz, 2008).

Historically, the term strategy has military roots, with commanders employing strategy in dealing with their opponents. As in the military arena so is business: organizations attempt to outmaneuver their rivals (Evans et al, 2009). A company’s strategy is the management’s action plan for running the business and conducting operations. The crafting of a strategy represents a managerial commitment to pursue a particular set of actions in growing the business, attracting and pleasing customers, competing successfully, conducting operations, and improving the company’s financial and marketing performance (Srickland & Gamble, 2010). Strategy is the determination of the basic long term goals and objectives of an enterprise, and the adoption of the course of action and the allocation of resources necessary for carrying out those goals (Cole, 2005).

Iowa leadership studies was a series of pioneering leadership studies conducted in the late 1930s by Ronald Lippitt and Ralph K. Whitez under the general direction of Kurt Lewin at the University of Iowa. Lewin is recognized as the father of group dynamics and as an important cognitive theorist. In initial studies, hobby clubs for ten year old boys were formed. Then each submitted to all three different styles of leadership- authoritarian, democratic and Laissez-faire. Unfortunately, the effects or results in the styles of leadership had on productivity and were not directly examined. The experiments were designed primarily to examine patterns of aggressive
to the frustrations caused by the autocratic leader. The apathetic groups exhibited outbursts of aggression when the autocratic leader left the room or when transition was made to a freer leadership style. The Laissez-faire leadership climate actually produced the greatest number of aggressive acts from the group. They analyzed leadership from the standpoint of scientific methodology, and shows that different styles of leadership can produce different complex reactions from the same or similar group (Luthans, 2008).

Since 1980, the study of leadership has undergone both rejuvenation and seemed like an old friend in which the field of management had lost interest. At the end of 1970’s and the beginning of 1980’s, leadership as a field of study has reached impasse: little new theory was being developed, and serious scholars were asking not where the field should go next but whether leadership even matters (Boal & Hooijberg, 2001).

A great deal of the attention of early leadership researchers was focused on what lower-level managers did, or should do, as they attempted to provide guidance, support and feedback to subordinates. However, in the 1970’s and 1980’s there was considerable disagreement concerning the impact of leadership on performance, as skeptics from the field of organizational Sociology contended that leadership behaviors influenced organizational performance less than did environmental or organizational factors, while proponents argued that leaders had a major impact on the performance of organizations (Elenkov et al, 2005).

Employees can be inspired via leadership. A good leader knows how to motivate and bring the best out of his/her staff. Effective leadership in tourism is the ability to clearly communicate expectations; recognize and reward achievement; ability to adapt to changing circumstances; inspire others; ability to put the right people in the right roles; passion to succeed; ability to persuade and encourage others; honesty and integrity; and ability to identify and visualize a long-term vision. The above mentioned are focused towards achievement of strategic goals and objectives. A strategic leader is not rigid but a creative person who always seeks better ways of doing things for continuous improvements without deviating from the course and ultimately delivering what was expected of him/her (Page& Cornell, 2009).
The assessment of work involves three types of review: performance appraisal, potential and reward reviews. Assessing work performance of an employee in a particular job is clearly the responsibility of the line manager concerned (Tyson, 2006). Goal achievement is a factor that influences the success levels of individual employees, departments and business units, and the overall organization. A goal is a performance target that an individual or group seeks to accomplish at work. Good goal setting is the process of motivating employees by establishing effective and meaningful performance targets. Specific goals are most likely to affect performance when employees accept and are committed to them. This ownership and acceptance of goals are best accomplished through a participative process. Commitment tends to run higher when goals are specific as opposed to general or broad. Monetary incentives can also increase commitment to goals if the goals are perceived as being achievable (Luthans, 2008). According to (Marzin, 2012), there are several factors that affect employee performance which include: job fit, technical training, clear goals and expectations, tools and equipment and morale and company culture.

1.1.2 Tourism and Hotel Industry in Kenya

Tourism industry is a service industry and it involves a lot of human interactions and behaviors which are very delicate because people are different in behavior, perceptions, attitudes, beliefs and personal values which in some way affect how they conduct themselves in the work place. For this reason a leader in the business environment should be able to get the best out of every employee towards the achievement of common organizational goals (Reisinger & Turner, 2003).

Some form of tourism referred to as ‘polite visiting’ was in existence from as early as 17th century where people from the upper-class of society took day trip visits to the countryside to view architecture, garden, parklands and works of art. When tourism started, it was a preserve for the rich in terms of financial resources and time; it was hard for the working class to afford free time for their holidays until later on in around the 1890’s (Page, 2009). Kenya has shown an impressive performance in the tourism sector since 2002, increasing the total number of annual tourist’s arrivals (both regional and long haul) from an estimated 1million to 1.6 million in 2006, which was attributed to international strategic advertising. Attaining the top-ten long haul destination status will involve addressing constrains facing the sector and implementing the
strategic projects to improve the breadth and quality Kenya's tourist's offerings (Government publication: 2007).

According to research by The World Trade Travel and Tourism Council (WTTC, 2011), the global travel and tourism industry was to grow by 2.8% in 2012, marginally faster than the global rate of economic growth, predicted to be 2.5%. In 2011, travel and Tourism total economic contribution taking to account of its direct and indirect induced impacts, was US$6.3 trillion in GDP, 255 million jobs, US$ 743 billion in investment and US$ 1.2 trillion in exports. This represented 9% of GDP, 1 in 12 jobs, 5% of investment and 5% of exports.

1.2 Statement of the problem

The hotel industry plays a vital role in the economic growth of Kenya and according to (Government Planning, 2007) there was need to look at issues affecting tourism industry because tourism accounts for close to 10% of Kenya's Gross Domestic Product (GDP) and 9% of total formal employment.

Previous leadership theories and other early studies seek to understand leadership concepts and how employees react to them. Due to the above stated significance of the industry in our economy, the researcher was not only seeking to understand strategy and leadership concepts; but also the effects it has on behavioral concepts like employee performance and motivation, and appreciate its significance in the work environment. What the researcher examined was the connection between strategic leadership and employee performance in the hotel industry because some hotels were classified and now are extinct while others have been thriving over the years; hence the concern to look at whether leadership strategies impact on employee motivation and ultimately their performance and how to do better. The research looks at organizational strategic leadership and how it affects performance and motivation in the service, hotel industry in Mombasa County.
1.3 Research objectives

Main Objective

The main objective of the study is to find out the role of strategic leadership in employee performance in the hotel industry.

Specific objectives

i. To find out what form communication is applied in classified hotels in Mombasa County.

ii. To examine the effects of implementation of strategic goals on employee performance

iii. To explore the relationship between strategic leadership and employee performance

1.4 Research questions

i. What kinds of communication are applied in classified hotels in Mombasa County?

ii. What are the effects of implementing strategic goals on employee performance?

iii. What are the relationships between strategic leadership and employee performance?

1.5 Scope of the study

The unit of study is the hotel industry. The chosen hotels are classified hotels in Mombasa County done by the ministry of tourism in Kenya. Moreover, it looks at areas that involve the relationships between strategy and leadership and how these can affect an organization's performance. The researcher chose the service industry because; it is among the country’s major employers and income earners. The industry has a lot of human interactions and it is believed to reflect on strategic leadership of the hotels under study; hence, more reasonable to use service industry rather than manufacturing or other industries.

1.6 Significance of the study

The study will help researchers to carry out more research in the area of Strategic leadership and its impact in other industries. To practitioners the researcher hopes that the research will help
them as strategists or human resource managers to have a better insight on strategic leadership issues. The study will also help strategic managers and leaders in various organizations realize that they can do something to motivate employees and ultimately improve performance and productivity. For academicians the researcher hopes they will appreciate the work and seek to improve it.

1.7 Limitations of the Study

Limitations of the study included: accessing top level management to respond to questionnaires was a challenge because of their busy schedule, employees’ unwillingness to cooperate because of lack of time or interest in the leadership issues and some employees lost the questionnaires. Resources in terms of finances and time factor was a challenge because the research had limited time and resources.
CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction
This chapter reviews literature on behavioral components that are major variables of this study. Specific behavioral theories have also been included as they provide a linkage to the study framework. This chapter concludes with a discussion of the gap.

2.1 Theoretical Literature Review
Theoretical literature review covers theory X and Y, two factor theory, Maslow’s hierarchy of needs, great man and situational theories.

2.1.1 Theory X and Y of performance
According to Tyson (2006) the difference between theory X and Y (named after Mc Gregor’s thesis on managerial attitudes) is theory X scheme, manager’s produce assessment reports on their subordinates but in theory Y scheme, assessment reports are the product of joint discussion between the managers and their subordinates. A theory X performance appraisal scheme has the following: managers are the sole judges of work performance; assessment is based on numerical ratings of abstract qualities for example initiative, drive, energy, loyalty and intelligence. The appraisals include a narrative report made by the manager. There is minimal formal provision for feedback to, or discussions with, those being appraised. The main purpose of the appraisal is to identify those seen by the management as good or bad performers and there is little or no attention paid to the developmental needs of employees.

Theory Y on the other hand, has the following objectives: to identify and remedy problems in the job itself, to identify strengths and weaknesses in performance as a basis for future action. To identify needs for training, development, further work experience and suitability for advancement; to develop constructive manager/subordinate relationships and develop the individuals’ capacity for self-assessment and self-awareness, for seeking ways to solve his/her own problems to find ways for self-empowerment. Theory X approach to performance uses literally authoritarian. All the evidence of Academic research and practical experience strongly emphasizes the advantages, potential effectiveness of performance appraisal schemes based on theory Y approach.
2.1.2 Abraham Maslow’s needs hierarchy of motivation

One of the theories of motivation is Abraham Maslow’s needs hierarchy of motivation. Abraham Maslow developed a comprehensive review of individual motivation. Maslow’s need hierarchy arranges human needs into a pyramid-shaped model with basic psychological needs at the bottom and self-actualization needs at the top. Lower order needs called deficiency needs, must be satisfied to ensure a person’s existence, security, and requirements for human contact. Higher order needs, or growth needs, are concerned with personal development and reaching one’s potential. Before higher-level needs are activated are, the lower needs must be satisfied (Du Brin, 2006).

Abraham Maslow believed that psychology’s other prospective ignored a key motive: our strive for personal growth. Maslow distinguished between deficiency needs, which are concerned with physical and social survival, and growth needs which are uniquely human and motivate us to develop our potential. Once our basic psychological needs are satisfied, we focus on our need for safety and security. After these needs are met, we turn our attention to needs at the next highest level, and so on. Self-actualization represents, the need to fulfill our potential, and it is the ultimate human motive (Passer and Smith, 2001).

2.1.3 Fredrick Herzberg two factor theory of motivation

The study of needs hierarchy led to the two factor theory of work motivation by Fredrick Herzberg, which focuses on the idea of two different sets of job factors. One set of factors can satisfy and motivate people and the other can only prevent dissatisfaction. Psychologist Fredrick Herzberg and his associates interviewed hundreds of professionals about their work. They discovered that some factors of a job give people a chance to satisfy higher-level needs. Such elements are satisfiers or motivators. A satisfier/motivator is a job factor that if present leads to motivation or satisfaction. These factors are achievement, recognition, challenging work, responsibility and opportunity for advancement. Distinguishers or hygiene factors on the other hand are job elements that when present prevent dissatisfaction; it does not however create satisfaction. For example not having a place to park your car could create dissatisfaction but having a place to park your car would not make you happier about your job. Dissatisfies mostly
relate to context of the job (the job setting or external elements) example is relationships, company policy, administration, job security and money (Du Brin, 2006).

According to (Weihrich et al, 2008) McGregor’s theory X and Y suggested that managing must start with the basic question of how managers see themselves in relation to others. This viewpoint requires some thought on the perception of human nature. Theory X and Y are two sets of assumptions about the nature of people. Theory X the “traditional” assumptions about people include: that average human beings have an inherent dislike about work and will avoid it if they can, because of this human characteristic of disliking work, people must be coerced, controlled, directed, and threatened with punishment to get them to put forth adequate effort towards the achievement of organizational objectives. Average human beings prefer to be directed, wish to avoid responsibility, have relatively little ambition and want security above all.

Theory Y assumptions include: the expenditure of physical and mental effort in work is as natural as play or rest. External control and the threat of punishment are not the only means for producing effort towards organizational objectives; people will exercise self-direction and self-control in the service of objectives to which they are committed. The degree of commitment to objectives is in proportion to the size of the rewards associated with their achievement. Average human beings learn, under proper conditions, not only to accept responsibility but also to seek it. Theory X is pessimistic while theory Y optimistic, dynamic and flexible. There is little doubt that each set of assumptions will affect the way managers carry out their managerial functions and activities.

2.1.4 Trait theory of leadership

According to (Kinicki & Kreitner, 2006) the trait theory is the successor to what was called the “great man” theory of leadership. This approach was based on assumption that leaders like Abraham Lincoln, Martin Luther King, or Jack Welch were born with some in born ability to lead. In contrast, trait theorists believed that leadership traits were not innate, but could be developed through experience and learning. A leader trait is a physical or personality characteristic that can be used to differentiate leaders from followers.
Situational theories propose that leaders choose the best course of action based on situational variables. Different types of leadership may be more appropriate for certain types of decision making. Behavioral theories of leadership on the other hand are based upon the belief that great leaders are made, not born. Rooted in behaviorism, this leadership theory focuses on the actions of leaders not on mental qualities or internal states. According to this theory, people can learn to become leaders through teaching and observation (Cherry, 2012).

2.2 Empirical Literature Review

Empirical literature review includes previous studies in tourism and hotel industry, motivation, leadership, strategy, strategic leadership and strategic leadership and performance.

2.2.1 Tourism and Hotel Industry

Tourism has the power to capture our imagination and shape our sense of our own identity and that of others means that the control of tourism is important (Ryan, Page 2000). In addition to that, (Goeldner, Ritchie, 2009) states that tourism is a powerful economic force providing employment, foreign exchange, income and tax revenue. Besides that, tourism will be channeled towards 'special interest 'in future where we can expect tourists to be seeking more individualized experiences. "The challenges facing the tourism industry will only be met successfully by a well-educated, well-trained, bright, energetic, multi-lingual entrepreneurial work force that understand the nature of tourism and have a professional training. A high quality of human resources in tourism will allow enterprises to gain a competitive edge and deliver added value with their service" (Page, 2003). The whole experience of tourism is much more than just a commodity and is entirely people dependent for its delivery, or if it can be put in another way it is dependent upon human factors, in the service sector where tourism lies, characterized by the high levels of human involvement in development and delivery of service or vacation experiences (Page, Cornell, 2009).

All employees are responsible for service quality. This applies to all organizations but particularly those in leisure and tourism industry, with its emphasis on the service encounter and the interaction between people. The significance of psychological encounter between staff and
customers suggests that much of the marketing that takes place is of an interactive nature; there is the opportunity to influence customers at each point of contact and to encourage and receive feedback and opinion, which constitute valuable market research (William, Busswell 2010).

Daniel Scowsill, President and C.E.O of WTTC, said that in 2012, international travelers are expected to surpass one billion for the first time. The industry will surpass two other major milestones: a direct contribution of 2 trillion to the world economy and 100 million jobs. But these numbers are dwarfed by the total forecast contribution in the industry-$6.5 trillion to the global economy and 260 million jobs. He further continued that, it was clear that travel and Tourism industry was going to be a significant driver of global growth and employment for the next decade. The industry is responsible for pulling people out of poverty, and broadening horizons. It is one of the world’s greatest industries (WTTC, 2011).

2.2.2 Motivation

"Motivation is often used according to its Latin root ‘movere’ meaning to move. It implies action, which requires energy and effort. Motivation is the cognitive-decision making process through which goal-directed behavior is initiated, energized, directed and maintained" (Analoui, 2007). Motivation has been described as one of the principal explanations of why people travel and, in its purest sense; motivation is the driving force behind human actions. Motivation is about the causes of personal action in tourism and other activities. It is evident from the processes affecting the tourist as a consumer that service quality is assuming a greater role in their purchasing decisions and travel behaviors (Page, 2009).

Motivation is generally a key factor in productivity, organizational effectiveness, as well as in the well-being of people. The way people are motivated is an aspect of the way organizations, in different parts of the world, manage the disjuncture between life at work and life outside work (Jackson, 2004)

Each and every employee needs motivation, regardless of the size of the company that they are working for, in order to be more efficient and effective. In today’s dynamic business environment, the managers must have the ability to motivate their employees; since motivation is one of the main keys to committed employee performance Motivated employees are a key
success, factor in the tourism industry. Motivation is defined as a set of processes that arouse, direct and maintain human behavior towards attaining some goals. The driving forces within individuals by which they attempt to achieve some goals in order to fulfill some need or expectation (Analoui, 2007).

Motivation implies the instilling in employees of a drive to take action. The subject of motivation has been at the heart of a large number of theories over a number of years, including those of Maslow and Hertzberg. Both theorists recognized that there were services of actions or circumstances, which could be initiated by the employer in order to achieve a degree of motivation. Both recognized too that simply providing pay and degree of security were insufficient in the long term to motivate employees. Motivation needed to be longer lasting and reinforced by concrete rewards and praise (Sutherland & Canwell, 2004). Culture (Reisinger & Turner, 2003) teaches people how to perceive experiences and interpret meanings. The ways in which people learn to perceive the world indicate how they should behave. It further states:

‘Service also requires the need to smile, in a pleasant and involved to customers. Staff appearance is even more important than the range of facilities being offered.’

Motivation is the desire within a person causing that person to act for one reason: to reach a goal. Thus, motivation is a goal directed-drive, and it seldom occurs in a void. The words, need, want, drive and desire are all similar to motive for which motivation is derived. Understanding motivation is important because performance, reaction to compensation, turnover and other human resource concerns are affected by and influence motivation. (Maths & John, 2006).

Motivation is a need or desire that serves to energize behavior and direct it towards a goal. Like intelligence, motivation is hypothetical concept. We infer motivation from the behaviors we observe (Myers, 2001). Motivation is the requirements and desires that lead animals (including human beings) to behave in a particular way at a particular time and place. We are often motivated by incentives, such as potential rewards (including money) for engaging in a behavior (Kosslyn & Rosenberg, 2004). “Never forget that when you ensure that your employees laugh while they work, they will ensure that your clients laugh while they buy” (Sharma, 2011).
2.2.3 Leadership

According to Massie (1987) it was not until a sociological approach of the problem was combined with psychological approach that headway was made understanding leadership. Characteristics of these efforts were work carried out by researchers at Ohio State University in the 1950’s. They recognized that leadership involves an interpersonal relationship between a leader and subordinates. Their basic approach was to isolate and measure dimensions underlying leader behavior that could be used to define leadership which led to a Leader Behavior Description Questionnaire (LBDQ). The subordinates indicates the degree to which the following statements describes the actions of the supervisor: refuses to give in when people disagree with him, is easy to understand, refuses to explain his actions, encourages overtime work, tries out his new ideas, assign people under him specific tasks. Subsequent analysis of such questions consistently yielded two dimensions or factors that underline subordinates; consideration and initiating structure. Consideration is the extent to which the leader’s behavior toward subordinates is characterized by mutual trust, mutual respect, and support for subordinates ideas, a climate of rapport and two way communications. A low score reflects an impersonal way of dealing with subordinates. Initiating structure on the other hand, is the extent to which a leader defines and structures his role and those of subordinates. A high score reflects a leader who is likely to play a very active role in directing, planning and scheduling the groups’ activities.

More recently, results from three different meta-analyses shed light on important leadership traits. The first was conducted in 1986 by Robert Lord and his associates. Based on a reanalysis of past studies, Lord concluded that people have leadership prototypes that affect our perceptions of who is and who is not an effective leader. Your leadership prototype is a mental representation of traits and behaviors that you believe are possessed by leaders. Lord’s research demonstrated that people are perceived to be leaders when they exhibit traits associated with intelligence, masculinity, and dominance (Kreitner & Kinicki, 2006).

Leadership is not good by itself good or desirable. Leadership is a means. Leadership to what end is thus the crucial question. The foundation of effective leadership is thinking through the organization’s mission, defining it, and establishing it clearly and visibly. The leader sets the
goals, sets the priorities and sets and maintains the standards. He makes compromises, of course; indeed, effective leaders are painfully aware they are not in control of the universe (Drucker, 2001).

Leadership (Murphy & Murphy, 2004) may involve communication and motivation along with the hard work recognized by Drucker, to bring about a greater commitment to the new strategy in the process, it may well change the corporate values and culture of the organization. Strategic leadership involves everyone, every department in the organization in establishing 'vision and decision making', every employee’s ideas are equally important, and innovation is highly encouraged. The greatest irony of leadership is that, the more you give the more you get. And when all is said and done, the highest and the most enduring gift that you will ever be able to give is the gift of what you leave behind. Your legacy to the generations that follow will be how much value you have added to your organization and how many lives you have improved. (Sharma, 2011)

Leadership concerns the total manner in which a manager influences actions of subordinates. First, issuing orders that are clear, complete, and within the capabilities of the subordinates to accomplish. Second, it implies a continued training activity in which subordinates are given instructions to enable them to carry out the particular assignment in the existing situation (Massie, 2006). Leadership: the abilities, qualities and behavior associated with the role of group leader. This role maybe conferred on individuals on the basis of personal characteristics and experience, or through tradition and/or position occupied. However, contingency approaches to leadership have led to awareness that effective leaders are not so simply by virtue of specific characteristics or behavior, rather, different styles of leadership (example task oriented v. relationship) are required by different situations (Jackson, 2000).

Organization leadership is the process and practice by which key executives of guiding and shepherding people in an organization towards a vision over time and developing that organization’s future leadership and organization culture (Pearce, Robison, 2007) Leaders create environments, reinforce norms, and help set expectations through what they do, through their actions and not just their words (De Wit & Myers, 2004).
All those things that we believed were so important, things like titles, net worth, and social worth turn out to be very unimportant. The C.E.O gets buried next to the street cleaner. And on your last day, all that truly matters is whether you got to know your inner leader, and if you did whether you had the bravery to allow its gifts to the world around you (Sharma, 2010). A manager is concerned with organizing and directing economic resources for efficient performance of the business, a leader is basically concerned with directing human resources for optimum contribution (Ncebere, 2000).

2.2.4 Strategy

Strategy is the way an organization intends to achieve its vision. In a competitive environment, your strategy will distinguish you from your competition. In public sector, your strategy determines the way you can best Marshall your resources to achieve desired outcomes (Parmenter, 2007)

Strategy consists of the common threads of thought for facing risks and uncertainty, Seizing the opportunities presented by the environment, and using the distinctive competencies of the resources of the organization (Massie, 2006). Strategy is the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out those goals (Cole, 2005).

The conventional leader is focused on action, results, efficiency and process improvement. The lateral leader is focused on inspiring the team to find new and better ways of doing things. Successful leaders combine the qualities of the conventional leader and the lateral leader. They know when to focus on efficiency and results and when to focus on vision, coaching, and inspiration (Sloane, 2006).

The purpose of strategic analysis is to gather information. None of us would be wise to make an important decision about anything in life without adequate and relevant information, and neither would a travel and tourism organization. There is a key difference between two of Mintzberg’s P’s of strategy- plan and pattern. The difference is to do with the source of strategy. He drew attention to the fact that some strategies were deliberate whilst others are emergent (Evans, Campbell, 2009).
2.2.5 Strategic leadership

According to (Cyprus, 2012) strategic leadership basically means using strategy in management of workers. The main strategy usually employed in strategic style of leadership is motivating workers to take the initiative to improve their productive input into the company. Although strategic style of leadership always keeps the best interest of the business in mind, it’s also appreciative of employees’ unique talents and efforts. Strategic leaders are always looking ahead and analyzing the present in terms of preparation of what may be ahead for business. They are adaptable and growth oriented. A Gallup survey indicates that most employees believe that it is the leader, not the company that guides the culture and creates situations where workers can be happy and successful (Luthans, 2008).

Strategic leadership doesn’t come easily in most organizations. Statistics show that fewer than 10% of leaders exhibit strategic skills a woefully inadequate number considering the demands on organizations today. Strategic skills aren’t needed only in times of growth. During tough times, when resources are tight it is even more important to ensure those resources are focused in right areas. Strategic leadership requires us to think, act and influence others in ways that promote enduring success of the organization. A strategic plan is only a plan; an organization’s actual strategies lie in the decisions and choices people make (Beatty, 2010).

Strategic leadership by which is meant, the practical working out and working through a previously determined strategy by those whose role; it is to both formulate and implement it. View of strategic leadership, which focuses on the effortful accomplishment of a strategic plan rather than devising it (Iszatt-White, 2010). There are nine key strategic leadership roles according to Baum & Paese (2003) namely: navigator, which requires clearly and quickly working through the complexity of key issues, problems and opportunities to affect actions, strategist by developing long range course of actions, entrepreneur who identifies and exploits opportunities. Mobilizer: by proactively building and aligning stakeholders, capabilities and resources, Talent advocate: attracts develops and retains talent, captivator: builds passion and commitment towards a common goal, global thinker: integrates information from all sources to develop a well-informed diverse perspective, change driver: creates an environment that
embraces change and enterprise guardian: ensures stakeholders value through courageous decision-making.

According to Piers & Myers (2009) because the scope of strategic leadership is so wide and the range of opinions on strategic issues is so diverse, leaders must be open to different points of view. Indeed, they should encourage subordinates, peers, and others to express their views as directly as possible. Relationships are critical in building effective team work on all levels. Organizations do not cooperate or integrate, people do. The key to strong and effective relationships is trust. It must be built and earned; it cannot simply be declared.

In the past, business believed that a leader was like the captain of a ship: calm, collected. Now we see that leaders need to be human. They need to be in touch, they need to be empathetic, and they need to be with people. Leaders need to be part of what is going on not apart from what’s going on. Globalization has also changed the traditional view of an organizational leader as “the heroic individual, often charismatic whose positional power, intellectual strength, and persuasive gifts motivate followers. But this is not necessarily the ideal, nor does it match the requirements in large global corporations, where forms of distributed and shared leadership are needed to address complex interlocking problems (Luthans, 2008).

2.2.6 Strategic leadership and Performance

Advancement to from the operational to the strategic level represents one of the most critical and challenging professional transitions that a leader can make. More and more executives have recognized the importance of recruiting, identifying and preparing effective leaders. With the speed of change facing business today, the need of effective senior level strategic leaders, who can formulate and execute business strategies to produce desired results, is seen as critical to the very survival of the business. Contrasted with the operational leaders whose primary role is to manage day-to-day business operations, leaders who transition from operational to strategic leaders must assume a variety of key roles to achieve long term strategic business results in pursuit of profitable sales growth, increased market share and, implementation of change, and the strategic alliances that will help achieve these goals (Paese & Appelbaum, 2003).
Strategic leadership and innovation strategy are crucial for achieving and maintaining strategic competitiveness in the 21st Century. Strategic leaders have been repeatedly recognized for their critical role in recognizing opportunities and making decisions that affect innovation process. Strategic leaders' opportunity recognition and exploitation add considerable business value (Elenkov et al, 2005)

The strategic leadership of ethical behavior in business can no longer be ignored. Executives must accept the fact that the moral impact of their leadership presence and behaviors will rarely, if ever be neutral. In leadership capacity, executives have great power to shift the ethics mindfulness of the organizational members in positive as well as negative directions. Rather than being left to chance, it’s power to serve as ethics leaders must be used to establish a social context within which positive self-regulation of ethical behavior becomes a clear and compelling organizational norm and in which people act ethically as a matter of routine (Thomas et al, 2005).

2.3 Research Gaps

Previous studies like leadership theories and other early studies seek to understand leadership concepts and how employees reacted to them mostly by making certain assumptions. The researcher on the other hand did not only seek to understand strategy and leadership concepts; but also the effects it has on employee performance and its significance in the work environment specifically in the hotel Industry.
2.4 Conceptual Framework

**Independent variables**

- Goals
- Communication
- Planning
- Strategy (planned/emergent)

**Dependent variable**

- Performance
  - Motivated employees
  - Innovativeness
  - Attitude change
  - Keeping time

**Intervening variables**

- Resources (Financial)
- Competition
- Organizational culture
- Staffing
- High/Low tourist season
- Stakeholders

![Figure 2.2 Conceptual framework](image)

Source: Researcher (2012)
CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

This chapter covers, research design, the study population, sampling procedure, data collection method, and data analysis.

3.1 Research design

The type of research design that was used in this study was descriptive. According to (Kothari, 2004) descriptive research studies are studies which are concerned with describing the characteristics of a particular individual, or of a group. Descriptive because the nature of data collected was mainly quantitative as it involved a lot of human behaviors that is motivation, performance and leadership concepts.

3.2 The study population

The study population included: Serena Beach Hotel (260), Mombasa Intercontinental Hotel (400), Voyager Beach Resorts (350), Sarova White Sands (450), Travellers Beach Hotel (250), Nyali Beach Hotel (120), Indiana Beach Apartments (140), Mombasa Beach Hotel (150), Reef Hotel (100), Bamburi Beach Hotel (170), Milele Beach Hotel (100) and Royal Court Hotel (98) hence a total of 2685. These were middle level and lower level managers. The research also included two senior level employees that were a line manager and supervisor from each hotel to enable us to get multifaceted results hence a population of 2713. The above mentioned hotels are the classified hotels by the Ministry of Tourism.

3.3 Sampling procedure

The study adopted simple random sampling. According to (Mugenda, 1999) a sample of 10% is representative; hence 10% of middle and lower level employees from each hotel was selected for collection of data. Additional two employees that were a line manager and a supervisor were also selected as per their availability and included in data collection. This was to ensure that respondents were not under any pressure to respond to the questionnaires and ensure results that were more accurate.
Table 3.1 sample size

<table>
<thead>
<tr>
<th>Hotel</th>
<th>Frequency</th>
<th>Sample (10%)</th>
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</thead>
<tbody>
<tr>
<td>Serena beach hotel</td>
<td>260</td>
<td>26</td>
</tr>
<tr>
<td>Mombasa intercontinental hotel</td>
<td>400</td>
<td>40</td>
</tr>
<tr>
<td>Voyager beach resorts</td>
<td>350</td>
<td>35</td>
</tr>
<tr>
<td>Sarova white sands</td>
<td>450</td>
<td>45</td>
</tr>
<tr>
<td>Travellers Beach Hotel</td>
<td>250</td>
<td>25</td>
</tr>
<tr>
<td>Nyal Beach Hotel</td>
<td>120</td>
<td>12</td>
</tr>
<tr>
<td>Indiana Beach Apartments</td>
<td>140</td>
<td>14</td>
</tr>
<tr>
<td>Mombasa Beach Hotel</td>
<td>150</td>
<td>15</td>
</tr>
<tr>
<td>Reef Hotel</td>
<td>100</td>
<td>10</td>
</tr>
<tr>
<td>Bamburi Beach Hotel</td>
<td>170</td>
<td>17</td>
</tr>
<tr>
<td>Milele Beach Hotel</td>
<td>100</td>
<td>10</td>
</tr>
<tr>
<td>Neptune Beach Hotel</td>
<td>100</td>
<td>10</td>
</tr>
<tr>
<td>Royal Court Hotel</td>
<td>98</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total population</strong></td>
<td><strong>2713</strong></td>
<td><strong>268</strong></td>
</tr>
</tbody>
</table>

Source: researcher (2012)
3.4 Data collection method

The researcher used close-ended and open-ended questions questionnaires as tools for data collection. The researcher distributed them to respective respondents and collected at an agreed date. Closed ended questions questionnaires enabled the respondents easily respond to questions and save time while open ended questionnaires helped the respondents to express their feelings and thoughts without restrictions.

3.5 Data analysis and presentation

Quantitative data was analyzed using inferential statistics. According to Mosby (2006) inferences are made regarding characteristics of general principle about an unseen population based on the characteristics of the observed sample. Statistical findings from a sample are generalized to pertain to the entire population. Then the inferences were used in making predictions and testing significance.

Data was analyzed using Statistical Package for Social sciences (SPSS) computer software and presented using percentages and pie charts.
CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION

4.0 Introduction

This chapter includes data analyzed and discussions. It gives a comprehensive account of the “Role of Strategic Leadership in Employee Performance in the Hotel Industry”. Most recurring role emerging from the data was involving employees in decision making, delegation and involvement in employee appraisal. Most employees felt like decisions were made at the top and given to them to implement. If you are not involved in something the degree of commitment equally diminishes.

4.1 The Sample Background

The study was limited to classified hotels in Mombasa County leading to a total of 13 hotels. Responses were collected through questionnaires both structured and semi-structured, out of 268 questionnaires, 249 were completed and returned to the researcher, 2 were uncompleted and 18 were lost. This was a response of 93%. Managers interviewed comprised of 68.42% male, 31.58% females while employees 56% male and 44% female.

4.2 Communication in classified hotels

The first objective was to analyze communication in classified hotels in Mombasa County. According to data analyzed it came out that 42.91% of employees felt like there existed top-down approach kind of communication in their organizations, 23.18% felt it was bottom up, 21.36% horizontal and 9.55% did not know.
Managers on the other hand used only three ways to communicate to their employees: 21.05% respondents used memo, 47.37% used one on one and 31.58% sent someone. As observed from the findings, a lot of senior leaders (i.e., managers) used impersonal ways to communicate to their employees; they did not interact with other employees to tell them what they actually wanted to pass across.
4.3 Implementation of strategic goals and employee performance

On examination of the effects of implementation of strategic goals on employee performance; majority of respondents from the management felt like they included everyone in the organization in decision making; with 68.42% saying they involve everyone, 5.26% management only, 21.05% management and supervisors and 5.26% did not know as shown below.
Respondents opinion on degree of involvement in organizational goal setting

- Everyone
- Management only
- Supervisors and Management
- Don't know

Employees on the other hand felt like they were not as involved in organizational decision making with 37.27% saying they were involved in organizational decision making, 22.73% said sometimes they were involved, 29.55% said they were not involved and 10.45% did not know. As shown from the findings below and the chart above there is a breakdown in the communication path as most managers feel like they involve everyone while most of other employees felt like they were being left out in organizational decision making (see diag.4.4).
4.4 Levels of organizational structure

In describing the levels of organizational structure and its effect on employee performance, majority of managers felt that they gave feedback directly to their employees: 73.68% direct, 5.26% indirect and 21.05% gave no feedback as shown below.
4.5 Relationship between leadership and employee performance

About the relationship between strategic leadership and employee performance, majority of organizations had some form of appraisals, according to the employee respondents, 20.45% said there was salary increment, 35% promotions, 20% rewards and 24.55% none.
Managers on the other hand said they give appraisals based on 52.63% performance, 21.05% experience, 21.05% loyalty and 5.26% used other ways (Diag.4.7 below). As most managers claimed to have some form of appraisals, 22.55% claimed there was none in their organisation (see diag.4.6)
4.6 Levels of employee motivation

Levels of employee motivation in the hotel industry are mainly associated with how employees felt about their work and why they do their work or even report to work. According to management respondents 68.42% felt good at work, 21.05 felt lost and 10.53% felt bored.
Employee respondents on the other hand 38.64% felt good, 18.64% felt lost, 12.73% felt bored and 30% were neutral about it. This shows that most people are dissatisfied with their work or work environment.
Majority of employee respondents reported to work because of money at 44.55%, 42.27% love their job, 7.27% did not have a choice and 5.91% feared punishment. It is evident that most employees go to work because of impersonal issues; they don't feel responsible for their work and organizational success but rather work to sustain certain needs, wants and expectations. They don't have a personal relationship with their work.
4.7 Staff Relationships

Majority of managers felt like they related well with their employees at 78.95% while 21.05% admitting not to be having good relations with their subordinates.
For delegation to work, most of the times employees good relationship is crucial. According the data 42.27% like delegation, 39.51% dislike, 15.45% are neutral about it and 6.36% did not know.
According to managers 63.16% liked, 26.32% did not like, 5.26% were neutral and 5.26% didn’t know.
CHAPTER FIVE: DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Discussions

The study was aimed at finding out the role of strategic leadership in employee performance in the hotel industry. The study was conducted to look at the role of strategic leadership in motivation of employees which ultimately impacts on their performance. The hotel Industry as mentioned in the problem statement contributes 10% of Kenya’s Gross Domestic Product (GDP) and contributes 9% of employment. With that in mind it was found crucial to undertake a study to establish what part strategic leaders and managers can play in helping employees to be motivated at work and increase their performance.

Despite the fact that motivational levels and performance cannot entirely be blamed on strategic leadership, the number of dissatisfied employees, low morale and fear making them to work just to cover their basic needs have some roots stemming up from the leadership style and the work environment. Research by (Salanova & Agut, 2005) also showed that, service is ultimately related to customer loyalty and retention and eventually, to higher profits for the organization. According to them, a service climate focuses service employee effort and competency on delivering quality service which in turn yields positive experience for customers as well as positive perceptions of service quality. Service climate refers to employees’ shared perceptions of the practices, procedures, and behaviors that are rewarded, supported, and expected by the organization with regard to customer service and customer service quality. Thus, service climate is a collective and shared phenomenon. The researcher agrees that, everyone should feel included and their opinion valued for them to feel responsible for the organizational success and a successful strategic leader knows how to get the best out of every person.

From the research it is evident that a lot of managers are not adequately involved in employee motivation. Although most are not trained in motivation, Organizational programs and policies for motivation should be put up to help them cope with challenges for example, reward systems, training policies, delegation and encouraging innovativeness. As data showed 52.63% of managers agreed that work environment shapes employees attitudes at work, 24.55% of
employee respondents said there were no appraisal systems in their organizations and only 37.27% employees felt that they were involved in organizational decision making.

5.2 Challenges facing Strategic Leaders

Lack of training in performance appraisal and employee motivation is a challenge from the findings.

Strategic leaders need to be more proactive than reactive, identify potentials for motivation and better strategies to improve performance.

Due to overwhelming work strategic leaders don’t have time to listen to employees

5.3 Challenges Managers face in Motivating Employees

One challenge they face is communicating the rationale behind some decisions they make like salary and bonus restraint. This can be supported by data where 21.05% of managers feel lost at work, 10.53% feel bored and 21.05% of the managers do not communicate their decisions to their subordinates.

A big number of employees that is 44.55% said they were mainly motivated by money. The managers as strategic leaders have a task of letting employees realize there is more to work than simply financial gains. Only 38.64% of employee respondents felt good about their job the rest felt either felt bored, lost or neutral about their job.

There is a disconnect between the managers and their staff because from the data as 45.91% of employees said decisions in their organization were top-down, made at the top and implemented by them while 68.42% of managers responded that everyone was involved in the organizational goal setting.

5.4 Motivation methods

According to (Business and Employment, 2011) there are various ways to motivate employees. One of the ways is through job rotation which is also known as cross- training can be very effective for employees that perform repetitive tasks in their job. Job rotation allows the employees to learn new skills by shifting them one task to another.
Job enlargement is a motivation technique used for employees that perform very few and simple tasks. Job enlargement increases the number and variety of tasks that the employees perform, resulting in a feeling of importance. Job enrichment is a method that increases employees control over the work being performed. It allows employees to control the planning, execution, and evaluation of their own work resulting in freedom, independence and added responsibility. Employees can also be motivated via flextime which allows the employees to choose their own work schedule, to a certain extent for example, if the office is open from 8am till 9pm, the employees can come in at any time during that period of to complete their 8hours.

5.5 Methods of Appraisal

According to (Capterria, Inc, 2012) there are various appraisal methods. The critical incident method is an appraisal method involved in identifying and describing specific incidents where employees did something really well or that needs improving during their performance period. Weighted checklist method jobs being evaluated based on descriptive statements about effective and ineffective behavior on jobs. Graphic rating scales in this style of performance, appraisal, the management just simply checks on the performance levels of their staff. Essay evaluation is a style of performance appraisals, managers and supervisors are required to figure out the strong and weak points of staffs’ behavior. Essay evaluation method is a non-quantitative technique. It is often mixed with the method of graphic rating scale. Performance ranking method is used to assess the working performance of employees from highest to lowest levels. Managers will make comparisons of an employee with the others, instead of making comparisons with certain standards.

5.6 Limitations

Some managers were reluctant to give information thinking it would be shared with their competitors despite assurance of confidentiality. Others thought their employees were fine and withheld information.

Employees were fearful and didn’t want to disclose information about their organization’s leadership; others were too busy and took a lot of time to respond to the questionnaires, others were skeptical whether the research would be of much help for them.
Financial constrains as some hotels would counsel their appointment when the researcher was already there and gave other dates for the appointments without specific reasons.

5.7 Conclusion

The study indicated that strategic leaders are faced with challenges in handling employee motivation which ultimately affects their performance. From the research it came out clearly that employee including some managers are less motivated. Employee motivation is a key player in employee performance. Organizations are expected to provide for employees quality work environment. A strategic leader knows how to get everyone involved by rewarding and encouraging desired behavior and discouraging unproductive behavior. The strategic leader should be in a position to walk through other employees work environment and try to have a more personalized relationship hence able to inspire and help everyone to focus on one common goal and walk with the vision in all their undertakings in the organization. A strategic leader works with the people and not for them, which is essential in the service industry.

5.8 Recommendations

From the research findings it evident that managers need to be trained in employee motivation and appraisal techniques because they have limited knowledge and practice in appraisal

Organizations should come up with systems that encourage subordinates to voice their grievances and ideas, so that they feel appreciated as part of the organization.

Though money is a motivator, organizations should seek to understand other motivating factors among their employees and seek to nurture them.

5.9 Suggestions for further research

The scope of the research was limited to hotel industry in Mombasa County hence the researcher recommends other similar studies to be done:

i. To find out how to help motivated employees and their performance

ii. To understand how lack of motivation affects an organization’s output
To find out whether motivation and performance appraisal strategies can give an organization a competitive edge in various industries.

To find out how to improve organizational communication because the findings showed disconnect between organizational strategic leaders (managers) and subordinates.
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Dear respondent,

RE: REQUEST TO RESPOND TO QUESTIONNAIRE

I hereby write to inform you that, I am a Master in Business Administration (MBA) student at Kenyatta University. As part of course requirements, I am supposed to carry out a research on “The Influence of Strategic Leadership on Employee Performance in the Hotel Industry”

This is to kindly request for your assistance and cooperation in providing information by filling the questionnaire. The information will be confidential.

Regards,

Valerie Pili
You have been chosen as part of my respondents. Kindly read the questions and help me in gathering data about the role of strategic leadership in employee performance in the hotel industry. This questionnaire is to be filled by middle and lower level employees.

Q1. What is your gender?
A) Male B) Female

Q2. What is your age bracket?
A) 18-23yrs B) 24-28yrs
C) 29-38yrs D) 39 and above

Q3. What shapes employees attitudes towards work?
A) Money B) Work environment
C) Leadership D) Love for work

Q4. What kinds of reward systems exist in your organization?
A) Salary increment B) Promotions
C) Rewards D) None
Others specify

Q5. What is your opinion about work delegation?
A) Like B) Dislike
Q6. How would you rank your management and organization leadership?

A) Extremely good  B) Good  
C) Fair  D) Bad

Q7. Does the management involve everyone in the organization in decision-making?

A) Yes  B) Sometimes  
C) No  D) I don’t know

Q8. What kind of communication channel exists in the organization?

A) Top-down  B) Bottom-up  
C) Horizontal  D) I don’t know

Q9. Would you suggest anything to be done or improved towards employee motivation?

A) Yes  B) No

If yes highlight it here...

Q10. What makes you wake up in the morning and go to work?

A) Money  B) I love my job  
C) I don’t have a choice  D) Fear of punishment

Q11. How do you feel at work?

A) Good  B) Lost
Q12. Please indicate the degree to which the following factors shape your performance and degree of motivation in the work environment.

4) Very important  3) important  2) neutral  1) not important

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<thead>
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<th>1</th>
<th>2</th>
<th>3</th>
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<td>Job design</td>
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</tbody>
</table>
Appendix III: Questionnaire for senior-level employees

You have been selected as part of my respondents. Kindly read the questions and help me in gathering data about the role of strategic leadership in employee performance in the hotel industry. This questionnaire is to be filled by senior-level employees.

Q1. What is your gender?
A) Male  B) Female

Q2. What is your age bracket?
A) 18-23yrs  B) 24-28yrs  
C) 29-38ys  D) 39 and above

Q3. How do you communicate with your subordinates?
A) Memo  
B) One on one  
B) Sending someone  
D) Other

Others
specify .................................................................
........................................................................
........................................................................
........................................................................

Q4. What happens when someone expresses an opinion that differs from you?
A) They lose their job  B) You consider their opinion  
B) Ignore  D) You encourage new ideas

Q5. What shapes employees' attitudes towards work?
A) Money  B) Work environment
Q6. What is the significance of performance appraisal to you?

Q7. How do you feel about work delegation?

Q8. What is your opinion on degree of involvement in organizational goal setting?

Q9. Do you think the organization is keen on plans towards achievement of organizational goals?

Q10. What makes you wake up in the morning to go to work?
Q11. At work you feel?
A) Good
B) Bored
B) Lost
D) Neutral

Q12. What kind of feedback do you give your juniors at work?
A) Direct
B) None
D) Others

Others
Specify.................................................................................................................................
...........................................................................................................................................

Q13. What would you say about your relationship with subordinates?
A) Good
B) Fair
B) Bad
D) Neutral

Q14. I would give appraisals based on......
A) Performance
B) Loyalty
B) Experience
D) Others

Explain
others....................................................................................................................................
...........................................................................................................................................

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## Appendix IV: Activity schedule

<table>
<thead>
<tr>
<th>PHASE</th>
<th>ACTIVITY</th>
<th>MONTH</th>
<th>DURATION (WEEKS)</th>
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<td>Correction</td>
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<td>3.</td>
<td>Collection of primary data</td>
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</tr>
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<td>4.</td>
<td>Data coding and analysis</td>
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<td>5.</td>
<td>Report writing</td>
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<td>6.</td>
<td>Presentation and compiling</td>
<td>March 2013</td>
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</table>

**TOTAL (TIME)** 12
### Appendix V: Budget

<table>
<thead>
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<th>ITEM</th>
<th>QUANTITY</th>
<th>BUDGET Cost/Ksh</th>
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</thead>
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<tr>
<td>Proposal copies</td>
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<tr>
<td>Binding</td>
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<td>Duplicate report copies</td>
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<tr>
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<tr>
<td>Miscellaneous</td>
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<tr>
<td><strong>TOTAL</strong></td>
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Appendix VI: Classified hotels in Mombasa

<table>
<thead>
<tr>
<th>S/NO</th>
<th>ESTABLISHMENT</th>
<th>STAR RATING</th>
<th>BEDS</th>
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<tbody>
<tr>
<td>1</td>
<td>White Sand Hotel</td>
<td>Five Star</td>
<td>338</td>
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<tr>
<td>2</td>
<td>Mombasa Intercontinental Hotel</td>
<td>Five Star</td>
<td>346</td>
</tr>
<tr>
<td>3</td>
<td>Neptune Paradise Villa</td>
<td>Four Star</td>
<td>636</td>
</tr>
<tr>
<td>4</td>
<td>Nyali Beach Hotel</td>
<td>Four Star</td>
<td>340</td>
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<tr>
<td>5</td>
<td>Travellers Beach Hotel</td>
<td>Four Star</td>
<td>550</td>
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<tr>
<td>6</td>
<td>Indiana Beach Appartment</td>
<td>Three Star</td>
<td>118</td>
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<tr>
<td>7</td>
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<td>Three Star</td>
<td>302</td>
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<td>8</td>
<td>Reef Hotel</td>
<td>Three Star</td>
<td>280</td>
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<tr>
<td>9</td>
<td>Voyager Beach Resort</td>
<td>Three Star</td>
<td>472</td>
</tr>
<tr>
<td>10</td>
<td>Bamburi Beach Hotel</td>
<td>Two Star</td>
<td>300</td>
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<tr>
<td>11</td>
<td>Giriama Beach Hotel/ Milele Beach</td>
<td>Two Star</td>
<td>132</td>
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<tr>
<td>12</td>
<td>Neptune Beach Hotel</td>
<td>Two Star</td>
<td>135</td>
</tr>
<tr>
<td>13</td>
<td>Royal Court Hotel</td>
<td>One Star</td>
<td>184</td>
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</table>

Source: Ministry of Tourism Offices Mombasa
Appendix VI: Classified hotels in Mombasa

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