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A CRITICAL OUTLOOK OF TOURISM SECTOR PERFORMANCE MANAGEMENT REFORMS IN KENYA -: (RESULTS OR VALUE BASED MANAGEMENT?)

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ABSTRACT

Tourism in Kenya is a key driver towards the attainment of the socio-economic blueprint, which is achieving the goals of Vision 2030. In the recent past, such were achieved with sector reforms that critically assessed the roles and functions of public servants where performance would be used as the sole indicator for resource allocation and usage. This was perceived as a means for conditioning reinforcement; therefore creating a results based philosophy in public sector management strategies. However, this is contrary to the thesis that when public sector management emphasizes exclusively on results, attention to socio-cultural, environmental and economic values is reduced by default. Therefore requiring a fundamental understanding on the sectoral values and attributes, before customizing a performance management strategy. This paper, seeks to advance such dialogue further by assessing the dynamics involved in tourism organizational settings qualified according to the needs and demands of the Tourism industry.

Keywords: Performance management, Sector reforms, Vision 2030, Results-based management.

INTRODUCTION

The prominent scholar, Ali Mazrui's plea for Africa to inevitably seek first the cultural kingdom as an icon for political and economic development is highly admirable (Mazrui 1994). He saw cultural development as a foundation for other forms of development. As a result, he made acclaim for long term policies in Africa for cultural integration. Public sector management in Africa had been earlier focused on economic and political reforms, ignoring the social and technological reforms that were as much important for sustainable development. When Mazrui's arguments were viewed from an organization's context and its role in management change, one could discern the crucial role of human resources in enhancing organizational performance.

In deed, at the macro-scale, the transition to knowledge-based, service-oriented economies is raising the importance of human capital and technologies in enterprises. The service industry in Kenya currently contributes about 60 per cent of the gross domestic product (GDP) and employs more than 250,000 Kenyans directly (GoK 2003). As the service industry expands, then it becomes more reliant on skilled labor. Similarly, as the industry expands, curbing inefficiency in public service delivery becomes increasingly difficult, particularly as a result of bureaucracy and mismanagement. Worse still, is the high level of corruption that is often transmuted within the implementation of reform policies in the same

institutions. In responding to this developmental concern, various countries have adopted an integrated, Results based scorecard with the premises that the public would hold the government accountable on the promises and targets stipulated.

Such a result-based approach has had the tendency of developing conditioning reinforcement as an individual performance motivator therefore ignoring the social and organizational dynamics of performance behaviour. This paper seeks to highlight tourism sector reforms based on this thesis. Further it seeks to present a hypothesis for value-based management as an ideal form of service management strategy in Tourism management in Kenya. The paper is organized as follows; first it will seek to present the development of the service sector in Kenya, then discuss the results-based management approach, subsequently we would seek to present the intergrated value based approach to performance management as the option. Finally, it shall seek to provide the policy recommendations on the same.

TRENDS OF TOURISM GROWTH IN KENYA

In Kenya, the relatively stronger performance of the service sector over the years has affected the composition of the economy. Between 1963 and 2000, services gained share from 44 to 60 % of value added while the share of agriculture fell from about 38 to only 23 %. According to World Travel and Tourism Council Statistics, Kenya's Travel & Tourism Industry (Trade Element omitted) is expected to contribute 5.2% to Gross Domestic Product (GDP) in 2006 US\$1,118.5 mn⁴, rising in nominal terms to US\$1,842.9 mn (5.7% of total) by 2016, (GoK 2006). The Travel & Tourism Economy contribution (percent of

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total) should rise from 11.4% US\$2,430.9 mn to 12.3% US\$3,973.0 mn in this same period (GoK 2006). For this to happen, Government Travel & Tourism operating expenditures in Kenya in 2006 are expected to total US\$253.3 mn or 6.9% of total government spending. In 2016, this spending is forecast to total US\$376.4 mn, or 7.1% of total government spending.

The tourism sector is also a major source of employment, estimated in 1998 at over 500,000 jobs, of which some 360,000 jobs were in the formal sector and 180,000 jobs in the informal sector (GoK 2003). As illustrated in Table 1.0, Kenya witnessed an average growth of 9.8% for international tourist arrivals between 2003 – 2005. This was more than 3 times the average growth of 3.2 % globally. Kenya accounted for 0.2 % of the total international arrivals worldwide by receiving 1.62 million of the total international arrivals of 808 millions worldwide (CBS 2006).

Table 1.0: Tourism trends and patterns

| TOURISM | 2003 | 2004 | 2005* |
|---|---------|----------|----------|
| Visitors arriving ('000) | 1,146.2 | 1,360.7 | 1,479.0 |
| Visitors to Parks ('000) | 1,540.6 | 1,820.2 | 2,132.9 |
| Visitors to Museums & Historical sites('000)*** | 686.3 | 699.0 | 751.6 |
| Tourism earnings (Ksh, Billion) | 26.4 | 38.5 | 48.9 |
| Hotel bed nights available ('000) | 7,765.7 | 10,030.7 | 10,845.6 |
| Hotel bed nights occupied ('000) | 2,605.9 | 3,791.5 | 4,476.5 |
| *** 2005 includes Visa fees and Domestic tourism earnings | | | |
| * Provisional | | | |

Source: Economic Survey and various Statistical Abstracts

According to Ndubi (2005) & Maingi (2007), this growth is highly attributed to the rich natural resources, particularly wildlife and beaches; accessibility from tourist source markets; a relatively developed tourist infrastructure, hospitality of the Kenyan people, availability of associated services in Banking and health and the stable socio-political environment and security since independence. Currently, the sector's economic vision and strategy, under the vision 2030 platform aims to be one of the top ten long haul tourist destinations in the world offering high-end, diverse, and distinctive visitor experience (Vision 2030 secretariat 2008). However, in the 20th century, such endogenous growth faces major threats to its sustainability in the near-by future. These threats include the social and cultural polarization, poverty, insecurity, unemployment, seasonality in the consumption and production of tourism infrastructure and services leading to limited returns, environmental impacts of tourism etc, therefore requiring a fundamental change in managerial orientation as far as strategic planning is concerned. Such an orientation should be value-driven and sensitive to the needs of the society and the stakeholders.

MAIN DISCUSSION

RESULTS BASED MANAGEMENT

What made this managerial approach special in managing social service institutions and in-deed Governments

in contemporary societies globally? Before making a coherent response to the stipulated question it would be justifiable to first examine the nature of public or social service management. Such an act would lay an important underpinning for the subsequent discussion in this paper. Public service inefficiency has been a crucial issue that has faced developing economies for a long time now (OECD 1999; GoK 2003). There has been an emphasis of public service institutions being more "management conscious". As Drucker rightly puts it, we have turned to commerce to learn "management." Such an act is assumed as being ideal to solving the inherent problems facing managers. The major assumption being that an institution's product (that is performance) will, by default, define its process. This misconception, has led public service administration to borrow management models, from business administration with the sole hope of curbing inefficiency. This has worked, despite the fact that each public service institution has different value systems that impact significantly on performance, hence making different contributions to society. As a result, "performance and results" are quite different as seen from each public service institution as compared to what they would mean to a business institution.

Such an ideology would seem naive as it ignores the inherent characteristics of the industry in the sense that Tourism is a fragmented product, intergrated with and directly affecting many other sectors of the economy; Tourism is a highly unstable export as it is subject to strong seasonal variations, to pronounced and unpredictable influences from external forces, to the heterogeneous nature of tourist motivations and expectations, and is highly elastic with respect to both price and income; and the fact that the cyclical pattern of demand for tourist goods & services has obvious implications for employment and investment.

THE NEED FOR A VALUE-BASED TOURISM SECTOR MANAGEMENT

Holbrook (1999) defines value as 'An interactive relativistic preference experience'. He considers individual differences in terms of personality, education, perception, motivation, culture and other consumer characteristics as intrinsic determinants of value. In agreement, Guttman (1990) asserts that the nature of value is relativistic as the individual / consumer makes comparisons among objects, it is personal in that the judgment of value varies between individuals and is situational as it depends upon the context in which the evaluative judgment is made.

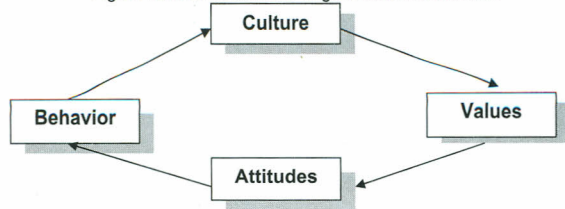
Selecting an appropriate approach for implementing results-based management is very important. Basic approaches to implementing performance management (e.g. top-down versus bottom-up; comprehensive versus incremental; systematic versus ad hoc; de facto versus de jure) must be selected according to the needs and

situations of each situation (OECD 1997). This assertion corroborates Mazrui's plea for Africa to inevitably seek first the cultural kingdom as an icon for political and economic development, (Mazrui, A. 1993). He saw cultural development as a foundation for other forms of development. As a result, he made acclaim for long term policies in Africa in support of cultural integration. When Mazrui's arguments were viewed from an organization's cultural context and its role in management change, much would be explored in this field (Ibid). This is to note that the culture of an organization is a set of norms, values and beliefs, which may have developed over time, unplanned and emergent.

From the experience of Korea, Kurland and Brohawn (1993) rate high the goals of development based on the basic continuity of a people's cultural traditions and the formation of endogenous innovative groups. The term endogenisation of development is seen as being positive. They cite this initiative as a basic element to be included in economic policy reforms in developing countries.

On the other hand, paying credit to this form of endogenisation of development and sensitization in management is crucial to organizational performance. This is because the culture of an organization is something that can have an enormous impact on the way in which the organization operates, its effectiveness and results. To dig deeper into that statement necessitates one to solicit the elements in culture that are manageable in organizational change. As explained by Adler the cultural orientation of a society reflects the complex interaction of values, attitudes and behaviors displayed by its members (Adler 2002). He fundamentally illustrates this interaction in the diagram given below.

Figure 1.0.: Dimensions of Organizational behaviour.



Source: Adler, N. J. *International Dimensions of Organizational Behavior*. Canada: South Western Thomson Learning, 2002.

As shown in the diagram, individuals express culture and its normative qualities through values they hold about life and the world around them. These values in turn affect their attitudes about the form of behavior considered most appropriate and effective in any given situation. The continually changing patterns of individual and group behavior eventually influence the society's culture, and the cycle begins again. When such a cycle is examined from an organizational setting its operational dynamics needs to be illuminated upon clearly. To give clarity on the given illumination, Sathe stated that 'the strength of a culture influences the intensity of behavior', and

the 'strength' of a culture is determined by 'how many important shared assumptions there are.' (Sathe 1985)

It is therefore ethical to query on the use of performance measures to internally and externally report governmental and public sector's efforts. A critical outlook to such an ethical question, further takes to task the stakeholder-shareholder dichotomous views of adding value to an organisation. In this view, Berman et al (1999) accentuates a normative approach to the intrinsic stakeholder values in an organisation. They claim that managerial relationships with stakeholders are based on normative moral values rather than on a desire to use those stakeholders solely to maximize profits. For that reason, a tourism firm would establish fundamental moral principles that guide how it does business- particularly with respect to how it treats stakeholders- and uses those principles to drive decision-making.

CONCLUSION & RECOMMENDATIONS

To conclude this paper, revisiting such discourses is important because the meaning of "results" or in this case "result based management" varies with individual and corporate preferences. It is therefore important for the government to enact a sector – led strategic policy that would link a coherent meaning of the term "results" to a shared value system. This would then be a managerial tool within the public sector that would deliver endogenous performance that reflects the ideals of the stakeholders in the sector. With these measures put in place, the performance manager would ideally ensure that the performance indicators and measurement practices are linked to the tourism strategic objectives or vision 2030 . This is key to successful performance management and in this way, performance measurement is integrated within strategic planning.

It is important for the Ministry of Tourism & Wildlife with the assistance of the Public Service Commission (PSC) to conjointly focus on the central issue of governance. Modes of governance provide a guiding philosophy that describes how management wishes to carry out the stewardship dimension of its responsibilities, (Boisclair J. P. 2003). Within this approach, all levels of management are engaged in management improvement while management scrutinizes on the impacts of changes to a management culture. This further makes managers and staff to be motivated to focus on results improvement.

Based on this notion, a coherent performance management policy should be set up by the Ministry of Tourism & Wildlife and the Public Service Commission is a huge task, such that the ideal core values and performance targets are set coherently addressing the future orientation of tourism as well as enhancing the past linkages within the economy. Such would form the panacea towards a more sustainable tourism industry.

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