

Influence of Strategic Change on Employee Performance Case of Hotels in Western Kenya Circuit

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Abstract

The hotel industry is one of the fastest growing sectors of the global economies; its significant contribution is seen to be on an upward trend, as evidenced here in Kenya where international hotel chains are opening its branches within developed towns to reap the market rewards from this competitive industry. The current rapid growth in hospitality industry has triggered stiff competition which requires exemplary service to be able to attract and maintain loyal customers during any tourist season. Thus, interest to the Western Kenya Circuit which is still virgin in nature and development. This study aimed at determining the influence of strategic change organizational mission on employee performance, case of hotels in western Kenya circuit. The study adopted Lewin's model and Contingency theories of change on theoretical framework. A correlation survey was adopted to conduct research where questionnaires were used to collect primary data while secondary data sourced from relevant reviewed literature. The study assessed hotels in Western Kenya circuit. The study population was 585 employees from different levels working in the hotels. Total of 116 were selected as the sample size using stratified random sampling procedure with different level of employees forming basis of strata. Data was tested for validity via exposure to experts and reliability by Cronbach's Alpha test on pilot data from 12 respondents. Reliability results indicated all three scales reliable at .801, .777 and .825 a change in organization mission ($\beta=.415$). A statistical model with the two as independent variables accounted for 26.1% of variation in employee performance (Adjusted R-Squared = 0.261). The implication of this finding was any efforts towards enhancing employee performance should focus primarily on aspects of hotels mission that are equally important to employee for overall performance. While acknowledging the importance of organizational change on performance, managers and stakeholders should reorganize the significance of each aspect of organization strategic change on mission in influencing employee performance and that of the organization.

Keywords: Strategic change, organizational mission, Employee performance & Hotels in western tourist circuit Kenya.

1. Introduction

Background of the Study

Strategy is a plan, pattern, position, and perspective, Mintzberg (1994). Change is a pervasive influence. Strategic change is about delivering unique values through other people who are the employees that will steer an organization into achieving its goals and objectives as enshrined in the mission of the organization. Organizations have formalized structures which Borjas, (2012) defining them as a composition of tangible and regularly occurring features that help to shape behavior of their staff. Bernstein, (2009) argue that all organizations are currently undergoing some type of change in mission of the organization. The ability to manage and adapt to organizational change is essential ability required in the workplace today Felicetti (2009). According to Thompson (1997), strategic change arises out of the need for organization to exploit existing or emerging opportunities and deal with threats in the market case of hospitality industry. There are various factors which have influenced and led to the growth of strategic change in employee's performance not forgetting that success of any organization is closely tied to productivity of its employees. Concept of

Mission statement is considered as an essential part of strategic change process (Cochran, et al., 2008; Morphew & Hartley, 2006). It primarily serves as a managerial tool that forms the basis for the strategic management phases: formulation, implementation, and evaluation (Bart, et al., 2000; Bryson, 1995; Ireland & Hitt, 1992; Pearce & Roth, 1988; Stone, 1996). An organizational mission is an organization's reason for existence (Sorensen, 2012). Forest and David (2013) assert that successful organizations have a clear sense of purpose and direction defining organizational goals, strategic objectives and what the organization will look like in the future. Lee and Yu (2014) believe that being able to internalize and identify with an organization 's mission contributes to both short and long-term commitment to the organization. strategic direction and intent convey the organization 's purpose and make it clear on how its employees should contribute towards fulfillment of organization 's purpose, clear targets the organization so wants to achieve within a given time period which is linked to the mission, providing its employees with a clear direction in their work and must be reflected in actions behavior (Bartkus and Glassmn, 2007). Ackoff (1986) claims that an effective mission statement should be challengeable, contains measurable goals, differentiate the firm from its competitors, inspirational and pertinent to all stakeholders. King et al., (2010) contend that a well-designed and a comprehensible mission statement play a critical role on setting objectives effectively and on quality of plans' formulation. Lynch (2000) maintains that an effective mission statement should be specific, flexible, distinctive, attainable and realistic. Sattari et al., (2011) assert that a comprehensive, readable, concise, clear mission statement is very essential to obtain the expected benefits and the desired outcomes. Vandijck et al., (2007) point out that a well-designed mission statement works as an energy source, guide decision making and employees' behaviors.

In a study conducted by Alavi and Karami (2009) indicated that 72% of the examined CEO's believe the existence of formal and written mission statement has a great impact on enhancing employee performance.

Gharleghi et al., (2011) found a positive relationship between mission statement characteristics (clearness, completeness, reality, practically, the number of employees and manager's awareness, the amount of the acceptance, flexibility, attention to stakeholders, and distinctiveness of the mission statement) and organizational performance.

Dermol (2012) examined the relationship between mission statement and performance in 394 Slovenian companies; the results showed that value added performance as a measure of performance is the only measure associated with existence of mission statement, Green and Medlin (2003) found a significant positive relationship between the financial performance and the quality and completeness of mission statements. Therefore, they concluded that mission statement had a significant impact in improving financial and employee performance thus the gap revealed on reason to examine the influence of change in organizational mission in performance of employees.

1.2 Statement of the Problem.

The Hospitality industry operates in a dynamic competitive environment where change is a determining factor on performance. Very many factors affecting change in the hotel industry and employee performance; such type of change, organizational mission, the study is premised on the assumption that if planned and utilized properly, the region can grow into one of the leading destinations for domestic and international tourists' attraction. According to a study carried out by a private organization on the status of hotels in Western Kenya (2013), there is a huge discrepancy in hotels as old ways of doing things is still embraced. There are manual orders and manual bookings. This prompted a study to determine the problems which I believed are mainly poorly designed organizational structure. there are always forces for change and forces against change. Due to dynamic changes worldwide, Organizations as well tend to change over time in order to fit the current situation and at the same time maintain and retain customers. While organizational change is a constant experience, knowledge and awareness about many of the critical issues involved in strategic change is often lacking in those responsible for its progress. However, there is very limited evidence on influence of organization mission change on employee performance which this study seeks to fill the existing gap by determining how organizational mission change influences performance of employees with specific reference to hotels in Western Kenya circuit being a "hidden treasure". The hotel industry is such an important sector as it is a major income earning sector to the economy. It creates employment opportunities hence improving the living standards of the people. It also improves ties and image of the country as it attracts and hosts guests from all walks of the world. This leaves a research gap that this study seeks to fill

by critically analyzing the influence of organization mission change on employee performance a case of hotels in western Kenya circuit.

2. Research Methodology

This chapter presents a brief description of the research methodology that was used for the study. It covers research design, target population, sample size, sample procedure, data collection instruments and procedures, data analysis and presentation discussed in this chapter.

2.1 Research Design

This study adopted correlation survey design. According to Sekaran (2009) correlational survey studies are structured with clearly stated investigative questions. According to Nachmias and Nachmias, (2007), correlation survey is used to obtain information concerning the current status of the phenomena to describe what exists with respect to variables in a situation, by asking individuals about their perceptions, attitudes, behavior or values.

2.2 Target Population.

Employees at all levels of management from Hotels in Western Kenyan circuit which according to the field result of 2016 was 585. Mugenda and Mugenda (2003) explained that the target population should have observable characteristics to which the study intended to generalize the result of the study. This definition assumes that the population was not homogeneous.

Table Showing Study Target population

Population category	Target population	Sample
Top management	15	3
Middle management	40	8
Lower-level management	60	12
Non- management staff	470	94
Total	585	116

2.3. Sample Frame

The researcher sampled 20 percent of sample size from sample division, i.e., hotel employees were sub divided into 4 strata and ten percent of top-level management, middle level management, lower-level management and non-management level of the total respondents. This was because the sample was quite representative of the whole population thus providing the necessary data between 10-30 percent of the accessible population was enough to form a sample (Mugenda and Mugenda, 2003). Employees were purposively selected from various branches to form a sample of 116 which was used for the research study. Stratified random sampling was used because it achieved a greater degree of presentation and also gave members equal chances of being included in the sample (Kothari, 2004). The table above showed how population was divided

3. Data Collection Methods

The study used primary and partly secondary data from past documentaries and reports. common tools of data collection were through questionnaires, observation and oral interviews. Primary data was collected with a semi-structured questionnaire that was self-administered to the respondents. Secondary data was collected from relevant literature in the library, documents, publications and reports including, journals, and magazines. primary data was the most used as secondary data was used as reference point.

3.1 Sources of Data

The main source of data was primary and partly secondary. Primary data involved interviews, observation, and questionnaires while Secondary data involved previous researches, diaries, mass media communication and historical information.

3.1.2 Data Collection Procedures

A letter of introduction from the university to help in data collection process was initiated for before visiting the hotels within western tourist circuit. This paved way for accessibility to the hotels. Questionnaires to be administered were then delivered at the front desk in each of the selected hotels. The questionnaires were then distributed to employees of all cadres and hence instructed on what was expected of them.

3.1.3 Research Instruments

Instrument was generic term the researcher used to measure device (survey, test, questionnaire, etc.) distinguishing between instrument and instrumentation, it was considered that the instrument was the device and instrumentation was the course of action (the process of developing, testing, and using the device). Usability referred to the ease with which the instrument was administered, interpreted by the participant, and scored/interpreted by the researcher. Reliability was thought of as consistency. Validity was the extent to which an instrument measured what it was supposed to measure and performed as designed to.

3.1.4 Pilot Study

A pilot test involving 12 respondents was carried out to evaluate the completeness, precision, accuracy and clarity of the questions to the respondents. This ensured the reliability of data collection instruments used. A letter of introduction and a consent form was attached to the questionnaires explaining the purpose of the study. The questionnaires were administered to the respondents. The use of questionnaires was aimed at improving the quality and efficiency of the research process. At the same time, it revealed deficiencies in the design of proposed experiment or procedure which required finances, time and resources experiment or procedure which required corrections before time, money and other resources which were committed to the effort.

3.1.5 Reliability

Reliability is the ability of a research instrument to consistently measure the characteristics of interest over time. According to (Owuor, 2004) a reliability test of research instruments is one that consistently produces the expected results. Kothari (2004) points out that instrument reliability refers to the level of internal consistency or the stability of the measuring devices. Reliability was ascertained using Cronbach's Alpha at a threshold of 0.7. All the scales were found to be reliable.

The results are in table 3.2

Table 3.2: Reliability of Data Instrument

Scale	No of Items	Sample
Change in mission	11	.777
Employee Performance	10	.825

3.2.1 Validity

According to Mugenda and Mugenda (2003) validity is the accuracy and meaningfulness of inferences, based on the research results. Extent to which a measure adequately represented the underlined constructs. It is a measurement procedure which is distinct from that of a design attribute. The proposal was based on expert's judgment. One of the main reasons for conducting the pilot study was to ascertain the validity of the questionnaire. The study used both face and content validity to ascertain the validity of the questionnaires. Content validity drew an inference from test scores to a large domain of items similar to those on the test. Content validity was concerned with sample-population representativeness. Gillham (2008) stated that knowledge and skills covered by the test items be represented to the larger domain of knowledge and skills.

3.2.3 Data Analysis and Presentations

Mean and standard deviation was used along with regression analysis to establish results for influence of change in mission on the performance of employees in Hotels in Western Kenya Circuit. Objective three involved fitting a regression to determine the influence of mission on employee performance. The model fitted is described below.

$$y_i = \beta_0 + \beta_1x_1 + \beta_2x_2 + \varepsilon$$

Where

y_i = Dependent Variable
x₁ and x₂ = Independent variables
β₀, β₁ and β₂ are the regression coefficients
ε is the error term

4. Chapter Summary

Correlation and regression analysis was used, questionnaires were administered by the researcher to collect data from convenient sample of respondents. Research methodology offered explanation into what type of research this study was. This chapter describes the research methodology, including the population, sample, data collection instruments as well as strategies used to ensure the ethical standards, reliability and validity of the study. Dealing with people is so complex more so getting their views on matters pertaining their work environment and how they felt about change required a lot of patience and understanding. It was expensive in terms of tools that were used during reliability and validity test. Time factor was felt to get questionnaires in place.

4.1 Change in Organization Mission

The results in table 4.1 show extent of activities about change in organization mission.

Table 4.1: Change in Organization’s Mission

STATEMENT	MEAN	STD. DEV
Change in fulfillment Vision and Mission based on resources	3.85	0.904
Change in information regarding change in organization mission	3.33	1.034
Change in productivity of the employees and the organization at large	3.62	0.847
Change in achievement of individual goals and objectives and those of the organization	4.01	1.016
Change in trainings to the employees in cases where there is change in mission	3.11	0.754
Change in experts to help in steering the organization in implementing the new mission.	3.56	0.912
Change in the interest the organization mission seeks to protect between interests of the employees and other interests.	3.72	1.075
Change of organization’s mission, goals and objectives to promote employee performance	3.85	0.904
Change in level of understanding organizational mission, objectives and vision	3.33	1.034
Change in consistency of organization mission and political environment	2.82	1.167
Change in the way the mission encourages competition among the employees	4.05	1.123
Overall	3.57	1.023

Source: Field Data (2018)

From the above analysis of table 4.8, the overall mean is 3.57 and the standard deviation is 1.023. As per the mean, this means that activities of change in organization mission are high and according to the standard deviation, the experience is almost the same across the organization.

4. 2 Results & Discussion

Organizational mission is its reason for existence. It's referred to as a creed, purpose, or statement of corporate philosophy and values. The mission of an organization is aligned to the expectations of its targeted customers, so as to achieve its ultimate returns. It often reflects the values and beliefs of top managers in an organization. It, therefore, all starts with the organizations' leaders to define these values and then help the employees discover how their personal values were validated when they performed their jobs in accordance with the organizational values. Therefore, employees gained more fulfillment from their job and were motivated to work harder, bringing their best to work.

5. Conclusions

The result indicated that change in the organizational mission definitely led to improvement in performance of employees and the organization at large. change in the mission resulted into better feedback, better employee's efficiency and effectiveness, better productivity and competency among others. It appears the western Kenya Circuit Hotels have employees who appreciate change in basic purpose of existence much more than remaining the same. When a hotel adds into its mission, employees are more encouraged and work harder. western Kenya Circuit Hotels should emphasize activities that bring about change in their basic purpose of existence (mission). This is because it positively influences employee performance.

5.1 Recommendations to hospitality practitioners and for Future Research.

A key success strategy for hospitality facilities is to focus on creating and instilling mission statements that is part of the company with positive effect on employee performance and that of the organization among competitors.

For future research is recommended that data be collected in privately and government owned hotels to understand how change in mission statement of an organization impacts performance of their employees and that of an organization as a whole. The study further recommends need to investigate further how change in organization mission impacts on employee performance in other lucrative sectors and in other geographical set up country wide for healthy and competitive performance in tourists' destinations.

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