

**MACRO ENVIRONMENTAL FACTORS AND PERFORMANCE OF KENYA  
WILDLIFE SERVICES**

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**D53/CTY/PT/32781/2015**

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

**NOVEMBER 2022**

## **DECLARATION**

### **Declaration by Candidate**

This research project is my original work and has not been presented for a degree or other award in any university. No part of this research project should be reproduced without authority of the author or/and University.

Signature ..... Date.....

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### **Approval by Supervisor**

This research project has been submitted for examination with my approval as the University Supervisor.

Signature ..... Date.....

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## **DEDICATION**

To my family, who has always been supportive and encouraging, I dedicate my study project. They've always been a rock in my life, and they still are. Thank you so much for your time and consideration.

## **ACKNOWLEDGEMENT**

I give thanks to God for giving me the gift of life and the chance to go thus far. I also want to express my gratitude to Dr. Jane Wanjira, my supervisor, for her guidance during the whole study writing process. I really appreciate her help. I also want to acknowledge the dedication and comfort provided by my colleagues and friends, for their notable assistance in making this research process a success.

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## **ABBREVIATIONS AND ACRONYMS**

<b>BSC</b>	Balance Scorecard
<b>GDP</b>	Gross Domestic Product
<b>ICT</b>	Information and Communication Technology
<b>KDF</b>	Kenya Defense Forces
<b>KNBS</b>	Kenya National Bureau of Statistics
<b>KPI</b>	Key Performance Indicators
<b>KWS</b>	Kenya wildlife services
<b>NACOSTI</b>	National Council of Science, Technology, and Innovation
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>SACCO</b>	Savings and Credit Cooperative Society
<b>UK</b>	United Kingdom
<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>UNWTO</b>	United Nations World Tourism Organization
<b>USAID</b>	United States Agency for International Development
<b>WTTC</b>	World Travel & Tourism Council

## OPERATIONAL DEFINITION OF TERMS

- Economic Environment** - Taxes, government policy, currency rates, interest rates, and labor costs are examples of variables that influence consumption choices made by people and businesses.
- Macro Environmental Factors** - Refers to a collection of uncontrolled variables that originate outside of a project organization but have the potential to have an impact on it while it is being executed. Factors such as social-cultural, political-economic, legal-technological, and physical-environmental influences are included.
- Performance of Tourism Industry** - Refers to the achievement of the organization's long-term goals as outlined in its strategic plan. In this study, the measures include customer happiness, business operations, and learning and development.
- Political Environment** - Refers to anything involving government policy and administrative procedures that may have an impact on the functioning of an organization, such as new political choices, political instability and legislation.
- Technological Environment** - Refers to variables that have to do with the existence and evolution of technology. They include automation and ICT adoption.
- Social-cultural Environment** - Refer to elements that have a direct impact on how people live. Among these are: religious convictions; ethnicity; race; decency; family; physical well-being; economic well-being; degree of education; spouses; and political affiliation.

## ABSTRACT

Tourism industry plays a critical role in Kenya's socio economic development. The changes in the macro environment are however making life very complex for players in this industry in Kenya. Consequently, to survive, players in the tourism sector must engage in assessing the macro environment factors and their influence to the organization for them to cope. Thus the main aim of this study was to evaluate how macro environment factors influence performance of the tourism industry in Kenya with reference to Kenya wildlife services. The study sought to achieve the following specific objectives; to establish the influence of social-cultural environmental factors, economic environment factors, technological environment factors and political environment factors on performance of tourism industry in Kenya. The study adopted cultural dimension theory, open system theory, contingency theory and balanced scorecard model. A descriptive research design was used. The population of interest in this study included all the 50 management staff at the Kenya wildlife service headquarters, 24 national park managers, and 15 national reserve managers. This study was a census. Primary data collected using a structured questionnaire. The administration of the questionnaire was done through drop and pick later method. The validity and reliability of the questionnaire was tested before conducted the actual study. The reliability results revealed that the questionnaire was reliable as the Chronbach alpha for all the study variables was more than 0.7. Data analysis was done using descriptive statistics such as mean and standard deviation and inferential statistics which included correlation and regression analysis. From the findings, an R square of 0.515 was the output which shows that social-cultural environment, economic environment, technological environment and political environment account for 51.5% of changes in performance at KWS. The findings indicated that social-cultural environment significantly and positively influenced performance ( $\beta = .500$ ,  $p < .05$ ). Further, economic environment had a positive and significant effect on performance ( $\beta = .297$ ,  $p < .05$ ); technological environment had a positive and significant effect on performance ( $\beta = .604$ ,  $p < .05$ ) and political environment had a positive and significant influence on performance ( $\beta = .813$ ,  $p < .05$ ). The study concludes that social-cultural environment, economic environment, technological environment and political environment have a significant effect on performance at KWS. The study recommends the need for the government through its various agencies to develop policies aimed at improving the social-cultural, economic, technological and political environment as this will go a long way in enhancing performance of firms in the tourism industry.

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background of the Study**

Organizational aims and objectives are impacted by macro environmental changes. This makes it difficult for organizations to remain viable. As a way to remain competitive, businesses must constantly monitor their surroundings for threats. To respond to changes in their operating environment, the organization may modify its strategic responses as necessary to meet those changes. Proper strategic answers will provide an advantage in the market. The last ten years have witnessed tremendous changes in the environment. These changes have greatly impacted on all industries operating in the country (Kipngetich, 2016).

The tourism industry has been characterized by unprecedented environmental turbulence occasioned by emerging realities in the global business environment. This turbulence defined as rapid changes in the organizational environment that is often hostile, uncertain, complex, dynamic and volatile – threatens the very existence of firms in the industry, thereby requiring response strategies for business resilience (Kotler & Caslione, 2019). Globalization has led to both better access to and distribution of information for travelers as well as a borderless globe that offers entirely new possibilities and threats for those who travel (Henne, 2017). Global tourism is an ambiguous phenomenon that embodies the opposing forces of mobility and freedom on the one hand, and immobility and disenfranchisement on the other, in a world of hyper-mobile money, instantaneous communications, and growing movement of people (Bianchi, 2016).

It is estimated that in 2017, the tourist sector contributed 3.7% to GDP and supported 9.0% of total employment across the world (World Travel & Tourism Council, 2018). Industry in Africa generated USD177.6 billion in GDP, supporting 9.297,000 jobs, or 2.6% of total employment, for the year 2017 (WTTC, 2018). There were 1,072,500 people employed by the sector in Kenya in 2017, contributing KES 682.0 billion (9.8%) to GDP and supporting 9.2% of total employment (WTTC, 2018).

The top African country for association meetings, according to the 2015 International Congress and Convention Association statistics report, was South Africa, with Morocco, Egypt, and Kenya following close behind. A company's competitiveness and even profitability are directly impacted by government economic policies and market restrictions. The government has the ability to quickly and easily adopt policies that alter the social, economic, and political status quo of a country. The business tourism sector is not an exception; a country's economic policies may easily have an impact on the whole tourist industry. Exemptions from taxes and duties may stimulate investment and possibly lead to development (Williams, 2017). Political stability in a country may influence the way laws are written; more stable nations have different policies than unstable ones.

In Kenya, performance of the tourism industry has been volatile in the last decade and this has been occasioned by happenings in the macro environment. The Covid-19 pandemic has significantly affected tourism performance since November 2019 to date as most tourists are affected by travel bans and are also cautious not to catch the disease. Travel warnings from certain European source markets, as well as security concerns, especially in the coastline area, have hampered tourist performance. This is in addition to election tensions that reoccur after every 5 years and threaten the stability of the tourism sector (KNBS, Economic Survey, 2020).

The changes in the macro environment are making life very complex for firms in the tourism industry in Kenya (Simiyu, 2015). Consequently, to survive in tourism, firms must engage in assessing the macro environment factors and their influence to the organization for them to really cope. Responding strategies must be adopted by these sectors, and the responses must be suited to the companies' available resources, environmental conditions, and fundamental goals. The process includes finding ways to align a company's strategic advantages with the current business climate.

### **1.1.1 Macro Environment Factors**

A macro environment is the state of the economy as a whole, as opposed to just one sector or geographic area. A company's overall success is strongly connected to the macro environment, as opposed to the performance of a specific industry (Fernado,

2019). According to Milan and Rajbhandari (2017) macro environment factors like economic, political, legal, social and cultural affect firm's performance in a number of ways. Macro environmental factors affecting firms' performance must be identified for efforts that improve firms' performance via effective management of dominating variables (Asaolu & Ogunmuyiwa, 2016).

The macro environment is made up of all the elements and variables that may bring about an effect to an entity's current and future well-being (Armstrong, 2019). They cover a wide range of impacts on how the organization works from outside the company. An organization's capacity to sustain effective connections with its customers is heavily influenced by the macro environment. The performance of a business will almost certainly be influenced by the surroundings (Shaikh, 2017). As a result, successful companies understand the need of constantly monitoring and responding to changes in the business environment (Kottler, 2015). Realistically, every business must interact and trade in some way with its surrounds, thus the macro environment affects businesses in some way. Successful business operations are dependent on a variety of factors, including the company's internal micro-environment (such as how it is structured), how it provides working capital and other resources, and how well employees cooperate. They also depend on the company's technology and other macro-environmental factors (Fernando, 2019).

A wide range of external business environmental factors have been proven to affect organization performance (political, economic, socio-cultural, and technical). When it comes to obtaining input resources, companies rely on their environment for knowledge, ideas, raw materials, money, and labor among others. They also depend on their environment for the consumption of completed products or services. Put differently, environmental factors such as social, economic, technical, legal, or regulatory pressures form and affect organizational business operations. Because of the competitive climate in Nigeria's food and beverage sector, listed manufacturing companies in that country have used multi-product marketing strategies.

There are many variables that affect consumer and corporate spending decisions. Examples include taxation, growth and recession in the economy, government

economic policies, and currency exchange rates. Affordability of credit and the movement of funds are impacted. Echdar and Si (2018) claim a number of economic factors as justification for their decision, including low loan rates, a stable macroeconomic environment, and long payback periods. The project team will be able to produce more realistic cost estimates if the macroeconomic situation is steady. The cost of the project will rise if macroeconomic policies are unstable.

Language, religion, education, ethnicity, family, and physical status are all aspects of the social-cultural environment that influence people's way of life. People's general way of life and health are examples of social-cultural variables cited by Kurtulus (2017). Socio-cultural aspects of a project environment, according to Akanni, Oke and Akpomiemie (2017), include the values, traditions, and ways of living that make up a society. Another example of a socio-cultural variable is the rise in educational levels and attitudes toward social responsibility as well as in the population. There is a chance that these factors will influence firms in society.

There are a variety of factors that may affect an organization's operations, including the political environment. These factors include new laws, political instability, and political choices. Public housing development depends on both financial incentives and government involvement, according to the research of Dauda and Ismaila (2018). The projects' performance is affected in various ways by macro environment variables. However, the emphasis of this research was on socio-cultural-economic-technological-political variables since prior studies have indicated that they possess a higher influence on project performance since they are the most important factors that distinguish nations (UNCTAD, 2017).

### **1.1.2 Organization Performance**

In business, performance is described as the process of generating value, which may lead to an improvement in the firm's financial situation as measured by improved Return on Investment (ROI). Better use of raw materials, labor, and capital, as well as appropriate resource management, are all credited with improving return on investment (Alchian & Demsetz, 2017). Venkatraman and Ramanujam (2018) recognize the lack of agreement on how an organization measures up. According to

March and Sutton (2014), organization performance relates to how efficiently a job is completed. The definition of organizational performance given by Armstrong (2015), however, includes both behavior and results, which are critical for every business manager working in any company.

Performance has been operationalized using a variety of metrics. The balanced scorecard uses the organization's purpose, vision, and strategy to produce performance metrics. It's a method for evaluating an organization's overall performance. It incorporates the monetary element, which affects the organization's economic results while making various choices. Customer satisfaction is an essential factor to look at. Customer and market focus is the emphasis of this approach, and key success indicators are measured for these segments alone. Another important measure is internal processes. It also highlights the value of continuous learning and improvement in order to ensure a company's success in the long run (Kaplan & Norton, 1996).

### **1.1.3 Tourism Industry in Kenya**

Aside from agriculture, tourism is Kenya's biggest source of foreign currency income (behind coffee). Visits to the country's 19 national parks and wildlife reserves, Mombasa's coastline beach, eco-tourism, cultural tourism, sports, and conferences are all part of the tourist sector in the country. Between 2007 and 2008, there was a drop in revenue of 17.65 billion to 8.08 billion and a reduction in visitors from 273,000 to 130,585 due to ethnic conflict. The Kenyan Defense Forces (KDF) deployed to Somalia in October 2011 to hunt down Al-shabaab. When the terror organization was confronted, it carried out attacks on civilian targets throughout the nation. There were about 160 terrorist incidents in the nation between 2011 and 2014 (KNBS, 2018).

Citizens of the UK, the USA, and France have received travel warnings, urging them not to visit some of the world's most popular tourist destinations. The tourism sector in Kenya suffered as a result of this. Tourism brought in Kshs 97.9 billion to Kenya in 2011 according to the Kenyan government. When it dipped to Kshs. 96.02 billion in 2012, and Kshs. 93.97 billion in 2013, the fall was much more pronounced. In 2013, the number of foreign visitors dropped from 1.770.8 million to 1.490.059 million

(KTF, 2016). As of the end of 2014, the tourism industry produced KShs 87.1 billion in revenue. In 2015, that figure dropped even lower to KShs 84.6 billion. Attracting 1.18 million foreign visitors in 2015, Kenya had a 12.6% drop from 2014. When the budget allocation for 2015 was twice the previous year's, Kenya had poor returns on its investment of Ksh. 10.7 billion, according to the Economic Survey (2018). Using the funds, the market will be boosted, component quality will be improved, and beach and museum protection will be stepped up. A 6.4% decline in hotel guests was recorded between 2014 and 2015 (down from 6.28 million to 5.87 million).

Between 2014 and 2015, the number of regional conferences conducted in Kenya increased (3,077 to 3,199). International gatherings reduced by a tenth of their former size (Mutambo 2018). Kenya's National Bureau of Statistics (KNBS, 2020) reports that security concerns, especially along the coast and travel warnings from certain European source markets have caused the tourism sector to perform poorly. After receiving 1.8 million visitors in 2011 and generating Ksh. 97.9 billion, international tourism numbers have been declining since that year. Terrorism, disease outbreaks and a bad economy have all contributed to a sense of insecurity, which has slowed growth. Travel and tourism is one of Kenya's main economic sectors in its Vision 2030, a long-term strategy to improve the country's position in the global market by making it internationally competitive. By improving people's quality of life and the health of the nation, tourism will help the country attract more tourists (KTF, 2020). A strong political foundation is vital in embracing the growth of the tourism industry by addressing issues like security, peace building, and conflict management (Economic Survey, 2018).

#### **1.1.4 Kenya Wildlife Services**

A Parliament-passed law, Wildlife Conservation and Management (CAP 376), mandating KWS, Kenya's state-owned wildlife conservation and management organization, to preserve and manage Kenya's wildlife. Additionally, it establishes conservation policies and procedures as well as standards for wildlife and plant management and use, with the exclusion of domestic animals. KWS is in charge of overseeing the management of national parks and reserves, which includes ensuring the safety of both people and animals both within and outside of protected areas. As a

result, it gives advice on wildlife protection and management to the national government, municipal governments, and private properties (GoK, 2018). It is the responsibility of KWS to offer wildlife conservation education and extension services to the public, and to control and supervise any activities beyond protected areas for wildlife conservation and management that are licensed, regulated, and monitored. KWS also conducts and coordinates wildlife conservation and management research and disseminates knowledge. To this end, it ensures that wildlife conservation and management capability is built while also managing and organizing international protocol agreements, conventions, and treaties pertaining to wildlife in all of its dimensions (KWS, 2021).

KWS manages approximately 8 percent of Kenya's land area, which includes 31 reserves; 6 national sanctuaries and 23 national parks. There are also four national maritime parks and six marine sanctuaries in the region. In addition to the protected areas, wildlife management is carried out at 154 field stations (KWS, 2017). When it comes to business performance metrics, KWS has chosen to follow the BSC approach. The performance aspects (perspectives) of the KWS vision and strategy goals are: customer and stakeholder satisfaction, financial development, stewardship and sustainability, efficient processes and knowledgeable, skilled and motivated people. By obtaining resources and using them for their purpose, KWS hopes to satisfy its consumers and stakeholders while also increasing income generated internally for long-term conservation. Constant improvement in their service delivery procedures enables resource recruitment, efficiency, and expansion (Simiyu, 2015).

Since KWS is not a profit - making organization, its success is dependent on the efficiency, customer satisfaction, and employee satisfaction. The Parastatal Reform Programme envisions allowing KWS, as a government-owned organization, to carry out its duties precisely as private sector enterprises do in the private sector (PSCU, 2014). GOEs were supposed to meet the same service performance criteria as private businesses under the Parastatal Reform Programme for its customers. KWS, on the other hand, has had issues obtaining the required results (Odhiambo & Oloko, 2014).

KWS's efficiency, customer happiness, and staff satisfaction have all been below average, which has prevented it from reaching its objectives. In terms of meeting the performance goals, the parastatal ranked 37 out of 54 commercial state businesses in the nation. These goals were outlined by Kenya's Executive Office of the President (2013) as encouraging or accelerating economic growth and development, building capacity to assist national development, creating job opportunities, forging international alliances, and better delivering public services to citizens. KWS's performance was being examined to see how much the macroeconomic climate affects it.

## **1.2 Statement of the Problem**

There has been significant volatility in the Kenyan tourism industry's performance, with increases often being followed by large decreases. This has been occasioned by changes in the macro environment. The Covid-19 Pandemic has significantly affected tourism performance since November 2019 to date as most tourists are affected by travel bans and are also cautious not to get the disease (Kenya Tourism Board, 2020). Security concerns, and election cycles and travel warnings from certain European source markets, have all hurt tourist performance. KWS has had problems attaining the desired results (Odhiambo, 2018). The macro environment has not been examined, despite research focusing on a variety of internal variables that may explain KWS's and other government agencies' performance. According to published research, the macro environment has an impact on an organization's performance (Wiklund & Shepherd, 2017). Furthermore, according to Pearce and Robinson (2016), organizations that respond to environmental uncertainty in a timely and appropriate manner perform better.

Studies that have examined influence of macro environment on businesses' performance (Onoriode & Agbele, 2020; Obeng-Krampah, 2020; Idowu & Wekesa, 2019; Dauda & Ismaila, 2018; Milan & Rajbhandari, 2017; Shaikh, 2017; Mwangi & Wekesa, 2017) have focused on other contexts whose social and economic setting are different from the one at KWS and therefore their findings cannot be generalized. There is a lot we do not know about how macro environment variables affect KWS's performance. In this respect, the researcher aimed to bridge the current gap by

providing an answer to the question of how the macro environment affects KWS performance. To address this particular research topic, the study evaluated how macro environmental variables impact KWS performance.

### **1.3 Objectives of the Study**

There are general research goals and study-specific objectives included in this section.

#### **1.3.1 General Objective**

The main objective of the study was reviewing the effects of macro environment factors on performance of Kenya wildlife services.

#### **1.3.2 Specific Objectives**

The specific objectives of the study were:

- i. Assess the effects of social-cultural environment factors on performance at Kenya wildlife services.
- ii. Determine how the economic environment factors affects the performance at Kenya wildlife services.
- iii. To examine the influence of technological environment factors on performance at Kenya wildlife services.
- iv. Determine how political environment factors affects the KWS's performance.

### **1.4 Research Questions**

The study was guided by the following research questions:

- i. To what extent do social-cultural environment factors influence performance at Kenya wildlife services?
- ii. To what extent do economic environment factors influence performance at Kenya wildlife services?
- iii. To what extent do technological environment factors influence performance at Kenya wildlife services?
- iv. To what extent do political environment factors influence performance at Kenya wildlife services?

### **1.5 Significance of the Study**

Key players in the tourism industry like management and investors benefit from the study as it has provided the actual state of matters in the tourism industry and has identified the macro environmental challenges being encountered in the industry. The managers may find the report very significant in understanding the dynamics of changes in the macro environment within the industry therefore assisting them in planning on strategies to adopt to steer their organizations to improved performance.

Through the research, the policy makers together with regulators are adequately enlightened concerning the macro environment factors influencing performance of organizations and functioning, which guides during formulation of policies pertaining regulations. The attainment of synergy in the tourism industry and other sectors in general is feasible due to new policies development including an appraisal to existing policies.

The findings of this study are very resourceful to scholars and researchers who have the urge in advancing their insights or address the gaps relating to macro environment features affecting performance of firms. To scholars and students undertaking research regarding the macro environment elements affecting an enterprise's performance will greatly benefit from the study. Additionally, the research outcomes might form an interrogation benchmark where other variables' significance which are excluded from this research are analyzed.

### **1.6 Scope of the Study**

This research intended to show beyond doubt how performance of the Kenya's tourist sector is affected by the macro environment. The study was limited to the influence of four elements: social, economic, technological and political. This research only looked at these four variables. The dependent variable was performance operationalized using the balanced score card. Kenya Wildlife Services was the subject of the investigation for the time being. The population of interest in this survey included the entire 50 managerial personnel at the Kenya wildlife service headquarters, 24 national park managers, and 15 national reserve managers. A

descriptive research approach was used; data analysis included regression analysis plus correlation.

### **1.7 Limitations of the Study**

Primary data was utilized in this research which is associated with limitation of containing possible outliers. Administration of structured questionnaire was preferred as a means of reducing possible outliers. Though this can increase the chances of having data collection that is skewed because the expected respondents are restrained in relation to the information type they give and how they are supposed to share the information. Therefore, this study aimed at ensuring that instrument of data collection captured comprehensive data that addressed the research objective without any prejudice.

Additionally, a number of the required respondents showed skepticism in taking part during the survey. The academican overcame this impediment by obtaining the required permit, consents and approvals from the applicable bodies like; KWS, National Commission of Science, Technology and Innovation (NACOSTI) including the University. Additionally, ethical requirements were adhered to and the respondents were informed about them. Lastly, the researcher showed willingness to share findings with interested respondents.

### **1.8 Organization of the study**

This research project is organized into five chapters. Chapter one presented the background of the study, problem statement, general/ specific objectives, significance, scope and limitations of the research. Chapter two covers theoretical review, empirical review, gaps discovered plus the study conceptual framework. Chapter three addresses methodology in terms of the study design, target population, sampling technique, sample size, procedure during data assembling, analyses of data, the presentation and the ethical considerations. Chapter four constitutes data analyses; presentation and interpretation whereas chapter five covered the summary, conclusion as well as recommendation.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter covers the theoretical review showing the hypothesized relationship between macro environment factors and performance. The chapter also covers an empirical review showing other scholars sentiments regarding this study area. Further, the survey brings out the research gaps arising from reviewing the literature also presents the hypothesized relationship between variables using a conceptual framework.

#### **2.2 Theoretical Review**

The study was based on four theories: the Cultural Dimension Theory, the Open System Theory, the Contingency Theory, and the Balance Scorecard Model.

##### **2.2.1 Open System Theory**

Ludwig von Bertalanffy (1956) being the first to develop it, opined that the Theory of Open systems acknowledges the complexities experienced by all establishments. Thereupon, they are unknown, open systems also facing uncertainties, conversely, they are subject to rationality criteria therefore requiring certainty plus determinateness (Thompson, 1967:10). Uncertainty alongside openness are the dual concepts which are conspicuous regarding this theory. Openness being the enterprise's potential of relying on its surrounding plus its suppliers, clients also rivalry for both resources along with markets including the regulatory groups (Bastedo, 2004; Zsidisin, Melnyk & Ragatz, 2005).

A company's actions and operations are restricted by the environment around them. As time passes, the company comes to grips with the fact that it has only partial control over the environment. Nevertheless, under some circumstances, the company may exert influence over the environment by using power derived from a network of connections among the institution besides the components of its surroundings (Zsidisin et al., 2005). Most environmental aspects however, are beyond the company's hands, so it should either buffer itself or make an effort in coordinating

operations across the various components. The surrounding should be seen being a significant source of uncertainty given the interdependence between a company and its environment and the incapacity of a company to regulate the activities or plans carried out by environmental factors. Environmental actions have the potential to have an impact on the company's success..

Defining methods for surviving and flourishing in this environment will be a difficult task for the business. Therefore, systems within an organization act to regulate themselves by causing change in their surroundings, which then has an effect on the system as a whole. This feedback loop is what causes a system to have alterations. A company is unquestionably an open system, sharing information with its surroundings in order to achieve certain objectives like shareholder value, profitability, and customer equity. According to this theory, the performance of the firm is influenced by events occurring in the macro environment. In accordance with this theory, political environment, influence performance either adversely or positively.

### **2.2.2 Cultural Dimensions Theory**

The brain behind this theory is Geert Hofstede in 1993 (Anastasia, 2015). It defines the background surrounding the cross-cultural communication that harmoniously displays the culture's effects initiated in community in respect to community members' values. This algorithm is useful in expounding on entity's behaviors whose basis is six completely distinct spheres such as; process-oriented versus outcome-oriented, pragmatic versus normative, job-oriented versus personnel-oriented, tight versus loose control, professional versus parochial also open systems versus closed systems. According to Hofstede cultures can alter their position on an aspect inside the dimensional model. Moreover, he opined technological modernization being a vital wave affecting culture change, in spite of absence of evidence that it diminishes several on other dimensions. It results to partial related developments in dissimilar communities (Hofstede, 2011).

Individuality against collectivism and masculinity versus femininity were originally part of Hofstede's theory, but he subsequently expanded it to six categories after further research (Muchungu, 2011). Long-term vs. short-term thinking, as well as

indulgence vs. self-control, are all additional aspects. These features represent the deeply ingrained cultural values that exist in various places. They have an impact on how individuals from various cultural origins react in work-related situations (Anastasia, 2015).

According to Hofstede (2011) culture, distinguishes individuals within groups or categories. Tribes or ethnic groupings, organizations, countries, and professions are all included in the definition of nations. Generations, genders, and even social classes may all be referred to by the term. Workers benefit from having a better understanding of their organizational cultures. Cultures exist as visible and conscious systems.

The social-cultural values of various areas, nations, and organizations influence how people go about their daily operations. A social structure is created as a result of this (Muchungu, 2011), which has an impact on organizational work patterns and performance. Different social structures may be used by an organization to achieve its objectives, according to Hofstede's six dimensions. An organization's performance will be determined by the structure it uses. For the purpose of understanding how social-cultural variables influence KWS's performance, this theory was useful.

### **2.2.3 Contingency Theory**

Fiedler (1960) founded the theory. As per Islam and Hu (2012) the contingency theory is a technique for analyzing organizational behavior that describes how external factors like technology, culture, and the external environment influence how organizations are formed and operate. As a result of contingency theory, no one structure can be applied to all organizations equally. According to Baranyi (2001), the theory aims to show that various situations need distinct organizational structures. As a result, the success of an organization's structure in addition to information system are interdependent (Islam & Hu, 2012).

According to Dobák–Antal (2010), the theory of contingency argues that various solutions may be beneficial depending on the situation. According to Matyusz (2012), the technique of empirical comparative analysis was usually used to investigate the connection between organizational structure and operational circumstances. With this

systematic approach, it is made clear how organizations interact with their environments and how important it is to adapt. As a result, structurally, the contingency theory considers the organization's surroundings, size, and strategic goal as potential contingency variables.

The Woods (2009) research also proposed that the structure of a company was influenced by external variables including technology, task environment dimensions, and the size of the organization. Organizational traits that best match contingency variables have been identified by Donaldson (2008). In an organization, for example, specialization yields the best results when it is proportional to the organization's size, according to that variable's level. High performance thus comes from low specialization in a small organization whereas high specialization leads in high performance for larger organizations. Using this approach, we can determine how KWS's technical environment impacts its performance.

#### **2.2.4 Balanced Scorecard Model**

Kaplan and Norton created the first Balance Score Card (1991). This approach assesses an organization's efficiency, effectiveness, and viability, all of which may be found via several metrics. Intangible assets played an important part in creating value for the businesses studied, thus the model was built on that (Nolan Norton Institute, 1991). In order to enhance the management of their intangible assets, these academics felt that organization was necessary; they needed to include intangible asset assessment into their management systems.

The balanced scorecard approach clearly identifies the operational variables that influence an organization's success. For example, customer happiness as well as retention rate, internal elements of the enterprise, learning together with invention are all included in the model's proposed performance assessment. The balanced scorecard changed the way people looked at performance indicators for the rest of their lives (Isorite, 2008). This idea was developed in 1992 by Kaplan and Norton as firms transformed themselves in competing in the information era, and their capacity to utilize intangible assets was proving to be greatly important as compared to managing physical assets. For businesses, the scorecard enabled them to keep tabs on

financial outcomes and progress in developing skills necessary for future development. The tool is a supplement to monetary metrics, not a substitute for them. Managers may use the scorecard to create four new procedures that aid in the linking of businesses. The writers came up with a new performance assessment method called a "balanced scorecard," which provides executives with a quick yet complete picture of the company's performance (Nisha, 2017).

Financial indicators on the balanced scorecard reflect the effect of previous choices. These financial indicators are supported by three operational elements, such as the satisfaction of customers, internal processes, and the ability of the company to learn and develop operations that will contribute to future financial success. By translating the purpose and strategy of a business into precise goals and metrics, managers can build a balanced scorecard (Isorite, 2008). Since KWS performance is affected by macro environmental factors, the balanced score card theory makes sense.

### **2.3 Empirical Literature Review**

This section examines previous empirical research on the nexus amid the macro environment plus organizational performance.

#### **2.3.1 Social-Cultural Environment Factors and Performance**

Maziku, Majenga, and Mashenene (2016) studied influence of the social and cultural context on the performance of small business owned by women. The study used cross sectional design to survey 80 Women owned SMEs in Dodoma and Chamwino districts. The study used descriptive statistics and a binary logistic model. The findings indicate Women's immobility, absence of support from family plus friends, and ethnicity are all have negative impact on the success of women-owned small enterprises. Women's SMEs' success was reinforced by variables such as household responsibilities, educational attainment, and female role models. The findings indicate societal and cultural issues hurt the success of women-owned small businesses. Thus, women-owned small and SMEs under such social and cultural pressure are not likely to function well. According to the findings, the government should implement measures to boost the number of women who start their own businesses. Studying women-owned small businesses created a gap in the research.

Masovic (2018) found out Socio-cultural factors affect multinational companies' success in Macedonia. The study's primary goal was to show how specific socio-cultural variables affect the financial success of foreign businesses overseas. A total of 108 Macedonian subsidiaries were included in the research. To evaluate the findings, a panel regression model was employed using main and secondary data. Firm performance is strongly influenced by the social-cultural environment, according to the findings of the research. As proved by the discoveries, the paper's value may be seen in the recognition of important socio-cultural variables which multi-national establishments must put into considerations during the assessment of actual performance of foreign subsidiaries including their management. Because of the country's social and economic disparities, the research performed there presents a contextual gap.

Okeke, Onuorah, Onyekwelu, and Nwajei (2019) examined socio-cultural factors in Anambra State's industrial sector. An in-depth analysis of the relationship between organizational performance and cultural norms was conducted to find out whether these factors had an impact. Studies were conducted on 2093 people from 10 different manufacturing firms in Nigeria's Anambra State, including executives and workers from those companies. a total of 408 people were enrolled in the investigation. Descriptive statistics and a basic regression model were used in analyzing the data. Organizational performance is significantly influenced by cultural values, attitudes, and beliefs, according to the results of the research. After examining Manufacturing companies in Anambra State, the researchers have come to the conclusion that socio-cultural variables have a positive impact on firm's performance. There is a research that suggests manufacturing companies focus on adopting appropriate social standards inside their working environments. However, since this research was cross-sectional, there is a methodological gap that must be filled before moving on to the next project.

### **2.3.2 Economic Environment Factors and Performance**

Baba and Nasieku (2016) examined impact of macroeconomic variables on bank performance in Nigeria. Secondary data used in the research was obtained from yearly bank reports, World Bank reports, Nigerian bureau of statistics and research institutes. Explanatory research model was used. This survey included 23 Nigerian-licensed

banks. ROE was utilized as a performance metric in the investigation. Exchange rates, unemployment and interest rates were all shown to be adversely linked with banks' financial performance, whereas inflation had a statistically negligible effect. An increment in exchange rate positively affects the performance of banks while an increment in the interest rates deteriorates financial performance. The research had a methodological gap since it was heavily dependent on secondary datum, on the contrary, the existing survey used first-hand information.

Ng'ang'a (2016) investigated the link between the Kenyan insurance sector's performance and macroeconomic variables. Using macroeconomic factors such the Central Bank rate, GDP growth, real exchange rates (Ksh/USd), inflation, and unemployment, the findings were regressed in order to attain the final findings. The survey was carried out using a descriptive research strategy. It was based on quarterly secondary data collection. Ten years of study were completed between 2006 and 2015. Multiple regression, descriptive analysis, and correlation were all utilized to examine the data in depth. Findings reveal that exchange rates, interest rates, and unemployment rates are not significant predictors of insurance industry's financial performance. This research has a contextual flaw since it focuses on insurance companies whose business model differs from tourism.

Chimkono (2017) examined micro and macroeconomic factors in Malawi's banking sector. Secondary data was obtained from audited financial records from 2000 to 2014. Banks licensed in Malawi made up the study's target audience. Publications prepared by the World Bank and reserved bank of Malawi were also used as sources of data. Independent variables have a vital influence on commercial banks' financial performance, as proved by this survey (loan interest rates, cost efficiency, and asset quality). Economic growth, as a moderating factor, has a major impact on the independent factors. According to the findings of the research, credit risks have a detrimental impact on bank performance. The study presents a conceptual gap as some macroeconomic factors such as inflation were not considered.

Obeng-Krampah (2020) investigates the relationship between macroeconomic factors and the performance of listed Stock Exchange-firms in Ghana. A panel of economic

indicators (GDP, inflation, interest, and currency rates) was used from 2007 to 2015 as a proxy for business performance in accordance with the literature. Firm performance and macroeconomic factors including dividend payment, sales growth, and leverage were shown to be strongly related. According to the findings, macroeconomic factors are insufficient to explain business performance fluctuations. While inflation has a negative impact on ROA, interest rates have an equal but opposite effect, according to the results of the research. With its location in Ghana, the research has a contextual gap.

### **2.3.3 Technological Environment Factors and Performance**

SMEs in Ghana were examined to see how technology affected their performance, according to Nkuah, Tanyeh, and Gaeten (2013). The study employed quantitative research methods, such as stratified plus simple random sampling, to identify 80 successful businesses in the Wa Municipality. The study's most crucial results revealed that some performance characteristics have significant, positive relationships tied to them when it comes to technology. A significant connection was found between technology use and performance in the research, despite the fact that the test companies were small and medium-sized and situated in Wa Municipality's main business region. A conceptual chasm exists in the research since it concentrated on technology usage rather than technical environment variables.

Mwangi and Wekesa (2017) investigated the impact of technical variables on Kenya Airways' overall performance. Due to restricted resources, this research could only cover the years 2013/2014 and 2014/2015. The study's target demographic was the 245 employees of Kenya Airways' finance department. In this research, 74 respondents were chosen at random using stratified random sampling. One of the main ways the researcher gathered data was through administering a questionnaire to participants. Kenya Airways' annual reports and published articles served as a primary source of secondary data. There was a mix of content analysis and descriptive analysis done. Multiple regressions were also utilized. According to the findings of the research, technical variables have an impact on Kenya Airways Limited's overall performance. According to the findings, management at Kenya Airways must embrace cutting-edge technology in the aviation sector. This will assist them in

becoming more competitive, thus boosting their performance. This research has a contextual flaw since it focuses on Kenya Airways, which operates differently from KWS.

According to Okechukwu and Okoronkwo (2018), the technical environment has an impact on an organization's performance. Researchers also wanted to find out how technology impacts consumer fulfillment including position in the market among Enugu's small and medium-sized businesses. The study included 217 employees from Enugu's chosen medium-sized businesses and used a descriptive research methodology. A systematic questionnaire was utilized during data collation, which was then arranged into tables for simple review. The research found among chosen small and medium-sized businesses in Enugu, technology environment had no significant impact on organizational customer satisfaction, but technological environment had a substantial impact on organizational market share. According to the findings, managers of medium-sized businesses should look inside and evaluate how best to use technology advancements in order to achieve the organization's objective of customer satisfaction. The research presents a contextual gap since it was done in Nigeria.

#### **2.3.4 Political Environment Factors and Performance**

Mark (2015) examined impact of political environment on multinationals' financial performance in Nigeria. As a result, existing literature was analyzed and hypotheses tested. The study's participants are publicly traded Nigerian manufacturing firms. The Nigerian Stock Exchange Fact Book of 2012 and the World Bank Group's World Development Indicators were used to identify about twenty-seven (27) of these businesses. It was determined that the political environment was good based on the absence of political instability and violence, and that the economy was doing well based on the profitability of companies between 1999 and 2013. The study's results revealed that the Nigerian political environment has a substantial negative effect on multinational businesses' commercial performance. As a result, they advise the Nigerian government to refrain from making radical policy and program changes and to preserve democratic institutions and political integration. Because it was a review of the literature, this research had a methodological gap.

According to study by Idowu (2019), Nigerian manufacturing firms' financial performance is impacted by the political environment. These managers were asked about the effect of politics on company performance using government laws, legislation, policy and security using multiple regression techniques. Each proxy for the independent variable had a skewed impact on the outcome. Examining both objectives and hypotheses, the study reveals an association between company success and the political environment. Predictability is improved by reducing inconsistency in government policy. To minimize administrative expenses for companies, authorities ensuring compliance with corporate operating standards should be merged under a single, integrated entity. According to the findings, businesses may better survive by increasing investment in security infrastructure. The study presents a contextual gap since it was carried out in Nigeria.

Onoriode and Agbele (2020) examined impact of political environment on the performance of a sample of Delta State SMEs. A descriptive research method was used. The research population comprised 371 individuals, which is the total number of people employed throughout the different industries in the State of Georgia. Judgmental sampling technique was used in choosing a sample size of 356 individuals. Both Secondary and Primary data were used in the research. Correlation coefficient was utilized in data analysis. The findings discovered SMEs are extremely sensitive to political environments. Moreover, it was discovered a stable political climate affects consumer satisfaction and promotes the retention of employees. Businesses should be ecologically aware, say the authors, who advise that they monitor and scan the environment on a regular basis to make sure they can adapt. The research presents a knowledge gap since it limited to SMEs.

#### **2.4 Summary of Literature and Research Gaps**

This chapter has addressed a literature review, that among others has displayed, the theoretical literature review of the survey, and in this section three theories have been discussed which supports the research; the theories covered includes; cultural dimension theory, open system theory, contingency theory, the theory of constraints and the balanced scorecard model. However, no survey focusing on influence of

macro environment features on the performance Kenya's tourism industry has been documented, similar empirical researches have been performed.

Table 2.1 shows a summary of research gaps besides empirical literature.

**Table 2.1: Summary of Literature Review and Research Gaps**

<b>Author</b>	<b>Focus of study</b>	<b>Key findings</b>	<b>Knowledge gaps</b>	<b>Focus of the current study</b>
Nkuah Tanyeh & Gaeten (2013)	The technology's influence in relation to the performance of Ghana's SMEs.	The outcomes proved the presence of strong connection amidst technological usage alongside job performance.	The survey exhibits a conceptual gap as it paid attention to technology which is different from technological environment factors.	This study investigated technological environment factors influencing performance at KWS.
Maziku, Majenga, Mashenene (2016)	The impact of Tanzania's social and cultural milieu on the performance of women-owned small establishments.	In Tanzania, the social and cultural context has a detrimental impact on the performance of women-owned businesses.	This survey paid attention to women SMEs whose social-cultural environment is different from that of KWS.	The study established whether social cultural environment influences performance at KWS.
Ng'ang'a (2016)	The relationship between Kenya's insurance sector performance and macro-economic features.	Interest rates, transactional rates besides unemployment rates are not significant predictors of insurance industry's financial performance.	The survey exhibits a contextual gap as it concentrated on insurance firms whose functionalities are distinguishable in comparison to those of KWS.	The present research examined the relationship between economic environment variables and performance at KWS.
Chimkono (2017)	How Malawi's banks operate under the influence of	Lending interest rate has a major influence on	The survey was dependent on secondary datum and therefore a	The survey paid attention to more economic factors and was

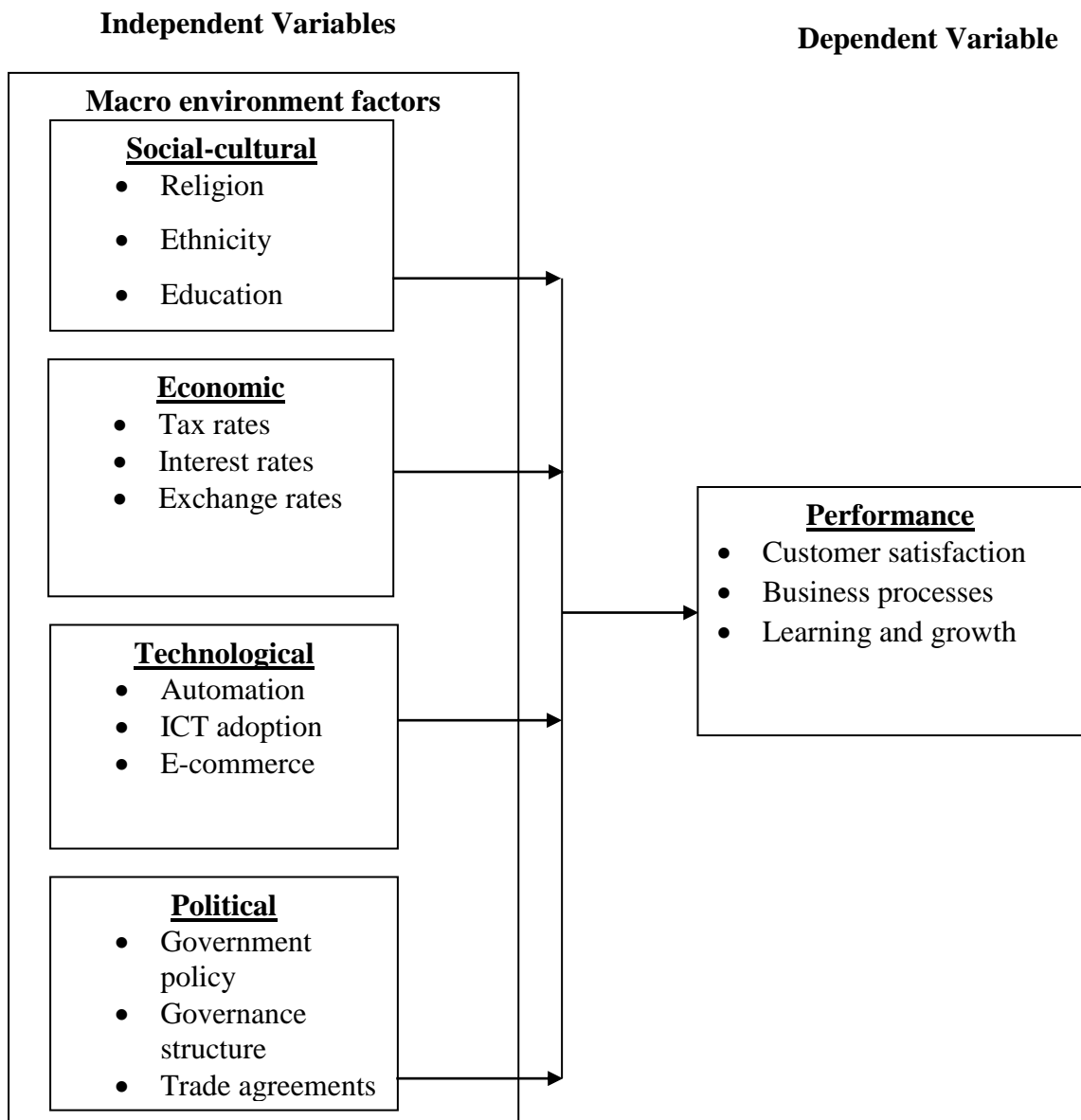
	micro- and macroeconomic factors.	the performance.	methodological gap.	based on KWS.
Mwangi and Wekesa (2017)	The technological elements' impacts on institutional performance of Kenya Airways.	Technological factors influence the organizational performance of Kenya Airways Limited.	This research reveals a contextual gap as it was a case of Kenya Airways whose operations are different from those of KWS.	At KWS in Kenya, this research looked at how technology environment influences performance.
Masovic (2018)	The association between socio-cultural factors and performance of multinational companies in Macedonia.	Firm performance is influenced by the social-cultural environment.	The study was carried out in Macedonia and poses a contextual gap due to social plus economic differences.	The present research looked at the impact of social-cultural variables on performance at KWS in Kenya.
Idowu (2019)	The impact of the Nigerian political climate on selected industrial companies' corporate performance.	The political climate has a major impact on business performance.	The research was carried out in Nigeria, which has a different political climate than Kenya.	The present research looked at the effects of economic variables on performance at KWS in Kenya.
Okeke, Onuorah, Onyekwelu and Nwajei (2019)	The influence of socio-cultural feature on firm's performance, utilizing the opted manufacturing entities in Anambra State, Nigeria.	Organizational performance is influenced by socio-cultural variables in a favorable way.	The study was carried out in Nigeria, which has a distinct social and cultural context than Kenya.	The present survey paid attention to how socio-cultural aspects affects the performance at KWS.

Obeng-Krampah (2020)	The connection between macroeconomic factors and the success of Ghana Stock Exchange-listed companies.	whereas there are negative impacts on Return on Equity, Return on Asset & Interest rates by Inflation.	The study was carried out in Ghana, which has a distinct social and cultural context than Kenya.	The present survey concentrated on how economic features affects the performance at KWS.
Onoriode and Agbele (2020)	The impact of the political climate on organizational performance in Delta State, with an emphasis on a few SMEs.	The political climate has an impact on the efficiency of SMEs.	The survey paid attention to SMEs while later a contextual gap	The current research paid attention to the influence of political factors on performance at KWS

Source: Researcher (2022)

## 2.5 Conceptual Framework

This refers to a set of standards including ideologies whose source is appropriate areas of study also applied in structuring a presentation. The independent variable comprised of; economic, social-cultural, political and technological environment while the dependent variable is firm performance. Figure 2.1 presents the conceptual model for the research.



**Figure 2.1: Conceptual Framework**

Source: Author (2022)

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter covers the study design which guides the study. Other sections include research site and rationale, sampling design, target population, data collection instrument and procedure, and finally the data collection and analysis including findings presentation.

#### **3.2 Research Design**

A descriptive design was used in answering the research questions. This design provides a detailed comprehension and breakdown of a particular phenomenon the way it is in the current status (Cooper & Schindler, 2018). Furthermore, the design helps in predetermining the firm's agendas enhancing the relevance of data collection and effectiveness to the research questions (Kothari, 2019). The research design aided in making conclusions regarding macro environment and performance at KWS. The research design was opted because of its effectiveness in satisfying the study objectives.

#### **3.3 Target Population**

The target population comprised all Kenya Wildlife Services' management personnel. The Kenya wildlife service has 7 deputy directors with 43 management staff under them. In addition, there are 24 national parks and 15 national reserves. The unit of observation was the 50 management staff at the head office, the managers of the 24 national parks and the managers of the 15 national reserves. This translates into a population of 89 who served as the study population.

#### **3.4 Sample Size and Sampling Design**

This study was a census. This technique is most effective for small populations since it takes into account all group members. The management personnel selected totalled 89 members who were considered adequate for providing answers to the study research questions.

### **3.5 Data Collection Instrument**

The research utilized questionnaires in obtaining the primary data. When undertaking data collection in a study where the population is dispersed, the most appropriate tool for use is a questionnaire (Zikmund et al., 2020). Since this study used quantitative data, a structured questionnaire was used. Structured questionnaires make it possible to obtain specific data that is numerical in nature.

The questionnaire had a likert scale for rating items with the responses ranging from not at all, strongly disagree, disagree, agree, strongly agree on a scale of 1,2,3,4,5 for rating and testing responses. There were 3 sections in the questionnaire. Section A: General Information, Section B: contained; political environment elements, economic environment elements, technological also social-cultural environment elements while Section C: covered performance at KWS. Google forms were utilized in distributing the questionnaires. Calls and email follow ups were done to enhance the response rate.

### **3.6 Pilot Study**

Accuracy and relevance of the study tool is critical. In this regard this study conducted a pilot study. It was done in determining the feasibility of conducting a complete study. This involved 9 management staff at Nairobi National Museum (10% of the target population) who filled the questionnaires and its accuracy weighed. The 9 respondents were not part of the final survey to ensure non-compromise of the research data. The respondents helped to estimate the time needed to fill the questionnaires and identify errors. The pilot study established the strength and weakness of the study instrument. The prior testing was established to assist to determine accuracy, clarity and suitability of the study tool.

### **3.7 Validity and Reliability of Research Instruments**

#### **3.7.1 Validity**

The validity of a measuring gadget is determined by its capacity to correctly capture a concept (Khan, 2017). Construct validity was used in assessing whether the true theoretical meaning of a theory or concept is reflected in the operational definition of

variables. A questionnaire was developed for this research to meet the research goals. On the other hand, the guidance of opinion of expert confirmed content validity. This entailed having study supervisors, who scrutinized the questionnaire and offered competent opinions to ensure that all study variables were captured. They would also verify and double-check the article to make sure the theoretical dimensions were presented in the same manner they were intended.

### 3.7.2 Reliability

It is a measure which is utilized in elaborating the general steadiness of a gadget (Saunders et al., 2017). When a measure produces consistent results under the same conditions, it is said to have high reliability. Cronbach's alpha analysis showed how accurate the data collecting device is on the inside, which assisted researchers gauge its dependability. This measure of dependability shows a genuine 'base' score called Cronbach's Alpha. Despite interchanging the questions with similar ones, Cronbach's Alpha is important to an academician by ensuring accuracy plus reliability of the questionnaire (Burns & Burns, 2018). Reliability of 0.7 is generally considered acceptable and over 0.8 is excellent. This thresh-hold was applied to the study. The reliability test outcomes are displayed in Table 3.1

**Table 3.1 Reliability Results**

<b>Variables</b>	<b>Cronbach's Alpha</b>	<b>Critical Value</b>	<b>Conclusion</b>
Social-cultural environment	0.983	0.7	Reliable
Economic environment	0.866	0.7	Reliable
Technological environment	0.827	0.7	Reliable
Political environment	0.945	0.7	Reliable
Performance	0.843	0.7	Reliable

Social cultural, economic environment, technological, political environment and performance all possessed reliability results above 0.8 and thus considered excellent study variables.

### 3.8 Data Collection Procedure

Requisite permits, consent, and approvals were required prior to data collection since it is an ethical requirement in research. The Graduate School of Kenyatta University

granted permission to conduct the research project, and a survey permit/authorization letter from NACOSTI was requested. Eventually, KWS's management was requested to authorize the study undertaking. The questions were shared among the eligible respondents via Google Forms by the scholar. The researcher ensured that copies of the questionnaire sent to responders were received with care and control. In order to do so, a record of the number of copies of the questionnaires sent out and received was established.

### **3.9 Data Analysis and Presentation**

The scholar reviewed the questionnaires, affirming their number to being acceptable for the research while checking for completeness. Basing on adequacy, the questionnaires were sorted. Every question was coded with a unique code and later scored. The data was later fed into a computer for analysis also summarizing for the purpose of deciding the magnitude of emerging trends. Datum was evaluated via descriptive statistical methods like standard deviation being a measure of dispersion plus mean, which is a gauge of central tendency. This aided in describing the variables of the study. Correlation and regression analysis was useful in assessing the strength plus direction of correlation among the survey variables and this answered the study's research questions. This was run on the SPSS Version 24. The following model was implemented.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where:

**Y** represents 'Performance'

**B<sub>0</sub>** represents 'Constant'

**X<sub>1</sub>** represents 'Social-cultural environment'

**X<sub>2</sub>** represents 'Economic environment'

**X<sub>3</sub>** represents 'Technological environment'

**X<sub>4</sub>** represents 'Political environment'

$\epsilon$  represents 'Error Term'

$\beta_1, \beta_2, \beta_3, \beta_4$  represent 'Regression Coefficients of Predictor Variables'

The analyses outcomes were exhibited in tables which are attached to detailed discussions as well as interpretations.

### **3.10 Ethical Considerations**

Requisite permits, consent, and approvals were required prior to data collection since it is an ethical requirement in research. The school granted permission to conduct the research report, and a study permit/authorizing letter which are issued by NACOSTI was sought because this is the institution in the country mandated to approve and supervise research in Kenya. Finally, verification by management allowing conduct of the survey in KWS was given for concurrence and access to staff and offices to conduct study. Upon establishing the research-particular datum assembling apparatus's validity plus reliability, the principal investigator dispensed questionnaires that were self-administered so that respondents can independently answer the questions.

Confidentiality and privacy was observed by not having identification information on the questionnaire and allow the respondents to fill the questionnaire in privacy as this is an ethical requirement by Kenyatta University and NACOSTI. The study protected and kept information confidential and, before revealing any information, the consent of the respondent were sought first. This ensured free flow of information without any inhibition hence guarantee accurate and reliable data for analysis in this survey.

## CHAPTER FOUR

### FINDINGS, INTERPRETATION AND DISCUSSION

#### 4.1 Introduction

The research findings and interpretation are covered in this chapter. Demographic data and general details for instance response rate are included. Additionally, the chapter contains the results descriptive statistics, regression and correlation analysis. The chapter ends with an extensive explanation of the outcomes.

#### 4.2 Response Rate

Response rate in research is a percentage of the overall number of feedback acquired divided by the number of respondents. Table 4.1 portrays the response rate.

**Table 4.1: Response Rate**

<b>Response Rate</b>	<b>Frequency</b>	<b>Percent</b>
Returned	62	69.7
Unreturned	27	30.3
<b>Total</b>	<b>89</b>	<b>100</b>

**Source: Field Data (2022)**

As stipulated on Table 4.1, 89 questionnaires were distributed among the KWS managers who for the purpose of the current analysis had been opted as the sample size. 62 out of the 89 questionnaires were completed and submitted, resulting in 69.7 percent rate of response. As per Mugenda and Mugenda (2003) and Kothari (2004) a 60% response rate or above of the aimed sample population is adequate. Cooper and Schindler (2014) likewise claim that a response rate of more than 30% of the overall sample size gives adequate data to extrapolate the features of a research problem as reflected by the views of a few target population respondents. Therefore, the outcomes can be generalized also regarded as a representative of the population. Based on these assertions by scholar, it suffices therefore to conclude that the 69.7% response rate for this research being very good.

### 4.3 Demographic Characteristics of the Respondents

This section gives descriptive data about the respondents' demographic characteristics. The demographic characteristics considered include age, education level, gender and experience with the firm.

#### 4.3.1 Gender of the Respondent

Those who participated in the survey were requested to specify their gender. Table 4.2 displays the outcomes.

**Table 4.2: Gender Distribution**

<b>Gender</b>	<b>Frequency</b>	<b>Percentage</b>
Male	33	53.2%
Female	29	46.8%
<b>Total</b>	<b>62</b>	<b>100%</b>

**Source: Field Data (2022)**

As shown by the outcomes in Table 4.2, female respondents made up 46.8% and male respondents made up 53.2% of the total. This clearly proves the commitment in KWS in promoting gender diversity since the variance among the number of male plus female staff amidst respondents is not huge. These findings support Odhiambo (2018) who found that KWS is doing well when it comes to achieving gender diversity at the management level.

#### 4.3.2 Age of the Respondents

The survey intended to verify the age of individuals. It is crucial in comprehending the respondents' age, because an individual's age could influence their responses. The findings are displayed in Table 4.3.

**Table 4.3: Respondents' Age Composition**

<b>Age</b>	<b>Frequency</b>	<b>Percentage</b>
21-30 years	8	12.9%
31-40 years	21	33.9%
41-50 years	18	29.0%
Above 50 years	15	24.2
<b>Total</b>	<b>62</b>	<b>100%</b>

**Source: Field Data (2022)**

Table 4.3 shows the highest respondent number (33.9%) being amid the age of 31-40 years, 29% being between the ages of 41 and 50, 24.2% were 51 and up, and the smallest percentage (12.9%) were aged between 21 and 30 years. According to the findings, KWS employees are relatively young. This study finding is in line with Idowu (2019) who found that organizations are incorporating young employees even at management levels.

#### 4.3.3 Highest Education Level

Particular players were solicited to fill in their highest level of education. The outcomes are shown in table 4.4.

**Table 4.4: Distribution of Respondents by Highest Level of Education**

<b>Education</b>	<b>Frequency</b>	<b>Percentage</b>
Undergraduate level	33	53.2%
Postgraduate level	29	46.8%
<b>Total</b>	<b>62</b>	<b>100%</b>

**Source: Field Data (2022)**

Findings on Table 4.4 demonstrate that the majority of participants (53.2 percent) possessed a bachelor's degree, while 46.8 percent possessed a postgraduate degree. These outcomes prove that KWS aims at recruiting well educated staff. In matters of solving plus understanding hurdles that a firm is experiencing, high education levels are fundamental. This study supports the findings of Mwangi and Wekesa (2017) who focused on Kenya Airways and concluded that the employees were relatively well educated which made them prepared in solving challenges facing the organization.

#### 4.3.4 Experience with the Organization

The survey aimed to unveil the duration which the participants had stayed in that entity. The outcomes are displayed in Table 4.5.

**Table 4.5: Experience with the Organization**

<b>Number of years</b>	<b>Frequency</b>	<b>Percentage</b>
Less than 1 year	4	6.4%
1-3 years	7	11.3%
4-7 years	31	50.0%
8 years and above	20	32.3%
<b>Total</b>	<b>62</b>	<b>100%</b>

**Source: Field Data (2022)**

The outcomes in Table 4.5 reveal that the participants had been with their present employer for a varied number of years. The results showed that 50% had served the current employer between 4 to 7 years, 32.3% for 8 years and above, 6.4% for less than 1 year and 11.3% for 1-3 years. The results reveal that most respondents had more than 1 year of service at KWS meaning they had adequate information about the organization based on work experience and hence in a good position to answer the study questions. Okechukwu and Okoronkwo (2018) holds that more experienced employees are more likely to deal with organization challenges better when compared to less experienced employees.

#### **4.4 Descriptive Statistics**

Descriptive findings in terms of means plus standard deviations for every variable being probed are displayed in this section.

##### **4.4.1 Social-Cultural Environment**

The survey aimed at probing the extent of social-cultural environment in KWS. Social-cultural environment is one of the elements in the macro environment. Table 4.6 displays the mean alongside standard for social-cultural environment indicators. The findings revealed that KWS is sensitive to religious beliefs in order to achieve their objectives (Mean=3.34, std. dev.=0.82). The results also revealed that increased multicultural workforce in the organizations brings about greater synergy (Mean=3.52, std. dev=0.75). Additionally, results discovered that there is no ethnicity discrimination in all its dealings (Mean= 3.55, std. dev=0.69). The descriptive outcomes moreover unveiled that KWS strives to achieve gender equality in all its undertakings (Mean=3.41, std. dev=0.81).

The outcomes additionally discovered that KWS has internal mechanisms to deal with language barriers (Mean=3.45, std. dev=0.86) and that KWS delivers higher outcomes when a fair percentage of leadership duties are assigned to women (Mean=3.36, std. dev=0.80). Lastly, the outcomes unveiled that there is age diversity among KWS clients (Mean=3.25 std. dev=0.64). On average, the outcomes unveiled that the participants agree on the questions raised regarding social-cultural environment as indicated by an average mean of 3.37 and a standard deviation of 0.38.

**Table 4.6: Descriptive Statistics for Social-Cultural Environment**

<b>Statements</b>	<b>N</b>	<b>Mean</b>	<b>Std. Dev</b>
KWS is sensitive to religious beliefs in order to achieve their objectives	62	3.34	0.82
Increased multicultural workforce in the organizations brings about greater synergy	62	3.52	0.75
There is no ethnicity discrimination in all its dealings	62	3.55	0.69
KWS strives to achieve gender equality in all its undertakings	62	3.41	0.81
KWS has internal mechanisms to deal with language barriers	62	3.45	0.86
KWS delivers higher outcomes when a fair percentage of leadership duties are assigned to women	62	3.36	0.80
There is age diversity among KWS clients	62	3.25	0.64
<b>Overall mean Score</b>	<b>62</b>	<b>3.37</b>	<b>0.38</b>

**Source: Field Data (2022)**

The survey's results are in accordance with Maziku, Majenga, Mashenene (2016) who assessed how the social cultural environment affects the performance of women SMEs. The descriptive results unveiled that women ethnicity, immobility, inadequate support from society members are some of the social-cultural factors affecting businesses. Further, education level, family roles including role models were basic features to nurture women's SMEs performance. The survey also agrees with Okeke, Onuorah, Onyekwelu and Nwajei (2019) who examined how socio-cultural factor influences the institutional performance, with the help of selected manufacturing companies in Anambra State. The research identified cultural values, social norms, beliefs system plus attitude as some of the aspects of social-cultural environment the firms have to deal with.

#### 4.4.2 Economic Environment

The research probed to identify the magnitude of economic environment at KWS. The mean plus standard for economic environment indicators are shown in Table 4.8. The outcomes discovered that the rate of inflation has affected performance at KWS (Mean=3.59, std. dev=0.61). Also, the results show that the country's GDP economically affects the pricing of KWS services (Mean=3.77, std. dev=0.79). Further, outcomes indicate that inflation has reduced the demand of KWS products and services by its consumers (Mean=3.45, std. dev=0.78). Further, outcomes highlighted that an increase in population creates a wider market share for KWS (Mean=4.05, std. dev=0.74). Moreover, the outcomes unveiled that high interest rates tend to destabilize KWS operations (Mean=3.95, std. dev=0.74). Further, the high rates of unemployment in the country contribute to a low demand for KWS services (Mean=3.80, std. dev=0.76). Finally, the depreciation of the Kenya shilling negatively affects KWS revenues (Mean=4.09, std. dev=0.73). The overall mean was 3.64 and the standard deviation was 0.49 implying that respondents agreed on economic environment as one of the factors influencing KWS performance.

**Table 4.8: Descriptive Statistics for Economic Environment**

<b>Statements</b>	<b>N</b>	<b>Mea n</b>	<b>Std. Dev</b>
The rate of inflation has affected performance at KWS	62	3.59	0.61
The country's GDP economically affects the pricing of KWS services.	62	3.77	0.79
Inflation has reduced the demand of KWS products and services by its consumers	62	3.45	0.78
An increase in population creates a wider market share for KWS	62	4.05	0.74
High interest rates tend to destabilize KWS operations.	62	3.95	0.74
The high rates of unemployment in the country contribute to a low demand for KWS services	62	3.80	0.76
The depreciation of the Kenya shilling negatively affects KWS revenues	62	4.09	0.73
<b>Overall Mean Score</b>	<b>62</b>	<b>3.64</b>	<b>0.49</b>

**Source: Field Data (2022)**

The findings of this study support Baba and Nasieku (2016) who probed the impact of macroeconomic factors on the performance of Nigerian banks and concluded that exchange rate, unemployment rate, interest rate plus inflation being among the macroeconomic factors affecting performance of firms. The results are also in consensus with Obeng-Krampah (2020) who examines the association amidst between macroeconomic variables plus performance of entities quoted at the Ghana Stock Exchange. The study identifies GDP, inflation, interest, and exchange rates as the main macro-economic factors affecting firm performance.

#### 4.4.3 Technological Environment

The survey intended to identify the extent of technological environment in KWS. The mean alongside standard for technological environment indicators are presented on Table 4.8.

**Table 4.8: Descriptive Statistics for Technological Environment**

<b>Statements</b>	<b>N</b>	<b>Mean</b>	<b>Std. Dev</b>
Increased internet access has helped the success of KWS	62	3.68	0.55
Mobile phones are useful for coordinating KWS activities	62	3.77	0.70
ICT development has contributed to customer service at KWS	62	3.57	0.81
Social media is a useful tool for enhancing communication with KWS potential clients	62	3.61	0.80
Adaptation of ICT has greatly improved staff productivity	62	3.75	0.77
Use of ICT has brought down cost of communication significantly	62	3.52	0.78
Availability of ecommerce has enabled KWS to conveniently purchase goods and services online	62	3.57	0.81
<b>Overall Mean Score</b>	<b>62</b>	<b>3.64</b>	<b>0.53</b>

**Source: Field Data (2022)**

The findings showed that increased internet access has helped the success of KWS (Mean=3.68, std. dev=0.55). The outcomes additionally discovered that mobile phones are useful for coordinating KWS activities (Mean=3.77, std. dev=0.70). Also, results indicated that ICT development has contributed to customer service at KWS (Mean=3.57, std. dev=0.81). The outcomes also highlighted the usefulness of social media as a tool for enhancing communication with KWS potential clients

(Mean=3.61, std. dev=0.80). The outcomes additionally noted that adaptation of ICT has greatly improved staff productivity (Mean=3.75, std. dev=0.77). Similarly, use of ICT has brought down cost of communication significantly (Mean=3.52, std. dev=0.78). Furthermore, the results highlighted that availability of ecommerce has enabled KWS to conveniently purchase goods and services online (Mean=3.57, std dev=0.81). 3.64 was the overall mean insinuating that an average, respondents agreed that KWS is affected by technological environment.

These survey outcomes are in accordance to Okechukwu and Okoronkwo (2018) who purposed to probe the effect of technological environment on organizational performance of SMEs in Nigeria. The study revealed that some of technological factors affecting firms include presence of mobile phones, internet access, social media and usage of ICT. The study also concurs with Mwangi and Wekesa (2017) who carried out investigations on the impact of technological elements on Kenya Airways' overall performance. The study revealed that mobile phones utilization, ICT development and internet access are some of the technological factors affecting performance.

#### 4.4.4 Political Environment

The survey aimed at determining the extent of political environment in KWS. Table 4.9 shows the mean and standard for Political environment indicators.

**Table 4.9: Descriptive Statistics for Political Environment**

<b>Statements</b>	<b>N</b>	<b>Mean</b>	<b>Std. Dev</b>
Government bureaucracy is a major hindrance to KWS efficiency	62	4.24	0.64
Corruption is a major hindrance to the work of KWS	62	4.08	0.55
KWS business is flexible enough to adjust to changes in regulations and licensing in Kenya	62	4.00	0.55
Devolution has opened avenues in the tourism industry in terms of job creation and business growth	62	3.91	0.67
Political instability in Kenya bars KWS from achieving full potential	62	3.85	0.78

Regional integration has opened growth opportunities for KWS	62	3.97	0.58
Government legislations has enabled KWS to operate seamlessly	62	3.82	0.83
<b>Overall Mean Score</b>	<b>62</b>	<b>3.96</b>	<b>0.66</b>

**Source: Field Data (2022)**

The findings showed that government bureaucracy is a major hindrance to KWS efficiency (Mean=4.24, std. dev=0.64). Similarly, outcomes indicated that players were in consensus with the statement that corruption is a major hindrance to the work of KWS (Mean=4.08, std. dev=0.55). The findings also highlighted that a large proportion of interviewees conceded that KWS business is flexible enough to adjust to changes in regulations and licensing in Kenya (Mean=4.0, std. dev=0.55).

Furthermore, the outcomes highlighted that majority of participants were in consensus that devolution has opened avenues in the tourism industry in terms of job creation and business growth (Mean=3.97, std. dev=0.58). Also, the results unveiled that the players were in agreement with the statement that political instability in Kenya bars KWS from achieving full potential (Mean=3.91, std. dev=0.67). Further, the results exhibited the respondents' consensus that regional integration has opened growth opportunities for KWS (Mean=3.85, std dev=0.78). Finally, outcomes revealed that the respondents conceded that government legislations has enabled KWS to operate seamlessly (Mean=3.82, std. dev=0.83). 3.96 was the overall mean an indication that an average, respondents agreed that political factors influence performance at KWS.

The study findings concur with Idowu (2019) who focused on how the political environment impacts the businesses' corporate performance with proof from opted entities in the manufacturing industry of the Nigerian economy. The survey identified government regulations, legislation, policy and security as some of the key indicators of political environment. The study is also in line with Onoriode and Agbele (2020) who assessed how political environment affects the company's performance aiming at chosen SMEs in Delta State. The study identified government bureaucracy, corruption, regulations, licensing, legislations and integration as the main indicators of political environment.

#### 4.4.5 Organization Performance

The standard deviation plus mean for exact contributions of performance are as indicated in Table 4.10. The outcomes highlighted that there is increase in customer satisfaction at KWS (Mean=4.24, std. dev=0.64). Also, results indicated that KWS has recorded an increase in customer retention (Mean=4.08, std. dev=0.55). Correspondingly, the results highlighted that KWS has recorded improved and continuous loyalty of customers courtesy of improved services (Mean=4.0, std. dev=0.55). Also, the conclusions discovered that the service management of KWS has been effective (Mean=3.91, std. dev=0.67). The conclusions additionally highlighted that over the years, KWS has released a number of unique and creative services (Mean=3.85, std dev=0.78). Furthermore, the cost of administration has been reduced (Mean=3.82, std. dev=0.80). In addition, over the last three years, KWS' total revenue has increased (Mean=3.82, std. dev=0.83). 3.95 was the overall mean suggesting that an average, KWS has enhanced performance to a great magnitude.

**Table 4.10: Descriptive Statistics for Performance**

<b>Statements</b>	<b>N</b>	<b>Me an</b>	<b>Std. Dev</b>
There is increase in customer satisfaction at KWS	62	4.24	0.64
KWS has recorded an increase in customer retention	62	4.08	0.55
KWS has recorded improved and continuous loyalty of customers courtesy of improved services	62	4.00	0.55
The service management of KWS has been effective	62	3.91	0.67
The cost of administration has been reduced	62	3.82	0.80
Over the years, KWS has released a number of unique and creative services	62	3.85	0.78
Over the last three years, KWS' total revenue has increased.	62	3.82	0.83
Over the last three years, KWS' profitability has increased.	62	3.83	0.81
Over the last three years, KWS has increased its return on investment	62	3.91	0.65
<b>Overall Mean Score</b>	<b>62</b>	<b>3.95</b>	

**Source: Field Data (2022)**

## 4.5 Correlation Analysis

The Pearson correlation demonstrates the nexus amidst each of the indicated independent elements as well as performance at KWS. The coefficient  $r$  was established and whether the correlation was positive or negative. Table 4.11 shows the outcomes.

**Table 4.11: Correlation Results**

		Performanc e	Social- cultural environment	Economic environment	Technologica l environment	Political environment
Performance	Pearson Correlatio n	1				
	Sig. (2- tailed)					
Social- cultural environment	Pearson Correlatio n	.621**	1			
	Sig. (2- tailed)	.000				
Economic environment	Pearson Correlatio n	.618**	.217**	1		
	Sig. (2- tailed)	.000	.004			
Technologica l environment	Pearson Correlatio n	.708**	.412**	.298**	1	
	Sig. (2- tailed)	.000	.000	.000		
Political environment	Pearson Correlatio n	.685**	.162*	.195**	.125*	1
	Sig. (2- tailed)	.000	.020	.007	.029	

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

\* . Correlation is significant at the 0.05 level (2-tailed).

c. Listwise N=62

**Source: Field Data (2022)**

As shown by Pearson coefficients besides P-values, the nexus amid social-cultural environment and performance is positive alongside significant ( $r=0.621$ ,  $p<0.05$ ). This being a sign that social-cultural environment results towards improvement of performance. Also, the correlation outcomes manifest a strong besides notable

connection among performance and economic environment as unveiled by a 0.618 Pearson correlation coefficient in addition to a 0.000 P-value. This being a clue that advanced economic environment results to increased performance at KWS.

Furthermore, the correlation findings indicate a strong plus positive correlation among performance and technological environment, as indicated by a 0.708 Pearson correlation coefficient plus a 0.000 P-value. This being a manifestation that improvement in technological environment contributes to better performance at KWS. Lastly, the correlation results highlighted a notable nexus amidst political environment and KWS performance, as demonstrated by a 0.685 Pearson correlation plus a 0.000 P value. This being a signal that advancement in political environment is associated to improvement in KWS performance.

The findings of this study support a study by Maziku et al. (2016) who found a positive relationship between social cultural environment and performance of women SMEs. The study findings are also in line with Masovic (2018) who found a positive relationship between socio-cultural factors and performance of multinational companies in Macedonia. The findings are however opposed to the findings of Ng'ang'a (2016) who found that macroeconomic factors have an insignificant relationship with performance of insurance establishments.

The study findings are also in line with Okechukwu and Okoronkwo (2018) who sought to investigate the effect of technological environment on organizational performance. The survey findings proved that technological environment significantly impacts the firm's market share using the opted SMEs in Enugu. Also, the survey agrees with Onoriode and Agbele (2020) who reviewed ways in which political environment and performance of firm is correlated with the aid of sampled Small and Medium scale enterprises in Delta State. Data was analyzed via correlation coefficient mechanism. According to the outcomes, the efficiency of Small and Medium scale enterprises is highly reliant plus very sensitive to political environment.

#### 4.6 Regression Analysis

The effect of each of the four opted predictor variables on KWS performance, as shown in table 4.12, 4.13 and 4.14, was helpful in Multiple Linear Regressions analyses.

**Table 4.12: Model Fitness**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.717 <sup>a</sup>	.515	.468	.2998357

a. Dependent Variable: Performance

b. Predictors: (Constant), Political environment, Social-cultural environment, technological environment, Economic environment

**Source: Field Data (2022)**

The R square of 0.515 in Table 4.12 indicates that political environment, social-cultural environment, economic environment besides technological environment at KWS account for 51.5%, while the other 48.5% is detailed by elements excluded from this research. The R value of 0.717 highlights a notable association amidst performance alongside the predictor elements at KWS (social-cultural environment, economic environment, technological environment and political environment).

**Table 4.13: Analysis of Variance**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.004	4	1.001	11.134	.000 <sup>b</sup>
	Residual	3.776	57	.090		
	Total	7.780	61			

a. Dependent Variable: Performance

b. Predictors: (Constant), Political environment, Social-cultural environment, Technological environment, Economic environment

**Source: Field Data (2022)**

The entire model is statistically notably, as proved by a F value of 11.134 and a 0.000 p value in Table 4.13. The magnitude of the impact of social-cultural environment,

economic environment, technological environment along with political environment on performance at KWS is elaborated by regression coefficient outcomes.

**Table 4.14: Regression Coefficients**

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
	(Constant)	.351	.225		6.011	.000
1	Social-cultural environment	.500	.084	.410	5.941	.000
	Economic environment	.297	.060	.393	4.932	.000
	Technological environment	.604	.070	.588	7.197	.000
	Political environment	.813	.070	.846	11.549	.000

a. Dependent Variable: Performance

**Source: Field Data (2022)**

The multiple regression model used is illustrated below:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon,$$

Where,

Y denoted performance

$\beta_0$  denoted the constant

$X_1$  represented social-cultural environment

$X_2$  represented economic environment

$X_3$  denoted technological environment

$X_4$  denoted political environment

$\varepsilon$  was the error term when there was assumed normal distribution

$\beta_1, \beta_2, \beta_3, \beta_4$  denote independent variable coefficients

The regression model was substituted as below.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon,$$

$$Y = 0.351 + 0.500X_1 + 0.297X_2 + 0.604X_3 + 0.813X_4$$

Interpretatively, a unit change in social-cultural environment, economic environment, technological environment and political environment will lead to a 0.500, 0.297,

0.604 and 0.813 change in performance at KWS accordingly, on the other hand variables which were excluded during this study do not change. The 4 elements addressed during this survey were vital in advancing KWS' performance. It has been proved that political environment ( $\beta_3=0.813$ ) is the most critical factor whereas economic environment ( $\beta_1=0.297$ ) being the least essential element. Moreover, it was highlighted that if the 4 variables opted for this study were held constant, performance would still be significant ( $\beta = 0.351, p < 0.05$ ). Therefore, it is clear that policymakers besides management should aim at promoting technological, economic, political including social-cultural environments as this will improve performance.

The findings of this study agree with Idowu (2019) who pays attention to ways in which political environment affects the organizations' corporate performance with proof from sampled entities in the manufacturing industry of the Nigerian economy. As shown by the study outcomes, there is a significant correlation between the political environment as well as corporate performance. The study also concurs with Mwangi and Wekesa (2017) who sought to determine the technological features' impacts on firm's Kenya Airways performance. The survey established that technological elements affects the institutional performance of Kenya Airways Limited.

The findings of the study differ with Ng'ang'a (2016) who carried out a survey aiming to unveil the association between macroeconomic determinants and performance of insurance industry in Kenya. Findings reveal that exchange rates, interest rates, and unemployment rates are not significant predictors of insurance industry's financial performance. The study however concurs with Okeke et al. (2019) who tested how socio-cultural feature influences the entity's performance, utilizing opted manufacturing companies in Anambra State. As shown by the study, social norms significantly relates to firm's performance, cultural values alongside institutional performance has a significant association, attitude significantly affects the firm's performance plus beliefs system and entity's performance are significantly related. According to the survey there exists a positive significant correlation amidst socio-cultural features as well as institutional performance, with the aid of Manufacturing companies in Anambra State.

## **4.7 Discussion of Findings**

This survey aimed at determining how macro environment influences the performance of Kenya's tourism industry using KWS as a case. The survey results are discussed in this section in relation to specific objectives.

### **4.7.1 Social-Cultural Environment and Performance**

The survey intended to establish the impact of social-cultural environment on performance at KWS. According to the descriptive statistics, the majority of participants believed that KWS is sensitive to religious beliefs for the purpose of attaining their goals. The findings further revealed that increased multicultural workforce in the organizations brings about greater synergy. Additionally, findings discovered that there is no ethnicity discrimination in all its dealings. The descriptive results also revealed that KWS strives to achieve gender equality in all its undertakings. The findings, furthermore, showed that KWS has internal mechanisms to deal with language barriers and that KWS delivers improved outcomes when a fair proportion of leadership positions are assigned to women. Lastly, the findings revealed that there is age diversity among KWS clients.

The research used correlation analysis in determining the type and intensity of the link amidst performance plus social-cultural environment at KWS. The correlation analysis outcomes manifested that social-cultural environment and performance had positive as well as significant association ( $r=0.621$ ,  $p=0.000<.05$ ). Likewise, linear regression analysis was applied in the research to describe the nature of the independent variable's impact on performance, the findings indicated that social-cultural environment significantly and positively influenced performance ( $\beta =.500$ ,  $p<.05$ ). The results supported those of Maziku et al. (2016) who discovered a positive association among social cultural environment also performance of women SMEs. The study findings are also in line with Masovic (2018) who identified a positive nexus amidst socio-cultural factors besides performance of multinational companies in Macedonia.

#### **4.7.2 Economic Environment and Performance**

The second agenda of this research was identifying how economic environment affected performance at KWS. The study found that most of the participants believed that the rate of inflation has affected performance at KWS. The findings also show that the country's GDP economically affects the pricing of KWS services. Further, findings showed that inflation has reduced the demand of KWS products and services by its consumers. Further, findings showed that an increase in population creates a wider market share for KWS. The results also revealed that high interest rates tend to destabilize KWS operations. Further, the high rates of unemployment in the country contribute to a low demand for KWS services. Finally, the depreciation of the Kenya shilling negatively affects KWS revenues.

As shown by correlation analysis outcomes there exists a positive as well as significant correlation among economic environment alongside performance ( $r=0.618$ ,  $p=0.000<.05$ ). The Regression Analysis results demonstrated that the economic environment had a positive in addition to significant impact on performance ( $\beta =.297$ ,  $p<.05$ ). The findings support the conclusion reached by Obeng-Krampah (2020) who examines the nexus among macro-economic variables besides performance of entities quoted at Ghana Stock Exchange and notably identified a strong correlation amidst macroeconomic variables plus company performance. The findings are however opposed to the findings of Ng'ang'a (2016) who found that macroeconomic factors have insignificant relationship with performance of insurance establishments.

#### **4.7.3 Technological Environment and Performance**

The research wanted to find out technological environment effect on performance in KWS. The majority of those polled agreed completely with the fact that increased internet access has helped the success of KWS. The findings further noted that mobile phones are useful for coordinating KWS activities. Similarly, findings showed that ICT development has contributed to customer service at KWS. The findings also showed that social media is a useful tool for enhancing communication with KWS potential clients. The findings further noted that adaptation of ICT has greatly improved staff productivity. Similarly, use of ICT has brought down cost of

communication significantly. The findings further showed that availability of ecommerce has enabled KWS to conveniently purchase goods and services online.

Correlation analysis was done to pursue the connotation between technological environment and performance at KWS. The findings revealing presence of strong positive as well as significant connection between technological environment and performance ( $r=0.708$ ,  $p=0.000<.05$ ). Additionally, regression analysis conclusions indicated that compensation policy positively as well as significantly influenced on performance ( $\beta =.604$ ,  $p<.05$ ). The findings are consistent with the assertions made by The study findings are also in line with Okechukwu and Okoronkwo (2018) who sought to investigate the effect of technological environment on organizational performance. The survey findings indicates the presence of a significant impact amidst technological environment plus institutional market share between chosen SMEs in Enugu.

#### **4.7.4 Political Environment and Performance**

The research purposed to assess political environment effect on performance at KWS. Conferring to outcomes of descriptive statistics, the most participants consented that government bureaucracy is a major hindrance to KWS efficiency. Additionally, outcomes highlighted that the players were in agreement on the statement that corruption is a major hindrance to the work of KWS. The findings also displayed that a huge percentage of interviewees conceded that KWS business is flexible enough to adjust to changes in regulations and licensing in Kenya. The results additionally discovered that majority of the respondents conceded that devolution has opened avenues in the tourism industry in terms of job creation and business growth. Also, outcomes unveiled that participants were in consensus on the statement that political instability in Kenya bars KWS from achieving full potential. The findings further showed that there was an agreement from the respondent that regional integration has opened growth opportunities for KWS. Finally, results highlighted the respondents' agreement that government legislations have enabled KWS to operate seamlessly.

A correlation analysis also was undertaken to determine the intensity as well as direction of the association among political environment plus performance at KWS.

The results revealed a positive alongside significant correlation amidst political environment plus performance ( $r=0.685$ ,  $p=0.000<.05$ ). As shown by regression analysis outcomes, the occupational health policy had positive as well as notable influence on performance ( $\beta =.813$ ,  $p<.05$ ). The conclusions concurs with the survey results is also in consensus with Onoriode and Agbele (2020) who investigated ways in which political environment alongside firm's performance are associated with a attention to opted SMEs in Delta State. Data analyses was via correlation coefficient. According to the outcomes, the efficiency of SMEs is reliant also sensitive to political environment.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.1 Introduction

The chapter contains research summary, conclusion and recommendations. Also, the section addresses the research conclusions including the recommendations. Included in this chapter too, are recommendations for further studies.

#### 5.2 Summary of Findings

The fundamental study aim was evaluating the effects of macro environment on performance of KWS. The research was anchored on four theories namely; cultural dimension theory, open system theory, contingency theory and the balanced scorecard model. Descriptive research design was applied. 89 KWS management staff comprised the study population. Descriptive and inferential analyses were conducted. The summary of the key findings, conclusions as well as recommendations are availed in the sections that follow.

##### 5.2.1 Social-Cultural Environment and Performance

The research aimed at establishing how social-cultural environment affects performance at KWS. According to the descriptive statistics, majority of participants believed that KWS is sensitive to religious beliefs for the purpose of attaining their goals. The findings further revealed that increased multicultural workforce in the organizations brings about greater synergy. Additionally, findings discovered that there is no ethnicity discrimination in all its dealings. The descriptive results also revealed that KWS strives to achieve gender equality in all its undertakings. The findings, furthermore, showed that KWS has internal mechanisms to deal with language barriers and that KWS delivers improved outcomes when a fair proportion of leadership duties are managed by women. Lastly, the findings revealed that there is age diversity among KWS clients.

The correlation analysis outcomes demonstrated a positive besides notable ( $r=0.621$ ,  $p=0.000<.05$ ) association amidst social-cultural environment and performance.

Likewise, linear regression analysis results indicated that social-cultural environment significantly and positively influenced KWS performance ( $\beta = .500, p < .05$ ).

### **5.2.2 Economic Environment and Performance**

The second goal of this research was to identify how economic environment affected performance at KWS. The study found that most of the participants believed that the rate of inflation has affected performance at KWS. The findings also show that the country's GDP economically affects the pricing of KWS services. Further, findings showed that inflation has reduced the demand of KWS products and services by its consumers. Further, findings showed that an increase in population creates a wider market share for KWS.

The results also revealed that high interest rates tend to destabilize KWS operations. Further, the high rates of unemployment in the country contribute to a low demand for KWS services. Finally, the depreciation of the Kenya shilling negatively affects KWS revenues. The findings of correlation analysis identified a positive as well as significant correlation ( $r = 0.618, p = 0.000 < .05$ ) amid economic environment also performance. The findings of the regression analysis demonstrated that the economic environment had a positive in addition to significant impact on performance ( $\beta = .297, p < .05$ ). The findings support the conclusion reached by previous studies that unveiled strong connection amidst macro-economic variables plus the performance of the entity.

### **5.2.3 Technological Environment and Performance**

The research wanted to uncover how technological environment affects the performance at KWS. The majority of those polled agreed completely with the fact that increased internet access has helped the success of KWS. The findings further noted that mobile phones are useful for coordinating KWS activities. Similarly, findings showed that ICT development has contributed to customer service at KWS. The findings also showed that social media is a useful tool for enhancing communication with KWS potential clients. The findings further noted that adaptation of ICT has greatly improved staff productivity. Similarly, use of ICT has brought down cost of communication significantly.

The findings further showed that availability of ecommerce has enabled KWS to conveniently purchase goods and services online. Correlation analysis was done to pursue the connotation amidst technological environment and performance at KWS. The findings revealed presence of strong positive as well as significant connection between technological environment and performance ( $r=0.708$ ,  $p=0.000<.05$ ). Additionally, regression analysis conclusions exposed that technological environment positively as well as significantly influenced on performance ( $\beta =.604$ ,  $p<.05$ ).

#### **5.2.4 Political Environment and Performance**

The research purposed to appraise political environment effect on performance at KWS. Conferring to outcomes of descriptive statistics, the most participants consented that government bureaucracy is a major hindrance to KWS efficiency. Also, outcomes highlighted that the participants conceded on the statement that corruption is a major hindrance to the work of KWS. The findings also displayed that a big percentage of interviewees conceded that KWS business is flexible enough to adjust to changes in regulations and licensing in Kenya. The outcomes additionally uncovered that majority of the respondents were in consensus that devolution has opened avenues in the tourism sectors in terms of job creation including business growth. Also, according to the results the participants were in agreement on the statement that political instability in Kenya bars KWS from achieving full potential.

The findings further showed that there was an agreement from the respondent that regional integration has opened growth opportunities for KWS. Finally, outcomes highlighted that the respondents conceded that government legislations have enabled KWS to operate seamlessly. A correlation analysis also was undertaken to determine the intensity as well as direction of the connection amidst political environment alongside performance at KWS. The findings discovered a positive as well as notably association among political environment plus performance ( $r=0.685$ ,  $p=0.000<.05$ ). According to Regression Analysis outcomes, occupational health policy besides performance are positively as well as significantly correlated ( $\beta =.813$ ,  $p<.05$ ).

### **5.3 Conclusions**

This study concludes that a favorable social-cultural environment enhances performance at KWS. The study also concludes that KWS is sensitive to religious beliefs, there is increased multicultural workforce at KWS, there is no ethnicity discrimination, the organization strives to achieve gender equality in all its undertakings, has internal mechanisms to deal with language barriers and there is age diversity among KWS employees and clients.

This study concludes that a favorable economic environment contributes towards better performance at KWS. The study also concludes that the rate of inflation has affected performance at KWS, the country's GDP economically affects the pricing of KWS services, inflation has reduced the demand of KWS products and services by its consumers, increased population creates a wider market share for KWS, high interest rates tend to destabilize KWS operations and high rates of unemployment in the country contribute to a low demand for KWS services.

The research also concludes that an improvement in technological environment at KWS influences performance positively. The study further concludes that increased internet access has helped the success of KWS, ICT development has contributed to customer service at KWS and that social media is a useful tool for enhancing communication with KWS potential clients. The study also concludes that adaptation of ICT has greatly improved staff productivity and brought down cost of communication significantly. Availability of ecommerce has also enabled KWS to conveniently purchase goods and services online.

The research also concludes that an improvement in the political atmosphere will result to a rise in performance of KWS. The study also concludes that government bureaucracy and corruption are major hindrances to KWS efficiency, . The study also concludes that KWS business is flexible enough to adjust to changes in regulations and licensing in Kenya and that devolution has opened avenues in the tourism sector in terms of job creation including business growth and regional integration has opened growth opportunities for KWS.

#### **5.4 Recommendations**

The research recommends since it was discovered favourable social cultural environment enhance performance, there is need for KWS and other players in the tourism industry to incorporate gender diversity in their operations, to ensure there is age diversity, to reduce cases of ethnic discrimination, enhance sensitivity to religious beliefs and to develop internal mechanisms of dealing with language barriers as this will enhance their performance. Makers of policy should infer at regulations which will improve the social-cultural environment among tourism players such as KWS.

The study recommends the need for government through its agencies like the Central Bank of Kenya to arrive at policies intending to sustain inflation at low levels, protecting the shilling from adverse effects leading to depreciation, reducing the unemployment rates and stabilizing the level of interest rates. Further, the government should come up with measures aimed at enhancing economic growth as this will lead towards improvement of firms' performance in the tourism sector.

The research recommends the need for KWS and other players in the tourism industry to enhance their uptake of technological innovations. The firms should ensure they have latest ICT facilities, are actively involved in social media, have internet coverage in all their facilities and have adopted ecommerce in their operations. Policy makers such as the state should infer regulations which will enhance technological environment.

The study recommends the need for government through its various agencies such as the Ethics & Anti-Corruption Commission to arrive at rules intending to bridle corruption, reducing the levels of bureaucracy, strengthen devolution and enhance regional integration. Further, the government should come up with measures of ensuring that regulations and licensing requirements in place are not hindrances to doing business as this will significantly advance performance of firms in the tourism sector.

## **5.5 Suggestions for Further Studies**

The 51.5% variations shown by  $R^2$  is a clear indication that other variables unconsidered during this survey elaborates the 48.5% of changes in performance. This may results to, forthcoming surveys paying attention to other variables which has high probability of influencing the performance such as internal control systems and organization culture. Policymakers will be in a position to confine in addition to steadily put in place an efficient structure aimed at improving performance by identifying the nexus among the factors affecting performance.

The study purposed in determining how macro environment elements impacts performance at KWS. Same probes may be undertaken in other tourism organizations or organizations in other sectors such as manufacturing, insurance among others. For purposes of comparison between several entities across sectors or within a particular industry, a cross-sectional study may be carried out.

Lastly, the research relied on a Multiple Linear Regression model, which possesses a set of challenges, for instance errors and misleading outcomes whenever a variable is altered. In future, the studies should examine the several associations amidst macro environment and entity performance applying other models such as; Vector Error Correction Model (VECM) to confirm or disapprove the findings.

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## APPENDICES

### Appendix I: Introduction Letter

Victor Mutua Tarichia  
Masters Student- MBA  
Kenyatta University

May 2021

Dear Sir/Madam,

#### **RE: REQUEST FOR RESEARCH DATA**

I am a student at Kenyatta University where I am undertaking a degree in Masters of Business Administration. For my course work evaluation, I'm expected to write a research paper on the topic of “**macro environment factors and performance of the tourism industry in Kenya: a case of Kenya wildlife services**”.

As a result, your company has been chosen to produce the study's data. Unless otherwise specified, your information will be used only for academic purposes and your identity will be completely concealed. Results of the investigation will be provided to you if you so want.

Thank you very much in advance for your help.

Thank you in advance.

**Victor Mutua Tarichia**

**Email: vmtarichia@gmail.com**

**Phone no: 0725947180**

## Appendix II: Questionnaire

The aim of this questionnaire is to gather data on the effect of macro environment factors and performance of the tourism industry in Kenya: a case of Kenya wildlife services. In best of your understanding, after reading kindly submit response. The facts gathered will purely be used for academic purposes

### Instructions

Do not indicate your name on the questionnaire.

For each question, only one answer (box) should be ticked

### Part I: Background Information

1. Gender: Male  Female
2. Age bracket (Tick where appropriate)  
21 – 30 Years  31 - 40 Years   
41 - 50 years  Over 50 years
3. Highest level of education that you have attained  
Tertiary college level   
Undergraduate level   
Postgraduate level
4. How many years have you worked in the firm?  
Less than one year  1-3 years   
4-7 years  8 years and above

5.What is your position in the organization? .....

.....

**Part II: Macro environment Factors**

Which of the following statements do you agree with the most? On a scale of 1 to 5, how would you rate this? (1 Not at all, 2 Strongly disagree, 3 Disagree, 4 Agree, 5 Strongly Agree)

**a) Social-Cultural Environment**

<b>STATEMENT</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
KWS need is sensitive to religious beliefs in order to achieve their objectives					
Increased multicultural workforce in the organizations brings about greater synergy					
There is no ethnicity discrimination in all its dealings					
KWS strives to achieve gender equality in all its undertakings					
KWS has internal mechanisms to deal with language barriers					
KWS delivers better results when women occupy a fair percentage of leadership roles					
There is age diversity among KWS clients					

**b) Economic Environment**

<b>STATEMENT</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
The rate of inflation has affected performance at KWS					
The country's GDP economically affects the pricing of KWS services.					
Inflation has reduced the demand of KWS products and services by its consumers					
An increase in population creates a wider market share for KWS					
High interest rates tend to destabilize KWS operations.					
The high rates of unemployment in the country contribute to a low demand for KWS services					
The depreciation of the Kenya shilling negatively affects KWS revenues					

**c) Technological Environment**

<b>STATEMENT</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Increased internet access has helped the success of KWS					
Mobile phones are useful for coordinating KWS activities					
ICT development has contributed to customer service at KWS					
Social media is a useful tool for enhancing communication with KWS potential clients					
Adaptation of ICT has greatly improved staff productivity					
Use of ICT has brought down cost of communication significantly					
Availability of ecommerce has enabled KWS to conveniently purchase goods and services online					

**d) Political Environment**

<b>STATEMENT</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Government bureaucracy is a major hindrance to KWS efficiency					
Corruption is a major hindrance to the work of KWS					
KWS business is flexible enough to adjust to changes in regulations and licensing in Kenya					
Devolution has opened avenues in the tourism industry in terms of job creation and business growth					
Political instability in Kenya bars KWS from achieving full potential					
Regional integration has opened growth opportunities for KWS					
Government legislations has enabled KWS to operate seamlessly					

**Part III: Performance**

To what extent do you agree with the following statements regarding performance at KWS? Use the following scale: **(1 Not at all, 2 Strongly disagree, 3 Disagree, 4 Agree, 5 Strongly Agree)**

<b>Customer satisfaction</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
There is increase in customer satisfaction at KWS					
KWS has recorded an increase in customer retention					
KWS has recorded improved and continuous loyalty of customers courtesy of improved services					
<b>Business processes</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
The service management of KWS has been effective					
The cost of administration has been reduced					
Over the years, KWS has released a number of unique and creative services					
<b>Learning and Growth</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Over the last three years, KWS' total revenue has increased.					
Over the last three years, KWS' profitability has increased.					

**Thank you for your time and cooperation.**

## Appendix III: Research Authorization from Kenyatta University



### KENYATTA UNIVERSITY GRADUATE SCHOOL

E-mail: [dean-graduate@ku.ac.ke](mailto:dean-graduate@ku.ac.ke)

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P.O. Box 43844, 00100  
NAIROBI, KENYA  
Tel. 8710901 Ext. 57530

Our Ref: D53/CTY/PT/32781/2015

DATE: 1<sup>st</sup> February, 2022

Director General,  
National Commission for Science, Technology  
and Innovation  
P.O. Box 30623-00100  
NAIROBI

Dear Sir/Madam,

RE: RESEARCH AUTHORIZATION FOR VICTOR MUTUA TARICHIA – REG. NO. D53/CTY/PT/32781/2015.

I write to introduce Victor Mutua Tarichia who is a Postgraduate Student of this University. The student is registered for MBA degree programme in the Department of Business Administration.

Victor intends to conduct research for a MBA Project Proposal entitled, “Macro Environmental Factors and Performance of the Tourism Industry: A Case of Kenya a Wildlife Services”.


Any assistance given will be highly appreciated.


Yours faithfully,

  
PROF. ELISHIBA KIMANI  
DEAN, GRADUATE SCHOOL

AM/lnn


# Appendix IV: NACOSTI Research License

  
REPUBLIC OF KENYA  
National Commission for Science, Technology and Innovation

  
NATIONAL COMMISSION FOR  
SCIENCE, TECHNOLOGY & INNOVATION

Ref No: 350085 Date of Issue: 25/May/2022


**RESEARCH LICENSE**




**This is to Certify that Mr. Victor Mutua Tarikhia of Kenyatta University, has been licensed to conduct research in Nairobi on the topic: MACRO ENVIRONMENTAL FACTORS AND PERFORMANCE OF THE TOURISM INDUSTRY: A CASE OF KENYA WILDLIFE SERVICES for the period ending : 25/May/2023.**

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350085  
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Director General  
NATIONAL COMMISSION FOR  
SCIENCE, TECHNOLOGY &  
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