

**SITUATION ANALYSIS PRACTICES AND PERFORMANCE OF SELECTED
ENTERPRISES IN CHINESE TOURISM INDUSTRY**

BY

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DECLARATION

I declare that this is my original work and has not been presented for a degree in any other university.

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This Research Project has been submitted for examination with my approval as the university supervisor.

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I acknowledge the input of my supervisor Prof. Martin Ogutun for his guidance, encouragement, timely remarks, patience in reading, correcting and support throughout the process.

I acknowledge my family and friends for all the support they have accorded me throughout the time of pursuit of the MBA programme.

DEDICATION

I dedicate this project to my parents for their love, support and patience throughout this project. I also dedicate to my brother Thomas who has encouraged me all the way and whose encouragement has made sure that i give it all it takes to finish that which I have started. Thank you.

ABSTRACT

The research was designed to investigate the relationship between situation analysis and firm performance and how situation analysis practices effect on firm performance of the selected enterprises in the tourism industry in China. The study sought to achieve two objectives. The first objective was to establish how outsourcing in situation analysis affects performance of selected tourism enterprises in China while the second was to determine how in-house in situation analysis affects performance of selected tourism enterprises in China. To achieve these objectives the study adopted descriptive survey design which provided a convenient way of data collection when administering the questionnaires online as well as through the use of non-digital methods and allowed for collection of data based on different variables. The study indicated that outsourcing was able to improve strategic position, increase innovation, specialization, and business flexibility, access the latest technologies, and reduce organization risks, while some inhouse activities from within the enterprise may boost business agility, increase data security, reduce cost, build their brand, and control external factor. Both outsourcing and inhouse are important to firm performance and enterprise shall utilize situation analysis to improve performance. This study recommends examining the external and internal environment, performing market analysis to determine potential customers, opportunities, and competitors, analyzing the company's vision, strategy, and goals to improve performance.

TABLE OF CONTENTS

DECLARATION.....	ii
ACKNOWLEDGMENT.....	iii
DEDICATION.....	iv
ABSTRACT.....	v
TABLE OF CONTENTS.....	vi
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background of the Study.....	1
1.1.1 Situation Analysis Practices.....	2
1.1.2 Firm Performance.....	4
1.1.3 Tourism Enterprises in China.....	5
1.2 Research Problem.....	6
1.3 Research Objectives.....	9
1.4 Value of the Study.....	9
CHAPTER TWO: LITERATURE REVIEW.....	11
2.1 Introduction.....	11
2.2 Theoretical Foundation.....	11
2.2.1 Strategic Management Theory.....	11
2.2.2 Resource-Based Theory.....	12
2.3 Empirical Literature Review.....	18
2.4 Organizational Performance Measurement.....	18
2.5 Summary of Literature Review and Knowledge Gap.....	19
CHAPTER THREE: RESEARCH METHODOLOGY.....	21
3.1 Introduction.....	21
3.2 Research Design.....	21
3.3 Population of the Study.....	22
3.4 Sample Design.....	22
3.5 Data Collection.....	22
3.6 Validity and Reliability Test.....	23
3.7 Data Analysis.....	23
CHAPTER FOUR: DATA ANALYSIS, FINDINGS, AND DISCUSSIONS.....	21
4.1 Introduction.....	21
4.2 Demographic Findings.....	21
4.3 Situation Analysis and Enterprise Performance.....	31

4.4 Discussion of Findings	41
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS	45
5.1 Introduction	45
5.2 Summary of Findings	45
5.3 Conclusion	47
5.4 Recommendations	49
5.4.1 Policy Recommendation	49
5.4.2 Recommendation for Practice	49
5.4.3 Recommendation for Theory	49
5.5 Limitation of the Study	49
5.6 Suggestion for Further Research	50
REFERENCES	49
APPENDICES	55
Appendix: Questionnaire	55

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The process of situation analysis entails collecting information about the external and internal environment to evaluate current issues of the organization including threats, opportunities, weaknesses, and strengths and also guiding its objectives and goals. Situation analysis can be referred as gathering of managerial techniques used in analyzing external and internal environment of an organization to the business environment, the customers and the firm's capabilities. "Situation analysis" aids in development of understanding the plan delivery environment in a basic way. It offers a common point of reference for action prioritization and the process of planning. The definite output of a firm in comparison to the output that was intended in form of objectives and goals is the firms' performance. The information of internal and external environments gathered and collected by situation analysis helps the organizations to understand the actual situations and make the correct decisions to achieve great organizational performance. The firm performance may be influenced by many factors, and situation analysis is the information provider to guide the organizations to perform well.

This investigation was anchored by two major theories, the resource-based view (RBV) and strategic management theory. Barney, (1991) first discussed the RBV. The organizations strategic is determined by RBV in order to attain advantage via resource

utilization. Porter (1960) introduced Strategic Management Theory. It gives strategic management practices direction and informs the objectives of the study dealing with customer focus and strategic planning by giving strategic giving and planning guidelines.

Tourism is a comprehensive industry of all industries and departments with the tourism market as the object, paid to create convenient conditions for tourists' tourism activities, and provide required goods and services. There are three parts of tourism namely, accommodation departments, passenger transport department and travel agencies. Therefore, enterprises living in the three tourism sectors constitute three tourism types enterprises, namely travel agencies, tourism hotels and tourism transportation, which constitute the three pillars of modern tourism. Tourism industry in china has rapidly developed and in the national economy, it has emerged as the most dynamic industry at a growth point and in tertiary industries of China. It ranks first in the priority development sequence of the tertiary industry. It has been listed as the leading industry of economic development locally and as a pillar industry. Domestic tourism in china has become a potential tourism market worldwide and the fastest and largest growing market.

1.1.1 Situation Analysis Practices

Situation analysis can be referred as gathering of managerial techniques used in analyzing external and internal environment of an organization to the business environment, the customers and the firm's capabilities. It offers the basis for decisions making on strategy definition and steps for moving ahead implementation steps for moving forward. It is

sometimes referred to as analysis of strengths, weaknesses, opportunities, and threats. This analysis should not be a huge documentation of everything one knows their position and about the market, it identifies certain factors that will affect their ability to be operational in the market and factors affecting the market itself.

This analysis observes the internal and external factors affecting the business and the ability of these factors to be competitive in the period of planning. It provides answers to the questions “what will affect the market in which we compete?” and “what will affect our ability to be successful in competing?” Micro and macro factors are external elements of the analysis of situation. Macro factors comprise technological, cultural, economic and political analysis of trends affecting the market either negatively or in a positive way and also the ability to compete in the market. The micro factors put emphasis on the competitors and consumers. This analysis is significant to firms and individuals in the business and is represented by Threats, Opportunities, Weaknesses and Strengths. The analysis is a beneficial method of accessing the four attributes that play the organizations’ essential roles. The situation analysis involves five key components of the organizations which are customers, competitors, suppliers, and government and legal issues—including regulations and advocacy or support groups. The situation analysis practice can be done either by outsourcing or in-house. According (McCarthy; Anagnostou,2004) Outsourcing occurs when company hires another company to run activity that could be done from within the enterprise, while Zimmerman (2019) in-housing describe in-house

as hiring employees or using existing resources (advertising Age, 2018). Both ways can be profitable but there are also some features, pros and cons.

1.1.2 Firm Performance

Firm performance in organizations refers to the actual output that measures the effective of the set goals and plans of the firm (Capkun, Hameri & Weiss, 2009). Through measuring of firm performance systems, organizations are able to commit their resources towards the achievement of the set plans (Goh & Ryan, 2008). With increased in environmental changes, high level of competition and rapid changes associated with technology and lack of resources, companies aim to measure their firm performance in terms of the sales volume, the moral of the employees, the profitability and the customers and employee's satisfaction levels (Jagero, Komba & Mlingi, 2012). This is means that firm performance is an important aspect that determine whether the set goals are being achieved in the organization (Haat, Rahman & Mahenthiran, 2008).

According to Mishra and Suar (2010), firm performance measures include financial as well as non-financial aspects. Financial performance levels can be determine based on the number of sales, market share as well as the profits and return on assets (Jagero, Komba & Mlingi, 2012). However, the non-financial measure of performance includes issues associated with employees and customers satisfaction levels, the morale of the employees and the level of customer services offered by the firm (Haat, Rahman & Mahenthiran, 2008). In managing firm performance, firms should consider their productivity levels,

employees training and development issues as well as quality assurance aspects. This is important towards the achievement of the long-term goals of the organization (Juma, Minja & Mageto, 2016).

1.1.3 Tourism Enterprises in China

In China, tourism involves different business activities with the aim of attracting non-locals. The main goal of tourism sector is to improve performance and success of the country in terms of GDP. According to Sinclair and Stabler (1997), the tourism industry thrive where the government has established strong infrastructure, stable accommodation and other tools that meet the needs of the tourists.

Analysis of past studies also reveals that the Chinese government support tourism industry and include the provision of transport, accommodation as well as natural resources and other facilities that serve tourists in the country. Today, tourism is well developed sector in China and many individuals from different parts of the world move to China daily to conduct their businesses. This means that China is one of the countries that enjoy strong tourism models and this promotes the country GDP.

Tourism industry and enterprises in China become an important component of China's economy, but there are still some challenges and issues. First, the market challenges. The first aspect is market development. In recent years, even though China's tourism industry has a renowned position in the global tourism market, its competitiveness is not strong. Therefore, it is urgent to study how to occupy a greater share in the global tourism market.

Second, the environmental challenges, including natural environment, cultural environment and development environment. Compared with developed countries, our biggest gap is the environment. Many of the goals we are pursuing are actually a normal state of life for developed countries. Third, the cultural challenges. In the final analysis, the management of tourism is the management of culture, and its highest level is also culture. As a tourism enterprise, it is an enterprise that produces and sells culture. In China, majority of the tourists support adoption of new culture in the country. This has led to many tourists moving to China and this means that the region is experiencing high level of advantage in the tourism sector. At present, cultural awareness and competition is low in the industry in China. This is also the gap between us, and tourism developed countries. Four, the challenges of internationalization. We are facing the challenge of comprehensive internationalization. The same is true from the perspective of tourism development. We are facing the international market, but we still seriously lack the international development environment and operation conditions, which makes us always in a weak position in the international competition.

1.2 Research Problem

The concept of situational analysis is associated with review of the organization environment of operations in terms of the internal and external environment activities. The model is important in promoting performance of the organization. This is because it covers SWOT, PESTLE as well as market and consumer analysis to ensure that the firm

operations meet the environment. Companies are currently using the situational analysis model with the aim of promoting their sales and avoiding challenges in their operations. This means that situational analysis is important in managing performance of organizations in almost all sectors and industries.

The process of situational analysis includes various factors and this is important in managing productivity of organizations. Organization uses the situational analysis to diagnose their strengths as well as to understand their weakness. There are also organizations that use the model to understand how to use opportunities in their environment. The model is also important when dealing with threats and other challenges in the business environment. This is why many organizations are currently using situation analysis to enhance their plans and objectives (Peterson, 2019). The main objective of organizations is to enhance their performance and with situational analysis it is possible to learn new ways, adopt different methods and strategies and this is important in promoting success of organizations.

Tourism has been listed as one of the three major industries in the world together with oil industry and automobile industry. With the development of market economy and the improvement of income level, the demand for tourism has further increased, and there are various deficiencies in the development of tourism enterprises in China, such as Problems of the management mechanism, vicious competition disrupts the normal order of the market. By the use of situation analysis to tourism enterprises in China, we can analyze

the strengths, weakness, potential opportunities and threats of Chinese tourism enterprises, and also investigate the internal and external factors that effects tourism enterprises in China. With the situation analysis of Chinese tourism enterprises, it helps to make high and sustainable profits, generate employment opportunities, and improve the income of individuals and the general level of tourism enterprises.

A study done in China by Huang (2008) analyzed and evaluated the importance of situational analysis and pointed out the influence on sustainability and competitiveness of the organization. However, this study was done in 2008 and its indication may not apply to the current business market. In Egypt, Eid and Zaki (2014) stated it's better for organization to analyze its internal abilities to ascertain its opportunities and threats. Therefore, to develop the organizational performance and strategies adopted by SWOT analysis is suggested. However, this study was done in Egypt, and it may not combine the factual conditions in China.

Many studies and research have been referred to tourism enterprises in China, and several studies have shown the importance of situational analysis relates to firm performance of the organization, but there is also conceptual gap for this area of this study and research. What's the relationship between situation analysis practice and firm performance and how does situation analysis practice effect on performance of tourism enterprises in China? By situational analysis of the organization, it helps to analyze the internal and external environment, the strengthens, weakness, threats, and opportunities of the organization,

which helps to develop the maximum the strengthens, opportunities, performance and reduce the weakness and threats to minimum.

1.3 Research Objectives

The general objective is to investigate the effects of situation analysis practice on performance of tourism enterprises in China.

The specific objectives are

- (i) To establish how outsourcing in situation analysis affects performance of selected tourism enterprises in China.
- (ii) To determine how in-house in situation analysis affects performance of selected tourism enterprises in China.

1.4 Value of the Study

The study of situation analysis practice on performance of tourism enterprises in China is valuable to tourism industry managers. It helps the tourism industry managers to have a general view and acknowledge of the tourism situation in China. With the situation analysis of enterprises of tourism industry in China, tourism managers are able to know the strength, weakness, opportunities and threats, therefore, the study helps them to understand how to manage the enterprises of tourism industry in China, but also to help the tourism enterprises perform well and maximum the competitive advantage and

comparative advantage of the enterprises. Otherwise, tourism managers can also make strategic planning and expansion strategies for the enterprises to gain profits for the enterprises, and to help the country to promote tourism industry.

The study of situation analysis practice on performance of tourism enterprises in China in China is valuable to tourism industry scholars. The study can provide useful information and research in the areas of tourism industry for scholars. Further studies will be guided by this study results and scholars will use it as a reference standpoint in developing issues associated with situational analysis and performance of companies, especially in the tourism industry. Scholar can read the results and understand how to promote tourism performance using situational analysis models.

The study of situation analysis practice on performance of tourism enterprises in China is valuable to the two theories we studied above, resource-based view (RBV) and strategic management theory. Situation analysis practice helps to research the resources of Chinese tourism industry and analyze the competitive advantage and sustainable performance for Chinese tourism enterprises. Meanwhile, situation analysis practice helps to analyze the internal and external environment, the challenge and opportunities of Chinese tourism enterprises, which helps to make an integrated strategic planning for the company and promote the success of the organizations.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter revolves on review of the theories related to the study. It also covers the empirical review on literature associated with situational analysis and performance of companies within the tourism industry. The reviewed information documented in this section will justify the research topic and provide the empirical and conceptual review supports. The section also outlines the conceptual framework.

2.2 Theoretical Foundation

This inquiry is based on different theories. Specifically, the study is guided by the resource-based theory as well as the strategic management theory. These theories provide a clear picture on how situation analysis relates to performance of the organizations.

2.2.1 Strategic Management Theory

This theory is associated with Michael Porter (1960). The theory indicates that strategic management activities are important in promoting the performance of organizations. This is because when companies engage in strategic management programs, they are able to monitor their environment, set goals and review their operational plans. This is imperative

towards management of success of organization. The theory is also associated with strategic thinking and long term panning of the operations of the organization.

Accordingly, there are those who argue that strategic planning is important since it promote the provision of diverse views in organizations and companies that value diversity enjoys high creativity (Gray & Karp, 1994). With the growing competition in many organizations across the globe, the use of strategic thinking and management is important in gaining competitive advantage. This is because success of organization is achieved through management of different activities. Companies can learn their threats, possible opportunities and weaknesses through the use of this theory model.

In this study, the theory is relevant since it outlines ways that different companies can use to promote their success. The theory also outlines how the use of strategic management practices can help companies in the tourism industry to manage and promote their success. The theory provides step by step activities that firm can use to promote their success and achievement of their goals. This includes the proper allocation of resources, hiring competent employees and reviews the company situations or market. As such, the theory is important in this study since it provide a framework of promoting outcomes in organizations.

2.2.2 Resource-Based Theory

This theory was founded Penrose in 1959. According to Penrose (1959), effective performance of companies depends on the resources that they have and how they manage

their operations. He also noted that companies that are successful and enjoy high performance must have unique, rare and non-imitable resources (Barney, 2007). These resources can be in terms of the human capital within the company and must include effective management of the resources by the management to improve the firm performance. This means that companies can adopt unique resources, hire skilled experts and adopt rare experiences to promote and increase their performance (Lockett, Thompsons & Morgenstern, 2009).

Moreover, the assumption of this theory is that there are different aspects of resources that different companies have in managing their operations. Some companies have experienced and unique talents that promote their performance. The theory also assumes that some firms have rare resources that help them achieve high success. This is because their resources cannot be copied by other firms and it allows them to enjoy high performance. The theory also assumes that company's top management has the power to control their resources and can allocate them towards achievement of high performance (Barney, 2007).

This theory is suitable for the study since it will be used in guiding on how companies can adopt situation analysis practices and promote their performance, especially within the tourism enterprises in China. The theory is also imperative in determining the tangible and intangible resources that companies can use to enhance their activities and operations.

In managing their resources, global firms must consider their key capabilities, their employee skills as well as their key strengths and competencies.

2.3 Empirical Literature Review

The uniqueness and heterogeneity of resources that a company has a significant influence on the competitiveness of the company (Syssner & Meijer, 2017). A company's uniqueness of resources sets a pace on how it will operate so as to not only gain a competitive advantage but also to maintain it. Therefore, all competitive strategies in an enterprise are based on the availability and uniqueness of resources. The research-based approach describes enterprises as entities with individual capacity to boost their competitive advantage within an industry, which is necessary to improve their performance (Barney & Mackey, 2016). Differences in performance in one industry very important elements that necessitate deep analysis since they are regarded as part of an enterprise's resources thought to have different levels of efficiency

According to Chae, Olson, & Sheu (2014), performance differentials enable the firms to engage in activities that focus on delivering more significant benefits to the customers at a given cost. Through participating in the allocation of qualified products that meet the needs of the customers to raise up the benefits accrued to the customers, the firms focus on improving their performances on the industry which in turn increased the competitive advantage within the industry. According to Swanson & Droege (2016), the resources of a firm must be rare and valuable to increase the demand for the product and make it

challenge to have imitations thus increasing the aspect of uniqueness. By focusing on the market share growth and the organizational competitive advantage strengths, organizational resources plays an important role in enhancing the operations.

According to Portugal et al. (2016), the resource-based view does not neglect the element of an adequate analysis unit to make the necessary considerations about the performance of a business. Most of the critical factors mentioned in the RBV capitalize on the aspect of an individual resource as an essential unit of analysis in the study of significant elements related to competitive advantage in a given industry. The most critical consideration in this factor involves the fact that the relevant resources of the company are sufficient and well defined to ensure an adequate evaluation and definition of the unit of analysis in a company. Otolá, Ostraszewska and Tylec (2013) explain that there are strong relations of complementation with the resources of a business that help identify a regrouping appropriate to the funds in the system but understand that it is interagissant and the integration of the system of the company.

Even though the resource based theory is considered to be useful in meeting specific outcomes that ensure enterprises boost their performance, it has been faced with a lot of criticism. First, some scholars explain that the theory creates a platform for enterprises to concentrate on internal resources while ignoring the fact that there are other avenues to build on expected success (Seshadri, 2013). Arguments have been made that most enterprises that adopt this particular hypothetical approach tend to fail in their

understanding of the influences it could have on their general performance. Lämsiluoto et al., (2015) specifies that focusing way too much attention on gaining more resources tends to impact an enterprise negatively in cases where there are insufficient funds, which, in turn, lessens an enterprises competitive advantage. secondly, the theory has been criticized for being limited and narrow especially when explaining the expected influences that it would have from an enterprises perspective. Manroop et al., (2014) maintains that applying the resource based theory can present significant limitations seeing as to how the approach lacks a practicability element. They explain that the approach makes it difficult for enterprises to find unique resources that would meet the laid-out criteria. This means that the theory's applicability is to some extent limited considering the fact that it is somewhat challenging o confusing for enterprises to work out effective approaches that enhance their performance. This may result to an enterprise being disadvantaged considering it is difficult for it to determine what to expect with regards to probable avenues of performance.

A study done in India by Mishra and Suar (2010) noted that situational analysis as well as strategic plans and adoption of corporate social responsibility help in promote firm performance among companies in India. However, this study was done in 2010 and its implications may not apply within the current business environment. Additionally, the study was done in India and it may not apply within the Kenyan environment. In UK, AlQershi (2021) evaluated how situational analysis influences the performance of small

companies in the UK region. The researcher confirmed that situational analysis is associated with high performance of all firms including the SMEs in UK. However, it should be noted that this study was done outside the country and only focused on SMEs in UK and its implications cannot apply within the current study. In Tanzania, Jagero, Komba and Mlingi (2012) determined how situational analysis activities influence the performance of employees among courier companies in Dar as Salaam, Tanzania and noted that effective situational analysis is associated with high performance of companies. The study also confirmed that adoption of situational analysis models help employees to enjoy their job, leading to high job satisfaction. The study recommended the need for regular situational analysis training activities among employees to improve their success in organizations. In Nigeria, Ibrahim Olaniyi and Elumah Lucas (2016) noted that situational analysis has a positive influence on performance of firms in the country. The study adopted cross-sectional design and data was collected among 60 companies in the country. The study concluded that companies must adopt situational analysis in managing their performance activities. However, in South Africa, Lear (2012) conducted a study on how situational analysis can help promote performance of companies in the region and noted that situational analysis help in setting long term goals of the organization and it should be adopted by all firms. Despite these findings, these studies were done outside China and their implications may not work within the current turbulent business environment associated with Covid-19 pandemic in China.

In Kenya, Njeri (2017) analyzed how situational analysis influences the performance of companies within the telecommunications industry in Kenya and noted that innovation is the main factor for the success of many companies in Kenya. Amadi (2014) also determine how situational analysis training and development influence the level of productivity of employees at Safaricom limited and he confirmed that situational analysis training and development is associated with high levels of performance and workers satisfaction levels. Moreover, Mburu (2017) also conducted a study on the effects of situational analysis on the performance of companies. The study noted that effective situational analysis promotes the performance of the companies in the tourism industry.

2.4 Organizational Performance Measurement

Several research shows that various elements and factors affect the performance of organizations. Organizational performance is multi-level, and the measurement to evaluate economic benefits can be divided into financial and non-financial. The financial benefit evaluation index is crucial since pure economic benefit is the long-term goal of the organization. The first and direct guide to measure the organizational performance can be the total assets, the business growth, the capital accumulation etc., which known as financial factors reflecting the performance of the organization. However, organizational performance measurement also includes non-financial factors such as social aspects,

environmental protection, safety productivity, and employee environment, which are often ignored.

The indicators for evaluating organization social responsibility reflects the comprehensive performance. Under the management of organizational performance budget, the organization and its internal departments should not regard economic budget aim completion as the only goal of the organization performance measurement, but also evaluate the performance of the organization by whether the organization is responsible for its social responsibility.

Now the society advocates environmental protection, so we can't evaluate the organization by economic benefits separated from other indicators. For example, Ali baba in China has not only created much economic benefits, but also social benefits. Ali baba raises up the social benefits by planting trees in the desert, helping poor areas and other public welfare. These unprofitable gains have brought it a lot of invisible income. Therefore, organizations should establish the core competitiveness from others, both financial and non-financial benefits.

2.5 Summary of Literature Review and Knowledge Gap

From the analysis of this section, it is evident that there are two theories guiding the study. This is the resource-based theory as well as the strategic management theory. It is also evident that these theories relate to performance and management of companies. With

strong situational analysis, companies can determine problems and challenges undermining their operations. This is important towards the adoption of the appropriate strategies and ensuring that the firm performance is in line with its plans and objectives.

Situation analysis of companies is associated with the consideration of the internal and external performance issues and this is important in understanding the firm values, environment and understanding of the customers. The process is also important in understanding the company business opportunities and power and how to take advantage of them. Firms also use situational analysis to reduce and prevent challenges associated with threats as well as weakness in their major operations. Therefore, situation analysis helps to improve the firm performance by correcting weaknesses, taking advantage of market opportunities and strengths, facing the threats and controlling weak points. If the situation analysis is implemented in correct ways, the organization can turn the negative aspects around and make them an advantage to develop bigger resource and make a greater output.

Although several empirical reviews and relative theories have been referred to tourism enterprises in China, the situation analysis and firm performance of Chinese tourism enterprises, but there is also knowledge gap for this area of this study and research. The study of relationship between situation analysis practice and firm performance of tourism enterprises in China should continue to explore.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This section includes the research design which was used in this study. In addition, the section includes the data collection method. It is also worth noting that this section also includes the data analysis methods that was used to analyze the research data.

3.2 Research Design

The research design provides a map of data collection, review and analysis. From Bhat (2019) research design refers to a series of techniques a researcher uses to efficiently address the research problem. This study adopted descriptive survey design. This allowed for collection of data based on different variables.

The study involved quantitative data collection and subsequent data analysis. The descriptive survey design provided a convenient way of data collection when administering the questionnaires online as well as through the use of non-digital methods.

With the descriptive research design, it was possible to gather large amount of data. The model also allowed to compare different data as well as to measure the features and characteristics of the study variables (Robson, 2002). This has made it easier to determine the relationship between situation analysis practices and performance of selected tourism enterprises in China.

3.3 Population of the Study

The target and focus population of the study comprises 17,880 tourism enterprises in total from all provinces and areas in China.

3.4 Sample Design

China is a big country with 56 ethnic groups, and each ethnicity selects 1 tourism enterprise as study unit, which also look for the effect situation analysis on firm performance.

The stratified sampling method was used to collect data from the study population. The study unit for this study were the 56 tourism enterprises selected from 56 ethnic groups in China, and all the selected 56 tourism enterprises were used as units of observation by the stratified sampling method. Therefore, the stratified sampling method was suitably adopted in this study.

3.5 Data Collection

Data from the questionnaire was collected for use in this study. The collected data could be used to make conclusions and inferences in terms of the study population. For the process of collecting data, semi-structured questionnaires were suitable for the process. The respondents were senior managers selected from 56 tourism enterprises included financial managers, marketing managers, operating managers and etc.

3.6 Validity and Reliability Test

Before the data being put to actual use, it usually tested for its accuracy. This test was to check the validity of the data collection. To make sure the content validity, the questionnaires were given only to supervisors for reviewing this research, and for construct validity could be catered through reviewing of empirical review. Therefore, both content and construct framework of validity will guide the study.

The study also considered consistency to promote reliability of the results. This was done by adopting consistent questions and ensuring that what is intended is evaluated. The study included Cronbach's alpha in evaluating reliability power of the tools. However, a 0.7 co-efficient was adopted to get the expected results (Mugenda & Mugenda, 2013).

3.7 Data Analysis

In this study, data analysis was supported through qualitative as well as quantitative methods. This means that a mixed method was adopted. However, the data collected undergone editing and review to ensure high level of completeness as well as accuracy and consistency. The study considered content analysis method.

The study also involved the inclusion of inferential analysis and the use of multiple regression analysis. This is important in getting the relationship among the variables of the study. The model adopted covered different aspects as shown below.

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

Y= Firm performance

β_0 =Constant

X1= SWOT Analysis

X2=Market and Consumer Analysis

X3=Pestle Analysis

X4=Macro-Analysis

ε =Error term

CHAPTER FOUR

DATA ANALYSIS, FINDINGS, AND DISCUSSIONS

4.1 Introduction

Chapter four presents the study analysis and discusses the findings. Descriptive statistics were presented in the form of frequencies, percentages, mean and standard deviations. Analysis of the variables and model estimates were also presented. The analysis was based on the specific objectives of the study.

4.2 Demographic Findings

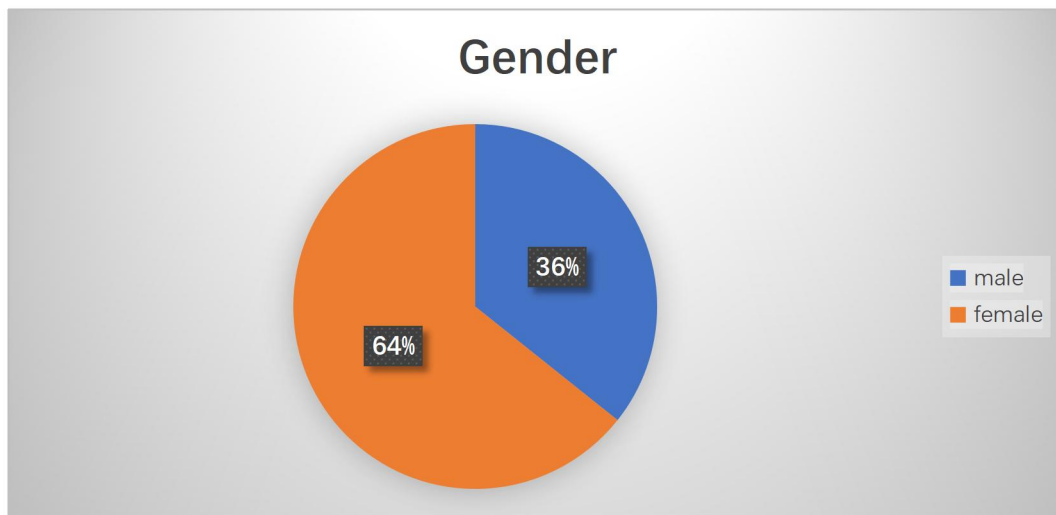


Figure 4.1: Pie Chart Presenting Gender Data.

The analysis revealed that all enterprises involved in the study were in the Tourism industry. This analysis was crucial since the study intended to establish the relationship between situational analysis and the performance of enterprises in the tourism sector. Furthermore, analysis revealed that 64% of the respondents were female, while 36% were male. This data is presented in the pie chart above.

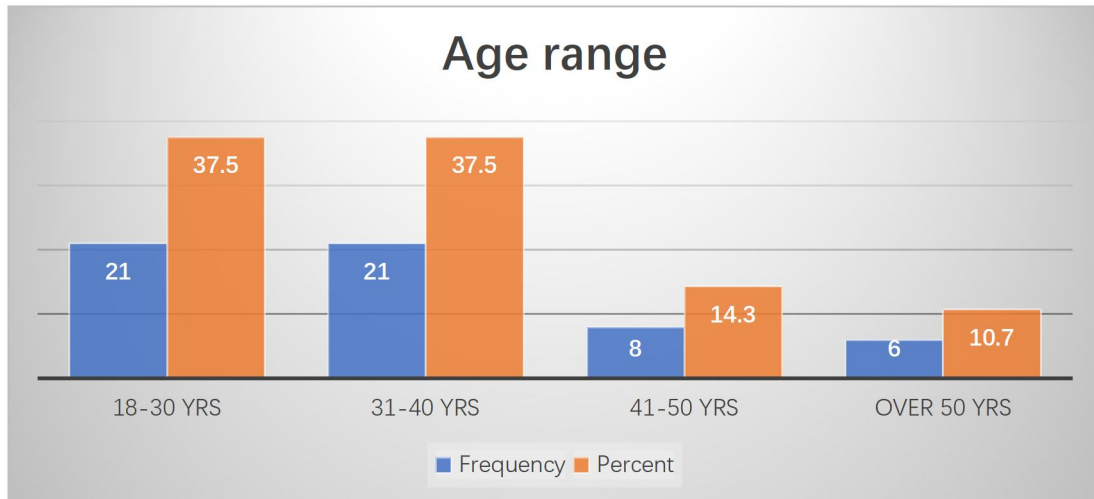


Figure 4.2: Column Chart Presenting Age Range Data.

Analysis of age range data revealed that 37.5% (n = 21) of the respondents were 10 to 30 years old, while 37.5% (n = 21) were 31 to 40 years old. Additionally, 14.3% (n = 8) were 41 to 50 years old and 10.7% (n = 6) were over 50 years old.

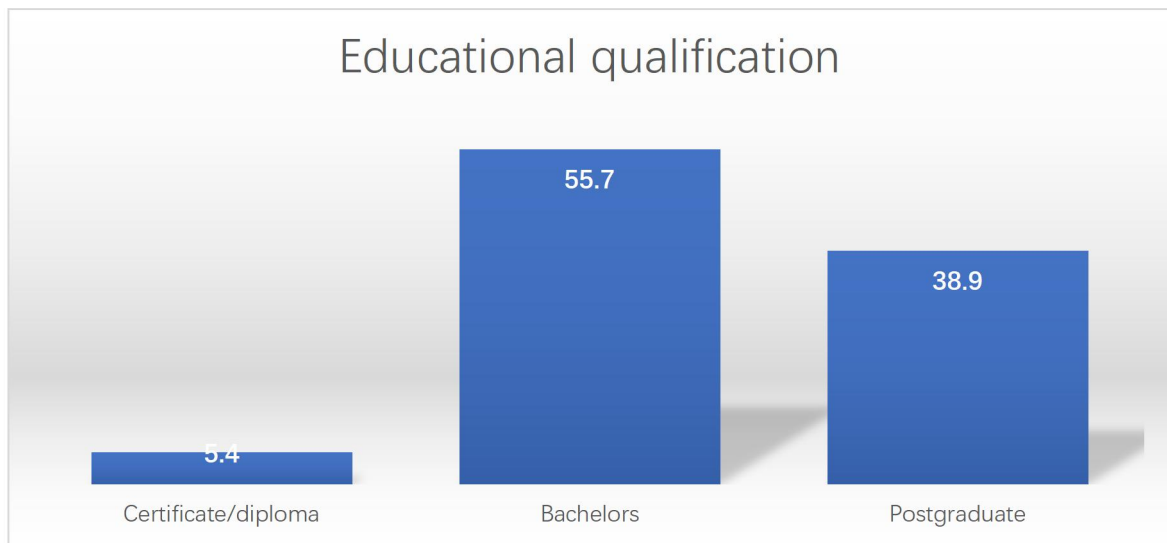


Figure 4.3: Column Chart Presenting Educational Qualification Data.

The researcher also sought to understand the educational qualification of the respondents. Analysis revealed that more than half of the respondents had a bachelor's or higher education. 55.7% of the respondents had attained a bachelor's degree. In comparison,

38.9% had a postgraduate qualification, and 5.4% had a certificate or diploma qualification.

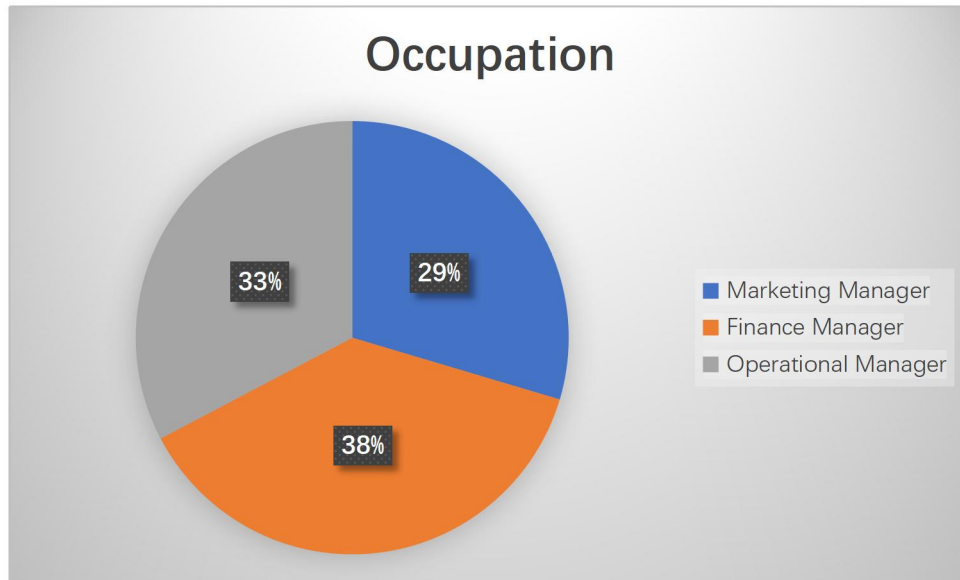


Figure 4.4: Pie Chart Presenting Occupation Data.

Furthermore, the respondents were asked to indicate their occupation. 38% of the respondents were finance managers, while 33% were operational managers and 29% were marketing managers.

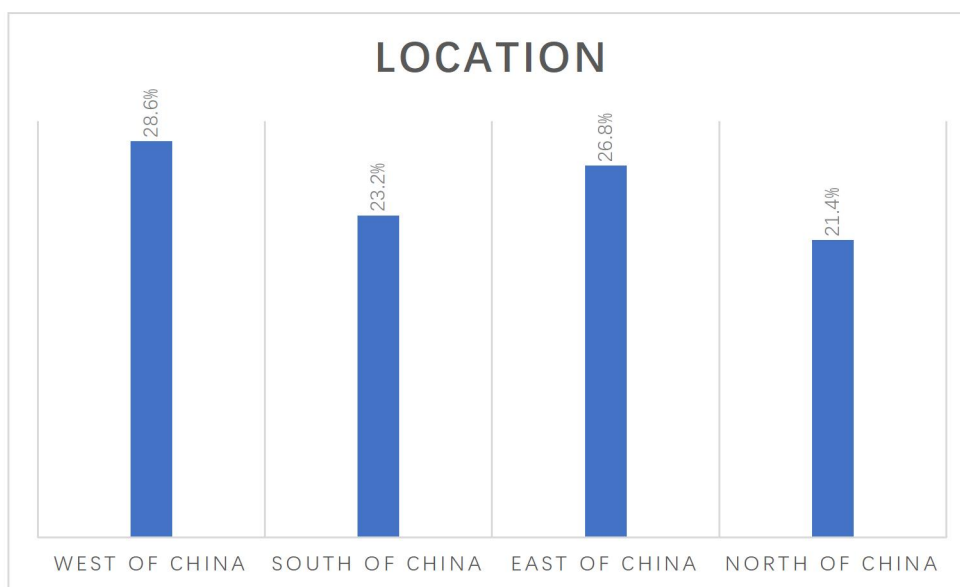


Figure 4.5: Column Chart Presenting Location Data.

The researcher also sought to understand the distribution of the enterprises based on the location. Analysis revealed that 28.6% of the firms were in West china, 26.8% were in East China, 23.2% were in south China and the least, 21.4%, were in North China.

Table 4.6: Size of the Enterprise.

Aspects	categories	Frequency	Percent
Size of enterprise	Small	12	21.4
	Medium	22	39.3
	Larger	22	39.3
	Total	56	100
Number of employees	Below 100	12	21.4%
	101-500	26	46.4%
	Over 500	18	32.1%
	total	56	100
Number of branches	1 to 3	18	32.1%
	3 to 10	38	67.9%
	total	56	100

The researcher asked the respondents to provide information about the size of the enterprise. Most respondents who took part in the study categorized the business they worked at as large (22%, n = 39.3) and medium (22%, n = 39.3). Only a few categorized their enterprises as small (21.4%, n = 12). Additionally, 46.4% (n = 26) of the enterprises had 101 to 500 employees, 32.1% (n= 18) had over 500 employees and 21.4% (n = 12) had below 100 employees. To finish, 67.9% (n = 38) of the enterprises had 3 to 10 branches while 32.1% had 1 to 3 branches.

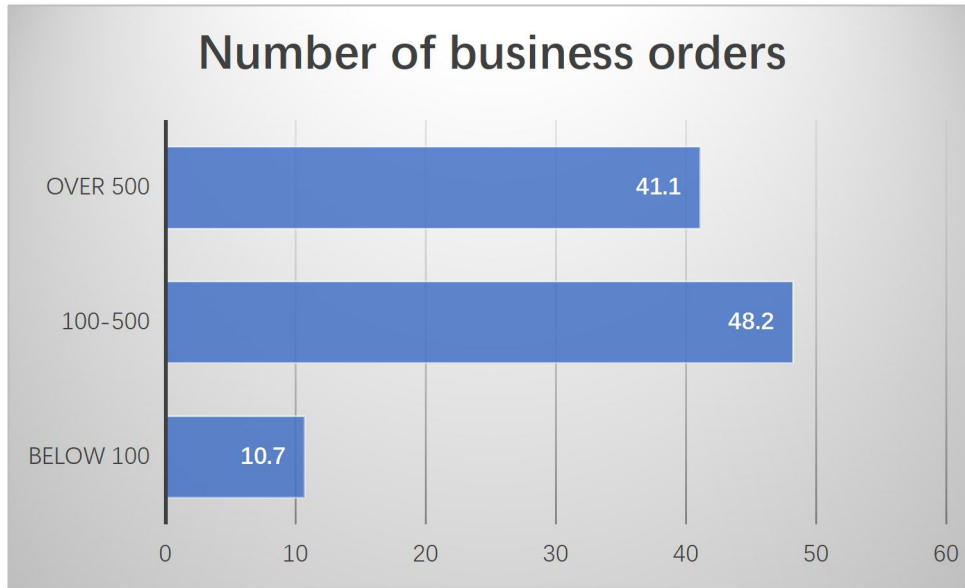


Figure 4.7: Bar Chart Presenting Number of Business Orders Data.

The respondents were also asked to indicate how many business orders does the enterprise get per year. Most of the enterprises (48.2%, $n = 27$) get 100 to 500 orders while 41.1% ($n = 23$) get over 500 orders and only 10.7% ($n = 6$) get below 100 orders.

4.3 Situation Analysis and Enterprise Performance

Table 4.8: Development of the Enterprise and Reliance on Situation Analysis

		Frequency	Percent
How is the development of the enterprise	Bad	6	10.7%
	Moderate	17	30.4%
	Great	33	58.9%
	Total	56	100%

To understand the relationship between situational analysis and performance the researcher asked the respondents to indicate how the development of the enterprise was about 58.9% ($n = 33$) indicated it was great while 30.4% ($n = 17$) indicated it was moderate and 10.7% ($n = 6$) it was bad.

From the table 4.8 above, it shows situation analysis has positive effect on a large number of enterprises, that is 58.9%, while only a few enterprises has negative effect, that is 10.7%.

Table 4.9: Reliance on Situation Analysis

		Frequency	Percent
Which of the following does the enterprise rely on situation analysis	Outsourcing	9	16.1%
	In-house	7	12.5%
	Both	40	71.4%
	total	56	100%

The respondents indicated that 71.4% (n = 40) of the respondents rely on situation analysis through both outsourcing and in-house. About (16.1%, n = 9) of the respondents indicated that they relied on outsourcing and (12.5%, n = 7) in-house.

From the table 4.9 above, it shows most of enterprises rely on situation analysis through both outsourcing and in-house, only 16.1% rely on outsourcing and 12.5% rely on in-house.

Table 4.10: Crosstabulation of Development of the Enterprise and Reliance on Situational Analysis.

			Which the following does the enterprise rely on situation analysis?			Total
			Outsourcing	In-house	Both	
How is the development of the enterprise?	bad	Count	2	2	2	6
		percent	33.3%	33.3%	33.3%	100.0%
	great	Count	7	10	13	33
		percent	21.2%	30.3%	39.4%	100.0%
	moderate	Count	6	4	7	17
		percent	35.3%	23.5%	41.2%	100.0%
Total		Count	14	16	23	56
		percent	25.0%	28.6%	41.1%	100.0%

Of the 10.7% (n = 6) respondents who indicated bad, 33.3% (n = 2) were using outsourcing, 33.3% (n = 2) used in-house while 33.3% (n = 2) used both. Additionally, of the 58.9% (n = 33) respondents who indicated great, 21.2% (n = 7) were using outsourcing, 30.3% (n = 10) used in-house while the most (39.4%, n = 13) used both. Lastly, of the 30.4% (n = 17) respondents who indicated moderate, 35.3% (n = 6) were using outsourcing, 23.5% (n = 4) used in-house while the most (41.2%, n = 7) used both.

For the great enterprise performance, it's important to rely both outsourcing and in-house, but if an enterprise only relies on one type of situation analysis, then in-house is a little bit better than outsourcing.

Table 4.11: Activities Outsourced and Inhoused.

	service	frequency	percent
outsource	IT management	17	37.8%
	Human resource	6	13.3%
	shipping and logistics	8	17.8%
	accounting	5	11.1%
	Research	3	6.7%
	marketing	6	13.3%
inhouse	total	45	100.0%
	accounting	12	21.8%
	marketing	14	25.5%
	Administrative tasks	10	18.2%
	Customer services	11	20.0%
	IT management	8	14.5%
both	total	55	100.0%
	IT management	16	23.9%
	accounting	19	28.4%
	marketing	17	25.4%
	Human resource	15	22.4%
	total	67	100.0%

To understand the activities outsourced and those sought from within the company by the tourism enterprises, respondents were requested to indicate the activities they outsource and those they source from within their respective organizations. The most outsourced activity was IT management, while the least outsourced was research. Marketing was the most sought activity within the enterprises, and IT management was the least. Lastly, accounting was the most sought activity outside and within the enterprise , while human resources was the least. The findings are shown in table 4.11 above.

The table shows the most popular activity in outsourcing is IT management, followed by Shipping and logistics, the least popular activity is Research, followed by accounting, while the most popular activity in in-house is Marketing, followed by Accounting, the least popular activity is IT management, followed by Administrative tasks. Lastly, the most popular activity both in outsourcing and in-house is Accounting, followed by Marketing, the least popular activity is IT management, followed by Human resource, but the figures for these 4 services are quite close, in other words, both outsourcing and in-house are important to all service of enterprises.

Table 4.12: Reasons for Outsourcing

Reasons for outsourcing	frequency	percent
cost reduction	19	19.6%
Innovation	12	12.4%
Specialization	13	13.4%
Improve strategic position	16	16.5%
Increases business flexibility	15	15.5%
Access to the latest technologies	12	12.4%
Reduce organization risks	10	10.3%
Total	97	100.0%

The respondents were asked to indicate reasons as to why they outsource some activities. 19.6% (n =19) of the participants indicated for the purposes of cost reduction, 12.4% (n = 12) innovation, 13.4% (n = 13) indicated specialization and 16.5% (n = 16) listed to improve strategic position. 15.5% (n =15) of the participants indicated to increase business flexibility, 12.4% (n = 12) indicated to access latest technologies and 10.3% (n = 10) indicated to reduce organization risks.

Table 4.13: Reasons for sourcing activities within the enterprise.

Reasons for inhouse	frequency	percent
Boosting business agility	20	20.4%
Increase data security	18	18.4%
cost reduction	25	25.5%
brand building	16	16.3%
control external factors	19	19.4%
Total	98	100.0%

The respondents were also asked to indicate reasons as to why they sourcing activities within the enterprise. 20.4% (n =20) of the participants indicated to boost business agility, 18.4% (n = 18) indicated to increase data security while, 25.5% (n = 25) indicated cost reduction. 16.3% (n =16) of the participants indicated brand building, and 19.4% (n = 19) said that they were interested in controlling external factors.

Table 4.14: Aspects of Situation Analysis

Factors	Frequency	Percent
Environmental factors	10	15.9%
competition analysis	23	36.5%
product analysis	17	27.0%
Opportunity and issue analysis	13	20.6%
Total	63	100.0%

The researcher asked the respondents to indicate how long the enterprise rely on the situation analysis. The mean number of times was 2.18 (SD = 1.081). The participants were also asked to indicate the key aspects of situation analysis the enterprise relies on. 15.9% (n =10) of the participants listed environmental factors, 36.5% (n = 23) recorded competition analysis, 27% (n = 17) indicated product analysis and 20.6% (n = 13) listed opportunity and issue analysis. They explained that these aspects were important they determine the health of the enterprise. Respondents that put forward environmental factors explained that it is important to identify economic or sociological factors that impact the enterprise's performance. Additionally, supporters of opportunity and issue analysis suggested conducting a SWOT analysis to determine any strengths, weaknesses, opportunities, and threats that may affect performance. Competition analysis was also deemed to be a crucial part of running a business since it determines the competitors and how they compare to others giving the enterprise a competitive advantage.

Table 4.15: Factors Causing the Failure of Enterprises

Factors	Frequency	Percent
poor management	16	22.9%
competition	9	12.9%
declining markets	5	7.1%
government policies, and regulations	14	20.0%
Inadequate financing	12	17.1%
Failure to understand your market and customers	11	15.7%
poor planning	3	4.3%
Total	70	100.0%

The respondents were also asked to indicate what factors they think could cause the failure of enterprises. 22.9% (n = 16) of the respondents listed poor management while

4.3% (n = 3) listed poor planning. They explained that poor management drives enterprises to open firms in unprofitable markets. This can be caused by poor planning. 15.7% (n = 11) were confident that failure to understand your market and customers can cause an enterprise to fail. This makes it hard to communicate the product clearly so as to connect with the target market. 12.9% (n = 9) listed competition, while 17.1% (n = 12) indicated inadequate financing and 7.1% (n = 5) were confident declining market influence performance negatively. Lastly, government policies and regulations (20%, n = 14) were listed as an aspect that may cause an enterprise to fail. The respondents explained that government policies influence inflation, and many enterprises cannot thrive when inflation is high. Additionally, competition, inadequate financing, and declining markets led to an unhealthy business environment which has detrimental effects on any industry.

Table 4.16: Utilization of Situation Analysis to Improve Performance

Actions	Frequency	Percentage
Analyzing the company's vision, strategy, and goals	13	13.5%
Analyzing current and future products or services	25	26.0%
performing market analysis to determine potential customers, opportunities, and competitors	17	17.7%
analyzing Partnerships and collaborations	9	9.4%
examining internal and external environment	32	33.3%
Total	96	100.0%

Lastly, respondents were asked to briefly explain how the enterprise would utilize situation analysis to improve performance. Most of the participants (33.3%, n = 32) indicated that they are examining internal and external environment. 17.7% (n = 17) suggested performing market analysis to determine potential customers, opportunities, and competitors and 26% (n = 25) recommended analyzing current and future products or services. 13.5% (n = 13) admitted to evaluating the company's vision, strategy, and goals while 9.4% (n = 9) revealed that they analyze partnerships and collaborations.

Table 4.17: Chi-square Test

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	7.674a	4	0.036
Likelihood Ratio	10.046	4	0.04
Linear-by-Linear Association	0.069	1	0.793
N of Valid Cases	56		

a 6 cells (66.7%) have expected count less than 5. The minimum expected count is .75.

Inferential Statistics

The study sought to investigate whether there is a relationship between the development of the enterprise and management strategies. A chi-square test of independence was performed to examine the relationship between the variables. Results indicated that there was a statistically significant relationship between the development of the enterprise and management strategies, $\chi^2(4, N = 56) = 7.67, p = .036$. Enterprises prefer using both inhouse and outsourcing management strategies to improve performance in their enterprises.

Table 4.18: Cramer's V Test

		Value	Approximate Significance
Nominal by Nominal	Phi	0.57	0.036
	Cramer's V	0.662	0.036
N of Valid Cases		56	

A cramer's V analysis was carried out to measure of the strength of the relationship between development of the enterprise and management strategies. Cramer's V value was .662 which indicates a strong relationship between the two variables.

Table 4.19 Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.737 ^a	.544	.315	.35203

a. Predictors: (Constant), SWOT analysis, Market and consumer analysis, PESTEL analysis, and Macro analysis

Additionally, a multiple linear regression was computed at a 95 percent confidence interval to examine whether there was a linear relationship between the variables. The coefficient of correlation indicated a strong positive association between the variables ($R = .737$). Furthermore, the coefficient of determination ($r^2 = .544$) indicated that situational analysis influence 54.4 % of performance of tourism enterprises in China.

Table 4.20: Analysis of Variance (ANOVA)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.181	4	.295	2.382	.038 ^b

Residual	.991	48	.124		
Total	2.172	52			

a. Dependent Variable: performance

b. Predictors: (Constant), SWOT analysis, Market and consumer analysis, PESTEL analysis, and Macro analysis

Results of analysis of variance (ANOVA) indicated a collective significant effect between SWOT analysis, Market, and consumer analysis, PESTEL analysis, and Macro analysis on the performance of an enterprise, ($F(4, 48) = 2.382, p = .038$). The individual predictors were examined further and indicated that SWOT analysis ($t = -11.98, p = .022$), Market and consumer analysis ($t = .624, p = .049$), PESTEL analysis ($t = .555, p = .042$) and Macro analysis ($t = -.450, p = .034$) were significant predictors in the model.

Table 4.21: Individual Predictors Coefficients

Model		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.548	1.243		1.245	.048
	Macro analysis	-.450	.692	-.360	-.651	.034
	PESTEL analysis	.555	.770	.559	.720	.042
	Market and consumer analysis	.624	.298	.674	2.097	.049
	SWOT analysis	-11.98	.319	-.393	-.988	.022

a. Dependent Variable: performance

The regression model will be

$$Y = 1.548 - 11.98X_1 + 0.624X_2 + 0.555X_3 - 0.450X_4$$

Where: Y is Performance

X₁ – SWOT analysis

X2 – Market and consumer analysis

X3 – PESTEL analysis

X4 – Macro analysis

4.4 Discussion of Findings

The analysis listed environmental factors, competition analysis, product analysis, and opportunity and issue analysis as critical aspects of situation analysis their enterprise depended on to improve performance. These findings are consistent with a study by Barney and Clark (2007), who found a positive relationship between competition analysis and performance. They added that the analysis is key in determining competitors and giving the enterprise a competitive advantage. The findings also agree with a study by Lear (2012), who suggested identifying economic or sociological factors that influence the enterprise's performance.

The study also listed poor management and poor planning as factors that negatively influence the performance of enterprises. Failure to understand the market and customers, competition, inadequate financing, and declining market were also listed as negative influences to performance. These findings are consistent with a study by Mishra and Suar (2010), who concluded that strategic planning influenced the performance of firms in India. They added that a firm's decisions are all influenced by the type of management. The findings are also consistent with Swanson and Droege (2016) study, which suggests that focusing on the market share growth and competitive advantage plays a vital role in promoting operation.

Furthermore, the respondents indicated that they examine the external and internal environment, perform market analysis, analyze products, examine its vision, strategy, and goals, and evaluate partnerships and collaborations to improve performance. These findings are consistent with Syssner and Meijer (2017), who found a positive relationship between market analysis and product analysis and performance. Chae et al. (2014) suggests examining the company's objective and working with stakeholders in order to be profitable, which is supported by the study findings.

Additionally, the respondents indicated that they outsource some activities for the purposes of cost reduction. This means that organizations outsource to get tasks completed at a low price and efficiently. This is fueled by the wage gap since work done in the west that is pricey can be outsourced for a much lower cost in developing countries. These findings are consistent with Maskell et al. (2007), who found that in order to enhance organizational performance, organizations outsource to others who offer lower prices but have the art skills and experience. Elliot (2006) also maintains that most companies outsource some operations to cut 20% in cost.

The respondents also indicated that they outsource to improve strategic position, increase innovation, specialization, and business flexibility, access the latest technologies, and reduce organization risks. These findings agree with a study by Glickman et al. (2007), who indicated that outsourcing improves the strategic position of an organization. This is because it becomes easy to solve problems since they can interact with different

stakeholders and define their values. According to Aubert et al. (2015), outsourcing is an opportunity to increase innovation and business flexibility, giving an enterprise a competitive advantage. Lyons and Gillingham (2003) agree that through outsourcing, enterprises have access to service providers capabilities, more so advanced technology specialization instead of imitating competitors, which can be expensive.

The respondents also indicate that they source some activities from within the enterprise so as to boost business agility, increase data security, reduce cost, build their brand, and control external factors. According to Stentoft et al. (2015), insourcing activities is not only key in adjusting to market changes; it supports adjustment to internal changes. It helps enterprises compete and flourish in this digital age by responding to emerging opportunities and market changes. Additionally, the results agree with a study by Clarke (2013), who revealed that insourcing services or activities is critical in protecting enterprises' data. Lastly, Hirvonen (2016) agrees that insourcing assists in controlling external factors that affect the business. Therefore, it provides an enterprise with a healthy environment to build its brand.

Lastly, respondents were asked to briefly explain how the enterprise would utilize situation analysis to improve performance. They recommend examining the external and internal environment, performing market analysis to determine potential customers, opportunities and competitors, and analyzing current and future products or services.

They added that analyzing the company's vision, strategy, and goals and analyzing partnerships and collaborations can be utilized to improve performance.

A Chi-square test was also carried out and indicated a significant relationship between situational analysis and performance. Enterprises preferred using both in-house and outsourcing management strategies to improve performance. They explained that both methods help an enterprise uncover its capabilities. These findings support views by Agburu et al. (2017) and Akinbola et al. (2017), who reported a relationship between outsourcing and the performance of firms. They specified that outsourcing back office and Support Service activities positively influences the performance of an enterprise. Isaksson and Lantz (2015) also reported a positive relationship between in-house strategies and the performance of firms. However, the study opposes the study by Awe et al. (2018), who found no significant relationship between outsourcing and the performance of enterprises.

Lastly, a regression test found a significant relationship between situational analysis and the performance of the enterprises. These findings are consistent with a study by Lear (2012), who found a relationship between situational analysis and the performance of the enterprises. They indicated that situation analysis helps set the organization's long-term goals and that all firms should adopt it.

CHAPTER FIVE

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the research findings, makes conclusions and gives recommendations based on the study results. The study's main objective was to investigate the effect of situation analysis practices of tourism enterprise performance in China. Under scrutiny, the situational analysis factors included SWOT analysis, market and consumer analysis, PESTEL analysis, and macro analysis. and macro analysis.

5.2 Summary of Finding

The participants listed environmental factors, competition analysis, product analysis, and opportunity and issue analysis as key aspects of situation analysis their enterprise depended on. They explained that these aspects were important they determine the health of the enterprise. They also indicated that it is important to identify economic or sociological factors that impact the enterprise's performance. Additionally, they suggested conducting a SWOT analysis to determine any strengths, weaknesses, opportunities, and threats that may affect performance. Competition analysis was also put forward as a crucial part of running a business since it determines the competitors and how they compare to others giving the enterprise a competitive advantage.

The respondents were also asked to indicate what factors they think could cause the failure of enterprises. They listed factors like poor management and poor planning and

explained that these factors drive enterprises to open firms in unprofitable markets. They also listed failure to understand your market and customers, which makes it hard to communicate the product clearly so as to connect with the target market. Furthermore, the respondents recorded government policies and regulations, competition, inadequate financing, and the declining market as factors that negatively influence an enterprise's performance. They explained that government policies influence interest rates, of which the rise affects the borrowing cost. This causes reduced consumer spending, increasing inflation, and many enterprises cannot thrive when inflation is high. Additionally, competition, inadequate financing, and declining markets led to an unhealthy business environment which has detrimental effects on any industry.

Furthermore, analysis revealed that the most outsourced activity was IT management while the least outsourced was research. Marketing was the most activity sought from within the enterprise and IT management was the least. Analysis also revealed that accounting was the most outsourced and inhouse activity while human resource was the least. After the respondents were asked to indicate reasons as to why they outsource some activities most of them indicated that it was for the purposes of cost reduction. They also indicated that they outsource so as to improve strategic position, increase innovation, specialization, and business flexibility, access latest technologies and reduce organization risks. They also indicate that they source some activities from within the enterprise so as

to boost business agility, increase data security, reduce cost, build their brand building and lastly control external factors.

Lastly, respondents were asked to briefly explain how the enterprise would utilize situation analysis to improve performance. They recommend examining the external and internal environment, performing market analysis to determine potential customers, opportunities and competitors, and analyzing current and future products or services. They added that analyzing the company's vision, strategy, and goals and analyzing partnerships and collaborations can be utilized to improve performance.

To conclude, a regression test was carried out to test the relationship between situation analysis and the performance of the enterprises. Results indicated a significant relationship between situational analysis and performance. A Chi-square test was also carried out and indicated a significant relationship between situational analysis and performance. Enterprises prefer using both in-house and outsourcing management strategies to improve performance in their enterprises.

5.3 Conclusion

SWOT analysis, market and consumer analysis, PESTEL analysis, and macro analysis are key aspects of situational analysis that influence the performance of enterprises. They are necessary to differentiate firms from one another and are the road map towards achieving organizational objectives, vision, and strategies. Therefore, conducting situation analysis will enable an organization to survive, grow and maintain a sustainable competitive

advantage. However, the process has different challenges, and it is obligatory that management develop appropriate approaches that eliminate the effect of these challenges. This can be done by involving employees in the analysis process and making them aware of the policies to assist with implementing the same. These analyses should also be conducted regularly so as to keep up with the changing market trends.

In addition, the views of the junior staff, community, and non-governmental organizations should be considered when performing situational analysis. This is because stakeholders largely influence the actions of any enterprise. The strategies should be Effectively monitored and evaluated during implementation. The study suggests putting measures in place to track progress and facilitate easy learning and decision-making. The findings that SWOT analysis, market and consumer analysis, PESTEL analysis, and macro analysis positively influence an enterprise's overall performance is a good indication that increasing analysis will motivate the performance of Tourism enterprises in China.

Lastly, based on the chi-square analysis results showing a relationship between an enterprise's situation analysis and development, executive managers should adopt both inhouse and outsourcing strategies. Both have the potential of reducing the cost of doing business. However, this is not guaranteed since indirect costs could be incurred, such as social cost, transaction cost, contract monitoring and generation, and intangible cost. Businesses ought to be careful since more costs might be incurred if anything goes wrong while inhouse or outsourcing services.

5.4 Recommendations

5.4.1 Policy recommendation

China National Tourism Administration can use the study's findings to develop policies that develop tourism in the country. Additionally, the government can use the findings to create healthy working conditions for the enterprises in the tourism sector and others in other sectors.

5.4.2 Recommendation for practice

Enterprise in the tourism industry should adopt outsourcing and inhouse strategies to achieve the benefits of cost savings. Additionally, the enterprises should ensure that the inhouse and outsourcing costs should not be greater than the benefits generated by the processes.

5.4.3 Recommendation for theory

The study recommends setting and using analysis frameworks. This should include understanding what stakeholders in the industry are interested in and how they are involved, and their attitudes towards situation analysis. It is noteworthy that conducting analysis without a deep understanding of context-specific issues results in errors that do not reliably support the research conclusions.

5.5 Limitation of the Study

The study had a few limitations. The main limitation is its uniqueness since there are few works of literature on the relationship between situation analysis and the performance of enterprises in the tourism sector in China. Most studies focus on how other management

strategies like business strategies, operational strategies and transformational strategies influence the performance of enterprises.

Additionally, using questionnaires as an instrument for data collection was a limitation. In as much as the method is more reliable, using additional data collection instruments like observation enhances the richness of the data collected. Moreover, reviewing documents, minutes and policies from the organizations under scrutiny can provide more insights into how situational analysis influences performance of enterprises.

5.6 Suggestion for Further Research

There is little literature examining the influence of in-house management strategies on the performance of enterprises, yet it makes it easy for businesses to manage its team and control processes. It is also motivating employees as they climb the organizational hierarchy. Therefore, future studies should concentrate on finding out whether in-house management strategies influence the performance of enterprises.

Additionally, future studies should be conducted using a wider sample. Using a wider sample size make it easy for researchers to avoid errors and appropriately determine average values. Also, a cross-industry study should be conducted, including a degree of significance analysis of each of the situation analysis factors identified to influence the performance of firms.

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APPENDICES

Appendix: Questionnaire

Answer the following question:

1. Sex

a. Male ()

b. Female ()

2. Age range

a. 18-30 yrs. ()

b. 31-40 yrs. ()

c. 41-50 yrs. ()

d. Over 50 yrs. ()

3. Highest Education Degree

a. Certificate/diploma ()

b. Bachelors ()

c. Postgraduate ()

d. Other qualification ()

4. Occupation

a. Marketing Manager ()

- b. Finance Manager ()
- c. Operational Manager ()
- d. Others () please describe

5. Location

- a. West of China ()
- b. South of China ()
- c. East of China ()
- d. North of China ()

6. Size of enterprise

- a. Small ()
- b. Medium ()
- c. Larger ()

7. Number of employees

- a. Below 100 employees ()
- b. 101-500 ()
- c. Over 500 ()

8. Number of branches

- a. 1-3 ()

b. 3-10 ()

c. Over 10 ()

9. Years of establishment

a. Less than 3 years ()

b. 3-5 years ()

c. Over 5 years ()

10. What kind of business does the enterprise engaged in?

a. Tourism industry ()

b. Others () please describe

11. How many business orders does the enterprise get per year?

a. Below 100 ()

b. 100-500 ()

c. Over 500 ()

12. How is the development of the enterprise?

a. Not so good ()

b. Not too bad ()

c. Great ()

13. Which the following does the enterprise relay on situation analysis?

a. Outsourcing ()

b. In-house ()

c. Both ()

14. How long has the enterprise relay on the main/major type of situation analysis?

.....years.

15. What the key aspects of situation analysis does the enterprise relay on?

.....
.....

16. To what extent, does situation analysis positively affect the enterprise?

a. Not at all ()

b. Little extend ()

c. Great extend ()

d. Very great extend ()

17. For how long has situation analysis affecting the enterprise performance to date?

a. Very short extend ()

b. Short extend ()

c. Long extend ()

d. Very long extend ()

18. To briefly explain, why you think situation analysis affects the enterprise performance?

.....

.....

19. In your opinion, what factors could cause the failure of enterprises?

.....

.....

20. To briefly explain, how would the enterprise utilize situation analysis to improve the performance?

.....

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