THE RESPONSES OF TRAVEL AGENTS IN KENYA TO CHANGES IN THE EXTERNAL ENVIRONMENT

BY

MARY WAITHERA MACHARIA

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF DEGREE OF MASTER OF BUSINESS ADMINISTRATION, FACULTY OF BUSINESS AND MANAGEMENT SCIENCES, UNIVERSITY OF NAIROBI

2022

DECLARATION

This research project is as a result of my independent study. I therefore declare it my original work that has not been submitted for a degree or any other award in any other university or institution.

Signed: …………………………………………Date: …………………………………….

Mary Waithera Macharia

Reg. No: D61/34830/2019

This research project has been submitted for examination with my approval as the university supervisor.

Signed: …………………………………………………………. Date: 24th November 2022.…………………………………

Prof. Evans Aosa

Faculty of Business and Management Science

University of Nairobi

ACKNOWLEDGEMENTS

DEDICATION

I dedicate this research project to my mum and sibling Patrick for their love and support. They are a great anchor in my life and studies. Their prayers, motivation and zeal keeps me going and on toes. Thank you so much for your continuous support and May Almighty God bless you abundantly.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ABSTRACT

Organizations are open systems that are environmental dependent and environmental serving thus interact openly with the external environment. An organization gains sustainable competitive advantage whenever it establishes an alignment between its internal dynamics and the external environment. The study investigated the responses of travel agents in Kenya to changes in the external environment. The study's objective was to establish the responses of travel agents' in Kenya to changes in the external environment. The study adopted the cross sectional survey design. The population of the study comprised all 142 KATA registered local and international travel agents based in Kenya. However, only 87 travel agents responded to the questionnaire issued. Primary data was collected through structured questionnaires administered through online mail surveys. The data was analyzed through descriptive data analysis. Comparison of data was done between all firms' responses, local versus international firms' responses and the firms responses by their duration of operation. The findings indicated that travel agents do respond in their preferred ways to environmental changes and every response is triggered by and is as a result of the impact of the environmental changes to the business operations. The responses tend to be adopted differently among the firms when comparisons were done among all firms, local versus International firms and by their duration of operation. Among the most adopted responses include, operational excellence, adoption of digital marketing, adoption of sustainable tourism, risk diversification focusing more on local tourism, adoption of opportunity driven strategies as a process of seeking new business opportunities, shift focus strategy response, employee empowerment and formation of strategic alliances with other stakeholders. Other responses adopted include, establishment of risk assessment departments and product development. Among the lowest adopted responses include; company restructuring through downsizing, tapping into information technology by adopting Travel Virtual Reality and company restructuring through divesture. The study concluded that majority of the travel agents do respond in their own ways to the environmental changes. The responses are as a result of the impacts of environmental changes to the business. The study recommends that the practitioners that is; travel agents and other organizations, should perform external environment scanning often as well as the SWOT analysis in order to understand the position and status of the tourism industry and other industries to ensure preparedness. Scholars' and researchers should take advantage and do further research on the growth of technology in the tourism industry. Finally, the study recommends involvement of policy makers such as the government and the Tourism Regulation Authority in the intervention of tourism industry policies and regulations as they should create a favorable environment for tour business activities and operations.

CHAPTER ONE: INTRODUCTION

1.1   Background of the Study

Organizations are open systems that are environmental dependent and environmental serving (Ansoff, 2007). The external environment brings forth so many complexities and uncertainties that requires the need for organizations to adapt to the ever changing environment. Organizations have been highly affected by the recent environmental changes e.g. the ongoing war between Russia and Ukraine and the outbreak of Covid 19 pandemic that have affected the organizations operations and continuity. Therefore, for an organization to gain sustainable competitive advantage, it is crucial that it establishes an alignment between the organization's internal dynamics and the external environment. It is essential that organizations develop adaptive responses that establishes how well the organization adapts to the changes in the external environment. This way, it ensures organizational success (Porter, 1991).

The research study is anchored on two theories; Environment dependence theory which was developed by Pfeffer and Salancik (1978), to establish how external resources affect the organizations behavior. The theory recognizes that organizations are dependent on the external environment factors hence creating a sense of power and authority. It establishes that organizational success is subjected to how well they respond to external environmental changes. It also established that to ensure organization's survival, it is important for organization to effectively respond to the external environment changes. Institutional theory was developed Meyer and Rowan (1977), with an intention of exploring how organizations relate with, fits in and are shaped with the social structures and the environment (Lawrence & Shadnam, 2008). The theory established that

organizations are formed within a class of social structures that define the organization's designs and features. This social structures define the organization's managerial choice. Therefore, an organization's compliance with the social structure gives it a higher chance of survival.

Travel agents have a great impact on the tourism industry GDP (Gross Domestic Product) because they create employment opportunities, reducing poverty in a nation and increases the wealth of a nation through incomes streaming in from tourists. Its external environment is very versatile hence subjected to a competitive environment characterized with high barriers of entry due to very high cost of production and insecurities. The recent external environment changes that is; e.g. war in the Baltics; Russia vs Ukraine war and the outbreak of Covid 19 pandemic have resulted to travel agencies adapting and responding in their preferred way to the changes in the external environment. The industry players are both local and international travel agents operating in Kenya.

1.1.1 Concept of Strategy

Strategy is the distinctive courses of actions that a company undertakes to achieve a specific goal. Chandler's description of the strategy was aligned to organization structure, elaborating more on the organization's future plans alignment to the vision and organization's resources (1962). Michael Porter, a well-known strategist, also described strategy to the competitive advantage the organization has over the general market. Porter discussed more on the aspects of strategy in his published book 'Competitive Strategy (1980). Strategy is described as a 5Ps aspect that is; strategy as a plan, a pattern, as a position, as a ploy and as a perspective (Mintzberg, 1994).

Porter's strategy concept has been adopted by most organizations over the years. Porter's strategy concept defines the strategic courses of actions that an organization needs to undertake to gain a sustainable competitive advantage over its rivals. He explains strategy into two aspects; that is; the generic competitive strategies and the five forces model of competitive strength and advantage. For an organization to outperform its rivals and gain competitive advantage, several analyses have to be undertaken to establish its strength in controlling a specific market and industry. Industry analysis is crucial for an organization entering a specific industry as it establishes the important aspects of whether an industry is attractive or not. This is done by performing the Porter's five forces model that explains the industry rivals, the barriers of entry, threats of substitute products, the bargaining power of buyers and bargaining power of suppliers.

The industry dynamics establishes its attractiveness and profitability thus for an organization to gain a sustainable competitive advantage, the organization has to align itself to the industry dynamics and adopt strategies that align to the industry dynamics. The industries are prone to gradual changes which are explained by the different forces stimulated by the changes in the industry thus with continuous industry changes it is crucial for the organization to understand the drivers of changes in the industry and establish the required strategies based on the changes.

For a company to gain superior performance in an industry, it is expected that the organization gains superior positioning in the market (Porter, 2011). Superior positioning is achieved by an organization through outperforming its rivals thereby adopting Porter's generic strategies that is; product differentiation with a unique product description, cost leadership whereby an organization becomes the lowest cost producer in the market

therefore lowers its product prices and value chain strategy whereby the organization achieves operation excellence by adding value to the output product. Strategy therefore requires an organization to align itself with the industry dynamics and the environment.

According to a study by Johnson, et al (2020), strategy derives the long term direction of an organization hence presenting an advantage over a changing environment with the need of provision of ample resources and with a purposeful goal of fulfilling the stakeholders' interests and values. The strategic decisions are established at specific levels in the organizations that is; corporate level, business level and operational level hence this specifies and critically reviews the day to day operations of the organizations.

An organization should review its strategic position in the industry which is highly influenced by the factors in the external environment, its internal capabilities and the stakeholders' impacts. Secondly, an organization should assess the strategic choices which are brought forward by the different levels of strategy in an organization and lastly an organization should always ensure that strategies are translated into actions thereby managing the environmental changes.

1.1.2 Organization Responses to Environmental Changes

The organization's environment comprises of the Internal and external environment both of which have a great impact towards the organization's performance and effectiveness. The organization's internal environment changes can be easily controlled by the organization through the system's internal controls whereas the organization's external environment changes cannot be controlled by the organization hence the organization understands its external environment and works towards mitigating the risks.

The external environment of an organization comprises of the external force drivers that influence the organization indirectly. The organizations are open systems that are forced to interact with the external environment. Organizations are environmental dependent for survival and environmental serving thus the reason for constant interaction with the external environment (Ansoff, 2007).

Changes are inevitable thus it is crucial for an organization to monitor closely its external environment by establishing responses that concur or blend to the current changes. Through proper planning, analyzing and understanding of the external environment changes, the organization comes up with new responses that mitigates the risks and implements them in its controls. Organization's response to changes in the environment determines its success (Haider, 2017).

With the frequent environmental changes, the organization has to rethink of a shift strategy response which shifts the focus of the institution to the environmental changes. With this in mind, the organization needs to blend into the external shift to remain successful. Besides, the external environment helps organizations to stay in check for a successful future.

For an organization to effectively respond and adapt to the changes in the environment, there is the need to analyze the external environment by scanning through the external factors that affects the industry and performing a SWOT analysis that effectively criticizes both the organization's internal and external factors (Ibraimi et al., 2014). The organizational responses to environmental changes can be defensive or proactive which establishes better ways to manage an organization whenever environmental changes occur. The guiding tool towards getting the right organizational

response is by maximizing on the opportunities and strengths while minimizing the threats and weaknesses. The organizational responses to environmental changes should be proactive rather than reactive hence establishing a risk management response team that guides the organization in times of any changes occurring in the environment.

For an organization to adapt to the changes occurring in its external environment, it needs to restructure its internal system thus performing an organization restructuring change strategy response that helps an organization in interlining the external and internal environment of the organization. This strategic alignment allows changes in the internal dynamics of the organization. The two strategic responses; shift strategy response and the organization restructuring change strategy response allows healthy continuous interactions with its external environment.

1.1.3   The Travel Agents in Kenya

A travel agent in tourism refers to a person or a company who acts as a medium in selling and organizing tour services to a preferred client destination, accommodation bookings, tours, corporate trips, non-corporate trips for the travelers, and package tours for their clients. According to Kenya Association of Travel Agents (KATA), there has been a growing membership of over 100 local and international travel agents operating in Kenya. The increase in the growing membership of travel agents was as a result of the growing GDP over the years until 2019 when the Covid 19 disease struck in. Since 2020, the number of travel agents joining KATA have gradually decreased due to the industry instability (Kenya Association of Travel Agents, 2021).

The travel agents in Kenya are a major contributor to the tourism revenues and the country's GDP. The tourism sector contributes to at least 4.4% of the country's GDP

(Thiong'o et al., 2021). The industry players are both local and International travel agents operating in Kenya. They are the link between hotel owners, government parks and the customers. The tourists book their accommodation vacations with the travel agents thus the agents connect them to a hotel of their choice; this way the customers are assured of quality, easy and wholesome experience without worries and enjoys specific discounts from the travel agents as a customer service. The travel agents in Kenya perform air ticketing procedures for both the international tourists and local tourists, undertakes transfers on arrival to the country and creates a wholesome package that accommodates all customers' preferences.

Travel agents are the key and essential pillars in the tourism and hospitality industry. Being the first point of contact with the tourists, the travel agents tend to have a major influence on the tourist's destination and accommodation choice. They create a synergy effect that manifests a win win situation for all stakeholders through commission based program as it involves total cooperation with the relevant teams, that is; the hotel sector and transportation sector. In the recent years, the tourism sector advanced its prospects in infrastructure developments which actually enticed investors in tapping the hospitality industry in Kenya which gave a leeway for travel agents in selling varieties of tourism packages to the tourists. Kenya had become Africa's top destinations for the international travelers. Unfortunately, Covid 19 pandemic was announced in 2020 causing a significant drop in tourists' arrival rate, revenues and the overall GDP.

The toughest year for the travel agents in Kenya was 2020 when most governments worldwide proposed countries lockdown due to the outbreak of the Covid 19 Pandemic. The tourists' arrival rate into the country dropped immensely causing a radical change in

the environment, majority of hotel owners had to shut down their business, airlines were forced to remain dormant for a period of time before their resumptions thus the customers had to cancel and forego their said trips to another unscheduled day (Foo et al., 2020).

1.2   Research Problem

Organizations are open systems that are environment dependent thus with the ever changing environment, it is important that organizations ensure a proper internal dynamics alignment with the environment changes. The success of any organization is measured by how well the organization adapts and responds to the environmental changes (Ansoff et al., 2018). By monitoring the external environment and with a goal to achieve sustainable competitive advantage, the organization establishes responses that blend in with the environmental changes (Porter, 1985). The organizational responses are established through the organization's ability to make useful of the external forces of the environment by maintaining its input, transformation of the resources efficiently to discharge off its output (Muscalu et al., 2016).

Travel agents in Kenya play a massive role in the tourism industry sector growth. The travel agents contribute immensely to the increase in the Kenya's GDP hence has cultivated great opportunities over the years. However, the travel agencies have faced tremendous changes in the external environment that have had major impacts in their business operations. These environmental changes include; the Russia vs Ukraine war that has affected economies worldwide, Covid 19 pandemic that resulted to border closures hence reduction in tourist arrivals, the variabilities in climate changes and political instability. These changes in the external environment have resulted to the travel agencies taking action by responding to the impacts caused. To ensure continuity and survival in the

travel industry, a firm ensures its success by striving on gaining competitive advantage over other rivals in the industry by how well it adapts and responds to the changes in the external environment (Fraj et al., 2015).

Different scholars worldwide have established intuitions on organizational responses to the environmental changes. A study conducted Strandholm et al., (2004) on the relations of strategic Reponses to environmental changes on organizational performance established that the management perception on environmental changes influenced the strategic adaptive responses and firm's alignment to environmental changes. Ngunjiri, (2021) studied organizational responses to environmental turbulences in the Golf Hotel Industry and concluded that the restructuring strategies were greatly employed as a response to the environmental turbulence and the organization revenue performance. Ettrich and Andersen, (2021) did a study to establish the impact of strategic responses capabilities on performance and established that a firm that exploits the strategic response capabilities can find and utilize new opportunities and avoids risky outcomes and situations.

Lee and Bach, (2017) developed a study on strategic actions to environmental changes and concluded a relationship existence between strategic actions to environmental changes and organizational performance that necessitates to the nature of the environmental changes that triggers the firm to take on strategic actions. Previous study by Akpoviroro et al, (2018) on impact of the external environment on organizational performance established that the external environment had a major influence on the organizational performance and hence an organization need to scan the environment in order to strategically respond to any environmental changes. Shmatko et al., (2018)

conducted a research on the adaptability tool for managing dynamism in the external environment. The results established that for an organization to succeed while conducting its business activities it was crucial for the organization to adapt to the changes in the environment. The process of managing change is meant to be managed from a unified center and changes in the internal system should be compatible to the responses and well balanced.

As established from the above research works, organizations do respond to changes in their environment. It is also apparent that different organizations respond in their own operational or strategic ways to environmental changes. It is expected that travel agent's firms also do respond in their own ways to changes in their environment. How have travel agents in Kenya responded to changes in their external environment?

1.3   Objectives of the Study

This research has one objective. This is to establish the responses of the travel agents' in Kenya to the changes in the external environment.

1.4   Value of the Study

The research study will be essential to the practitioners as they will get a clear understanding of the relationships between travel agents responses and the external environment just as stipulated in the research. This study highlights and analyzes the significance of organizations responses to the environmental changes as they stipulate the organization's survival and competitiveness.

Furthermore, other research scholars and policy makers can use the results of this research as it will benefit knowledge growth and topic understanding on organizational responses to the changes in the external environment. Additionally, this research study also

identifies a few research gaps that other researchers can research and investigate on in the future.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter contains the foundation of the relevant theories adopted for the Study, the conceptualization of the chapter study and empirical studies and research gaps.

2.2 Theoretical Foundation of the Study

Two theories formed the theoretical foundation of this research study. These include; the Environment Dependence Theory and the Institutional Theory. These theories are in correspondence with the research study objective.

2.2.1 Environment Dependence Theory

The environment dependence theory was introduced by Pfeffer and Salancik (1978), to establish how external resources affect the organizations behavior. The theory establishes that organizations are open systems hence interact openly with the external environment. The organization becomes dependent on the external environment resources and factors for its survival. The dependency is established whereby the organization is engaged in other transactions that involves acquiring resources that the organization does not have from another organization in its environment. This interdependency in the external environment establishes a sense of power and authority that creates inequality in the environment (Anderson et al., 2021).

Pfeffer and Salancik suggested that change is inevitable in organizations hence organizations keep changing therefore in order to secure its access to the required resources, the organization has to easily and efficiently negotiate with its external environment for its survival. The need for the critical resources is dependent on another organization in its environment thus this creates uncertainty and pressure on power and

authority. The theory suggests that in order for an organization to survive in such an environment several measures can be taken to reduce the interdependency by developing strategies that enhances an organization's bargaining power on the resource transactions. These strategies include organization's product diversification thus increasing the organization's productivity and formations of organizational links to other organization in the environment. These links can be achieved through strategic alliances, joint ventures, mergers and acquisitions thus lessening the dependency pressure.

According to the environment dependency theory, organizations have established ways to adapt to the dependencies that are often caused by scarce resources in an organization (Bryant & Davis 2012). This adaptation comprises of organization's alignment of the internal elements to the external environment pressures. Company's success is determined by the extent to which they embrace the environmental changes and adapt to the changes. This theory therefore was relevant to the study as it portrayed the relationship link between the organization, the external environment, the environmental changes and the organizational responses to the dependencies.

2.2.2 Institutional Theory

Institutional theory forms a deeper theoretical foundation on an organization's social structure. It creates a basis on organization's formal structures such as establishing standard policies. The formation of the organizational social structures comprising of the cultural aspects, the norms, the standard rules and routine creates a social behavior in the organizations that forms the guidelines of authority and legitimacy. Institutional theory came into existence in the 1970s and it was introduced by Meyer and Rowan with an

intention of exploring how organizations relate with, fits in and are shaped with the social structures and the environment (Lawrence & Shadnam 2008).

An institution's social structures which comprise of the taken for granted beliefs, norms and standard organizational rules that define the formation of the organization design features and structures. The institutions social structure methods create an authoritative design that on compliance with the structural design, the organization gains legitimacy in its activities, raises its intellectual acumen and reduces the uncertainty and unreliability of events and activities.

An organization is an open system hence does not operate in a vacuum therefore, it deals with external environment forces such as cultural differences, political and legal regulations, economic factors, technological factors and the environmental changes. These external forces are as a result of different organizational demand of activities such as supplier demands, customer demands and a nations laws and regulations. The organizational social structures; the norms, beliefs, rules and symbolic events establishes the organizational efficiency in the choice decision making of the formal structures and standard organization practices. The social structures also act as drivers for organizational change and strategic action.

The principles that guide the institutional theory explain that organizations are formed within a class of social structures; ethics and beliefs that describes an organization managerial choice (Peters, 2019). These social prescriptions are transmitted through mediums such as social agents and media and by complying to the prescriptions, the organizations gain social legitimacy. Institutions may become institutionalized that is; taking for granted the norms and beliefs thus becoming difficult to change. The social

structure compliance with the organization creates a higher chance of survival rather than efficiency. Due to similar challenges faced by institutions, isomorphism may take effect whereby nearly all organizations adopt similar strategies to overcome the same problem. This theory was relevant to the study as it incorporated the relations between organizations and the external environment in the social aspect of it.

2.3   Organization and External Environment

An organization is a social entity that comprise a group of people that are managed through the hierarchical structure whereby all elements are grouped together and act towards a common goal. Organizations are entities such as institutions, companies, businesses and associations thus contain specific objectives that lead to a common goal. Organizations do not perform in a vacuum or void rather it interacts openly with its environment. It acts as an open system as its in constant interaction with the environmental factors which influence the organizational decision making and performance.

Environment refer to the organizational surroundings or conditions within which the organizations activities operate in. The organization's environment comprises of the Internal and External environment. The Internal environment comprises of all factors that are within the boundaries of the organization such as the employees, owners, organizational culture, structure and the value system that can be affected by the organizational choices and decisions. The internal environment factors can be easily controlled by the organization.

The external environment on the other hand, comprises of all factors that influence the organizational choices and decisions from outside the boundaries of the organization. These factors include political, economic, technological, social-cultural and legal factors

which forms the general external environment. Aside from the general external environment, the industry environment also forms the external environment and its factors include; the suppliers, customers, competitors, the regulators, substitute products and the strategic partners.

The external environment factors are not within the control of the organization therefore it is the organization's responsibility to mitigate any kind of risk that the external environment poses to the organization. The managers' responsibility is to ensure that they regularly and continuously observe the external environment to spot on any opportunities and any kind of threat that it poses to the organization. This way, the organization works on the opportunities and reduces the threat risks creating efficiency in the organization's operations (Aliev & Sigov 2017).

The external environment is never static hence keeps on changing regularly, thus an organization needs to keep adjusting and adapting to the changes efficiently thereby ensuring continuous involvement and interactions with the external environment (Muscalu et al., 2016). The organization continuously depend on the external environment for resources and information hence creating dependency and power notion in the environment. Successful organizations make use of the external forces of the environment by maintaining its input, transforming its resources efficiently to discharge off its output. The constant interactions between institutions and the external environment is as a result of the environment uncertainty which creates dependency. The uncertainty is due to lack of information of the future events hence organizations compete in a complex and dynamic environment with a certain need of information thus creating a knowledge based resource need that is crucial for the success of any organization.

2.4   Organizational Responses to Environmental Changes

The organization's external environment keeps on changing with the market forces, political factors, legal, social cultural factors, economic, environmental and technological factors influencing its changes. These changes highly affect the organizational performance and decision making. Therefore, as organizations are open systems, it is important for institutions to continuously interact with its external environment in order to adapt to the changes.

The uncertainty of the environmental factors gives pressure to an organization due to the unfamiliarity it brings forth thereby forcing the organization to respond effectively by adapting to the new environmental change for survival. Organizations response to environmental turbulence is by enabling the formulation of new strategies that are well equipped in adapting to the environmental changes regularly. The new strategies formulated are developed in a way that captures the future plans for an organization in the interactions with its external environment and on a larger scale in redefining the organizations operational activities (Schmitt & Klarner, 2015).

Observing, understanding and analyzing change in the environment is an important aspect towards organizational response to environmental change as strategy formulation will be guided on how well an organization understands the change taking place in the external environment. Among the strategies formulated as organizational responses toward environmental change, shift strategy takes the lead as the organization needs to rethink of a shift strategy that shifts its focus to the environmental changes. This way, the organization embraces the environment change and blends in the external shift for it to remain successful. This strategy allows the organization to identify the opportunities and threats

in the environmental change hence working towards gaining the opportunities created and overcoming and mitigating the threat risks.

Environmental changes allow the organization to respond by restructuring its internal system, a strategy referred to as organizational restructuring change strategy. This strategy allows the organization to continuously interact with the external environment. It allows a strategic alignment of the organizational internal environment structure dynamics and the external environment changes thus this helps the organization to remain competitive and updated on any changes occurring in the external environment.

Environmental changes are inevitable hence for organization to remain competitive in the market, they have to ensure formulation of strategies that directly relate to the environmental changes (Fraj et al., 2015). The response strategies ensure the organization's survival and competitive advantage. Therefore, firms have to match the strategies to the environmental change. Failure in response by an organization to formulate appropriate strategies for environmental changes causes organizations failure and obsolete activities as they do not correspond to the environmental changes.

2.5   Empirical Studies and Research Gaps

Previous research conducted by Otache and Mahmood (2015) on the role of external environment and organizational culture that necessitated corporate entrepreneurship established the need for incorporating the external environment factors as the moderator and organizational culture as the mediating variables in establishing organizational performance. Being a conceptual paper, the study was carried out by reviewing the empirical and theoretical literature on corporate entrepreneurship, external environment, organizational culture and performance. The conclusion on the research

study assumed that corporate entrepreneurship and organizational culture are highly dependent on supportive external environmental factors and organizational culture. However, there were research gaps identified in the study such as, there were no direct responses from corporate firms and insufficient information on theoretical literature which established inconsistencies in the research.

Another research conducted by Cao and Chen (2019) on the driving effects of the internal and external environment on green innovation strategy, was carried out by sampling 216 enterprises with an objective of exploring the relationship between market pressures, policy pressures, resource capabilities and environmental awareness. The results of the findings concluded that, the relationship is stronger when the senior level management's environmental awareness is higher. The research gaps identified in this study were that only one constraint factor was used which limited the scope of the research and theoretical literature of the study.

A research study conducted by Singh et al., (2019) on dynamic capabilities and responsiveness whereby it explores the moderating effects of environmental dynamism and organizational structures suggests that dynamic capabilities have a significant positive influence on the organization's responsiveness. The study was carried out on 217 data points collected from the Indian service firms. The study thereby clarifies on the significance of a firm's internal alignment with its structures and its external fit with the environment dynamics. However, a few research gaps were established such as little information coverage on the organizational responses to the environmental dynamics and insufficient theoretical literature which created inconsistencies in the study.

Other research studies conducted include one studied by Abu Amuna et al. (2017), on the relationship between strategic environmental scanning and crisis management. This research study was carried out in UNRWA –Palestine on a population size of 881. The study concluded that for UNRWA (United Nations Relief and Works Agency) to perform strategic planning efficiently, there was a need for permanent environmental scanning for both the internal and external environment. This research presented gaps such as, the study focused on only one response strategy and insufficient literature on environmental changes.

The research gaps presented by previous research studies were; inadequate information on the organizational or corporate responses to environmental changes, insufficient information on theoretical literature, limited scope of research, and no coverage on the travel agents responses to environmental changes thus providing an opportunity for further research in narrowing down the research gaps mentioned above.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction.

This research section explores the research design, the population of the study, data collection instruments and methods and data analysis.

3.2 Research Design

This design refers to a framework within which a researcher conducts the research. It acts as a blueprint for the research work undertaken (Akhtar, 2016). The Study adopted the cross-sectional survey research design. The cross-sectional survey is a type of research design that is adopted and applied at one point in time in the research study thus does not manipulate its variables.

According to Setia (2016), the cross-sectional survey research design guarantees the researcher the simplicity applicability, cost effectiveness as its faster to accomplish, unbiasedness of data and an accurate picture of data analyzed. The research study applied the descriptive type of cross-sectional survey research design.

3.3 Population of the study

A population refers to the entire class of elements that are important to the research study. According to Asiamah et al. (2017), a population relates to a group that share common characteristics that are of interest to the research study.

The population of the study was all registered travel agents operating in Kenya. As at October 2021, there were 142 registered local and international travel agents in Kenya as documented by the (Kenya Association of Travel Agents,2021). This research adopted the census method which incorporates studying the entire population. Appendix (III) shows the travel agents list of this research.

3.4   Data Collection

Primary data was collected for this study. The primary data collected was quantitative in nature. Primary data refers to the original data collected by the researcher with a goal to achieve a specified goal (Hox & Boeije, 2005).

The data collection instruments used for this research include structured questionnaires. The measurement criteria for the questionnaires was the use of Likert scale type of measurement. Structured questionnaires were administered which allowed the respondents to efficiently respond to the questions. The questionnaire covered three sections that is; the demographic profile of the respondents, the impact of environmental changes and the travel agents' responses to changes in the external environment.

The data collection method that applied for this research was the online mail surveys. With the rising technology advances, the use of the online mail surveys was essential as all the structured questionnaires were sent out and collected through emails.

The respondents of this research study were the travel agent's CEOs or their deputy's. Data was collected from one respondent representative of each of the 142 travel agents in Kenya as they were well conversant with the ways their firms responded to environmental changes.

3.5   Data Analysis

Data analysis refers to the systematic process of gathering data, organizing it, and analyzing it to extract the relevant results and conclusions from it (Nassaji, 2015). Data analysis involves editing the data, classifying, and coding it to analyze the information. Data analysis assesses data collected from the questionnaires and edited to accurately

diagnose the Study's variables, later classified and coded for the research study. This research employed the descriptive analysis in analyzing the data collected.

Descriptive data analysis captures the measures of central tendency, measures of dispersion and position, measures of frequency and contingency tables. Descriptive statistics was administered in summarizing and finding the relations among the data variables. The descriptive statistics include; frequency distribution tables, percentages, Pie-charts and bar graphs that were used to present the data analyzed.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This research section presents the data analysis guided by the data gathered and collected in the course of the research study. This chapter was also guided by the main objective of the study which was to establish the responses of travel agents' in Kenya to the changes in the external environment. The data collected constituted of the ordinal and nominal type of data. Data analysis was established through descriptive analysis whereby frequencies, percentages, graphs, pie charts, mean and standard deviation were adopted in establishing the associations among the data variables.

4.2 The Response Rate

A total of 142 questionnaires were issued out through emails out of which only 87 questionnaires were filled out and returned. This outcome gave the study a response rate of 61.3%. This response rate percentage was considered therefore adequate and well represented for the research study. According to Fincham (2008), he describes a response rate approximating 60% as adequate and viable for research.

4.3 Demographic Profile of the Respondents

This section describes the travel agents' companies' respondents profile. The profile covered the name of the travel agent company, the respondents gender, duration for the business operation in Kenya and the business ownership. The results and findings are presented in frequency tables, percentages, bar graphs and pie charts. This is depicted and shown in Table 4.1, 4.2 and Figure 4.1.

4.3.1 Respondents Profile by Gender

The results of the findings from Table 4.1 stipulated that out of the 87 travel agents' respondents', 58 of them were Male representing 66.7% of the population and 29 were Female representing 33.3% of the population.

Table 4. 1 Respondents Profile by Gender

Gender	Frequency	Percent
Male	58	66.7
Female	29	33.3
Total	**87**	**100.0**

Source: Fieldwork

4.3.2 Duration of Business Operation in Kenya

The findings from Figure 4.1 stipulated that, out of the 87 travel agents' representatives' respondents', 57% of the travel agents' companies have been in operation between 11-25 years establishing it as the category with most travel agencies companies in operation. 21% of the travel agencies have been in operation between 26 -40 years, 12% of them have been operating for over 40 years and lastly, 10% of the population under study have been operating between 0-10 years making it the category with the lowest number of travel agents companies.

Figure 4. 1 Duration of Business Operation in Kenya

Duration of Business Operation in Kenya

- 0-10 years — 10%
- 11-25 years — 57%
- 26-40 years — 21%
- Over 40 years — 12%
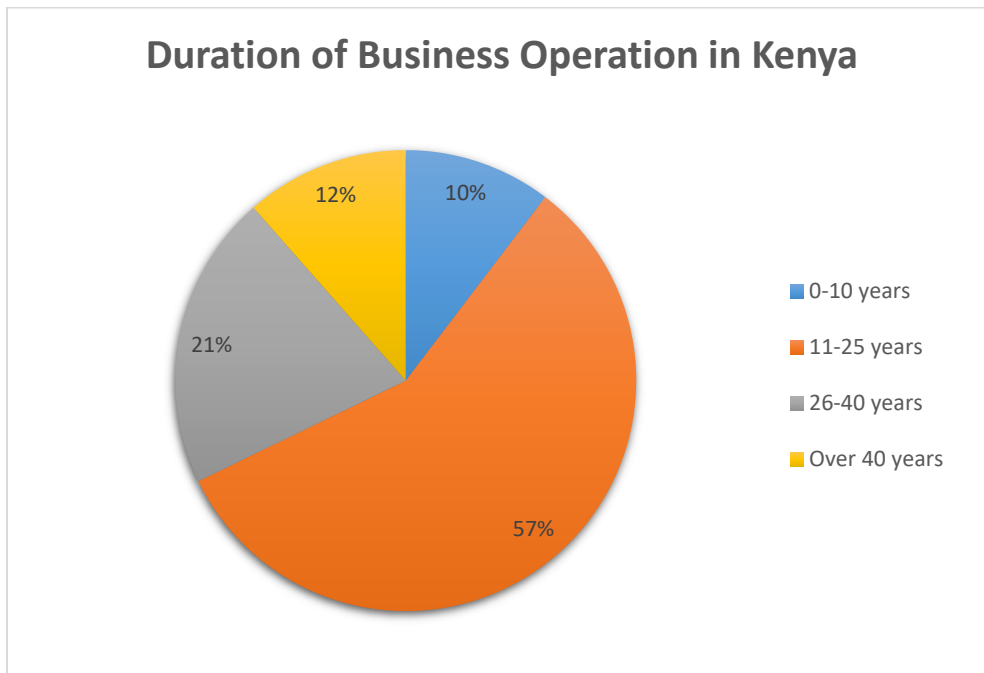
Source: Fieldwork

4.3.3 Distribution by Business Ownership

Table 4. 2 Business Ownership

Business Ownership	Frequency	Percent (%)
Local	65	74.7
International	22	25.3
Total	**87**	**100**

Source: Fieldwork

The study findings as depicted in the above Table 4.2 stipulated that out of the 87 travel agents' representatives' respondents, 65 of them declared the ownership of their travel agents' firms as local since the headquarter offices are based in Kenya while 22 of them declared the ownership of the travel agency firms as International which means that the headquarter offices are not based in Kenya rather they have their branches in Kenya.

4.4 The Responses of Travel Agents in Kenya to Environmental Changes

This section of the study analyses data guided by the study's main objective thus it details on the how, why and what phenomenon of the travel agents in Kenya Respond to changes in the external environment.

4.4.1 Environmental Changes affecting Travel Agents in Kenya

This section of the study establishes the respondents' feedback on the impact of environmental changes to travel agent firms in Kenya. The descriptive data analysis gives a clear picture on the challenges the tour agent firms face when uncontrolled changes occur in the external environment thus giving rise to the responses or how they respond to these environmental changes. The results and findings as depicted in Table 4.3, shows the various environmental changes and its correspondent means and standard deviations as presented in the table.

Table 4. 3 Environmental Changes affecting Travel Agents in Kenya

Impact of Environmental Changes	N	Mean	Std. Deviation
War in the Baltics (Russia vs Ukraine)	87	4.31	0.81
Fast pace of technology growth	87	4.28	0.82
Covid 19 pandemic	87	4.45	0.64
Climate Change	87	3.15	1.16
Country's Political Instability	87	3.55	1.24
Government Regulations	87	2.80	1.27

Source: Fieldwork

Note. The responses were measured on a 5 point Likert scale questionnaire where the value of 1 denoted very little extent and 5 denoted to very large extent.

Based on the findings as depicted in Table 4.3 above, it is observed that Covid 19 Pandemic had the highest mean of 4.45 which means that its impact on the travel agents firm was the largest felt among other environmental changes. This could have been partly

due to the travel bans and border restrictions imposed on tourists during the peak period. Secondly, the war in Baltics; Russia vs Ukraine impact on travel agents was the second highest with a mean of 4.31 which indicates that the impact has been felt to the largest extent. This may be due to the ripple economy effects of inflation and the high cost of living that have led to a reduction of tourists travelling rate and the money holding rate has increased thus tourists tend to be cautious in how they spend their money.

Thirdly, the fast pace of technology growth had a mean of 4.28 which indicates the impact was among the largest felt by travel agents in Kenya. This could be as a result of the rapid internet usage during the peak of Covid 19 pandemic which resulted to most travel agents developing ways of capturing the online market through the new technology on Virtual Travel Reality and digital marketing. Government regulations had the lowest mean of 2.80 which depicted that its impact was felt to the lowest extent by travel agents' firms. This can be explained by the active engagement by the tourism Authority in cushioning travel agents through funding and discounts as a recovery measure and rebuilding the travel industry.

4.4.2 The Responses of Travel Agents in Kenya to Environmental Changes

The main study's objective was to establish the responses of travel agents' in Kenya to changes in the external environment. Therefore, this section seeks to solely address the results and findings from the respondents' survey data collected. Data collected was analyzed through descriptive analysis and the findings presented in frequency tables and bar graphs. This section seeks to establish the extent to which travel agents' in Kenya respond to environmental changes. It also distinguishes the travel agents' responses by

ownership that is; the comparison in response rate between local travel agent firms and International travel agent firms.

Figure 4. 2 Travel agents do respond in their preferred way to environmental changes
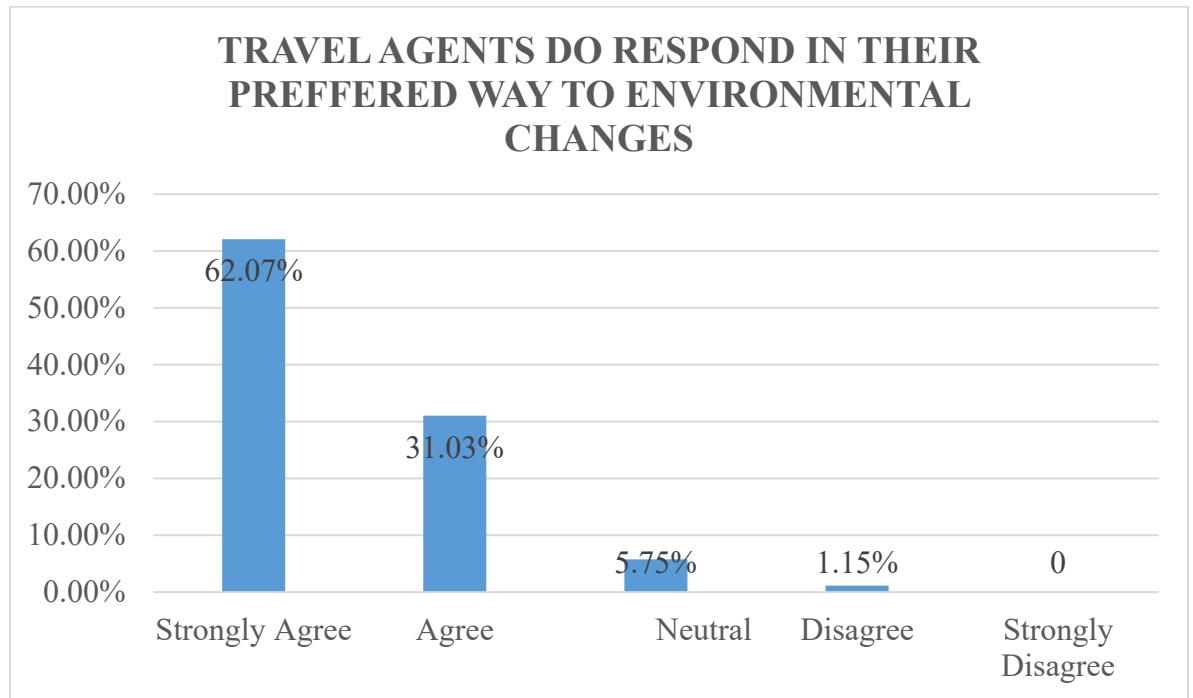
Source: Fieldwork

Note. The responses were measured on a 5 point Likert scale questionnaire where the value of 1 denoted strongly agree and 5 denoted strongly disagree.

As observed in figure 4.2 above, 62.07% of the travel agents' representative's respondents strongly agreed to the statement "Travel agents do respond in their preferred way to environmental changes", 31.03% of them also agreed to it, 5.75% of the travel agents were neutral to the response and only 1.15% disagreed to the statement. With this findings, we can conclude that majority of the travel agent firms do respond in their preferred way to environmental changes.

29

Table 4. 4 The Responses of Travel Agents in Kenya to Environmental Changes (All Firms) N=87

Responses	N	Mean	Std. Deviation
Risk diversification focusing more on local tourism	87	3.85	1.22
Company restructuring through downsizing	87	3.29	1.39
Company restructuring through divesture	87	2.26	1.25
Shift focus strategy	87	3.62	1.25
Tapping into information technology by adopting Travel Virtual Reality	87	2.83	1.26
Adoption of opportunity driven strategies as a process of seeking new business opportunities	87	3.79	1.04
Adoption of sustainable tourism	87	3.99	1.08
Strategic Alliances	87	3.46	1.09
Operational Excellence	87	4.17	0.98
Employee Empowerment	87	3.60	1.02
Adoption of Digital Marketing	87	4.02	0.91

Source: Fieldwork

Note. The responses were measured on a 5 point Likert scale questionnaire where the value of 1 denoted to the smallest extent and 5 denoted to the largest extent.

From the table 4.4 above, it is observed that operational excellence was the most adopted response to environmental changes. This could have been necessitated by the need to create a culture of excellence that promoted continuous improvement among its employees through problem solving skills and teamwork. This culture would be a

stronghold during any environmental changes as the team works on identifying solutions to the issue at hand. It is also observed that adoption of digital marketing was the second most adopted response to environmental changes. This may be as result of the widely use of the internet which the numbers had recently increased during the peak of Covid 19 pandemic. The use of the internet at these times was preferred due to increased online numbers hence proving to be an effective form of marketing.

Contrarily, it is also observed that company restructuring through divesture was the least adopted response to environmental changes. Divesting a business eliminates any none core units of the main business terming them as redundant. In this case, it is clear that most travel agents focus on their core business thus do not possess other units of business that can be regarded as redundant. This was closely followed by Tapping into information technology by adopting Travel Virtual Reality response that was the second least adopted response. This could have been due to challenges in the adoption of the new technology that is; the Travel Virtual Reality technology which is new in the travel industry market and has its cost constraints that makes it difficult for the travel agents to adopt it.

The aforementioned travel agents' responses above were geared to provide the travel agency firm with the going concern aspect and the sustainable competitive advantage over other firms in the long run. Notably, the responses (table 4.4) above, were applied by all 87 firms both local and international with operational excellence being the most adopted response while company restructuring through divesture was the least adopted response.

Table 4. 5 The Responses of Travel Agents in Kenya to Environmental Changes (Local Travel Firms) N=65

Responses	N	Mean	Std. Deviation
Risk Diversification focusing more on local tourism	65	3.98	1.15
Company Restructuring through downsizing	65	3.18	1.38
Company Restructuring through divesture	65	2.28	1.28
Shift focus strategy	65	3.55	1.24
Tapping into information technology by adopting Travel Virtual Reality	65	2.52	1.06
Adoption of opportunity driven strategies as a process of seeking new business opportunities	65	3.82	1.04
Adoption of sustainable tourism	65	3.86	1.07
Strategic Alliances	65	3.35	1.07
Operational Excellence	65	4.11	1.03
Employee Empowerment	65	3.52	1.02
Adoption of Digital Marketing	65	4.09	0.86

Source: Fieldwork

Note. The responses were measured on a 5 point Likert scale questionnaire where the value of 1 denoted to the smallest extent and 5 denoted to the largest extent.

The results and findings as stipulated in Table 4.5 above, appears that the response to operational excellence was highest to the Local travel agent firms. This could have been as a result of providing a culture of excellence among its employees with the intention of continuous improvements thus nurturing an accountable and problem solving team in the work place. The findings also show that the response to the adoption of digital marketing

was second highest to the local travel agent firms. This could be as a result of the recent intensive internet usage that prompted to be an effective way of marketing as it comprises of a large community of online users.

Contrarily, it also appears that the response to Tapping into information technology by adopting Travel Virtual Reality was the lowest to local travel agents' firms. This may be due to the challenges in adoption of the advanced technology which is new in the market and its cost constraints factors that makes it difficult for the local travel agents to adopt.

Table 4. 6 The Responses of Travel Agents in Kenya to Environmental Changes (International Travel Firms) N=22

Responses	N	Mean	Std. Deviation
Risk Diversification focusing more on local tourism	22	3.45	1.34
Company Restructuring through downsizing	22	3.59	1.40
Company Restructuring through divesture	22	2.23	1.19
Shift focus strategy	22	3.82	1.3
Tapping into information technology by adopting Travel Virtual Reality	22	3.73	1.39
Adoption of opportunity driven strategies as a process of seeking new business opportunities	22	3.73	1.03
Adoption of sustainable tourism	22	4.36	1.05
Strategic Alliances	22	3.77	1.11
Operational Excellence	22	4.36	0.79
Employee Empowerment	22	3.82	1.01
Adoption of Digital Marketing	22	3.82	1.05

Source: Fieldwork

Note. The responses were measured on a 5 point Likert scale questionnaire where the value of 1 denoted to the smallest extent and 5 denoted to the largest extent.

The findings as shown in Table 4.6 above, stipulates that the response to operational excellence was highest to International travel agent firms followed close by adoption of sustainable tourism response. Operational excellence was the highest adopted response by

International travel agent firms. This may be due to its impact on promoting a culture of excellence in the organization accompanied by continuous improvements on their employees thus promoting team work and problem solving mindset among the employees. Notably, the adoption of sustainable tourism was the second highest adopted response by International Travel agent firms. This may be due to its known term of responsible tourism that promotes the conservation of biodiversity through establishment of a balance between the environment, the cultural and economic aspects.

The lowest adopted response by International travel agent firms was the Company Restructuring through divesture. Divesting a business eliminates any none core units of the main business terming them as redundant. In this case, it is clear that International travel agents' firms focus on their core business thus do not possess other units of business that can be regarded as redundant.

Table 4. 7 The Responses of Travel Agents in Kenya to Environmental Changes in Comparison to their Duration of Operation.

Years in Operation	0-10 years		11-25 years		26-40 years		Over 40 years	
N=87	n=9		n=50		n=18		n=10	
Responses	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation
Adoption of Digital Marketing	4.00	1.00	4.18	0.80	3.50	1.04	4.20	0.92
Employee Empowerment	3.33	0.50	3.74	1.03	3.33	1.08	3.60	1.17
Operational Excellence	4.00	0.71	4.12	1.02	4.17	1.10	4.60	0.70
Strategic Alliances	3.11	0.78	3.58	1.05	3.33	1.28	3.40	1.17
Adoption of sustainable tourism	3.67	1.12	4.06	1.00	3.56	1.29	4.70	0.67
Adoption of opportunity driven strategies	3.11	1.45	3.84	0.98	3.94	1.00	3.90	0.88
Adopting Travel Virtual Reality	2.78	1.30	2.66	1.14	3.11	1.49	3.20	1.40
Shift focus strategy	3.56	1.33	3.62	1.21	3.78	1.26	3.40	1.51
Company Restructuring through divesture	3.22	1.79	2.22	1.15	1.89	0.90	2.30	1.49
Company Restructuring through downsizing	2.44	1.59	3.38	1.38	3.50	1.29	3.20	1.32
Risk Diversification focusing more on local tourism	4.44	1.33	3.86	1.14	3.33	1.33	4.20	1.03

 Source: Fieldwork

Note. The responses were measured on a 5 point Likert scale questionnaire where the value of 1 denoted to the smallest extent and 5 denoted to the largest extent.

As depicted in the table 4.7 above, most travel agent firms have been in operation between 11-25 years. It appears that the response to adoption of digital marketing was the highest adopted response by travel agents in this category. This was may be due to the recent rise in internet usage figures that resulted to an effective tool of marketing. This category's main focus was obtaining and establishing sustainable competitive advantage. In the contrary, Company Restructuring through divesture was the least adopted response by travel agents' firms in this category. This may be as a result of giving more focus on its core business unit thereby not establishing or giving little attention for other non-core activities.

Table 4.7 above also shows that, travel agents firms that have been in operation for 26-40 years are the second largest category thus it appears that Operational Excellence was adopted to the largest extent by this category of travel agents. This may be due to their main focus on promoting problem solving skills that resulting to operational perfection accompanied by continuous improvement of its employees. The least adopted response was Company Restructuring through divesture which shows that the firms concentrated more on their core businesses in that they had none or few non-core activities that had no effect on their main business.

The older firms over 40 years as depicted in Table 4.7 above, adopted Adoption of sustainable tourism to the largest extent against other environmental responses. This may be as a result of the urge in conserving the biodiversity for the purpose of the tourism industry growth. Whereas, Company Restructuring through divesture was the least adopted

response in this category of firms. This may be due to its establishment of its core business units that there were non-existent non-core business units to divesture.

The travel agents' firms below 10 years of operation adopted the Risk Diversification focusing more on local tourism response to the largest extent as shown in Table 4.7. This may be due to the need for survival and establishing the going concern for the firms in this category. Whereas, the response adopted to the least extent in this category was the Company Restructuring through downsizing.

Findings from Table 4.7, suggest that older firms over 40 years are more responsive to environmental changes than young firms below 40 years. This is clearly seen whereby firms over 40 years have adopted four responses to their largest extent that is; adoption of sustainable tourism, operational excellence, adoption of digital marketing and risk diversification focusing more on local tourism while firms below 40 years have at most three responses adopted to the largest extent. Notably, findings from Table 4.7 also show that, the difference in the means and standard deviation was too small for all categories of firms. This shows that the responses adopted by all firms to changes in the external environment shows similarity in how they were adopted by different firms.

Figure 4. 3 Adoption of Product Development Response
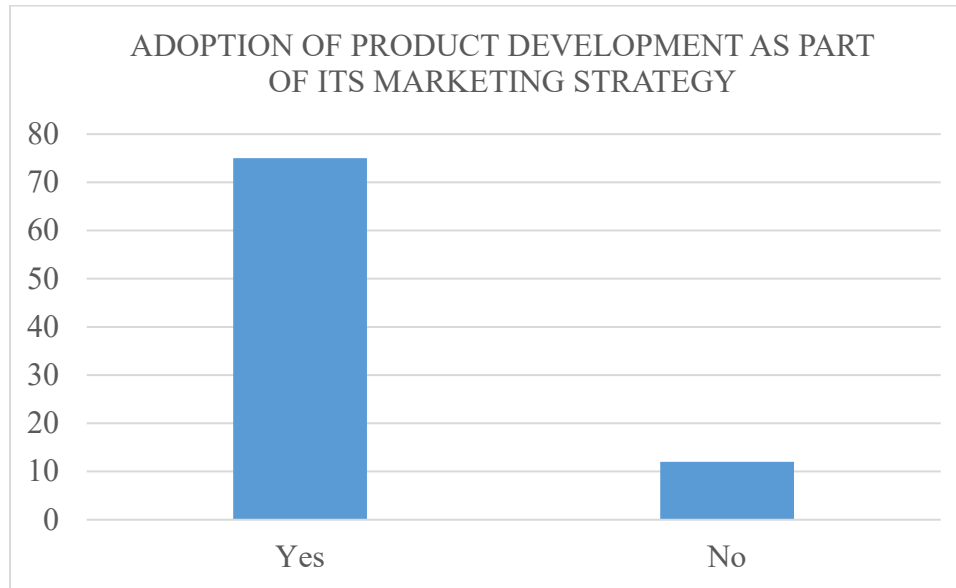
Source: Fieldwork

Other Travel agents' responses as observed in Figure 4.3 above, shows that majority of the travel agents did respond to environmental changes by adoption of product development as a part of their marketing strategy while only a minority did not respond to environmental changes by adoption of product development. This may be due to effect of the dynamism of the external environment whereby for an organization to keep up with the ever changing environment, the organization has to align its strategies with the current trends in order to gain sustainable competitive advantage.

Table 4. 8 Establishment of a Risk Assessment Department

Responses	Frequency	Percent
Yes	52	59.8
No	35	40.2
Total	**87**	**100**

Source: Fieldwork

As observed in Table 4.8 above, majority of the travel agents did respond to environmental changes by establishment of a risk assessment department while only a

minority did not. This explains that majority of the travel agents have seen the importance of a risk assessment department that ensures a swift transition in responding to environmental changes. This ensures that travel agencies are well prepared to deal with any kind of environmental changes thus adopting and adapting to the times becomes a smooth transition process.

4.5   Discussion of findings

4.5.1   Comparison to Theory

Organizations such as the tour agents' firms operate in an ever changing environment. Guided by the research's objective, the findings of the study were established in consistence with the study's theories. As per the literature review in chapter Two, Pfeffer and Salancik (1970), introduced the environment dependence theory which establishes that organizations are open systems that actively interacts with its external environment hence requires organizations to effectively negotiate with the external environment for survival. Meyer and Rowan (1977) introduced Institutional theory which details on the formation of organizational social structures comprising of the cultural aspects, the norms, the standard rules and routine which creates a social behavior in the organizations hence forming the guidelines of authority and legitimacy. The study's findings were established in consistence with the two theories.

The research findings established and unmasked the interdependence between organizations and the external environmental factors. As established from the findings above, it is evident that travel agents' firms just like any other organization do respond to environmental changes in their preferred way. The study shows that majority of travel agents adopted operational excellence as a response to environmental changes. Operational

excellence involves embracing certain organizational culture, principles to unveil the best out of the employees' behavior hence this response was consistent with the Institutional theory. Adoption of digital marketing was the second most adopted travel agents' response and consistent with the environmental dependence theory. With the great usage of the internet recently, an organization's best chance in gaining competitive advantage was through digital marketing as a marketing tool.

The research findings established other responses that conform to the study's theories and are among the most adopted responses by travel agents. Adoption of sustainable tourism was among the top most adopted responses to environmental changes. Sustainable tourism involves maximizing tourism benefits while minimizing the costs implication that comes with it thus establishing responsible tourism through proper use and management of resources. Risk diversification focusing more on local tourism response was also among the top adopted responses to environmental changes. This may be due to the impact of Covid 19 pandemic environmental change which halted international travels.

The study's findings also show that there were other responses adopted by travel agent's firms and which conform to the environmental dependence theory. This include; Adoption of opportunity driven strategies as a process of seeking new business opportunities. This response allowed alternatives and options for tourists who canceled their trips due to environmental changes such as change in climate change and political instability. The other response includes; Shift focus strategy response which was necessitated by the need to remain competitive in the market. This was mainly as a result of the low tourist arrival rate in the country at peak of Covid 19 pandemic hence

discovering another way of survival by shifting their focus from accommodating not only international travelers but also allowing more of local travelers.

Other adopted responses such as; employee empowerment conforms to the Institutional theory that highlights on culture, norms and firm's principles. Employee empowerment allows firm's efficiency as it focuses on giving support and autonomy to their employees. This nurtures and creates an independently and self-controlling culture on their employees allowing full productivity. Formation of Strategic Alliances response conforms to the environment dependence theory. The formation of strategic alliances reduces the organizations interdependency, increasing their bargaining power of resource allocation between firms as well ensuring the business survival.

Among the least adopted responses include; Company restructuring through downsizing. This response was as a result of the effects of the environmental changes such as the war in Baltics that has resulted to high inflation in the country, Covid 19 Pandemic, Political instabilities and Climate changes that led to reduced revenues due to reduced tourists' activities and arrivals into the country. This response was in line with the institutional theory. It brings forth the social aspect of it by outlining the organization's social structures which comprises of the design features, structures and organizational policies. Restructuring the company achieves a new structural organizational design.

Tapping into information technology by adopting Travel Virtual Reality was a response that was adopted due to the increased usage of digitalized operations and as a way to cushion the business against any risk factors. With the uncertainty in the external environment, tapping into Information technology by adoption of travel virtual reality

response, aligns the organizations internal elements to the changes in the environment thereby conforming to the environmental dependence theory.

Lastly, the least adopted response was Company restructuring through divesture. Divesture involves selling off unproductive units of a business. Only a few of the travel agents' firms adopted this response. Company restructuring conforms to Institutional theory as it outlines the organization's structural design and social structures.

In conclusion, the study's findings established that majority of the travel agents' firms in Kenya do respond to environmental changes in their preferred way. Each response adopted was as a result of an impact of an environmental change which results to travel agents responding to every environmental change in their own unique way with a goal to remain competitive and gain competitive advantage. It was also noted that the travel agents Reponses to environmental changes do conform with the study's theories.

4.5.2 Comparison to Other Studies

The findings of the study are in consistence with the research study done by Cao and Chen (2019), which established that in relation to the driving force in the external environment and the market pressures, the top management's environmental awareness is important as it is stronger when the relationship between green innovation strategy and the market forces is stronger. These findings are consistent with this research finding as, travel agents environmental awareness is crucial in the survival of the firm. Travel agents' response rate to environmental changes is higher when their environmental awareness is stronger. The travel agents' responses to environmental changes are as a result of the change impact in the environment therefore, firms have to align their internal dynamics to the environmental changes.

Other studies done by Singh et al., (2019) established that the responsiveness of a firm to environmental changes is determined by dynamic capabilities of the firm. The findings found out that a firm's response to environmental change is as a result of strong sensing capability to a dynamic environment, a strong learning capability and a high level of reconfiguration capability. This establishes the alignment of the internal dynamics to the changes in the environment. These findings are consistent with these research findings as it establishes that travel agents do respond to environmental changes as a result of the change impact in their firms. Organizations structure as the antecedent of dynamic capabilities determines the alignment of the firm to the environmental changes.

Abu Amuna et al. (2017), noted that in order to tackle the dynamic environment, internal and external environmental scanning was important in ensuring complete environmental awareness. The study was consistent with these research study findings as it established that travel agents' firms had a proper understanding of the environment through environmental analysis. Environmental analysis creates awareness and helps the firms understand the external environment changes that impacts their businesses negatively and positively. Environmental scanning and analysis gives rise to the best organizational responses to environmental changes.

In other studies, conducted by Otache and Mahmood (2015), the findings established that corporate business performance is dependent on a supportive external environment and organizational culture. In order to establish business performance, the organization ensures proper alignment with the changes in the external environment and a learning environment that establishes a positive culture. This study corresponds with the study's research findings as it elaborates that, the survival of travel agent firms is highly

dependent on the organization's alignment with the environmental changes and establishing a response that aligns with the organizational structure. Moreover, a learning environment is established and created by the people, hence recreating a culture that is adoptable. By aligning the internal dynamics of the firm and the external environment, firms are assured of great business performance.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS.

5.1 Introduction

This chapter of the research study presents the summary of findings in line with the objective of the study. The summary gives the insights into major findings which justifies the conclusion and recommendation of the study. The chapter also highlights the limitations of the study and the suggestions for further research.

5.2 Summary of Findings

The objective of the study was to establish the responses of travel agents' in Kenya to changes in the external environment. In this regard and according to the research findings, majority of the travel agents' firms applied a response strategy in their firms. Following the environmental dynamics and uncertainty, it was important for the travel agencies to adopt the response strategies as a shield for survival and business continuity.

The findings from the study shows that majority of the travel agents did respond to the changes in the external environment. The findings also suggest that the travel agents' responses were as a result of the impacts or effects of environmental changes to their firms. The study's findings show that both local and International Travel agency firms respond to the changes in the external environment in their best preferred ways. This was confirmed with the responses adopted between local and international firms whereby the responses were adopted differently by the two categories of firms. E.g. local travel firms most adopted Reponses were operational excellence and adoption of digital marketing whereas for international firms, the most adopted responses were operational excellence and adoption of sustainable tourism.

Based on the findings, the results show that each travel agency category based on their duration of operation responded quite differently according to the years they have been in operation. This was confirmed by the extent to which the firms over 40 years and those below 40 years responded to the changes in the external environment that is in accordance to the firms' vision and mission. That is; firms over 40 years adopted sustainable tourism to the largest extent while firms between 26-40 years adopted operational excellence, firms between 11-25 years adopted digital marketing and those below 10 years adopted risk diversification focusing more on local tourism to the largest extent. Therefore, these variabilities in the response rates confirms that each travel agent firm respond to changes in the external environment in their best preferred ways that justifies the vision and mission of the firm.

Majority and a significant portion of the travel agent firms agreed that travel agent firms do respond to changes in the external environment in their preferred ways. This was confirmed in the research findings of the population under study.

5.3   Conclusion

The external environment is vast and is ever changing. Its dynamics can lead to success or failure in an organization. Dealing with the environmental changes is quite important in an organizations decision making process. This therefore, cultivates the organizations ways of responding to the vast environmental changes. The study established that majority of travel agents' firms do respond to the environmental changes in their own ways. Majority of the responses adopted are as a result of the impacts of environmental changes to the travel agent firms' operations. E.g. The impact of the war in the Baltics between Russia and Ukraine that resulted to inflation hence affecting the travel industry

47

operations, the impact of Covid 19 pandemic in 2020 that resulted to border closures hence low tourist arrivals in the country, climate change, political instability and unrest and government regulations.

The study established that, the responses to environmental changes adopted by all the travel agents were in pursuit of their survival, continuity and going concern with operational excellence being adopted to the largest extent. Notably, the findings also established that when the firms are analyzed differently that is local vs international firms and all firms in comparison to the duration of operation, the result findings are different for every firm category as they portray how each of the firms respond to the changes in the external environment depending with a firm's goals, vision and sufficient resources. Besides, the responses extent levels tend to be different as all firms' categories are driven with the firms' agenda's. Therefore, the adoption of each firm's response extent levels may differ from other firms.

Further to these, the most adopted responses by all travel firms include; operational excellence, adoption of digital marketing in their firms, adoption of sustainable tourism, risk diversification focusing more on local tourism and adoption of opportunity driven strategies as a process of seeking new business opportunities. These responses featured as being the most adopted responses for local firms, international firms and for all categories of firms categorized by duration of operations.

5.4 Recommendations of the Study

Based on the research findings and the conclusion of the study, the study established the need for practitioners e.g. the travel agents to respond to the environmental changes. Therefore, it is recommended that International and local travel agents as well as

other organizations should perform the external environment scanning and SWOT analysis often to ensure preparedness and understand the industry's dynamics. As a result, the practitioners will be able to identify the changes in the external environment early thus ensuring the organizations responses are more proactive than reactive. This ensures effective decision making process which mitigates the risk of losing revenues.

Secondly, based on the observation, it was clear that the travel agents are adopting the digitalized technology whereby they embraced digital marketing and the idea of virtual travel reality. The researcher therefore recommended that the practitioners should maximize on the opportunity and take advantage of the new technologies coming up. This way, their responses towards changes in the external environment shall be quite vast and quick to decide due to the technologies involved.

With a rising technology world, it is realized that technology is the future hence grabbing this opportunity will be of great importance to the travel agents in Kenya. This way, other scholars and researchers can benefit by opening up more of their research space in tackling the future growth of the tourism sector in foreseeable future having embraced technology in their business arenas.

Finally, the policy makers such as the government and the Tourism Regulatory Authority will benefit from this research study as it is their duty to ensure a favorable environment for the tourism industry. The researcher's recommendation is that there is need for proper and reliable government regulations and policies as well as the industry's policies and regulations. The policies and regulations should enable smooth operations among the travel agencies firms. Being the major players in the industry's policy making, determines the industry's success. Therefore, the policies and regulations established

should favor the travel agents 'operations and also offer opportunities in support of the firms when faced with tough environmental changes. This can be done by lowering the rates to the wildlife parks in pursuit of motivating the tourists, more national wide digital marketing in tourism in pursuit of reaching a wider market and a boost in tourism budget funds to finance the tourism industry during an environment change crisis.

5.5   Limitations of the Study

In the course of the study, a few limitations were experienced. The methodology used for the study was the cross sectional research design. The research was studied at only one point in time. The limitation in the methodology used was; the exposure to the events and their outcome were studied simultaneously. The possibility of establishing a true cause and effect relationship becomes limited unlike when longitudinal research design would have been applied.

Secondly, the data set collected and analyzed was obtained from a single response set of questions. This was limited by the risk of biasness due to the predefined set of questions. Lastly, the research study was based on self-reporting therefore, the data collected was threatened by the risk of response biasness. This limited the study as it threatened the reliability and the validity of the data measurement.

5.6   Suggestions for Further Research

The researcher suggests further research on other industries not only tourism that is; manufacturing, food industry, construction, agriculture, financial, energy, forestry and mining to establish the responses of other stakeholders and firms to environmental changes. Some of the environmental changes may vary from industry to industry therefore, each

industry should understand their external forces and learn how to respond to the external environmental changes.

Further research should also take into consideration the application of multiple response questionnaires in their studies. This widens the scope of research. By adopting multiple response set of questions, the respondents have the advantage of choosing more than one response. This reduces the risk of biasness in research.

Moreover, the study was done on cross sectional research design, therefore it would be interesting and knowledgeable when the study takes the longitudinal research design turn to enhance a wide scope with enough research time and resources. This would establish a good long term stand on the responses of travel agents' in Kenya to changes in the external environment and ensure the tourism industry is well understood in its entirety. This would also establish the different research gaps and challenges faced in the tourism industry as well as offering the best recommendations based on the research study.

REFERENCES

Abu Amuna, Y. M., Al Shobaki, M. J., & Abu-Naser, S. S. (2017). Strategic environmental scanning: An approach for crises management.

Akhtar, D. M. I. (2016). Research design. *Research Design (February 1, 2016).*

Akpoviroro, K. S., & Owotutu, S. O. (2018). Impact of external business environment on organizational performance. *International Journal of Advance Research and Innovative Ideas in Education*, *4*(3), 498-505.

Aliev, I. M., & Sigov, V. I. (2017). Creating a Learning Organization as an Increase in the Adaptability of a Company's Human Capital to the Volatility of the External Environment.

Anderson, M. L., Dickhaus, J., & Brown, K. A. (2021). Resource Dependency Theory and Off-the-Field Behavior. *Revolution of the Modern Sports Fan*, 87.

Ansoff, H. (2007). *Strategic management*. Springer.

Ansoff, H. I., Kipley, D., Lewis, A. O., Helm-Stevens, R., & Ansoff, R. (2018). *Implanting strategic management*. Springer.

Asiamah, N., Mensah, H. K., & Oteng-Abayie, E. F. (2017). General, target, and accessible population: Demystifying the concepts for adequate sampling. *The Qualitative Report*, *22*(6), 1607.

Bryant, P., & Davis, C. (2012). Regulated change effects on boards of directors: A look at agency theory and resource dependency theory. *Academy of Strategic Management Journal*, *11*(2), 1.

Buhaş, S. (2014). External Environmental Factors Influencing The Strategic Management Of Sports Organizations. *Studia Universitatis Vasile Goldis, Physical Education & Physical Therapy Series*, *3*(2).

Cao, H., & Chen, Z. (2019). The driving effect of internal and external environment on green innovation strategy-The moderating role of top management's environmental awareness. *Nankai Business Review International*.

Chandler, Alfred D. "Strategy and structure: Chapters in the history of the industrial empire." *Cambridge Mass* (1962).

Ettrich, L., & Andersen, T. J. (2021). The Effects of Strategic Response Capabilities and Innovation on Performance and Risk. In *Strategic Responses for a Sustainable Future: New Research in International Management*. Emerald Publishing Limited.

Fincham, J. E. (2008). Response rates and responsiveness for surveys, standards, and the Journal. *American journal of pharmaceutical education*, *72*(2).

Foo, L. P., Chan, M. Y., Tan, K. L., & Phuah, K. T. (2020). The Impact of COVID-19 on the tourism industry in Malaysia. *Current Issues in Tourism*, 1-5.

Fraj, E., Matute, J., & Melero, I. (2015). Environmental strategies and organizational competitiveness in the hotel industry: The role of learning and innovation as determinants of environmental success. *Tourism management*, *46*, 30-42.

Haider, S. (2017). External dependence of the organization: Causes and effective response. *ESIC Market. Economic & Business Journal*, *48*(3).

Hox, J. J., & Boeije, H. R. (2005). Data collection, primary versus secondary.

Ibraimi, S., Rexhepi, G., & Haxhimustafa, S. (2014). Strategic environmental changes in the context of logistics management practices. In *Human Capital without Borders:*

Knowledge and Learning for Quality of Life: Proceedings of the Management, Knowledge and Learning International Conference 2014 (pp. 419-426). Singapore: ToKnowPress.

Johnson, G., Whittington, R., Regnér, P., Angwin, D., & Scholes, K. (2020). *Exploring strategy*. Pearson UK.

Kenya Association of Travel Agents. (2021, October 29). *KATA Our Members*. Retrieved from KATA Our Members website: https://katakenya.org/

Lawrence, T. B., & Shadnam, M. (2008). Institutional theory. *The international encyclopedia of communication*.

Lee, J. J., & Bach, S. B. (2017). Strategic actions to environmental changes: Act ahead or react upon. *J. Mgmt. & Sustainability*, *7*, 12.

Meyer, J. W., & Rowan, B. (1977). Institutionalized organizations: Formal structure as myth and ceremony. *American journal of sociology*, *83*(2), 340-363.

Mintzberg, H. (1994). Strategic Planning. *Harvard Bussines Review*.

Muscalu, E., Iancu, D., & Halmaghi, E. E. (2016). The influence of the external environment on organizations. *Journal of Defense Resources Management*, *7*(2), 133.

Nassaji, H. (2015). Qualitative and descriptive research: Data type versus data analysis. *Language teaching research*, *19*(2), 129-132.

Ngunjiri, E. B. O. (2021). *Strategic Response to Environmental Turbulence in the Hotel Industry: A case of Golf Hotel & Country Clubs in Nairobi City County* (Doctoral dissertation, United States International University-Africa).

Otache, I., & Mahmood, R. (2015). Corporate entrepreneurship and business performance: the role of external environment and organizational culture: a proposed framework. *Mediterranean Journal of Social Sciences*, *6*(4), 524-524.

Peters, B. G. (2019). *Institutional theory in political science: The new institution*

Pfeffer, J., & Salancik, G. R. (1978). A resource dependence perspective. In *Intercorporate relations. The structural analysis of business*. Cambridge: Cambridge University Press.

Porter, M. E. (1980). Techniques for analyzing industries and competitors. *Competitive Strategy*. New York: Free press.

Porter, M. E. (1985). *Competitive advantage: Creating and sustaining superior performance*. Free press.

Porter, M. E. (1991). Towards a dynamic theory of strategy. *Strategic management journal*, *12*(S2), 95-117.

Porter, M. E. (2011). *Competitive advantage of nations: creating and sustaining superior performance*. simon and schuster.

Schmitt, A., & Klarner, P. (2015). From snapshot to continuity: A dynamic model of organizational adaptation to environmental changes. *Scandinavian Journal of Management*, *31*(1), 3-13.

Setia, M. S. (2016). Methodology series module 3: Cross-sectional studies. *Indian journal of dermatology*, *61*(3), 261.

Shmatko, A., Yanovskiy, V., & Shamina, L. (2018). Adaptability as a tool for managing an enterprise in a turbulent external environment. *Advanced Science Letters*, *24*(9), 6323-6325.

Singh, R., Charan, P., & Chattopadhyay, M. (2019). Dynamic capabilities and responsiveness: moderating effect of organization structures and environmental dynamism. *Decision*, *46*(4), 301-319.

Strandholm, K., Kumar, K., & Subramanian, R. (2004). Examining the interrelationships among perceived environmental change, strategic response, managerial characteristics, and organizational performance. *Journal of Business Research*, *57*(1), 58-68.

Thiong'o, S. M., Bashuna, B., Wishitemi, B. E., & Kiprutto, N. (2021). Do Socially Responsible Tour Operators Improve Tourism Sustainability? The Case of Nairobi, Kenya. In *Humanistic Management and Sustainable Tourism: Human, Social and Environmental Challenges* (pp. 37-55). Routledge.

APPENDICES

APPENDIX I: LETTER OF INTRODUCTION

Mary W. Macharia

Mobile: +254 719504561

P.O BOX 63-20303

Ol'kalou, Kenya

Date………….

Dear Sir/Madam,

Mary W. Macharia, is a student at The University of Nairobi pursuing a Master degree in Business Administration, currently tackling her research project on the responses of travel agents' in Kenya to changes in the external environment. My research study interests include; organizational responses to the impact of environmental changes E.g. the war in Baltics between Russia and Ukraine, Covid 19 pandemic, Climate change, Political instability. You were randomly selected to participate in this survey, thus providing feedback will be essential in the research work. I humbly appeal for your assistance in the participation of the survey questionnaires. Be assured that any information shared will be dealt with maximum concealment and anonymity. The research conducted is purely for academic intentions only.

Thank you and Regards;

Mary W. Macharia.

APPENDIX II: QUESTIONNAIRE

Introduction

This questionnaire aims to establish the **responses of travel agents' in Kenya to changes in the external environment**. The respondents are required to tick the appropriate choices, based on their opinion. Data gathered will be summarized in a generalized view thus will not personalize on the individuals. Your utmost support in completing the survey will be much appreciated.

1. Please state the name of your travel company.

    ………………………………………………….

2. What is your gender?

   Male [ ]

   Female [ ]

3. How long has your business been operating in Kenya?

   0 - 10 years   [ ]

   11 - 25 years   [ ]

   26 - 40 years   [ ]

   Over 40 years [ ]

4. Please categorize your business ownership

   Local   [ ]

   International   [ ]

5. To what extent did the following environmental changes affect your firms' operations?

Apply 5 – Very Large Extent, 4 – Large Extent, 3 –Neutral, 2 –Little Extent and 1 – Very Little Extent

Impacts of Environmental Changes	1	2	3	4	5
To what extent has the War in the Baltics (Russia vs Ukraine) affected your business operations?					
To what extent has the Fast pace of technology growth affected your business operations?					
To what extent did Covid 19 Pandemic affect your business operations?					
To what extent has the effects of Climate Change affected your business operations?					
Has the country's Political instability affected your business operations?					
Do the Government regulations favor the business operations in times of environmental turbulence?					

6. Please rate the extent to which you agree with the following statement. Apply 5 – Strongly Disagree, 4 –Disagree, 3 –Neutral, 2 – Agree and 1- Strongly Agree

Travel Agents Responses	1	2	3	4	5
Show the level to which you agree with the following statement as it relates to your business. "Travel agents do respond in their preferred way to environmental changes"					

7. On a scale of 1 to 5, 1 being the smallest and 5 being the largest, show the extent to which your company adopted any of the responses below to environmental changes.

Travel Agents Responses to Environmental Changes	1	2	3	4	5
Risk Diversification focusing more on local tourism					
Company restructuring through downsizing					
Company restructuring through divesture					
Shift focus strategy					
Tapping into information technology by adopting Travel Virtual Reality					
Adoption of opportunity driven strategies as a process of seeking new business opportunities					
Adoption of sustainable tourism					
Strategic Alliances					
Operational Excellence					
Employee Empowerment					
Adoption of digital marketing					

8. Has your company ever responded to environmental changes by adopting product development as part of its marketing strategy?

   Yes   [ ]

   No   [ ]

9. Does your company have a risk assessment department that ensures swift transition in responding to environmental changes?

Yes   [ ]

No   [ ]

Thank you for responding to this questionnaire. Your feedback is important.

THE END

APPENDIX III: LIST OF ALL REGISTERED TRAVEL AGENTS IN KENYA

The research study focused on all 142 travel agents in Kenya.

NO.	TRAVEL AGENTS IN KENYA	NO.	TRAVEL AGENTS IN KENYA
1	Acacia Safaris Ltd	26	FCM Travel Solutions
2	Acharya Travel Agencies Ltd	27	Fly High Agency Limited
3	Achievers Trvael Services	28	Fourways Travel limited
4	Africa Bliss Travel Ltd	29	Gestard Travel & Tours
5	African Touch Safaris Limited	30	Global Star Tours and Travel Ltd
6	Africana Savana Tours ltd	31	Globetrotter Agency Limited
7	Afrique Explorer Limited	32	Golden Travel Ltd
8	Air masters Limited	33	Goodhope Travel and Tours Ltd
9	Akarim Agencies Co. Ltd	34	Granite Travel Ltd
10	Angani Tours and Travel Ltd	35	Grey Impala Safaris
11	Archers Tours and Travels Ltd	36	Helinas Safaris Ltd
12	Attic Tours and Travel	37	Holiday Bazaar Ltd
13	Bamboo Hut Safaris Ltd / Long Ren Tours & Travel	38	Holiways Adventures
14	Basel Tours and Travel Ltd	39	Elite Travel Services)
15	BCD Travel (Wholly owned and operated by Highlight Travel Limited)	40	Incentive Travel Limited
16	Beths Travel Services Ltd	41	Kahiye Travel and Cargo Agency
17	Beyond Travel Services	42	Kambo Travel Agency Ltd
18	Bigman Travel and Holidays Ltd	43	Karibu Travels and Tours Ltd
19	Blueberry Voyage Ltd	44	Kendirita Tours and Travel Limited
20	Blueways Travels	45	Kenya China Travel and Tours Ltd
21	Boma Travel Services Ltd	46	Wild Trek Safaris Ltd
22	Bridging The World Travel	47	World Explorer Safaris Ltd
23	Bushtrek Safaris Ltd	48	Zakale Expeditions Ltd
24	Catalys Travels Ltd	49	Zaras Travel
25	Cedars Travel & Tours Limited	50	Key Travel (formerly Raptim Humanitarian Travel)

NO.	TRAVEL AGENTS IN KENYA	NO.	TRAVEL AGENTS IN KENYA
51	Concorde Safaris and Car Hire	84	Kilindini Travel Center Ltd
52	Continental Travel Group Ltd	85	Klass Travel and Tours Ltd
53	Crater Travel Agencies ltd	86	Lets Go Travel Uniglobe
54	CWT Kenya (independently owned and operated by Bunson Travel Service Limited)	87	Libken Agencies Company Ltd
55	Deans Travel Centre Ltd	88	Longrock Tours and Travel Ltd
56	Densey Tours and Travel Ltd	89	Lordstown Travel Group
57	Didi Travels Limited	90	Luxuryspring Tours and Travel Ltd
58	Dreamz World Group	91	Magical Holidays Limited
59	Eagle Travel Service	92	Maniago Travel and Cruises Ltd
60	Eco Voyage Travels Ltd	93	Endoroto Travel Ltd
61	Exotic Travel Centre Ltd	94	Express Travel Group Ltd
62	Muthaiga Travel Ltd	95	Shah Travel Agencies
63	Nativity Safaris	96	Shimasy Travel Co. Ltd
64	Ngurumah Tours and Travel Ltd	97	Shiva Travels Ltd
65	Noor Travels Ltd	98	Shujaa Freight and Travel Services
66	Tusmo Travel Tours and Cargo Ltd	99	Silver Africa Tours and Safaris Ltd
67	Twiga Car Hire and Tours Ltd	100	Silverback Travel Group
68	Uniform Travel Centre Limited	101	Silverbird Travel Plus Ltd
69	Uniglobe Fleet Travel Kenya Ltd	102	Simoun Travel
70	Vanessa Air Travel and Tours Limited	103	Simply Prestige Travel and Tours Ltd
71	Vogue Tours and Travel Ltd	104	Sky Extra Tours and Travel
72	North and South Travel Ltd	105	Somak Flights ltd
73	Outdays Tours and Travel Ltd	106	Southern Travel Services Ltd
74	Pago Airways Travel Services Ltd	107	Spice Travel Ltd
75	Palbina Travel Ltd	108	Splash World Limited
76	Path International Ltd	109	Sunset Travelling Tours
77	Pearlworld Travel Ltd	110	Taipan Vacations & Travel Ltd
78	Phoenix Safaris (K) Ltd	111	Thamani Concierge Ltd
79	Pinnacle Kenya Travel and Safaris Ltd	112	The Ticket Company Ltd
80	Pollmans Tours and Travel	113	The Travel Lounge Ltd
81	Premier Safaris (K) Limited	114	Timeless Tours and Travels Ltd
82	Primate Tours Ltd	115	Tour Africa Safaris Ltd
83	Prime Time Travel Ltd	116	Travel Affairs Ltd

NO.	TRAVEL AGENTS IN KENYA	NO.	TRAVEL AGENTS IN KENYA
117	Prudential Travels	130	Travel Shoppe Company Ltd
118	Quattro Travel	131	Travel Shore Africa Ltd
119	Ragwa Travels Ltd	132	Turkenya Tours and Safaris Ltd
120	Rajair Travel limited	133	Royalsom Tours and Travel Ltd
121	Raydoll Tours and Travel Ltd	134	Salt Lake Tours and Travel
122	Realedge Africa Ventures Limited	135	Satguru Travels and Tours Services Ltd
123	Regal Tours and Travel Ltd	136	Scott Travel Group Ltd
124	Rosma Tours and Travel	137	Marhaba Travels Limited
125	Travel Creations Ltd	138	Marwa Travel Agency
126	Travel Matters (K) Limited	139	Memima Ltd
127	Travel N' Style Ltd	140	Mantra Marketing and Travel Ltd
128	Moncal Travel and Tours Ltd	141	Montagne Touch Safaris Ltd
129	Eros Africa Ltd	142	Euro Africa Travel Ltd

Source: KATA (Our Members) Kata.org 2021.