
By

Gladys R. Ndoda
R013498A

Presented in Fulfilment of the Requirements Of the Degree of
Doctor of Philosophy of Commerce (Strategic Management)
Of The University of Zimbabwe

Department of Graduate School of Management
Faculty of Commerce
University of Zimbabwe

May 2010
Dedication:

This thesis is dedicated to my late mother, Valet Ndoda. Mom, thank you for the inspiration that goes beyond your new home. The research is also dedicated to my Dad, Dhlamanzi G. Ndoda, who among other male Zimbabweans, encourages the girl child to learn and become “kazuru keshwa” and to all individuals pursuing strategic management as a discipline.
Acknowledgements

Association with Dr I. Chaneta Dean of Faculty of Commerce and Professor C. G. Mararike of the Department of Sociology, University of Zimbabwe, leaves one with a great many intellectual debts. They both aided in the interpretation of core issues in the strategy and structure discourse and reawakened my sense of priorities when the “thicket of details seemed about to become impenetrable.” I deeply appreciate the knowledge, advice, support and encouragement that have been given to me by my two supervisors mentioned above and individuals too numerous to mention here.

Mr V. Funda, my MSc dissertation supervisor, provided the original stimulus for this work. I would also take this opportunity to thank all those who aided in the success of this research from The Ministry of Environment and Natural Resources, Ministry of Tourism and Hospitality Industry, Zimbabwe Tourism Authority, Zimbabwe Council for Tourism, African Sun Limited, Rainbow Tourism Group, Cresta Hospitality, United Touring Group and Hospitality Association of Zimbabwe.

I would like to thank my son Tafadzwa M. B. Mawarire, my niece Tanaka S. Machida, my sisters Norah and Letiwe C. Ndoda for the encouragement and aiding in the encoding of certain data.
Abstract
For a number of years company reports have discussed the issue of economic growth through business practices. Prominent among these articles was the issue of economic performance outcome. This triggered interest in the researcher in terms of how an organisation’s strategy and structure relationship affect economic performance outcome of a firm.

The following begged for an answer:
1. Is there a possibility (proposition) that the extent to which strategy is aligned to structure determines the performance outcome of an organisation?
2. If it does, to what extent does it do so?
3. In spite of the fact that it does, what else could influence the performance outcome of organisations in the tourism and hospitality sector?

The review of literature revealed that the economic performance outcome of an enterprise is to a large extent influenced by the “fit” or “merge” of strategy and structure. At individual cases construct level, strategy and structure “fit” was found to be positively linked to firm economic performance outcome. Economic performance outcome was also found to be a function of significant other performance drivers in terms of the differential levels of economic performance outcome. The agitation towards “fit” by organisations, whether they are profit or non-profit was seen through the performance measurement tools in use, that is, Balanced Scorecard and the use of Result-Based Management Systems. The significant other performance drivers were inclusive of:

1. Strategic Behaviour (SB)
2. Learning Organization
3. 12 Pillars to Positive EP
4. Socio-Political Forces

Since certain issues involving strategy and structure and economic performance (SSEP) cannot be quantified, it became necessary to use qualitative approach with some elements of quantitative approach. Qualitative evidence was combined with quantitative elements in a synergistic way. Survey, case study, participant observation methods were used in this study.
Data collection techniques were inclusive of records inspection, interviews and questionnaires were distributed to a sample of 150 respondents from two ministries, two tourism bodies and a profit making organisation. Focus group discussions were held to gather data. The analysis tools used were content and statistical.

Economic performance outcome of the Tourism and Hospitality Industry was measured through trends and statistics, tourism economic indicators, financial and non-financial orientations and the use of balanced scorecard or blended measurements. Non-financial measures included the measurement based upon identified key objectives as specified in Balanced Scorecard.

Data collected revealed that the cases that agitated towards a “fit” or “merge” between strategy and structure had a positive economic performance outcome than those that did not. The cases that took cognisance of the significant other performance drivers postulated better economic performance outcomes. The respondents structured the order to positive economic performance outcome through the crafting of strategy, the architecture of an implementing structure, the subsequent influence of significant other performance drivers, the shaping of organisational performance through instruments such as the balanced scorecard to the physical structure and symbolic meaning of the African Kitchen-Hut Strategy and Structure Model. Strategy, structure and performance need to be linked in harmony to fulfil the objectives of a company much like what is symbolised by the African Kitchen-Hut Model (AKHSSM).

Therefore this concludes that a “fit” of strategy and structure plus the considerable influence of significant other performance drivers reduce the gap of what management would like to achieve and what has been achieved in terms of economic performance outcomes. It also can be concluded that there is a positive incremental change in performance of an organisation due to the “fit” or intimacy of strategy and structure and this is further enhanced by acknowledging significant other performance drivers.
# Table of Contents

## Contents

| Abstract | iii |
| List of Tables | xii |
| List of Figures | xiv |
| Abbreviations | xviii |

## Chapter 1: Introduction to the Study

1.0 Introduction .......................................................... 1
1.1 Background to the Study ........................................... 2
1.2 Statement of the Problem ........................................... 3
1.3 Research Objectives .................................................. 5
1.4 Research Questions ................................................... 5
1.5 Research Propositions ................................................ 5
1.6 Significance of the Study ............................................ 6
1.7 Aim of the Research .................................................. 7
1.8 Scope of Research ..................................................... 8
1.9 Conceptual Framework .............................................. 8
1.10 Data Presentation and Analysis .................................... 10
1.11 Limitations ............................................................. 12
1.12 Concepts and Definition of Key Terms ......................... 13
1.13 Structure of the Study ............................................... 17
1.14 Conclusion ............................................................. 19

## Chapter 2: Literature Review: Overview of the World Tourism and Hospitality Industry

2.0 Introduction .......................................................... 20
2.1 Historical Perspective of World Tourism and Hospitality Industry ......................................................... 21
2.1.1 Long-term prospects .............................................. 24
2.2 Structure Used by UNWTO .......................................... 25
2.3 Performance Experiences in Tourism of Successful and Less Successful Regions, 1975-2003 ......................................................... 30
2.3.2 Tourism Performance 2004 ....................................... 33
### Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.3.3 Tourism Performance 2005</td>
<td>38</td>
</tr>
<tr>
<td>2.3.4 Tourism Performance 2006</td>
<td>40</td>
</tr>
<tr>
<td>2.3.5 Tourism Performance 2007</td>
<td>44</td>
</tr>
<tr>
<td>2.3.6 Tourism Performance 2008</td>
<td>49</td>
</tr>
<tr>
<td>2.4 Zimbabwe Tourism and Hospitality Industry</td>
<td>52</td>
</tr>
<tr>
<td>A Conclusion</td>
<td>52</td>
</tr>
<tr>
<td>2.4.1 Introduction</td>
<td>52</td>
</tr>
<tr>
<td>2.4.2 The Post – Colonial Economic Period: Structure of Tourism and Hospitality Industry in Zimbabwe</td>
<td>54</td>
</tr>
<tr>
<td>a) The Government Structure (Public Sector)</td>
<td>54</td>
</tr>
<tr>
<td>b) Zimbabwe Tourism Authority</td>
<td>66</td>
</tr>
<tr>
<td>c) Zimbabwe Council for Tourism (ZCT)</td>
<td>67</td>
</tr>
<tr>
<td>2.4.3 The Public Policy Framework</td>
<td>68</td>
</tr>
<tr>
<td>2.4.4 Significant Other Performance Drivers (SOPD)</td>
<td>70</td>
</tr>
<tr>
<td>a) Image analysis</td>
<td>71</td>
</tr>
<tr>
<td>b) The Market Perspective</td>
<td>72</td>
</tr>
<tr>
<td>c) Prevalence of Corruption</td>
<td>73</td>
</tr>
<tr>
<td>d) Economic Environment and Tourism</td>
<td>74</td>
</tr>
<tr>
<td>e) Lack of adequate food security/Loss of bread basket status for the region/ Failure to maintain infrastructure</td>
<td>78</td>
</tr>
<tr>
<td>f) Shortage of energy and fuel</td>
<td>79</td>
</tr>
<tr>
<td>g) Decline of health delivery system</td>
<td>79</td>
</tr>
<tr>
<td>h) Repackaging Zimbabwe as a destination</td>
<td>80</td>
</tr>
<tr>
<td>i) Safety and Security</td>
<td>82</td>
</tr>
<tr>
<td>j) Social Environment and Tourism</td>
<td>85</td>
</tr>
<tr>
<td>k) Ecological Environment and Tourism</td>
<td>85</td>
</tr>
<tr>
<td>2.4.5 Economic Sanctions against Zimbabwe by European Union and United States of America</td>
<td>86</td>
</tr>
<tr>
<td>a) Effects of Sanctions on Zimbabwe</td>
<td>89</td>
</tr>
<tr>
<td>2.4.6 Performance of Zimbabwean Tourism and Hospitality Sector</td>
<td>91</td>
</tr>
<tr>
<td>2.5 Comparative Study</td>
<td>94</td>
</tr>
<tr>
<td>2.5.1 South African Tourism and Sanctions</td>
<td>95</td>
</tr>
<tr>
<td>a) Rise of South African Tourism Performance from 1994 to 1999</td>
<td>98</td>
</tr>
<tr>
<td>B. Conclusion</td>
<td>106</td>
</tr>
</tbody>
</table>
2.5.2 Kenyan Tourism.............................................................................................. 106
a) Introduction........................................................................................................ 106
b) Tourism Trends and Statistics up to 2007...................................................... 107
c) Tourism Contribution to GDP....................................................................... 115
d) Tourism Earnings and International Tourist Arrivals 1995-2005............... 119
e) Contribution of Tourism to Employment..................................................... 119
f) Hotel Bed Nights............................................................................................... 120
g) Hotel Length of Stay....................................................................................... 122
h) Performance of Kenyan Tourism to-date...................................................... 122
C. Conclusion....................................................................................................... 124
2.6 Chapter 2 Conclusion..................................................................................... 125

Chapter 3: The African Kitchen-Hut Strategy and Structure Model
and the Tourism and Hospitality Industry ................................................................. 127

3.0 Introduction..................................................................................................... 127
3.1 The African Kitchen-Hut Strategy and Structure
(AKHSS) Model........................................................................................................ 128
3.1.1 Structural Concepts of AKHSS Model....................................................... 130
3.1.2 Strategy, Structure and Economic Performance (SSEP) Cone.............. 133
3.2 Strategy-Structure ‘Fit’................................................................................... 138
3.3 Managing Strategic Behaviour (SB) in Tourism
and Hospitality Industry...................................................................................... 142
3.3.1 “Helicopter Viewing”................................................................................ 142
3.3.2 Cause of Behaviour Analysis (COBRA)................................................... 143
3.3.3 Piranha Analysis........................................................................................... 143
3.3.4 Wishbone Analysis..................................................................................... 144
3.3.5 Score bone.................................................................................................. 145
3.3.6 Stakeholder Analysis................................................................................... 145
3.3.7 From – To (FT) Analysis............................................................................ 146
3.4 Pillars of Business Success............................................................................. 146
3.4.1 The “V” of the Geese Formation............................................................... 146
3.4.2 The Up-turning of the Organisation......................................................... 149
3.4.3 The Twelve Crucial Ingredients................................................................. 150
Chapter 4: Research Methods and Methodology

4.1 Introduction ........................................................................................................... 154
4.2 Research Design ..................................................................................................... 154
4.2.1 Research Methods ............................................................................................. 157
   a) Survey Method ...................................................................................................... 158
   b) Case Study Method .............................................................................................. 158
   c) Participant Observation Method .......................................................................... 161
4.3 Population .............................................................................................................. 162
4.4 Sampling Techniques and Sample Size .................................................................... 162
4.5 Data collection Instruments/Technique .................................................................. 164
   4.5.1 Records Inspection ......................................................................................... 165
   4.5.2 Questionnaires ............................................................................................... 165
      A. Questionnaire 1 ............................................................................................... 165
      B. Questionnaire 2 ............................................................................................... 168
   4.5.3 Interviews ....................................................................................................... 169
4.6 Analysis of Data .................................................................................................... 169
4.7 Conclusion ............................................................................................................. 171

Chapter 5: Research Findings

5.0 Introduction .......................................................................................................... 172
5.2.0 The Structure of the Tourism Industry in Zimbabwe ....................................... 172
5.2.1 Ministry of Environment and Natural Resources (ME&NR) ....................... 175
      A. Ministry of Environment & Natural Resources Strategies ................................ 177
      B. Strategic directions for Wildlife Industry ............................................................ 179
      C. Ministry of Environment & Natural Resources Structure ................................ 179
      D. Strategy and Structure Fit ................................................................................ 182
5.2.2 Ministry of Tourism and Hospitality Industry (MT&HI) ............................ 190
      A. National Tourism Strategies ............................................................................. 191
      B. Strategy and Structure Fit ................................................................................ 193
      C. Significant Other Performance Drivers (SOPD) ............................................. 194
      D. Ministry of Tourism & Hospitality Industry Structure ..................................... 196
### Chapter 5: Strategic and Operational Fit

**5.2.3 Zimbabwe Tourism Authority (ZTA)**
- Strategy and Structure Fit: 200
- Significant Other Performance Drivers (SOPD): 206
- Zimbabwe Tourism Authority Structure: 210

**5.2.4 Zimbabwe Council for Tourism**
- Objectives of Zimbabwe Council for Tourism: 213
- Structure of the Council: 214
- Executive Council: 216
- Management Committee: 216
- Working Committee: 216
- Additional corporate members maybe elected by majority vote of the existing corporate members: 218
- Challenges facing Zimbabwe Council for Tourism: 218

**5.2.5 Profit Making Organisation**
- African Sun Limited: 221
- African Sun Limited Strategies: 224
- African Sun identified the following critical success factors in the quest to achieving their vision: 225
- Strategic Goals: 226
- African Sun Limited Structure: 230
- African Sun Limited’s Performance: 236
- African Sun Limited’s Focus: 239
- Operating Performance: 240

**5.3 Conclusion**: 242

### Chapter 6: Discussion and Analysis of the Findings

**6.0 Introduction**: 244

**6.1 Discussion**: 244

**6.1.1 Questions on Control**: 244

**6.1.2 Questions on Connection**: 246

**6.1.3 Questions on Creativity**: 248

**6.1.4 Questions on Commitment Outcome**: 250

**6.1.5 Coordination Questions**: 252

**6.1.6 Questions on Competence**: 254
6.1.7 Organisation................................................................................................. 256
6.1.8 Ministry of Environment &Natural Resources (ME&NR) 
   Organisational Analysis.................................................................................. 256
6.1.9 Ministry of Tourism &Hospitality Industry (MT&HI) 
   Organisation Analysis...................................................................................... 258
6.1.9 Zimbabwe Tourism Authority (ZTA) Organisation Analysis.............. 260
6.1.10 Zimbabwe Council for Tourism (ZCT) Organisation Analysis...... 262
6.1.11 African Sun Limited (ASL) Organisation Analysis............................. 264
6.1.12 Human Factor Competencies................................................................. 267
6.1.13 Ministry of Environment and Natural Resources (ME&NR)......... 268
6.1.14 Ministry of Tourism and Hospitality Industry (MT&HI)............. 269
6.1.15 Zimbabwe Tourism Authority (ZTA)..................................................... 270
6.1.16 Zimbabwe Council for Tourism (ZCT).................................................. 271
6.1.17 African Sun Limited (ASL)................................................................. 271
6.2 Analysis of the Findings.............................................................................. 272
6.2.1 Determinants of Economic Performance in the Organisation........... 273
   a) Construct: Structure – Current structure is a result of the current 
      Strategy for the 5 Cases.............................................................................. 273
   b) Construct: Structure – Current strategy influences staff to work in 
      Groups/teams as collective effort delivers preferred outcomes for 
      the 5 Cases................................................................................................. 275
   c) Construct: Structure – Information and vertical processes allocate 
      The scarce resources of funds and talents............................................. 278
   d) Construct: Structure – Horizontal and lateral processes are designed 
      around the workflow for the 5 Cases....................................................... 280
   e) Construct: Structure – The reward system is congruent with the 
      Structure and process to influence strategic direction for the 5 Cases.
6.3 Evaluation of the Applicability the African Kitchen-Hut Strategy 
   and Structure Model (proposed Strategy and structure model)............. 284
6.4 Conclusion................................................................................................. 290

Chapter 7: Conclusions and Recommendations 291
7 Conclusions................................................................................................. 291
7.1 Summary...................................................................................................... 291
7.2 Conclusions................................................................................................. 292
7.3 Recommendations...................................................................................... 294
7.3.1 Strategy and Significant Other Performance Drivers (SOPD)........... 294
7.3.2 Structure................................................................................................. 299
7.4 Areas for further Research .............................................. 302
Bibliography ........................................................................... 303
# List of Tables

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>Tourist Arrivals 1995-2020</td>
<td>25</td>
</tr>
<tr>
<td>2.2</td>
<td>Composition of UNWTO regions and sub-regions</td>
<td>28</td>
</tr>
<tr>
<td>2.3</td>
<td>International Tourist Arrivals by Sub-Region</td>
<td>35</td>
</tr>
<tr>
<td>2.4</td>
<td>Hotel Performance by Region</td>
<td>44</td>
</tr>
<tr>
<td>2.5</td>
<td>Foreign Tourist Arrivals 1994-1999</td>
<td>101</td>
</tr>
<tr>
<td>2.6</td>
<td>Top Six Countries of Origin for the Years 1998 to 2002</td>
<td>102</td>
</tr>
<tr>
<td>2.7</td>
<td>African Arrivals to South Africa</td>
<td>105</td>
</tr>
<tr>
<td>2.8</td>
<td>Reported Visitor Arrivals</td>
<td>107</td>
</tr>
<tr>
<td>2.9</td>
<td>Method of Travel, 1998 – 2006</td>
<td>108</td>
</tr>
<tr>
<td>2.10</td>
<td>International Tourist Arrival by Region (Millions)</td>
<td>109</td>
</tr>
<tr>
<td>2.11</td>
<td>International Tourist Arrival (Millions)</td>
<td>110</td>
</tr>
<tr>
<td>2.12</td>
<td>Leading Destinations in Africa 1990-2004</td>
<td>111</td>
</tr>
<tr>
<td>2.13</td>
<td>Top 20 Tourist Destinations</td>
<td>114</td>
</tr>
<tr>
<td>2.14</td>
<td>Contribution of Tourism/ Hotels and Restaurants, Agriculture &amp; Manufacturing to GDP</td>
<td>117</td>
</tr>
<tr>
<td>2.15</td>
<td>Balance of Payments – Travel</td>
<td>118</td>
</tr>
<tr>
<td>4.1</td>
<td>Frequency Table: Statistics</td>
<td>166</td>
</tr>
<tr>
<td>5.1</td>
<td>Implementation of Strategy &amp; Measurement of Performance in the ME&amp;NR</td>
<td>184</td>
</tr>
<tr>
<td>5.2</td>
<td>Measurement of Performance in ME&amp;NR</td>
<td>189</td>
</tr>
<tr>
<td>5.3</td>
<td>Action Plan Matrices 1</td>
<td>200</td>
</tr>
<tr>
<td>5.4</td>
<td>Tourism Economic Indicators</td>
<td>207</td>
</tr>
<tr>
<td>5.5</td>
<td>Market share analysis of organisations in ZCT</td>
<td>220</td>
</tr>
<tr>
<td>5.6</td>
<td>Stock Market Performance</td>
<td>221</td>
</tr>
<tr>
<td>5.7</td>
<td>African Sun Limited Brands</td>
<td>226</td>
</tr>
<tr>
<td>5.8</td>
<td>African Sun Limited Major Signposts</td>
<td>231</td>
</tr>
<tr>
<td>6.1-6.6</td>
<td>Questions on Control Frequencies Tables</td>
<td>244</td>
</tr>
<tr>
<td>6.7-6.11</td>
<td>Questions on Connection Frequency Tables</td>
<td>246</td>
</tr>
<tr>
<td>6.12-6.16</td>
<td>Questions on Creativity Frequency Tables</td>
<td>248</td>
</tr>
<tr>
<td>6.17-6.21</td>
<td>Questions on Commitment Outcome Frequency Tables</td>
<td>250</td>
</tr>
<tr>
<td>6.22-6.26</td>
<td>Coordination Questions Frequency Tables</td>
<td>252</td>
</tr>
<tr>
<td>6.27-6.31</td>
<td>Questions on Competence Frequency Tables</td>
<td>254</td>
</tr>
<tr>
<td>Table</td>
<td>Description</td>
<td>Page</td>
</tr>
<tr>
<td>-------</td>
<td>-------------</td>
<td>------</td>
</tr>
<tr>
<td>6.32</td>
<td>Ministry of Environment &amp; Natural Resources Organisation Analysis</td>
<td>256</td>
</tr>
<tr>
<td>6.33</td>
<td>Ministry of Tourism &amp; Hospitality Industry Organisation Analysis</td>
<td>257</td>
</tr>
<tr>
<td>6.34</td>
<td>Zimbabwe Tourism Authority Organisational Analysis</td>
<td>260</td>
</tr>
<tr>
<td>6.35</td>
<td>Zimbabwe Council for Tourism Organisation Analysis</td>
<td>262</td>
</tr>
<tr>
<td>6.36</td>
<td>African Sun Limited Organisation Analysis</td>
<td>264</td>
</tr>
<tr>
<td>6.37</td>
<td>Organisational Transformation Stages and Characteristics</td>
<td>289</td>
</tr>
<tr>
<td>7</td>
<td>Schools of Strategic Thought</td>
<td>370</td>
</tr>
</tbody>
</table>
List of Figures

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Strategy, Structure and Significant Other Performance Drivers (SSSOPD) Conceptual Framework</td>
<td>9</td>
</tr>
<tr>
<td>1.2</td>
<td>Structure of the Study</td>
<td>18</td>
</tr>
<tr>
<td>2.1</td>
<td>Structure of International and Domestic Tourism</td>
<td>20</td>
</tr>
<tr>
<td>2.2</td>
<td>International Tourist Arrivals 1950-2005</td>
<td>22</td>
</tr>
<tr>
<td>2.3</td>
<td>Inbound Tourism 1990-2007</td>
<td>23</td>
</tr>
<tr>
<td>2.4</td>
<td>Inbound Tourism by Month</td>
<td>23</td>
</tr>
<tr>
<td>2.5</td>
<td>International Tourist Arrivals 1950-2020</td>
<td>24</td>
</tr>
<tr>
<td>2.6</td>
<td>Influences on destination development</td>
<td>27</td>
</tr>
<tr>
<td>2.7</td>
<td>Economic Growth (GDP) and International Tourist Arrivals</td>
<td>30</td>
</tr>
<tr>
<td>2.8</td>
<td>Evolution on International Tourist Arrivals by Month, 2003</td>
<td>33</td>
</tr>
<tr>
<td>2.9</td>
<td>New Arrivals 2004 by Region Worldwide 69 Million</td>
<td>37</td>
</tr>
<tr>
<td>2.10</td>
<td>Europe International Tourist Arrivals and Economic Growth (GDP)</td>
<td>39</td>
</tr>
<tr>
<td>2.11</td>
<td>Africa International Tourist Arrivals and Economic Growth (GDP)</td>
<td>40</td>
</tr>
<tr>
<td>2.12</td>
<td>Asia and the Pacific International Tourist Arrivals and Economic Growth (GDP)</td>
<td>41</td>
</tr>
<tr>
<td>2.13</td>
<td>The Americas International Tourist Arrivals and Economic Growth (GDP)</td>
<td>48</td>
</tr>
<tr>
<td>2.14</td>
<td>International Tourist Arrivals</td>
<td>51</td>
</tr>
<tr>
<td>2.15</td>
<td>World Inbound Tourism- International Tourist Arrivals</td>
<td>52</td>
</tr>
<tr>
<td>2.16</td>
<td>The Roles of Government in Tourism</td>
<td>56</td>
</tr>
<tr>
<td>2.17</td>
<td>Government of Zimbabwe Structure 1980</td>
<td>61</td>
</tr>
<tr>
<td>2.18</td>
<td>Government of Zimbabwe Structure from 2009</td>
<td>64</td>
</tr>
<tr>
<td>2.19</td>
<td>Components of the Tourism Product</td>
<td>78</td>
</tr>
<tr>
<td>2.20</td>
<td>The Tourist’s Holiday Decision</td>
<td>84</td>
</tr>
<tr>
<td>2.21</td>
<td>Foreign Tourist Arrivals to South Africa 1965-2004</td>
<td>98</td>
</tr>
<tr>
<td>2.22</td>
<td>Share of International Tourist Arrivals by Region</td>
<td>109</td>
</tr>
<tr>
<td>2.23</td>
<td>Trends in International Tourist Arrivals</td>
<td>110</td>
</tr>
<tr>
<td>2.24</td>
<td>Trends of International Tourist Arrivals in Africa 2000-2005</td>
<td>111</td>
</tr>
<tr>
<td>Figure</td>
<td>Description</td>
<td>Page</td>
</tr>
<tr>
<td>--------</td>
<td>-----------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>2.25</td>
<td>Trends in International Tourist Arrivals in Leading Destinations in Africa 1990 -2004</td>
<td>112</td>
</tr>
<tr>
<td>2.26</td>
<td>Top Ten Tourist Destinations in Africa Compared to the Rest of Africa.</td>
<td>112</td>
</tr>
<tr>
<td>2.27</td>
<td>Comparison of Earnings per Tourists in Popular Destinations in Africa.</td>
<td>113</td>
</tr>
<tr>
<td>2.28</td>
<td>Top 20 Tourist Destinations Compared to the Rest of the World 2004.</td>
<td>114</td>
</tr>
<tr>
<td>2.29</td>
<td>Trend of GDP Contribution by Major Ministries.</td>
<td>117</td>
</tr>
<tr>
<td>2.30</td>
<td>Trend of GDP Contribution by Major Sectors.</td>
<td>118</td>
</tr>
<tr>
<td>2.31</td>
<td>Hotel Bed-Nights by Zone.</td>
<td>121</td>
</tr>
<tr>
<td>2.32</td>
<td>Rooms Booked for World Cup Soccer Match in SADC.</td>
<td>126</td>
</tr>
<tr>
<td>3.1</td>
<td>The African Kitchen Hut.</td>
<td>129</td>
</tr>
<tr>
<td>3.2 (a)</td>
<td>Formation and Construction of Conical Structure (Roof).</td>
<td>131</td>
</tr>
<tr>
<td>3.2 (b)</td>
<td>Formation and Construction of Conical Structure (Roof).</td>
<td>132</td>
</tr>
<tr>
<td>3.3</td>
<td>McKinsey 7-S Framework.</td>
<td>134</td>
</tr>
<tr>
<td>3.4</td>
<td>The Strategy + SOPD, Structure and Economic Performance Cone.</td>
<td>136</td>
</tr>
<tr>
<td>3.5</td>
<td>Strategy – Structure - Economic Performance Relatedness.</td>
<td>137</td>
</tr>
<tr>
<td>3.6</td>
<td>Adapted Model of Key Result Areas.</td>
<td>139</td>
</tr>
<tr>
<td>3.7</td>
<td>Helicopter Viewing.</td>
<td>142</td>
</tr>
<tr>
<td>3.8</td>
<td>Cause of Behaviour Analysis (COBRA).</td>
<td>143</td>
</tr>
<tr>
<td>3.9</td>
<td>Piranha Analysis.</td>
<td>144</td>
</tr>
<tr>
<td>3.10</td>
<td>Wish Bone Analysis – Strategic Behaviour (SB).</td>
<td>144</td>
</tr>
<tr>
<td>3.11</td>
<td>Score Bone.</td>
<td>145</td>
</tr>
<tr>
<td>3.12</td>
<td>Using From - To Analysis.</td>
<td>146</td>
</tr>
<tr>
<td>3.13</td>
<td>Fly with The Geese to achieve positive firm economic performance outcome.</td>
<td>148</td>
</tr>
<tr>
<td>3.14</td>
<td>Upturning the Organization.</td>
<td>150</td>
</tr>
<tr>
<td>3.15</td>
<td>The Space Shuttle to Positive Firm Economic Performance.</td>
<td>151</td>
</tr>
<tr>
<td>5.1</td>
<td>Structure of the Tourism and Hospitality Industry in Zimbabwe.</td>
<td>175</td>
</tr>
<tr>
<td>5.2</td>
<td>Relationships between the environment and the various social, economic and natural environment pressures on it.</td>
<td>176</td>
</tr>
<tr>
<td>5.3</td>
<td>ME&amp;NR Institutional Structure.</td>
<td>181</td>
</tr>
<tr>
<td>5.4</td>
<td>Structure of the Ministry of Environment and Natural Resources.</td>
<td>182</td>
</tr>
<tr>
<td>Figure</td>
<td>Description</td>
<td>Page</td>
</tr>
<tr>
<td>--------</td>
<td>-----------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>5.5</td>
<td>Structure Core Departments – Ministry of Tourism and Hospitality Industry</td>
<td>197</td>
</tr>
<tr>
<td>5.6</td>
<td>ZTA Balanced Scorecard</td>
<td>199</td>
</tr>
<tr>
<td>5.7</td>
<td>Zimbabwe Tourism Authority structure</td>
<td>211</td>
</tr>
<tr>
<td>5.8</td>
<td>Zimbabwe Council for Tourism Structure</td>
<td>215</td>
</tr>
<tr>
<td>5.9</td>
<td>Corporate Membership Structure</td>
<td>217</td>
</tr>
<tr>
<td>5.10</td>
<td>Market Share by Number of Rooms for 2008</td>
<td>220</td>
</tr>
<tr>
<td>5.11</td>
<td>African Sun’s Hotel Portfolio</td>
<td>223</td>
</tr>
<tr>
<td>5.12</td>
<td>Group Structure (African Sun Limited)</td>
<td>230</td>
</tr>
<tr>
<td>5.13</td>
<td>African Sun Limited Structure</td>
<td>233</td>
</tr>
<tr>
<td>5.14</td>
<td>Eleven years Occupancy Trend</td>
<td>236</td>
</tr>
<tr>
<td>5.15</td>
<td>Average Daily Rate (ADR) on the rise</td>
<td>237</td>
</tr>
<tr>
<td>5.16</td>
<td>RevPar growth</td>
<td>237</td>
</tr>
<tr>
<td>5.17</td>
<td>Revenue contribution and business model</td>
<td>238</td>
</tr>
<tr>
<td>5.18</td>
<td>Rooms Distribution</td>
<td>238</td>
</tr>
<tr>
<td>5.19</td>
<td>Revenue - City Hotels vs Resort Hotels</td>
<td>238</td>
</tr>
<tr>
<td>5.20</td>
<td>Rooms</td>
<td>239</td>
</tr>
<tr>
<td>6.1</td>
<td>Ministry of Environment &amp; Natural Resources Organisation Analysis</td>
<td>256</td>
</tr>
<tr>
<td>6.2</td>
<td>Ministry of Tourism &amp; Hospitality Industry Organisation Analysis</td>
<td>258</td>
</tr>
<tr>
<td>6.3</td>
<td>ME&amp;NR and MT&amp;HI Customer Connection Comparison</td>
<td>260</td>
</tr>
<tr>
<td>6.4</td>
<td>Zimbabwe Tourism Authority Organisation Analysis</td>
<td>261</td>
</tr>
<tr>
<td>6.5</td>
<td>Zimbabwe Council for Tourism Organisation Analysis</td>
<td>262</td>
</tr>
<tr>
<td>6.6</td>
<td>Tourism Bodies Customer Connection</td>
<td>264</td>
</tr>
<tr>
<td>6.7</td>
<td>African Sun Limited Organisation Analysis</td>
<td>265</td>
</tr>
<tr>
<td>6.8</td>
<td>Profit Making Organisations' Customer Connection Comparison</td>
<td>266</td>
</tr>
<tr>
<td>6.9</td>
<td>Human Factor Competency Assessment Tool</td>
<td>267</td>
</tr>
<tr>
<td>6.10</td>
<td>Question 1 Ministry of Environment &amp; Natural Resources</td>
<td>273</td>
</tr>
<tr>
<td>6.11</td>
<td>Question 1 Ministry Tourism &amp; Hospitality Industry</td>
<td>273</td>
</tr>
<tr>
<td>6.12</td>
<td>Question 1 Zimbabwe Tourism Authority</td>
<td>274</td>
</tr>
<tr>
<td>6.13</td>
<td>Question 1 Zimbabwe Council for Tourism</td>
<td>274</td>
</tr>
<tr>
<td>6.14</td>
<td>Question 1 African Sun Limited</td>
<td>274</td>
</tr>
<tr>
<td>Figure</td>
<td>Description</td>
<td>Page</td>
</tr>
<tr>
<td>--------</td>
<td>-----------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>6.15</td>
<td>Question 2 Ministry of Environment &amp; Natural resources</td>
<td>275</td>
</tr>
<tr>
<td>6.16</td>
<td>Question 2 Ministry of Tourism &amp; Hospitality Industry</td>
<td>276</td>
</tr>
<tr>
<td>6.17</td>
<td>Question 2 Zimbabwe Tourism Authority</td>
<td>276</td>
</tr>
<tr>
<td>6.18</td>
<td>Question 2 Zimbabwe Council for Tourism</td>
<td>276</td>
</tr>
<tr>
<td>6.19</td>
<td>Question 2 African Sun Limited</td>
<td>277</td>
</tr>
<tr>
<td>6.20</td>
<td>Question 3 Ministry of Environment &amp; Natural resources</td>
<td>278</td>
</tr>
<tr>
<td>6.21</td>
<td>Question 3 Ministry of Tourism &amp; Hospitality Industry</td>
<td>278</td>
</tr>
<tr>
<td>6.22</td>
<td>Question 3 Zimbabwe Tourism Authority</td>
<td>278</td>
</tr>
<tr>
<td>6.23</td>
<td>Question 3 Zimbabwe Council for Tourism</td>
<td>279</td>
</tr>
<tr>
<td>6.24</td>
<td>Question 3 African Sun Limited</td>
<td>279</td>
</tr>
<tr>
<td>6.25</td>
<td>Question 4 Ministry of Environment &amp; Natural resources</td>
<td>280</td>
</tr>
<tr>
<td>6.26</td>
<td>Question 4 Ministry of Tourism &amp; Hospitality Industry</td>
<td>280</td>
</tr>
<tr>
<td>6.27</td>
<td>Question 4 Zimbabwe Tourism Authority</td>
<td>280</td>
</tr>
<tr>
<td>6.28</td>
<td>Question 4 Zimbabwe Council for Tourism</td>
<td>281</td>
</tr>
<tr>
<td>6.29</td>
<td>Question 4 African Sun Limited</td>
<td>281</td>
</tr>
<tr>
<td>6.30</td>
<td>Question 5 Ministry of Environment &amp; Natural resources</td>
<td>282</td>
</tr>
<tr>
<td>6.31</td>
<td>Question 5 Ministry of Tourism &amp; Hospitality Industry</td>
<td>282</td>
</tr>
<tr>
<td>6.32</td>
<td>Question 5 Zimbabwe Tourism Authority</td>
<td>282</td>
</tr>
<tr>
<td>6.33</td>
<td>Question 5 Zimbabwe Council for Tourism</td>
<td>283</td>
</tr>
<tr>
<td>6.34</td>
<td>Question 5 African Sun Limited</td>
<td>283</td>
</tr>
<tr>
<td>6.35</td>
<td>African Sun Limited Transformational Stages</td>
<td>288</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Definition</td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>------------</td>
<td></td>
</tr>
<tr>
<td>ADR</td>
<td>Average Daily Rate</td>
<td></td>
</tr>
<tr>
<td>AHSSA</td>
<td>Association of Hotel Schools in Sub-Sahara Africa</td>
<td></td>
</tr>
<tr>
<td>AKHSSM</td>
<td>African Kitchen-Hut Strategy and Structure Model</td>
<td></td>
</tr>
<tr>
<td>ANC</td>
<td>African National Congress</td>
<td></td>
</tr>
<tr>
<td>ARGE</td>
<td>Asset Revenue Generating Efficiency</td>
<td></td>
</tr>
<tr>
<td>ARR</td>
<td>Average Room Rate</td>
<td></td>
</tr>
<tr>
<td>ASL</td>
<td>African Sun Limited</td>
<td></td>
</tr>
<tr>
<td>ASPERF</td>
<td>Agricultural Sector Productive Enhancement Facility</td>
<td></td>
</tr>
<tr>
<td>AZTA</td>
<td>Association of Zimbabwe Travel Agents</td>
<td></td>
</tr>
<tr>
<td>BAR</td>
<td>Board of Airline Representatives</td>
<td></td>
</tr>
<tr>
<td>BBC</td>
<td>British Broadcasting Cooperation</td>
<td></td>
</tr>
<tr>
<td>BOAZ</td>
<td>Boat Association of Zimbabwe</td>
<td></td>
</tr>
<tr>
<td>BRICS</td>
<td>Brazil, Russia, China and Spain</td>
<td></td>
</tr>
<tr>
<td>BSC</td>
<td>Balanced Scorecard</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>Customer Focus</td>
<td></td>
</tr>
<tr>
<td>C.E.Os</td>
<td>Chief Executive Officers</td>
<td></td>
</tr>
<tr>
<td>CAMPFIRE</td>
<td>Communal Areas Management Programme For Indigenous Resources</td>
<td></td>
</tr>
<tr>
<td>CAPEX</td>
<td>Capital Expenditure</td>
<td></td>
</tr>
<tr>
<td>CBT</td>
<td>Community Based Tourism</td>
<td></td>
</tr>
<tr>
<td>CC</td>
<td>Conference Centre</td>
<td></td>
</tr>
<tr>
<td>CGC</td>
<td>Corporate-Governance Charter</td>
<td></td>
</tr>
<tr>
<td>CITES</td>
<td>Convention for International Trade in Endangered Species.</td>
<td></td>
</tr>
<tr>
<td>CNN</td>
<td>Cable News Network</td>
<td></td>
</tr>
<tr>
<td>COBRA</td>
<td>Cause of Behaviour Analysis</td>
<td></td>
</tr>
<tr>
<td>COMESA</td>
<td>Common Market for Eastern and Southern Africa</td>
<td></td>
</tr>
<tr>
<td>CSO</td>
<td>Central Statistical Office</td>
<td></td>
</tr>
<tr>
<td>DMO</td>
<td>Destination Management Organisation</td>
<td></td>
</tr>
<tr>
<td>DNA</td>
<td>Deoxyribonuclei Acid Molecule</td>
<td></td>
</tr>
<tr>
<td>EC</td>
<td>European Community</td>
<td></td>
</tr>
<tr>
<td>EIA</td>
<td>Economic Impact Assessment</td>
<td></td>
</tr>
<tr>
<td>EMA</td>
<td>Environmental Management Agency</td>
<td></td>
</tr>
<tr>
<td>EP</td>
<td>Economic Performance</td>
<td></td>
</tr>
</tbody>
</table>
EPO - Economic Performance Outcome
ESAP - Economic Structural Adjustment Programme
ESOK - Eco-tourism Society of Kenya
EU - European Union
F - Financial Perspective
FC - Forestry Commission
FT - From To
GCC - Gulf Cooperation Council
GDP - Gross Domestic Product
GNP - Gross National Product
GNU - Government of National Unity
GOK - Government of Kenya
GoZ - Go Zimbabwe
HAZ - Hospitality association of Zimbabwe
HCIMA - Hospitality and Catering International Management Association
HIV/AIDS - Acquired Immuno-Deficiency Syndrome
HTA - Hospitality Training Academy
IAS - International Accounting Standards
IATA - International Air Transport Association
IBP - Internal Business Process
ICAO - International Civil Aviation Organisation
ICT - Information and Communication Technology
IEEPA - International Emergency Executive Powers Act
IHG - Intercontinental Hotels Group
IMF - International Monetary Fund
ITOZA - Inbound Tour Operators of Zimbabwe
JOMIC - Joint Monitoring and Implementation Committee
KAHC - Kenyan Association of Hotelkeepers and Caterers
KATA - Kenyan Association of Travel Agents
KATO - Kenyan Association of Tour Operators
KES - Kenyan Shillings
KPA - Key Performance Activity
KPIs - Key Performance Indicators
KSFs - Key Success Factors
<table>
<thead>
<tr>
<th>Abbr</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>LG</td>
<td>Learning and Growth</td>
</tr>
<tr>
<td>ME&amp;NR</td>
<td>Ministry of Environment and Natural Resources</td>
</tr>
<tr>
<td>MEA</td>
<td>Multilateral Environmental Agreements</td>
</tr>
<tr>
<td>MICE</td>
<td>Meetings, Incentives, Conferences and Exhibitions.</td>
</tr>
<tr>
<td>MIGA</td>
<td>Multilateral Investment Guarantee Agency</td>
</tr>
<tr>
<td>MT&amp;HI</td>
<td>Ministry of Tourism and Hospitality Industry</td>
</tr>
<tr>
<td>MTC</td>
<td>Mandel Training Centre</td>
</tr>
<tr>
<td>NEC</td>
<td>National Economic Council</td>
</tr>
<tr>
<td>NECF</td>
<td>National Economic Consultative Forum</td>
</tr>
<tr>
<td>NEDPP</td>
<td>National Economic Development Priority Programme</td>
</tr>
<tr>
<td>NEP</td>
<td>National Environmental Policy</td>
</tr>
<tr>
<td>NRM</td>
<td>Natural Resources Management</td>
</tr>
<tr>
<td>NTA</td>
<td>National Tourism Administrations</td>
</tr>
<tr>
<td>NTDMS</td>
<td>National Tourism Development and Marketing Strategy</td>
</tr>
<tr>
<td>NTOs</td>
<td>National Tourism Organisations</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
</tr>
<tr>
<td>PWMA</td>
<td>Parks and Wildlife Management Authority</td>
</tr>
<tr>
<td>Q</td>
<td>Question</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>Research and Development</td>
</tr>
<tr>
<td>RBMS</td>
<td>Results-Based Management Systems</td>
</tr>
<tr>
<td>RETOSA</td>
<td>Regional Tourism Organization of Southern Africa</td>
</tr>
<tr>
<td>RevPar</td>
<td>Revenue per Available Room</td>
</tr>
<tr>
<td>ROCE</td>
<td>Return On Capital Employed</td>
</tr>
<tr>
<td>RTG</td>
<td>Rainbow Tourism Group</td>
</tr>
<tr>
<td>SADC</td>
<td>Southern African Development Community</td>
</tr>
<tr>
<td>SATOUR</td>
<td>South Africa Tourism</td>
</tr>
<tr>
<td>SDN</td>
<td>Specially Designated Nationals</td>
</tr>
<tr>
<td>SB</td>
<td>Strategic Behaviour</td>
</tr>
<tr>
<td>SDI</td>
<td>Spatial Developments Initiatives</td>
</tr>
<tr>
<td>SOPD</td>
<td>Significant Other Performance Drivers</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
</tr>
<tr>
<td>SS</td>
<td>Strategy and Structure</td>
</tr>
<tr>
<td>SSEP</td>
<td>Strategy, Structure and Economic Performance</td>
</tr>
<tr>
<td>SSSOPD</td>
<td>Strategy, Structure. Significant Other Performance drivers</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Full Form</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------</td>
</tr>
<tr>
<td>SWOC</td>
<td>Strength, Weaknesses, Opportunities and Challenges</td>
</tr>
<tr>
<td>SWOT</td>
<td>Strength, Weakness, Opportunities and Threats</td>
</tr>
<tr>
<td>TDZs</td>
<td>Tourism Development Zones</td>
</tr>
<tr>
<td>TFCAs</td>
<td>Trans-Frontier Conservation Areas</td>
</tr>
<tr>
<td>TGS</td>
<td>Tourism Growth Strategy</td>
</tr>
<tr>
<td>TRTF</td>
<td>Tourism Recovery Task Force</td>
</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
</tr>
<tr>
<td>UNWTO</td>
<td>United Nations World Tourism Organisation</td>
</tr>
<tr>
<td>USA</td>
<td>United States of America</td>
</tr>
<tr>
<td>USD</td>
<td>United States Dollar</td>
</tr>
<tr>
<td>WTO</td>
<td>World Tourism Organisation</td>
</tr>
<tr>
<td>WTTC</td>
<td>World Travel and Tourism Council</td>
</tr>
<tr>
<td>YTD</td>
<td>Year to Date</td>
</tr>
<tr>
<td>ZATSO</td>
<td>Zimbabwe Association of Tour and Safari Operators</td>
</tr>
<tr>
<td>ZCT</td>
<td>Zimbabwe Council for Tourism</td>
</tr>
<tr>
<td>ZIDER A</td>
<td>Zimbabwe Democracy and Economic Recovery Act</td>
</tr>
<tr>
<td>ZIVRA</td>
<td>Zimbabwe Vehicle Rental Association</td>
</tr>
<tr>
<td>ZNCC</td>
<td>Zimbabwe National Chamber of Commerce</td>
</tr>
<tr>
<td>ZPHGA</td>
<td>Zimbabwe Professional Hunters and Guides</td>
</tr>
<tr>
<td>ZSE</td>
<td>Zimbabwe Stock Exchange</td>
</tr>
<tr>
<td>ZSL</td>
<td>Zimbabwe Sun Limited</td>
</tr>
<tr>
<td>ZTA</td>
<td>Zimbabwe Tourism Authority</td>
</tr>
<tr>
<td>ZTA CEO</td>
<td>Zimbabwe Tourism Authority Chief Executive Officer</td>
</tr>
<tr>
<td>ZTA’s R&amp;D</td>
<td>Zimbabwe Tourism Authority’s Research and Development</td>
</tr>
<tr>
<td>ZTDC</td>
<td>Zimbabwe Tourism Development Co-operation</td>
</tr>
<tr>
<td>ZWD</td>
<td>Zimbabwean Dollar</td>
</tr>
</tbody>
</table>
Chapter 1

Introduction to the Study

1.0 Introduction

When an organisation decides to alter its business line, it is making a strategic decision whose consequences may alter the fundamental nature of the firm and may involve as well a substantial redeployment of resources and a redirection of human effort (Rumelt, 1974). This relationship between structure and strategy is given (Chandler, 1960), but it is the degree of ‘fit’ between these two variables and any other variables, which command a certain economic performance outcome. An analysis of the “fit” of strategy (Tourism and Hospitality), organizational structure (framework) and significant other performance drivers as determinants of economic performance in the tourism and hospitality industry in Zimbabwe, is the subject of this study.

Basing its analysis on enterprises drawn from the Ministry of Tourism and Hospitality Industry and support ministries, the present investigation sought to enhance existing and advances new tenets in relating the economic performance of an enterprise to the correlation between the strategy and the adopted structural changes made in response to the change in strategy. Organisational failure was equated to position holders in the structure who might have failed to do their jobs. People occupy geometric space and anthropic space guided by the human factor competencies, the Biblical Job’s characteristics, Jethro Solution to Moses and the African Kitchen-hut Strategy and Structure Model. This study rests on these fundamental principles. These theoretical frameworks (human factor competencies, Job characteristics, Jethro Solution to Moses and the African Kitchen-hut Strategy and Structure Model) have weaknesses but form an ideal basis on which to start. The study also investigated performance drivers at play in the ultimate deliverables of an enterprise other than strategy and structure only.
1.1 Background to the Study

Kyi, Findlay, Sundrum, Maung, Nyunt and Oo, (2000) posit that the second half of the twentieth century has been a period of great acceleration in world economic growth, especially in the tourism and hospitality industry. Particularly remarkable, has been the fact that, unlike earlier times, this acceleration was shared by a large number of countries in all parts of the world and at all levels of the economy. Indeed, the poorer countries tended to grow faster than the rich, in order to “catch up” with the latter so that there is even dialogue of a universal convergence to a common high standard of living in all countries. However, in some countries, economic development is rather disappointing in this period.

Particularly noteworthy in this respect, is the case of Zimbabwe. It is a matter of great importance, therefore, to analyse the main factors which have stood in the way of Zimbabwe's participation in the world-wide surge of tourism and hospitality industry’s economic growth in the past quarter of a century, and even more importantly, to devise ways in which the country can overcome these obstacles and achieve a higher rate of economic development.

This study, therefore, sought to think through Zimbabwe’s tourism and hospitality industry as an economic strategy within certain framework (structure), in the long run, taking into account the country’s own historical experience, the changes which have taken place in the outside world, and to investigate the likely scenarios and trends for the future, and thus come up with strategies of what to aim for and an approach and sense of direction for the long term development of Zimbabwe’s leisure industry to achieve positive economic performance. This will give political leaders, both those inside the country who are responsible for designing and carrying out its policies, and those in donor countries abroad who can assist this effort by the scale of their financial and technical assistance.

It is in this sense that the present study will serve as a useful basis for further thought and discussion by all concerned with the future welfare of the people of Zimbabwe. Alexander (2006) contends that half the country’s agricultural land and much of the fertile was designated for the European occupation, while Africans were forced into reserves.
In the 1950’s many were denied land in the rural areas altogether. Great tracts of “white” land remained very visibly untouched twenty years after Zimbabwe gained her independence. In 2000, these tracts of land became the subject of a hotly contested process of land occupation, led by war veterans of Zimbabwe’s liberation war. Settling the land was fundamentally about building and legitimising the State and its success and failures profoundly shaped Zimbabwe’s political allegiances, identities, social relations and economic performance. The partisan violence, international isolation and economic collapse are momentous movements which seemed to underlie as the turning point in Zimbabwe’s history as she battles against economic sanctions imposed on her.

The study also analyses the economic and strategic impacts of sanctions (significant other performance driver), that have been imposed on Zimbabwe, especially on the tourism and hospitality as a sector for economic development using case studies. It then attempts to come up with pragmatic strategies that maybe adopted by the industry and operating structures for survival.

1.2 Statement of the Problem

Wasserman (2008) posit that the strategy-structure-performance (SSP) paradigm has developed a central role within strategy research. Wasserman (2008) explain that the core knowledge required for decision making and the coordination challenges in these firms drive their internal structures and that the degree of strategy-structure fit has important performance implications for those firms. Chandler (1962) makes the point that changes in an organisation's strategy led to new administrative problems which, in turn, required a new or refashioned structure for the successful implementation of the new strategy. Chandler's (1962) key addition to management literature was to connect strategy and structure since a restructuring effort is a result of a change in strategy, a company must first review its strategy then pursue a different structure. The current study extends research in the realm of strategy and structure fit, significant other performance drivers and firm performance outcomes. In doing so, the impact of structure, on the relationship between fit and performance is examined. Geiger, Ritchie and Marlin, (2006) posit that the fit between a firm's strategy and structure is more important with regard to performance for firms. Strategic management research has considered the concepts of strategy and structure and their link with performance for nearly four decades.
Chandler's (1962) work is credited by most to be one of the foundational works proposing linear (and causal) relationships between strategy, structure, and firm performance. Some would argue that the impact of additional environmental influences on the strategy, structure, performance relationship has been underestimated (Engdahl, Keating, & Aupperle, 2000). As Engdahl et al. (2000, 22) suggest: ... the relationship between structure and economic outcomes may or may not be "efficiency" depending upon whether or not the match of structure and strategy is the result of a valid strategy for the environment in question. Specifically, this research centered on the direct influence of the significant other performance drivers on firm performance.

For the purposes of this study, the term significant other performance drivers relates to changing environmental factors which represents the extent to firms perform. The term fit is used extensively in this study and thus it is also important to define this term. Fit in the context of this study refers to the appropriate match between organizational strategy and organizational structure. The current study seeks to shed light on the relationship between fit, significant other performance drivers, and firm performance. Rumelt (1974) also proposed that the fit of strategy and structure is crucial to firm performance (i.e., managers must match, or "fit," the structure of the organization to the strategy in order to obtain a competitive edge). With this research as a foundation, the concept of internal alignment between strategy and structure in the tourism and hospitality industry in Zimbabwe became a primary contingency for firm performance and the researcher developed a model that prescribed ideal type of organization architecture. The primary focus here is that alignment between these different organizational attributes is critical to firm performance for the tourism and hospitality industry in Zimbabwe. Thus, according to theory, firms that more closely resemble an ideal type of organization should outperform those that do not (Engdahl, Keating, & Aupperle, 2000).

With little domestic tourism strategy, Zimbabwe relied on visitors from overseas, a quarter of whom came from the UK and Ireland. In 1999, two million tourists came to visit the country's mountains, forests and game reserves. Spending by tourists generated up to 6% of the country's Gross Domestic Product (GDP) and the industry within the framework of Ministry of Tourism and Environment directly employed around 200,000 people.
Trouble began in 1999 when severe fuel shortages made it difficult for tour operators to guarantee tourists safe travel to and from different places of attractions. The situation worsened in 2000 when the operating structure of tourism seemingly changed as a result of the distribution of land which spilled over into violence. Thousands of Zimbabweans unilaterally proceeded to repossess and occupied over one thousand (mainly white-owned) farms and some exclusive tourist resorts. TV pictures and newspapers reported of murders, brutal beatings and burning of farm buildings. Some governments issued travel warnings, and holiday insurance companies suspended travel cover to tourists travelling to Zimbabwe (ZTA, 2007).

Zimbabwe, a former colony, gained independence from Great Britain in 1980. Issues of economic growth through the relationship between tourism and hospitality industry strategy, and structure spanning from ministries adopted by the government to operators and national tourism bodies have been discussed. Prominent among these discussions were the land reform as a significant other performance driver (SOPD) in tourism and hospitality industry, within a certain framework. On gaining independence in 1980, close to 6000 white commercial farmers occupied 15.5 million hectares or 45% of the most productive land. Small scale, mainly black farming families (8500), had 5% in the drier regions and 700 000 black families occupied the remaining 50% (Moss, 2002). Moss (2002) argues that by 1990 the white farming community still held 80% of the land it owned prior to Zimbabwe’s independence. The Land Acquisition Act was introduced allowing the Government to acquire land. This saw the Government undertaking land redistribution to the indigenous people.

1.3 Research Objectives

This study sought to:

1). Establish the correlation between Strategy (tourism and hospitality), Structure (Framework –Ministries) for positive economic performance outcomes in service firms through studying past experiences;

2). Identify, significant other performance drivers (SOPD) on economic performance of the tourism and hospitality sector and
3). Assess the cumulative impact of significant other performance drivers (SOPD) on economic performance of the tourism and hospitality sector exploring and recommending survival strategies to ameliorate the impact of SOPD on the troubled sector in Zimbabwe.

1.4 Research Questions

1) Is there a possibility that the extent to which strategy is aligned to structure determines the performance outcome of firms?
2) If it does, to what extent does it do so?
3) In spite of the fact that it does, what else could influence the performance outcome of firms in tourism and hospitality industry?

1.5 Research Propositions

P1 – There is a positive relationship between strategy and structure (framework), and the tighter the relationship, the more positive the economic performance outcome in an enterprise.

SP1 – That there is a positive relationship between strategy and structure for economic performance to occur is well documented and accepted, but the relationship is understated.

SP2 - The relationship between strategy and structure is not as simplistic as is usually postulated. There are usual a number of significant other performance drivers (e.g. sanctions).

1.6 Significance of the Study

The study sought to reveal the degree to which the ‘fit’ of strategy (tourism and hospitality) and structure (framework –ministries) influence economic performance of an enterprise and/or country. The study sought to reveal that the relationship between strategy and structure is taken for granted by some organizations while the relationship carries much more import than otherwise realized.

The research sought to unveil significant other performance drivers that are the determinants of economic performance outcome of an enterprise.
This study sought to assess the cumulative impact of SOPD on economic performance within the hospitality and tourism sector, through case studies. It is hoped that by discovering whatever linkages are between strategy, structure and complex significant other factors and economic performance, survival strategies to ameliorate the impact of SOPD on the troubled sector in Zimbabwe, could be identified and established which can contribute to greater effectiveness for individual firms in the tourism and hospitality industry and the economy as a whole. The study can provide a foundation for the situation-specific analysis that is always needed to arrive at good decisions in government policy making and the tourism and hospitality sector.

1.7 Aim of the Study

The study aims to enhance work that has been done on the relationship between economic sanctions and performance with a special focus on the Zimbabwean service enterprises. The research sought to come up with models that ensure that compromised trade, social decline and the environmental degradation suffered during the period are addressed. This study focused therefore, on the relationship between economic sanctions as one of the complex significant other factors to influence a behaviour that ultimately leads to positive or negative performance, where survival strategies’ (basic or primary purpose) are to aid realization of a positive performance.

The service business sector is expected to benefit from this research as it highlights the strengths of having a “merge” or “fit” among strategy, structure and significant other performance drivers to achieve better levels of economic performance outcomes. The study will reveal to organizations that they should not focus on strategy and structure but on other variables that will affect economic performance outcome. The study will also benefit training institutions in terms of the development of more relevant curricula on Strategic Management. Other students pursuing studies on strategy, structure and economic performance (SSEP) will benefit tremendously from this research. The outcome will be of benefit to the Government in terms of how it can create an enabling environment for firms to operate productively in terms of the “fit” of strategy, structure and significant other performance drivers as determinants of economic performance outcome. This research will be of key significance to all Government departments that are being commercialized.
1.8 Scope of Research

To analyse the “fit” between strategy (tourism and hospitality) and structure (ministries) adopted as a determinant of economic performance of tourism and hospitality industry, as a tool for economic development in Zimbabwe, different samples will be drawn from revenue generation ministries in Zimbabwe. Due to complex significant other performance drivers which may have affected tourism business performance, support ministries will also be included in the scope of the research.

1.9 Conceptual Framework

Wikipedia (2008) posits that a conceptual framework is a type of intermediate theory that has the potential to connect to all aspects of inquiry (e.g., problem definition, purpose, literature review, methodology, data collection and analysis). Conceptual framework acts like maps that give coherence to empirical inquiry, and because conceptual framework is potentially so close to empirical inquiry, they take different forms depending upon the research question or problem. Brinkerhoff (2000) conceived that conceptual framework identifies the links among the characteristics that led to sanctions and their resulting influence on tourism and hospitality industry and identify the strategic tool for economic development in Zimbabwe.

Figure 1.1 on the next page, captures, in a schematic diagram, the conceptual framework that the study proposes, bringing together strategy and structure and identifying features of sanctions and the significant other performance drivers/environmental factors, tracing their relationships with each other, and with strategies to ameliorate the impact of sanctions and significant other performance drivers, on performance of tourism and hospitality industry. This figure, like any model, simplifies the analytic and operational terrain. As the figure shows, strategy, structure and SOPD including sanctions, characterized in terms of the three features described below, impacts directly upon economic performance in tourism and hospitality industry and upon the crafting and implementation of strategies to ameliorate the impact of sanctions. These relationships are not unidirectional as indicated in the figure by the two-way arrows.
Strategy:
- Tourism and hospitality

Framework (structure):
- Ministries.
- Facilities Sector
- Transport Sector
- National Tourism Bodies
- Attractions and Activities

Strategy
Crafting and implementation of strategies to attain positive economic performance.

Significant other Performance Drivers/ Environmental Factors:

   a. Prevalence of corruption
   b. Economic mismanagement
   c. Lack of adequate food security
   d. Loss of bread basket status for the region
   e. Failure to maintain infrastructure
   f. Shortage of energy and fuel
   g. Land Reform Programme
   h. Decline of health delivery system

ii). Economic Sanctions against Zimbabwe by:
   a. European Union
   b. United States of America

iii). The enforcement of sanctions:

iv). Tourism in Zimbabwe

Source: Researcher’s own construction
Significant other performance drivers (SOPD) or environmental factors influencing the economic performance of the tourism and hospitality industry may be identified as such factors that may have led to the collapse of the industry. The study will pinpoint and analyse factors with critical mass that have led Zimbabwean tourism and hospitality to collapse as it has. Post – colonial era, agrarian reform, its design, implementation and outcomes, and the governance style seem to be some of the significant other performance drivers/environmental factors as shown in Figure 1.1 on page 9. Howse (1999) argues that these factors combine to configure the economic, institutional, and socio-political context where analysis and action take place. Prior to the start of sanctions, reforms, and the significant other performance drivers constitute an elaboration of initial conditions that will facilitate or constrain the level of economic performance at the outset, and will impinge upon strategy crafting. Once strategic implementation has begun, these significant other performance drivers/environmental factors impact upon support for reform, the implementation process, and eventually upon outcomes. Again, the relationships are not one-way; these variables can exert an influence on the environmental factors too (Brinkerhoff, 2000).

1.10 Data Presentation and Analysis:

In order to enable the researcher to answer the research questions and objectives that are outlined above, the approach that was adopted for the study is discussed briefly below. Both primary and secondary researches were carried out. Desk research was used in examining literature, while empirical research was used in the case studies, which examined the SSSOPD-performance paradigm. The sampling frame comprised the ministries, tourism bodies and registered tourism operator whose details are published in the Zimbabwe Tourism directory. These details enabled the researcher to select the respondents.

A sample of 150 was selected from a population of 300 tourism respondents. Appointments with representative ministries, tourism bodies and organisations were made in person and telephonically. Questionnaires were designed to collect data from various representatives of the tourism sector. The information collected was presented and the researcher applied the following tools when analysing data:

a) statistical methods;
b) graphs;
c) benchmarking;
d) balanced score card;
e) human factor competencies;
f) Jethro Solution to Moses; and
g) The Biblical Job’s Characteristics.

In order to indicate trends in the SSSOPD-performance paradigm, the data were then presented in a user-friendly manner to render it easy to read and interpret results. As most of the stakeholders were assumed to be knowledgeable practitioners in the strategy-structure paradigm, hence they comprised the most ideal sample of the study.

The researcher was of the opinion that, if the possibilities for strategy-structure, significant other performance drivers and performance “fit” are to be appreciated and evaluated meaningfully, the views and ideas of the major players should be recorded and analysed. The pitfalls and prospects of the process could only be appreciated by understanding the views of all the stakeholders that are involved in the tourism and hospitality industry strategy and its implementation. The inclusion of all stakeholders contributed to creating a sense of “unison” which is an important part in strategy discourse. The survey instruments were e-mailed to respondents and some were delivered in person. In order to ensure a high response rate, a reminder was sent out on 5 occasions and the researcher visited the organisations 3 times each.

A response rate of 85% was achieved and it was found to be significant in comparison with research studies that used similar methodologies. The decision to use a variety of respondents was based on the objective of increasing the validity and reliability of the findings. Interview and focus group discussions were conducted with five key informants in the Ministry of Environment and Natural Resources, Ministry of Tourism and Hospitality Industry, Zimbabwe Tourism Authority, Zimbabwe Council for Tourism and African Sun Limited.

Through using grounded-theory approach of analysis, patterns and concepts were identified. Concept cataloguing and the linking of ideas were undertaken and justified. The analysis of data was then executed with the use of Computer programme called Statistical Package for Social Sciences (SPSS). The analysis of the quantitative data was done mostly in the form of frequencies with the use of SPSS.
Due to the size of the sample, some of the tabulation were quantitative in nature, supported by qualitative approach. The quantitative data were separated by means of use of constructs and the researcher then identified any similarities in the data being analysed and related them to the literature and model in order to obtain a thread in drawing conclusions.

The data were analysed using both content and statistical analysis so as to try and bring a holistic understanding. Statistical analysis was used to focus on frequencies of variables of certain constructs and outcome. The scores by respondents on constructs were used to construct graphs which were used for analysis of outcomes. Through content analysis, benchmarking and balanced scorecards outcomes were also used in analysis of the SSSOPD and performance paradigm. Other tools used to analyse the strategy and structure “fit” to achieve a certain level of performance were the Human Factor Competences, in conjunction with the Jethro solution to Moses and the Biblical Job’s Characteristics giving the research fundamental principles.

The methods of analysis were guided largely by classic and contemporary literature. Classic literature refers to the old Biblical versions of Jewish literature which gave certain classic person requirements for the position holders and how they were expected to carry out tasks as given by organisations. Contemporary literature has to do with the human factor approach, the servant-leader approach as discussed elsewhere in this study.

The details of the research methodology are presented in Chapter 4 of this study.

1.11 Limitations

Limitations were those aspects that the researcher encountered in the course of data gathering and these included:

h) Respondents who did not open up. The researcher’s full time job entailed building of contacts in her work and these were utilised to access data. Students who had been taught by the researcher, who are now employed in various capacities in the tourism and hospitality sector were also utilised to get data where targeted respondents would not open up;
i) Denial by authorities to the researcher to have access to sources of data. The researcher built relationships with Personal Assistants who were then exploited to access data;

j) Financial constraints - the researcher had problems in acquiring funds to facilitate costs associated with research studies. The researcher took up part-time jobs to augment salary in order to meet the entailed expenses. Well-wishers also assisted the researcher in cash and in kind;

k) Corporate confidentiality – Due to ethical considerations, some of the critical data were very difficult to obtain, and sometimes impossible to access as some respondents gave reasons that data is of confidential nature. The researcher requested for support letters of confirmation of the study from the Faculty of Commerce indicating that data was required for academic purposes. These letters were then used to access the confidential information;

l) Insufficient time as the researcher is employed full time. The researcher took leave frequently to facilitate time for the completion of the study.

The researcher also learnt that relationship building is a must when conducting research that one had to be tenacious in order to complete the study. The researcher also learnt to listen with an open mind and that one needed to be principled in carrying out research of this nature. The researcher also learnt not to accept no as an answer, gaining vast knowledge in sociology and business studies and that organisations can be turned around with the right skills occupying both geometric and anthropic space. The venues for interview and focus group discussions were well chosen to facilitate respondents’ opening up.

1.12 Concepts and Definition of Key Terms:

a) Strategy:

Mintzberg (et al: 1991) posed the question, “…what is strategy anyway?” and goes further to explain that, “…there is no single, universally accepted definition” of this term. Different authors and executives use the term differently and the following are some of the definitions:

i. Grant (2002) defines strategy as the unifying framework that gives coherence and direction to the individual decisions of an organization or person. He states that the primary purpose of strategy is to confer success through guiding management decisions towards establishing and sustaining competitive advantage for the firm.
ii. Chandler (1960) defines strategy as the determination of the basic long-term goals and objectives of an enterprise and the adoption of courses of action and the allocation of resources necessary for the carrying out of these goals.

iii. Mintzberg (et al 1998: 9-15) defines strategy as, “…a plan…a pattern …a position, and as …a perspective.”

In this research, strategy is defined as a plan, a pattern, a position and a perspective that gives coherence and direction to the individual decisions of an organisation. The primary purpose of the strategy is to confer success through guiding management decisions towards establishing and sustaining competitive advantage of the firm.

b) Structure

i. Chandler (1960: 4) defines structure as,…the design of an organization through which the enterprise is administered. This design whether formally or informally defined has two aspects; it includes first, the lines of authority and communication between the different administrative offices and second, the information and data flow through these lines of communication and authority…such lines and such data…necessary in carrying out goals and policies and knitting together the total resources of the enterprise.

ii. Robins (2000) asserts that, just as humans have skeletons that define their shapes, organizations have structures that define theirs.

iii. Galbraith (1995: 13) contends that …the structure of the organization determines the placement of power and authority in the organization.

Structure, in this research, is defined as…the architecture of an organization through which the enterprise is administered. This design whether formally or informally defined has three aspects; it includes first, the lines of authority and communication between the different administrative offices and second, the information and data flow through these lines of communication and authority…such lines and such data…necessary in carrying out goals and policies and knitting together the total resources of the enterprise and thirdly, the structure confers the allocation of resources.
c) Economic Performance

Wonnacott (et al: 1990) define economic performance as the effective and efficient utilization of resources. Elements such as economic efficiency, economic growth and economic profit are also eclipsed in the term.

i. Economic Efficiency is the relationship between the input of scarce resources and the resulting output of goods or services: production of an output with a specific dollar-and-cents value with the smallest total expenditure for resources, obtaining the largest total production of a good or service with resources of a specific dollar-and-cents value (Wonnacott et al: 1990).

ii. Growth is the increase in production possibilities schedule that results from an increase in resource, or an improvement in technology, or an increase in the number of workers and in their skills and educational levels (Wonnacott et al: 1990).

iii. Wonnacott (et al: 1990) defines Economic profit is the total revenue of a firm less all economic costs; also called, “pure profit” or “above normal profit.”

d) Commercialization:

The process of transforming a government department into a business enterprise while maintaining a balance on core business and cost recovery systems so that affordability, accessibility and quality of products and services are not compromised (Adapted from Oxford Dictionary, 2006).

e) Ceteris paribus:

The term means all things being equal (Wonnacott et al: 1990).

f) Benchmarking:

Fisher (1996) defines benchmarking as the examination of critical activities of a business and comparing the business performance in critical areas with performance of other business.
g) Balanced scorecard:
This is a method of appraising business performance through a blend of various financial and non-financial performance measures (Kaplan and Norton, 2004).

h) Competitive advantage
Porter (1980, 1985) defines competitive advantage as anything which gives one organization an edge over its rivals in the product it sells or the services it offers.

i) Competing firms
Grant (2002) states that when two firms compete i.e. when they locate within the same market and are capable of supplying the same customers, one firm posses a competitive advantage over the other when it earns a higher rate of profit or has the potential to earn a higher rate of profit.

j) Tourism
Comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes (UNWTO, 2009).

k) Inbound Tourism
Involves the non-residents travelling to another country from the point of view of the country of origin (UNWTO, 2009).

l) Outbound Tourism
Involves residents travelling to another country from the point of view of the country of origin (UNWTO, 2009).

m) Domestic Tourism
UNWTO (2009) defines domestic tourism as involving residents of a given country travelling within that country.
n) Visitors
All types of travellers engaged in tourism are described as visitors. Visitors can be distinguished as same-day visitors or tourists (overnight visitors) (UNWTO, 2009).

1.13 Structure of the Study
Chapter 1 saved as the introductory chapter detailing the impetus for the investigation and provided the rationale for undertaking the research. Chapter 1 presented the structure and organization of the thesis, i.e. a brief outline of each Chapter as illustrated in Figure 1.2 on the next page.
Figure 1.2: Structure of the Study.

Chapter 1
Introduction, background and orientation of the study

Chapter 2
Literature review

Chapter 3
Strategy and structure literature and contribution through the African Kitchen Hut Strategy & Structure Model.

Chapter 4
Research methodology

Chapter 5
Research findings, an empirical investigation with stakeholders on strategy, structure and economic performance

Chapter 6
Analysis/discussions of the findings.

Chapter 7
Recommendations and conclusions.

Source: Researcher’s Construction 2010.
Chapter 1 is an introductory chapter. It focuses on the background and orientation of the study as well as the research problem. The purpose and objectives of the study are outlined. This is followed by a brief description of the methodology employed in this study. The significance of the study is also discussed.

Chapter 2 presents a review of the literature on the framework of strategy, structure, significant other performance drivers and performance. The chapter reviews literature on international practices in respect to the SSSOPD and performance paradigm. It also reviews international approaches, best practices and trends regarding SSSOPD and performance. Chapter 3 deals with an organisation architecture model, the African Kitchen-Hut Strategy and Structure Model and the tourism and hospitality industry.

Chapter 4 outlines the research methodology, approaches, research methods which are survey method, case study method and participant observation method, population, data collection instruments and data analysis. Chapter 5 presents the results of the empirical study, which seeks to build on the key elements and outcomes of chapters 1, 2, 3 and 4 in order to contextualise the SSSOPD and performance paradigm. Chapter 6 deals with the discussion and analysis of findings buttressing the Model presented in chapter 3. Chapter 7 provides a synthesis of the study and presents conclusions, provides stakeholders with recommendations and areas of further research.

1.14 Conclusion

This chapter focused on the introduction of the study, which provided an overview of the research. It was followed by an exposition of the background to the study, which outlined the events that led to the problem under investigation. Thereafter a statement of the problem was presented to highlight the focus of the study. In order to achieve the stated objectives, three key questions were posed. This was followed by the research propositions, significance of the study and scope of the research. A research framework was developed in order to direct the research process. A brief synopsis of methodology was presented followed by limitations that the researcher encountered and finally concepts and definition of key terms were articulated.

The next chapter is going to look at literature review.
Chapter 2

Literature Review: Overview of the world Tourism and Hospitality Industry

2.0 Introduction

Bennet (1995) states that world–wide, there is a swing towards a service economy, away from the traditional industrial and agricultural sector, tourism being on the forefront of this shift. The tourism and hospitality industry is a very dynamic and challenging one covering a wide range of businesses and activities as indicated in Figure 2.1 below:

Figure 2.1: Structure of International and Domestic Tourism.


These businesses are by no means homogeneous and are of a symbiotic relationship in nature. The tourism product becomes an amalgam of many components of the destination and invariably the study analyses the economy of Zimbabwe in its entirety looking at how the different activities and the country’s previous history could have impacted on the imposition of sanctions against Zimbabwe and how this subsequently affects the economic performance of the tourism and hospitality sector.
2.1 Historical Perspective of World Tourism and Hospitality Industry

UNWTO January (2003) posits that the substantial growth of the tourism activity clearly marks tourism as one of the most remarkable economic and social phenomena of the past century. The number of international arrivals shows an evolution from a mere 25 million international arrivals in 1950 to an estimated 806 million in 2005 as shown in Figure 2.2 below, corresponding to an average annual growth rate of 6.5%. The overall export income generated by these arrivals (international tourism receipts and passengers transport) grew at a similar pace, outgrowing the world economy, exceeding US$1 Trillion in 2007, or almost US$ 3 Billion a day. While, in 1950, the top 15 destinations absorbed 98% of all international tourist arrivals, in 1970 the proportion was 75% and this fell to 57% in 2007, reflecting the emergence of new destinations, many of them in developing countries. During this period, development was particularly strong in Asia and the Pacific (13% on average a year) and in the Middle East (10%) while the Americas (5%) and Europe (6%), grew at a slower pace and slightly below the world's average growth.

New destinations are steadily increasing their market share while more mature regions such as Europe and the Americas tend to have less dynamic growth. The world share for Europe declined by over 10 percentage points since 1950 whereas the Americas lost 13 percentage points (UNWTO, 2003). Though the Americas' performance has been most affected by the declines suffered in the past years, the fact is that its annual average growth rate for the period 1950-2000 was 5.8%, also below the average for the world (6.8%). Europe and the Americas were the main tourist-receiving regions between 1950 and 2000. Both regions represented a joint market share of over 95% in 1950, 82% forty years later and 76% in 2000 (UNWTO, 2003).
UNWTO OMT IOHBTO (2008) advances that over time; more and more destinations have opened up and invested in tourism development, turning modern tourism into a key driver for socioeconomic progress. Tourism has become one of the major international trade categories. Today, the export income, as shown by volumes on inbound tourists and subsequent income in Figures 2.3 and 2.4 on the next page, generated by international tourism ranks fourth after fuels, chemicals and automotive products (UNWTO, 2007). For many developing countries, it is one of the main sources of income and the number one export category, creating much needed employment and opportunities for development.
Figure 2.3: Inbound Tourism 1990-2007

![Inbound Tourism 1990-2007](image)


Figure 2.4: Inbound Tourism by Month

![Inbound Tourism by Month](image)

2.1.1 Long-term prospects

Tourism 2020 Vision is the World Tourism Organization’s long-term forecast and assessment of the development of tourism up to the first 20 years of the new millennium as shown in Figure 2.5 below. An essential outcome of the Tourism 2020 Vision, are quantitative forecasts covering a 25 years period, with 1995 as base year and forecasts for 2010 and 2020. Although the evolution of tourism in the last years has been irregular, UNWTO maintains its long-term forecast for the moment. The underlying structural trends of the forecast are believed not to have significantly changed. Experience shows that in the short-term, periods of faster growth (1995, 1996, 2000, and 2004 to 2007) alternate with periods of slow growth (2001 to 2003). And, the actual pace of growth is in reality in line with the Tourism 2020 Vision forecast as international tourist arrivals show an average growth of 4.2% between 1995 and 2007 (UNWTO, 2007).

Figure 2.5: International Tourist Arrivals 1950-2020

UNWTO’s Tourism 2020 Vision forecasts that international arrivals are expected to reach nearly 1.6 billion by the year 2020. Of these worldwide arrivals in 2020, 1.2 billion will be intraregional and 378 million will be long-haul travellers. The total tourist arrivals by region shows that by 2020 the top three receiving regions will be Europe (717 million tourists), East Asia and the Pacific (397 million) and Americas (282 million), followed by Africa, the Middle East and South Asia.
East Asia and the Pacific, South Asia, the Middle East and Africa are forecasted to record growth at rates of over 5% per year, compared to the world average of 4.1%. The more mature regions, Europe and Americas, are anticipated to show lower than average growth rates. Europe will maintain the highest share of world arrivals, although there will be a decline from 60% in 1995 to 46% in 2020 as shown in Table 2.1 below (UNWTO, 2007).

Table 2.1: Tourist Arrivals 1995-2020

<table>
<thead>
<tr>
<th>Region</th>
<th>Base Year 1995 (Million)</th>
<th>Forecasts 2010 (Million)</th>
<th>Forecasts 2020 (Million)</th>
<th>Market share (%) 1995</th>
<th>Market share (%) 2020</th>
<th>Average annual growth rate (%) 1995-2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>565</td>
<td>1006</td>
<td>1561</td>
<td>100</td>
<td>100</td>
<td>4.1</td>
</tr>
<tr>
<td>Africa</td>
<td>20</td>
<td>47</td>
<td>77</td>
<td>3.6</td>
<td>5.0</td>
<td>5.5</td>
</tr>
<tr>
<td>Americas</td>
<td>110</td>
<td>190</td>
<td>282</td>
<td>19.3</td>
<td>18.1</td>
<td>3.8</td>
</tr>
<tr>
<td>East Asia and the Pacific</td>
<td>81</td>
<td>190</td>
<td>397</td>
<td>14.4</td>
<td>25.4</td>
<td>6.5</td>
</tr>
<tr>
<td>Europe</td>
<td>336</td>
<td>527</td>
<td>717</td>
<td>59.8</td>
<td>45.9</td>
<td>3.1</td>
</tr>
<tr>
<td>Middle East</td>
<td>14</td>
<td>36</td>
<td>69</td>
<td>2.2</td>
<td>4.4</td>
<td>6.7</td>
</tr>
<tr>
<td>South Asia</td>
<td>4</td>
<td>11</td>
<td>19</td>
<td>0.7</td>
<td>1.2</td>
<td>6.2</td>
</tr>
</tbody>
</table>

Source: UNWTO, 2007

Long-haul travel worldwide will grow faster, at 5.4% per year over the period 1995-2020, than intraregional travel, at 3.8%. Consequently the ratio between intraregional and long-haul travel will shift from around 82:18 in 1995 to close to 76:24 in 2020.

2.2 Structure Used by UNWTO

UNWTO (2003) adopted strata of regions, sub-regions and the countries that fall under those regions in terms of tourism data collection and comparison as shown in Table 2.2 below. Within each country, sub-structures are adopted by individual countries to reflect implementation of its tourism strategy incorporating public sectors (national tourism organisations, national tourist offices, regional and international tourist offices, visa/passport offices etc.) and commercial sectors (producers which include carriers, accommodation, attractions, support services inclusive of marketing, trade press, tour guide services etc., and intermediaries such as tour operators and travel agencies). It is the relationship of the tourism strategy and structures adopted by individual countries that may define the performance of the sector (Rumelt, 1974).
Laws (1995) motivates that tourism plans at the national level are mainly indicative of aspirations of a nation and National Tourism Organisations (NTOs) have limited ability to control their implementation and this has resulted in a few countries that have been in a position to follow strategy or policy regarding tourism development (WTO, 1980). WTO (1980) argue that the initial problem lies in that, the NTOs’ limited control of tourism planning is the relative autonomy of governments, although this varies from country to country, hence the differences in performances. Overall, the NTO’s status reflects the established political and administrative frameworks, boundaries and divisions of power in a particular country, and its goals are derived from broader government policies (Paddison, 1983). It is apparent from Figure 2.6 on the next page, that development decisions are reached from a variety of political backgrounds. Wanhill (1987) has found varying degrees of awareness of tourism among governmental representatives. Laws (1995) posits that level of complexity arises because managers involved in destination development have differing, even conflicting interests and approaches. Public sector managers would generally espouse long-term, socially responsible attitudes and value conditioned to their training, while “their freedom to determine developments, is limited because their role is to interpret policy handed down to them by elected members of government, within the legislative guidelines” (Laws, 1995: 149).
Hall and Jenkins (1995) argue that the extent of the state’s role in tourism varies according to the conditions and circumstances peculiar to each country (polito-economic-constitutional system, socio-economic development, degree of tourism development). Tourism is being promoted at all levels of government in Canada, the United Kingdom, the USA, Kenya, Cuba and Sri Lanka etc. (Harrison, 1992). Institutional structures and their role are significant for tourism (Laws, 1995).
<table>
<thead>
<tr>
<th>Region</th>
<th>Sub-regions</th>
<th>Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>North Africa</td>
<td>Algeria, Morocco, Sudan, Tunisia</td>
</tr>
<tr>
<td></td>
<td>West Africa</td>
<td>Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo</td>
</tr>
<tr>
<td></td>
<td>Central Africa</td>
<td>Angola, Cameroon, Central African Republic, Chad, Congo, Democratic Republic of Congo, Equatorial Guinea, Gabon, Sao Tomé e Principe</td>
</tr>
<tr>
<td></td>
<td>East Africa</td>
<td>Burundi, Comoros, Djibouti, Eritrea, Etiopía, Kenya, Madagascar, Malawi, Mauritius, Mozambique, Reunion, Rwanda, Seychelles, Tanzania, Uganda, Zambia, Zimbabwe</td>
</tr>
<tr>
<td></td>
<td>Southern Africa</td>
<td>Botswana, Lesotho, Namibia, South Africa, Swaziland</td>
</tr>
<tr>
<td>Americas</td>
<td>North America</td>
<td>Canada, Mexico, United States</td>
</tr>
<tr>
<td></td>
<td>Caribbean</td>
<td>Anguilla, Antigua Barbuda, Aruba, Bahamas, Barbados, Bermuda, Bonaire, British Virgin Islands, Cayman Islands, Cuba, Curacao, Dominica, Dominican Republic, Grenada, Guadeloupe, Haiti, Jamaica, Martinique, Montserrat, Puerto Rico, Saba, Saint Lucia, St. Eustatius, St.Kitts-Nevis, St. Maarten, St.Vincent, Grenadines, Trinidad Tobago, Turks and Caicos, US Virgin Islands</td>
</tr>
<tr>
<td></td>
<td>Central America</td>
<td>Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama</td>
</tr>
<tr>
<td></td>
<td>South America</td>
<td>Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, French Guyana, Guyana, Paraguay, Peru, Suriname, Uruguay, Venezuela</td>
</tr>
<tr>
<td>Region</td>
<td>Countries</td>
<td></td>
</tr>
<tr>
<td>--------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Asia and the Pacific</td>
<td>North-East Asia: China, Hong Kong (China), Japan, Democratic people's republic of Korea, Republic of Korea, Macao (China), Mongolia, Taiwan (pr. of China)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>South-East Asia: Brunei Darussalam, Cambodia, Indonesia, Lao P.D.R., Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam</td>
<td></td>
</tr>
<tr>
<td></td>
<td>South Asia: Afghanistan, Bangladesh, Bhutan, India, Iran, Islamic Republic of, Maldives, Nepal, Pakistan, Sri Lanka</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Oceania: American Samoa, Australia, Cook Islands, Fiji, French Polynesia, Guam, Kiribati, Marshall Islands, Micronesia (Fed.St.of), North Mariana Islands, New Caledonia, New Zealand, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu</td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>Northern Europe: Denmark, Finland, Iceland, Ireland, Norway, Sweden, United Kingdom</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Western Europe: Austria, Belgium, France, Germany, Liechtenstein, Luxembourg, Monaco, Netherlands, Switzerland</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Central and Eastern Europe: Armenia, Azerbaijan, Belarus, Bulgaria, Czech Republic, Estonia, Former U.S.S.R., Georgia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Poland, Rep Moldova, Romania, Russian Federation, Slovakia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Southern Europe: Albania, Andorra, Bosnia Herzegovina, Croatia, F.Yug.Rp. Macedonia, Greece, Italy, Malta, Portugal, San Marino, Serbia &amp; Montenegro, Slovenia, Spain</td>
<td></td>
</tr>
<tr>
<td></td>
<td>East Mediterranean Europe: Cyprus, Israel, Turkey</td>
<td></td>
</tr>
</tbody>
</table>
Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libyan Arab Jamahiriya, Oman, Palestine, Qatar, Saudi Arabia, Syrian Arab Republic, United Arab Emirates, Yemen

Source: UNWTO, 2003

2.3 Performance Experiences in Tourism of Successful and Less Successful Regions, 1975-2003

World Tourism Organisation (2003) postulates that tourism demand depends above all, strongly on the economic conditions in major generating markets. When economies grow, levels of disposable income will usually also rise. A relatively large part of discretionary income will typically be spent on tourism, in particular in the case of emerging economies. A tightening of the economic situation on the other hand, will often result in a decrease or trading down of tourism spending. In general, the growth of international tourism arrivals significantly outpaces growth of economic output as measured in Gross Domestic Product (GDP). In years when world economic growth exceeds 4%, the growth of tourism volume tends to be higher. When GDP growth falls below 2%, tourism growth tends to be even lower and GDP at 3.5%, i.e. tourism grew on average 1.3 times faster than GDP. The period 1975-2000 tourism increased at an average rate of 4.6% a year as shown in Figure 2.7 below.

Figure 2.7: Economic Growth (GDP) and International Tourist Arrivals.

WTO World Tourism Barometer January (2003) explains that international tourism for 2001 and 2002 was reigned by a combination of an overall weak economy and a high level of uncertainty because of the struggle against terrorism and the looming Iraq conflict. The global economic downturn following the boom and the bubble of the late nineties put pressure on expenditure resulting in increased price sensitivity in general and cost cutting on business travel in particular. The terrorist attacks of September 11, 2001 added a huge amount of uncertainty to this already difficulty climate. The subsequent war on terrorism and the tension resulting from the threat of an intervention in Iraq prolonged this uncertainty even more. For tourism, these abrupt changes of conditions resulted not so much in a decrease in overall volume but, above all, shifts in demand towards trips to familiar destinations. Consumers adopted a wait-and-see attitude, with late bookings as a result. Many sectors went and are still going through a difficult time, in particular airlines and all sectors dependent on long-haul traffic (WTO, 2003).

WTO World Tourism Barometer June (2003) argues that the geopolitical situation had become more relaxed in 2003 producing conducive conditions for international tourism to improve in tandem as reflected in tourism trends results that international tourism might be at a turning point though the effect of Iraq conflict and SARS show declining numbers. Though the world economy was weak, WTO World Tourism Barometer January, (2003) expected performance to improve. The improvement in tourism performance in the second half of 2003 was attributed to gradual improvement of the economic conditions, the reduction of uncertainty as a result of the relaxation of international tensions and the waning of SARS, however, late reservations and a noticeable price sensitivity were expected to persist (WTO World Tourism Barometer June, 2003). In response to this unfavourable climate, tourism businesses have maintained the strategy of giving priority to profitability over volume growth already put into action after 11 September 2001. The focus has been on strict cost management, a reorientation of activities towards more profitable products and markets and a broadening of flexibility in supply in order to be able to respond quickly to the changing desires of their clients and the evolution of the market. The offer of open and modular packages has been increased as well as the use of other accommodation than hotels. This process has been accelerated by the growing weight of advanced information and communication technology as a source of information and sales, in particular the internet and call centres.
National Tourism Administrations (NTA) had backed the sector with action plans in several areas such as communication, promotion and marketing. In selective cases, support has been given to tourist companies, with the criteria of effectiveness and collaboration with the private sector. At the end of 2002, a good part of the NTA’s, like many tourism companies, established contingency plans anticipating events that could interfere in the normal development of the sector (UNWTO, 2003).

WTO World Tourism Barometer January (2004) advocate that in 2003 international tourism lived through another considerably difficult year in which three negative factors came together: the Iraq conflict, SARS and persistently weak economy. The Iraq conflict and the preceding high level of uncertainty depressed worldwide travel in the first quarter of the year. The unexpected outbreak of SARS brought the steady growth of Asia and the Pacific temporarily to an abrupt halt, causing many destinations in the region to welcome less than half of their usual number of arrivals in the months of April and May. With the long-awaited economic recovery only starting to become visible in the fourth quarter, the state of the economy did not help much either to stimulate tourism demand. Although conditions improved notably throughout the year, and positive figures generally started to return in the second half of 2003, recovery was not sufficient to save the year for all destinations.

For 2003, international tourist arrivals slid back by a bit more than 1% to 694 million corresponding to a contraction of some 8.6 million arrivals on the 2002 volume of 703 million. This result is closely linked to the unexpected drop by 12 million arrivals (-9%) suffered by Asia and the Pacific due by the SARS panic. Furthermore, the Americas also recorded a decrease (-2%), while Europe just consolidated its 2002 figure (0%). Finally, the Middle East and Africa recovered quickly during the year and have in the end not notably been affected by last year’s adverse conditions. They actually recorded the best results of all regions, with estimated increase of 10% and 5% respectively, as shown in Figure 2.8 below (UNWTO, 2004).
2.3.2 Tourism Performance 2004

WTO World Tourism Barometer January (2004) posits that on the level of sub-regions, a number of interesting reversals in trend were noted. Whereas the previous top performers North-East Asia (-9%) and South East Asia (-15%) suffered severe losses, South Asia (+17%) made a strong come back after two difficult years. Oceania (-2%) also reversed sign, but with a lesser contrast. South America (+14%) and the Caribbean (+8%) rebounded strongly on the negative figures of the past two years. North America on the other hand was the only sub-region to record a loss (-7%) for the third year in a row. In Europe it were Eastern Europe and Southern/Mediterranean Europe that felt the effects of the combination of a weak economy – with some of the major European source markets in or close to recession – and the strong Euro. As a result, international tourist arrivals to Western Europe declined by 1%, while Southern Europe, that until now had been virtually untouched by 11 September and its aftermath, closed the year just flat (WTO World Tourism Barometer October, 2004).

Low-cost airlines continued their advance, most notably in Europe. According to international transport and tourism consultancy Airclaims low-cost carriers represented in 2003 11% of the seat capacity offered within Europe, up from 5% in 2000, while in the UK market the percentage already reached 31% up from 11% in 2000. WTO World Tourism Barometer January (2004) argue that 2004’s results are the second time since 11 September that tourism worldwide declined, as shown in Table 2.3 on page 35.
In 2001 the number of international tourist arrivals decreased by 0.5%, while 2002 closed with a modest increase of 2.7%. Comparing the current number of international tourist arrivals with the “millennium” top year 2000, worldwide still a net increase remained at 7 million arrivals (+1%). Except for the Americas, the evolution has been positive in all regions, although only very modestly in the case of Europe (+2%) and Asia and the Pacific (+3%). The real surprise was the extraordinary performance of the Middle East, gaining 6.5 million international tourist arrivals (+27%). In spite of difficult conditions, countries in the region such as the United Arab Emirates, Saudi Arabia, Egypt, Syria, Jordan, Lebanon and Oman consistently succeeded to improve results, not in the least helped by strong intra-regional demand (WTO World Tourism Barometer June, 2004).

The big looser in terms of tourism volume was North America, accumulating a loss over three years of 15 million arrivals (-17%). The United States, as both major inbound destination and outbound market in the Americas, was still seriously struggling to overcome the impact of 11 September and the subsequent war on terrorism. Although there were gradual signs on improvement, for instance the rebound observed in the Caribbean, full recovery was still way off. The second most affected sub-region of the events of the past three years is Western Europe with an accumulated loss of 3.8 million arrivals (-3%). Main wrongdoers here have been the loss of long-haul traffic from the Americas and from Asia as well as the weak economy in the region (UNWTO, 2004).
Table 2.3: International Tourist Arrivals by Sub-Region

<table>
<thead>
<tr>
<th>Year</th>
<th>World</th>
<th>Europe</th>
<th>Asia and the Pacific</th>
<th>Americas</th>
<th>Africa</th>
<th>Middle East</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>455.9</td>
<td>280.6</td>
<td>57.7</td>
<td>93.0</td>
<td>15.0</td>
<td>9.7</td>
</tr>
<tr>
<td>1995</td>
<td>550.4</td>
<td>322.3</td>
<td>85.6</td>
<td>108.8</td>
<td>93.0</td>
<td>20.0</td>
</tr>
<tr>
<td>2000</td>
<td>687.3</td>
<td>392.7</td>
<td>115.3</td>
<td>128.0</td>
<td>108.8</td>
<td>27.4</td>
</tr>
<tr>
<td>2001</td>
<td>684.1</td>
<td>390.8</td>
<td>121.1</td>
<td>120.2</td>
<td>120.2</td>
<td>28.3</td>
</tr>
<tr>
<td>2002</td>
<td>702.6</td>
<td>399.8</td>
<td>131.3</td>
<td>114.9</td>
<td>114.9</td>
<td>29.1</td>
</tr>
<tr>
<td>2003</td>
<td>694.0</td>
<td>401.5</td>
<td>119.1</td>
<td>112.4</td>
<td>112.4</td>
<td>30.5</td>
</tr>
<tr>
<td>2000</td>
<td>00/99</td>
<td>100</td>
<td>15.6</td>
<td>19.8</td>
<td>19.8</td>
<td>3.6</td>
</tr>
<tr>
<td>2001</td>
<td>100</td>
<td>100</td>
<td>17.2</td>
<td>16.2</td>
<td>16.2</td>
<td>2.8</td>
</tr>
<tr>
<td>2002</td>
<td>6.8</td>
<td>-0.5</td>
<td>16.1</td>
<td>4.9</td>
<td>4.9</td>
<td>4.4</td>
</tr>
<tr>
<td>2003</td>
<td>-5</td>
<td>2.7</td>
<td>17.3</td>
<td>-6.1</td>
<td>-6.1</td>
<td>-4.4</td>
</tr>
<tr>
<td>2000</td>
<td>0.0</td>
<td>-1.2</td>
<td>17.3</td>
<td>-4.4</td>
<td>-4.4</td>
<td>-2.1</td>
</tr>
<tr>
<td>2001</td>
<td>0.4</td>
<td>4.2</td>
<td>17.2</td>
<td>-2.5</td>
<td>-2.5</td>
<td>-3.2</td>
</tr>
<tr>
<td>2002</td>
<td>3.4</td>
<td>0.6</td>
<td>16.9</td>
<td>-3.6</td>
<td>-3.6</td>
<td>-1.5</td>
</tr>
<tr>
<td>2003</td>
<td>8.8</td>
<td>9.6</td>
<td>16.1</td>
<td>-2.6</td>
<td>-2.6</td>
<td>-1.2</td>
</tr>
<tr>
<td>2000</td>
<td>2.2</td>
<td>6.7</td>
<td>17.4</td>
<td>-1.4</td>
<td>-1.4</td>
<td>-1.0</td>
</tr>
<tr>
<td>2001</td>
<td>0.7</td>
<td>1.0</td>
<td>17.8</td>
<td>-1.4</td>
<td>-1.4</td>
<td>-1.0</td>
</tr>
<tr>
<td>2002</td>
<td>3.4</td>
<td>4.4</td>
<td>18.8</td>
<td>-1.1</td>
<td>-1.1</td>
<td>-1.0</td>
</tr>
<tr>
<td>2003</td>
<td>7.2</td>
<td>13.6</td>
<td>18.8</td>
<td>-1.1</td>
<td>-1.1</td>
<td>-1.0</td>
</tr>
<tr>
<td>2000</td>
<td>10.2</td>
<td>24.0</td>
<td>27.6</td>
<td>30.4</td>
<td>13.0</td>
<td>9.5</td>
</tr>
<tr>
<td>2001</td>
<td>10.3</td>
<td>23.6</td>
<td>27.6</td>
<td>25.4</td>
<td>13.0</td>
<td>6.5</td>
</tr>
<tr>
<td>2002</td>
<td>10.3</td>
<td>27.6</td>
<td>30.4</td>
<td>4.4</td>
<td>13.0</td>
<td>27.0</td>
</tr>
</tbody>
</table>

Source: World Tourism Organisation. Data as collected by WTO January 2004
WTO World Tourism Barometer January (2005) presents that tourism evolution has been very positive overall in 2004, as confirmed by the data collected from the various destinations and source markets and also the evaluation made by the WTO Panel of Tourism Experts. Travel confidence returned robustly. The world economy finally bounced back extraordinarily and experienced the highest growth since 1976. SARS was not a problem anymore and the geopolitical situation had much impact than before. However, just before the end of the year the world was shocked by the sad news and images of the seaquake and the following tsunami in the Indian Ocean affecting the northern provinces of the Indonesian island of Sumatra, the Maldives, the eastern coast of Sri Lanka and India, the Andaman and Nicobar Islands, the west coast of Thailand and to a lesser extent Malaysia, Myanmar, Bangladesh, Somalia, Tanzania, Kenya and Seychelles.

WTO World Tourism Barometer January (2005) posits that 2004 was unquestionably a better year than 2003. On a scale from 1 (much worse) to 5 (much better), WTO Panel of Experts evaluated 2004 with an average of 3.9 when compared to a 3.4 ratio from 2003. According to the estimates by WTO based on monthly data or preliminary full-year results available in January 2005, international tourist arrivals reached an all-time record of 760 million, corresponding to an increase by 10%. The last time a comparable percentage had been recorded was 20 years ago in 1984, when international tourism recovered from the persistently weak economy of the early 1980s due to the second oil crisis. After three years of stagnant growth, international tourism experienced a spectacular rebound in 2004 with the great majority of destinations reporting positive results and many breaking records. The recovery of the world economy, and in particular the economies of major American and European generating markets, together with the strength of the Asian economies, strongly contributed to the very good results of tourism in 2004. Fears of the impact of the oil prices were by and large offset as time went by and such increases were absorbed by the economy, not affecting consumer confidence (WTO World Tourism Barometer in January 2005).

Growth peaked in the first half of the year as a reaction to the negative figures in the same period in 2003 due to Iraq war and SARS. As anticipated in the previous issue in the WTO World Tourism Barometer October (2003) growth slowed down in the latter part of the year because of the already much higher baseline of the same period in 2003. Growth nevertheless still reached some 8% in the months from September to December. For the year as a whole growth only fell below 8% in August (+4%).
In absolute terms the number of international tourist arrivals worldwide increased by 69 million. All regions shared in the increase, although in varying degrees. Asia and the Pacific gained almost half of all new arrivals, over 34 million. Europe although growing at a much slower pace but on a much larger base, came second with an increase of 16 million arrivals. The Americas added 11 million new arrivals, while the Middle East and Africa respectively gained 6 million and 2 million international arrivals as shown in Figure 2.9 below:

![Figure 2.9: New Arrivals 2004 by Region Worldwide 69 Million](image)


WTO World Tourism Barometer in January (2005) argue that in the past years tourism has also been characterised by the redistribution of tourism inflows under the influence of exchange rates. Above all Europe has struggled to adapt to the continuing increasing strength of the euro (and some closely related currencies such as the Danish Krone and Swedish Krona). Although interregional traffic gradually started to return in 2004, it was tough for destinations in the euro-zone to compete with less expensive destinations elsewhere in the world. This was not only true for travellers from outside Europe, but also for the European traveller, for whom prices outside of the euro-zone had dropped substantially. Destinations that faced a similar disadvantage were Canada (versus the US), Australia, New Zealand and most of the countries of Southern Africa. Destinations that benefited from a comparatively weak currency in comparison to major source markets were the United States, Mexico, the Caribbean, Central and South America, North-East, South-East, and South Asia, the Middle East and the United Kingdom from European source market.
The upswing of the world economy had a particularly positive impact on business tourism, which is still nevertheless, still recovering slower than leisure travel, but performing better than in the three previous years.

2004 was also a year of further consolidation of trends previously identified with respect to the consumer’s profile: dynamic packaging induced by internet use and the combined expansion of low-cost airlines; independent traveller; shorter stays and more holiday breaks; special interest travel; late booking and a high price sensitivity, etc. long-haul traffic also rebounded strongly after three subdued years resulting in substantial growth in air traffic. 2004 also brought the continued good performance of the cruise industry. Data for the first three-quarters of 2004 for member fleets of the Cruise Lines International Association (CLIA) show nearly a 10% increase in worldwide passengers to a total of 7.9 million (WTO World Tourism Barometer January, 2005).

2.3.3 Tourism Performance 2005
WTO World Tourism Barometer January (2006) laments that terrorism, natural disasters, health scares, oil price rises, exchange rate fluctuations and economic and political uncertainties were just some of the issues facing the tourism industry in 2005. Yet, international tourist arrivals worldwide beat all expectations, exceeding 800 million and achieving an all time record. The estimated increase represented a staggering 42 million additional arrivals, of which more than 18 million in Europe as illustrated in Figure 2.10 below, showing percentile growth in tourist arrivals, 11 million in Asia and the Pacific, 7 million in the Americas, 3 million in Africa and 2 million in the Middle East. 2005’s results not only correspond to a worldwide increase of 5.5%, but also meant a consolidation of the bumper growth achieved in 2004 (+10%). Although growth was more moderate, it was still almost 1.5% points above the long-term average annual growth rate of 4.1%.
Results by region show that Africa recorded the best growth in arrivals in 2005 (+10%) – the only region to surpass the 2004 growth as shown in Figure 2.11 below illustrating percentile growth in international tourist arrivals up to 2006 – followed by Asia and the Pacific (+7%), the Middle East (+7%), the Americas (+6%) and Europe (+4%). The Middle East, despite a comparatively slower growth rate in 2005, showed the strongest average annual increase over the past five years. Since 2000, it has averaged 9% a year as against 7% for Asia and the Pacific, 5% for Africa, 2.3% for Europe and less than 1% for the Americas. By comparison, the world average was just over 3%. North America is the only sub-region to have recorded a decline in arrivals over the five-year period (-2.1%). Leisure tourism once again outperformed business tourism – driven by the increasing availability of no-frills airfares and continuing pent-up demand for holidays (WTO World Tourism Barometer October, 2005).
Business tourism, especially the meetings, incentives, conferences and exhibitions (MICE) sector has, however, picked up in many regions according to the UNWTO Panel of Experts. UNWTO Panel of Experts cautioned that decisions to travel are increasingly being taken by financial rather than marketing directors, and there are signs that the value of business tourism is declining in some countries. Incentive travel is increasingly being combined with business meetings to justify costs, save on tax and maximise on employee motivation. The cruise sector shows a continued robust performance (UNWTO, 2006).

Figure 2.11: International Tourist Arrivals and Economic Growth (GDP)

<table>
<thead>
<tr>
<th>Africa</th>
<th>(% Change Over Previous Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>2.3</td>
</tr>
<tr>
<td>1997</td>
<td>2.4</td>
</tr>
<tr>
<td>1998</td>
<td>4.5</td>
</tr>
<tr>
<td>1999</td>
<td>3.4</td>
</tr>
<tr>
<td>2000</td>
<td>3.2</td>
</tr>
<tr>
<td>2001</td>
<td>2.9</td>
</tr>
<tr>
<td>2002</td>
<td>3.1</td>
</tr>
<tr>
<td>2003</td>
<td>3.6</td>
</tr>
<tr>
<td>2004</td>
<td>4.2</td>
</tr>
<tr>
<td>2005</td>
<td>4.8</td>
</tr>
<tr>
<td>2006</td>
<td>5.2</td>
</tr>
</tbody>
</table>

Source: IMF, World Tourism Organisation (UNWTO, 2006)

2.3.4 Tourism Performance 2006

WTO World Tourism Barometer June (2007) estimates that worldwide receipts for 2006 from international tourism reached US$735 billion (586 billion Euros). In absolute terms, international tourism receipts increased by US$ 57 billion (41 billion Euros) in 2006 – an amount well above the receipts of the world’s second biggest tourism earner, Spain, or of the combined receipts of the Middle East and Africa. UNWTO (2007) posit that by region, an interesting trend was visible, as Asia and the Pacific achieved for the first time in 2006, a volume of international receipts similar to that of Americas.
Both regions earned US$ 153 billion, or 21% of the world total. Asia and the Pacific improved results by US$ 19 billion as illustrated in Figure 2.12 below showing percentile growth in GDP, while the Americas recorded an absolute increase of US$ 9 billion.

Figure 2.12: International Tourist Arrivals and Economic Growth (GDP)

![Graph showing GDP growth in Asia and the Pacific](image)


In absolute terms the biggest winner in 2006 was still Europe, which gained an additional US$ 27 billion as against an increase of US$ 17 billion in 2005, lifting the receipts to US$ 378 billion, or 302 billion Euros (51% of the world total). Africa added US$ 3 billion, lifting its total to US$ 24 billion (3% share), an increase of round half a billion to US$ 27 billion was expected of the Middle East (4% share).

Although all regions and sub-regions shared in 2006’s absolute increase, growth rates varied. In relative terms and as expressed in local currencies and constant prices, international tourism receipts worldwide grew by 4.5% in 2006, following a 3% rise in 2005. By comparison, international tourism arrivals worldwide increased around 5% in both 2006 and 2005. Growth in receipts was strongest in Africa (+10%) and in Asia and the Pacific (+9%).
Europe’s receipts increased by 4%, well above the +1.6% of 2005, while growth in the Americas (+2%) was slower than in 2005. The only region to suffer a decline in receipts in relative terms in 2006 was the Middle East (-3%), as the growth in absolute terms was not sufficient to catch up with inflation. The relative growth reached double-digit rates in many sub-regions such as North Africa (+17%), South Asia (+14%), North-East Asia (+12%), Central America (+10%) and South-East Asia (+10%) (WTO World Tourism Barometer October, 2006).

UNWTO January (2006) propounds that what is commonly reported as international tourism receipts exclude receipts from international passenger transport earned outside the reporting country. In simpler terms, this category refers to receipts from international passenger transport services by companies registered in the reporting country rendered to residents of another country. UNWTO October (2006) cautions that it should be realised that the term does not relate to total receipts from international passenger transport, but only to export value, as many people travel with transport companies registered in their own country of residence which is not included. The value of international passenger transport in recent years has been estimated at around 17% of the combined receipts from international tourism and passenger transport, corresponding in 2006 to US$ 148 billion.

This took receipts from international tourism, including international passenger transport, to over US$ 883 billion in 2006, in other words more than US$ 2.4 billion a day was earned by international tourism. As an export category, tourism ranked fourth after fuels, chemicals and automotive products. WTO World Tourism Barometer June (2007) indicates that given the fact that the leading tourism destinations showed a marked differences in terms of the type of tourists they attract, as well as their average length of stay and their spending per trip per night, it was interesting to note that eight of the top ten countries in UNWTO’s ranking of international tourist arrivals appeared in the top ten ranking of international tourism receipts. In terms of arrivals, France is number one position ahead of Spain and the USA, while in the ranking for receipts, the same three countries appeared in the top three places, but with the USA ranking first, and France third, while Spain maintained its second place. Those highlighted the fact that the USA attracted a greater share of higher-spending long-haul tourists than its European competitors, which relied more on short-haul tourism. China fourth in arrivals was still fifth in terms of receipts, while the reverse was true for Italy.
The UK and Germany ranked sixth and seventh, in that order, in terms of both arrivals and receipts, and Austria attracts the ninth highest number of arrivals and the tenth largest volume of receipts., while Mexico and the Russian Federation completed the ranking of the top ten destinations in terms of arrivals (in eighth and tenth places respectively), they fell further down in the list of top tourism earners. The remaining two places in the receipts’ ranking were taken instead by Australia (eighth position) and Turkey (ninth) (WTO World Tourism Barometer October, 2007).

In terms of international tourist arrivals, some slight changes occurred in the top ten ranking in 2006. Germany overtook Mexico as a result of its excellence in performance during the year it hosted the FIFA Football World Cup, and both Austria and the Russian Federation climbed one place to ninth position in 2005, fell two places. In terms of receipts, China ousted the UK from fifth position, while Australia replaced Turkey at number eight. The top ten tourism earners last year accounted for 51% of the total estimated US$ 735 billion of international receipts.

Their respective share of international tourist arrivals was slightly lower, 47%. China overtook Italy to take sixth position on international tourism expenditure; the Netherlands was ousted from the top ten by the Republic of Korea due to an 18% increase in spending on tourism abroad by Koreans in 2006. Among the top 30 sources, which accounted for some 77% of total spending worldwide, the best performers in 2006, aside from the Republic of Korea were India (+28%), Poland (+26%), Brazil and Kuwait (with +22% each), Belgium (+15%), Thailand (+14%), China and Norway (each +12%), and Ireland (+11%). These results highlight the fact that the strongest growth in international tourism spending was gain recorded by emerging markets. Among the top five major source markets, it is worth noting the 4% increase for the USA, the UK and Japan, as well as the stagnation of expenditure by German travellers abroad (-0.3%) and France’s modest rise (+1.2%) (WTO World Tourism Barometer January, 2007).
2.3.5 Tourism Performance 2007

The double-digit revenue per available room (RevPar) growth that was experienced at the end of 2006 rolled over into the first four months of 2007 according to HotelBenchmark™ Survey (Deloitte, 2007). As seen from the Table 2.4 below, hotel performance across all regions was driven by improvements in average room rates.

Table 2.4: Hotel Performance by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Year-to-April</th>
<th>Year-to-April</th>
<th>Year-to-April</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007</td>
<td>2006</td>
<td>Change %</td>
</tr>
<tr>
<td>Europe</td>
<td>63.6</td>
<td>62.7</td>
<td>1.3</td>
</tr>
<tr>
<td>Middle East</td>
<td>72.9</td>
<td>71.1</td>
<td>2.5</td>
</tr>
<tr>
<td>Asia and the Pacific</td>
<td>71.7</td>
<td>71.2</td>
<td>0.7</td>
</tr>
<tr>
<td>Central and Southern America</td>
<td>68.0</td>
<td>67.1</td>
<td>1.3</td>
</tr>
</tbody>
</table>

Source: HotelBenchmark™ Survey by Deloitte, 2007 Deloitte & Touché LLP.

Table 2.4: Hotel Performance by Region (Continued)
<table>
<thead>
<tr>
<th>Region</th>
<th>Year-to-April</th>
<th>2007</th>
<th>2006</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russian Federation</td>
<td>Moscow</td>
<td>68.0</td>
<td>65.2</td>
<td>4.3</td>
</tr>
<tr>
<td>Portugal</td>
<td>Lisbon</td>
<td>58.6</td>
<td>55.7</td>
<td>5.1</td>
</tr>
<tr>
<td>Spain</td>
<td>Barcelona</td>
<td>70.2</td>
<td>68.8</td>
<td>2.0</td>
</tr>
<tr>
<td>Italy</td>
<td>Milan</td>
<td>68.8</td>
<td>68.3</td>
<td>-0.7</td>
</tr>
<tr>
<td></td>
<td>Rome</td>
<td>65.9</td>
<td>71.0</td>
<td>-7.1</td>
</tr>
<tr>
<td></td>
<td>Madrid</td>
<td>63.5</td>
<td>68.5</td>
<td>-7.4</td>
</tr>
<tr>
<td></td>
<td>Barcelona</td>
<td>69.9</td>
<td>63.5</td>
<td>10.0</td>
</tr>
<tr>
<td></td>
<td>Madrid</td>
<td>68.3</td>
<td>66.8</td>
<td>2.4</td>
</tr>
<tr>
<td></td>
<td>Beijing</td>
<td>63.9</td>
<td>68.4</td>
<td>-6.7</td>
</tr>
<tr>
<td></td>
<td>Shanghai</td>
<td>81.4</td>
<td>83.8</td>
<td>-2.8</td>
</tr>
<tr>
<td></td>
<td>Beijing</td>
<td>73.6</td>
<td>71.1</td>
<td>-2.7</td>
</tr>
<tr>
<td></td>
<td>Shanghai</td>
<td>77.5</td>
<td>77.9</td>
<td>-0.4</td>
</tr>
<tr>
<td></td>
<td>Beijing</td>
<td>77.3</td>
<td>77.1</td>
<td>0.2</td>
</tr>
<tr>
<td></td>
<td>Shanghai</td>
<td>67.3</td>
<td>66.9</td>
<td>0.7</td>
</tr>
<tr>
<td></td>
<td>Shanghai</td>
<td>84.3</td>
<td>82.4</td>
<td>2.3</td>
</tr>
<tr>
<td></td>
<td>Shanghai</td>
<td>72.8</td>
<td>77.5</td>
<td>-6.2</td>
</tr>
<tr>
<td></td>
<td>Shanghai</td>
<td>84.5</td>
<td>67.8</td>
<td>24.7</td>
</tr>
<tr>
<td></td>
<td>Shanghai</td>
<td>68.3</td>
<td>71.5</td>
<td>-4.4</td>
</tr>
<tr>
<td></td>
<td>Shanghai</td>
<td>83.1</td>
<td>78.5</td>
<td>5.9</td>
</tr>
<tr>
<td></td>
<td>Shanghai</td>
<td>60.9</td>
<td>53.4</td>
<td>14.0</td>
</tr>
<tr>
<td></td>
<td>Shanghai</td>
<td>60.0</td>
<td>43.8</td>
<td>37.1</td>
</tr>
<tr>
<td></td>
<td>Shanghai</td>
<td>76.6</td>
<td>77.1</td>
<td>2.0</td>
</tr>
<tr>
<td></td>
<td>Shanghai</td>
<td>81.5</td>
<td>80.4</td>
<td>1.3</td>
</tr>
<tr>
<td></td>
<td>Shanghai</td>
<td>82.1</td>
<td>85.9</td>
<td>-3.3</td>
</tr>
<tr>
<td></td>
<td>Shanghai</td>
<td>87.2</td>
<td>77.8</td>
<td>7.7</td>
</tr>
<tr>
<td></td>
<td>Shanghai</td>
<td>82.4</td>
<td>79.4</td>
<td>3.8</td>
</tr>
<tr>
<td></td>
<td>Beijing</td>
<td>74.2</td>
<td>71.1</td>
<td>4.3</td>
</tr>
<tr>
<td></td>
<td>Shanghai</td>
<td>79.0</td>
<td>77.3</td>
<td>2.3</td>
</tr>
<tr>
<td></td>
<td>Shanghai</td>
<td>72.3</td>
<td>65.2</td>
<td>10.9</td>
</tr>
<tr>
<td></td>
<td>Shanghai</td>
<td>78.6</td>
<td>73.6</td>
<td>6.9</td>
</tr>
<tr>
<td></td>
<td>Shanghai</td>
<td>57.2</td>
<td>54.0</td>
<td>6.0</td>
</tr>
<tr>
<td></td>
<td>Beijing</td>
<td>33.5</td>
<td>57.8</td>
<td>-42.1</td>
</tr>
<tr>
<td></td>
<td>Shanghai</td>
<td>58.6</td>
<td>48.2</td>
<td>21.5</td>
</tr>
<tr>
<td></td>
<td>Shanghai</td>
<td>81.2</td>
<td>81.2</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>Shanghai</td>
<td>89.0</td>
<td>87.7</td>
<td>1.5</td>
</tr>
<tr>
<td></td>
<td>Shanghai</td>
<td>80.0</td>
<td>77.0</td>
<td>5.0</td>
</tr>
<tr>
<td></td>
<td>Shanghai</td>
<td>84.6</td>
<td>78.9</td>
<td>7.2</td>
</tr>
<tr>
<td></td>
<td>Shanghai</td>
<td>82.2</td>
<td>63.9</td>
<td>12.9</td>
</tr>
<tr>
<td></td>
<td>Shanghai</td>
<td>77.1</td>
<td>77.2</td>
<td>-0.1</td>
</tr>
<tr>
<td></td>
<td>Shanghai</td>
<td>73.9</td>
<td>69.2</td>
<td>6.8</td>
</tr>
</tbody>
</table>

Table 2.4: Hotel Performance by Region (Continued)
### Year-to-April

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>76.6</td>
<td>77.6</td>
<td>-1.3</td>
</tr>
<tr>
<td></td>
<td>71.7</td>
<td>66.2</td>
<td>8.7</td>
</tr>
<tr>
<td></td>
<td>64.5</td>
<td>70.7</td>
<td>-8.7</td>
</tr>
<tr>
<td></td>
<td>62.7</td>
<td>58.1</td>
<td>7.9</td>
</tr>
<tr>
<td></td>
<td>74.0</td>
<td>77.5</td>
<td>-4.6</td>
</tr>
<tr>
<td></td>
<td>75.1</td>
<td>75.1</td>
<td>0.0</td>
</tr>
</tbody>
</table>


Hoteliers in the Middle East secured the highest RevPar for the first four months of 2007 at US$114 – fuelled by the increases in average room rates, up US$ 15 over the same period in 2006. However, in contrast to last year, hoteliers managed to push up occupancy levels by 2.5% to reach 73% - after battling the effects of continuing terrorism threats and increases in hotel supply. Muscat leads the way in terms of RevPar growth up 56.3% for the first four months of 2007 driven by a combination of occupancy growth and a 45.9% increase in average room rates. The strong performance was boosted by the closure of two key hotels for extensive refurbishment, in advance of the Gulf Cooperation Council (GCC) Heads of State Conference at the end of 2007. Hoteliers in Central and Southern America had a RevPar up US$ 11 to US$ 80 driven again, by improvements in average room rates which stood at US$ 111. Despite moving 13.2% compared to the same period in 2006, the average room rate in the region remained the lowest of any region. Sao Paulo, the main financial centre of Brazil, with excellent conference and exhibition facilities was a magnet for MICE tourism. As a result, the city saw a 7.9% increase in occupancy for the first four months of 2007 going over 60% (HotelBenchmark™ Survey, Deloitte and Touché LLP, 2007).

Asia Pacific mirrored other regions with average room rates driving hotel performance. For the first four months of 2007, average room rates rose 11.9% to US$ 134. Average rates in Hong Kong (China) continued to climb, up 10.4% for the first four months of 2007 to US$ 207. The city proudly claimed the third highest average room rates in Asia Pacific, following Mumbai and Tokyo at US$ 246 and US$ 231 respectively (UNWTO World Tourism Barometer January (2008)). After doubling the rate growth seen in 2006 compared to 2005 – with RevPar up 11.4% - Europe continued an upward trend with RevPar up 18.1% to US$ 93. The majority of cities in Europe were experiencing positive RevPar growth with Moscow and Istanbul coming out top for the first four months of 2007.
Three major sporting events were expected to impact hotel performance in Europe in 2007 – the Rugby World Cup in France, the Tour de France – which began in London for the first time ever - and the American’s Cup in Valencia, Spain (HotelBenchmark™ Survey, Deloitte and Touché LLP, 2007).

UNWTO World Tourism Barometer January (2008) posits that in 2007 international tourist arrivals grew by an estimated 6% to reach new record figure of nearly 900 million – an astonishing achievement given that the 800 million mark was only reached two years earlier. This represented nearly 52 million more arrivals than in 2006. World tourism enjoyed its fourth consecutive year of growth in 2007 above the long-term forecast of 4.1% and, surprisingly, it even exceeded the 5.5% increases recorded in 2005 and 2006. All the different regions registered increases above their long-term average, with the Middle East leading the regional growth ranking, with an estimated 13% rise to 46 million international arrivals. The Middle East is emerging as a strong tourism destination with visitor numbers climbing much faster than the world overall. In second place was Asia and the Pacific up by 10% to 185 million, followed by Africa, with +8% to 44 million. Africa confirmed its good momentum sustaining the growth of 2006, and has now averaged 7% growth a year since 2000. The Americas (+5%) did much better than 2006 as illustrated in Figure 2.13 below, achieving 142 million arrivals, driven by good results in North America as the USA doubled its growth rate. Europe, the world’s largest destination region, with a share over 50% of all international tourist arrivals, grew by 4% to reach 480 million.
The additional 52 million arrivals estimated by UNWTO for 2007, over 2006’s level, was split 19 million for Europe, 17 million for Asia and the Pacific, 6 million for the Americas, 5 million for the Middle East and 3 million for Africa. 2007 tourism performance was all the more impressive because of the many different factors potentially impacting negatively on demand – from the continued volatility of aviation fuel prices (resulting in fuel surcharges by airlines), exchange rate fluctuations and notably the continued weakness of the US dollar), and the economic slowdown and credit crunch in the last few months of 2007. Health and security concerns persisted, with occurrence of isolated terrorist incidents, and isolated outbreaks of avian flu, foot and mouth disease and other health scares in different countries. There were also hurricanes, landslides and forest fires (UNWTO World Tourism Barometer January, 2008).

UNWTO World Tourism Barometer October (2008) motivates that 2007’s results confirmed tourism’s resilience regarding external factors such as turbulence in financial markets, increasing interest rates, tighter credit conditions, rising fuel prices and security and health issues.
UNWTO World Tourism Barometer January (2008) argue that this has been considerably buoyed up by the strong world economy. Since 2004, world economic output experienced the longest period of sustained growth for more than two decades. Economic and tourism growth have been driven in large part by emerging market and developing countries. While the more mature developed countries grew at the still respectable rate of 5.1%, the emerging market and developing countries grew at 7.7%. Access to last-minute inventory through online channels has continued to stimulate latent demand in more mature source markets, but also increasingly in less mature travel regions like Asia and the Pacific, where accessible pricing has opened up travel to an increasing number of people. The strong economic growth of Asian economies, for example, China, India, Hong Kong (China) and Singapore – has resulted in greater disposable income which, in turn, has resulted in growing demand for foreign travel.

2.3.6 Tourism Performance 2008

UNWTO World Tourism Barometer January (2009) posit that 2008 will clearly go into the history books as a year of turbulence and contrasts. In the 12 months since UNWTO published its January 2008 edition of the World Tourism Barometer, including forecasts for the year ahead, the growth in international tourist arrivals has slowed drastically worldwide, under the influence of an extremely volatile and unfavourable global economy – due to factors such as the credit crunch, the widening financial crisis, commodity and oil prices rises, and the massive exchange rate fluctuations. All this has, inevitably, undermined both business and consumer confidence, contributing in turn to the current global recession. After a 5% increase in the first half of 2008, growth in international tourist arrivals moved into negative territory in the second half of 2008 (-1%). The final result was an estimated 2% growth for the full year – down from 7% in 2007, which was the fourth year consecutive strong growth in world tourism, and there are no signs that this downward trend will be reversed in 2009.

UNWTO World Tourism Barometer January (2009) motivates that in 2008, international tourist arrivals reached 924 million, up 16 million over 2007, representing a growth of 2%. The last six months of 2008, in particular, showed an abrupt shift in trends, with international tourist arrivals flat or showing negative growth. Overall, the 5% growth between January and June gave way to a 1% decline in the second half of the year.
Growth was negative in the last six months in both Europe (-3%) and Asia (-3%), where the drop is even more significant given its double-digit growth in 2007 and strong showing in the first half of 2008 (+6%). On the other hand, the Americas (+1%), Africa (+4%) and the Middle East (+5%) still posted positive results in the second half of the year, although with a significant slowdown compared with the period between January and June.

For the year as a whole, all regions were positive except Europe, which suffered stagnation in arrivals. The best performances were registered in the Middle East (+11%), Africa (+5%) and the Americas (+4%). In Europe the flat results reflect the negative performances of Northern and Western Europe, the only sub-regions with Oceania to show a decline over 2007, and the stagnation of destinations in Southern and Mediterranean Europe. Asia and the Pacific’s growth (+2%) was well behind its 2007 level (+11%) as illustrated in Figures 2.14 and 2.15 on page 51 and 52 respectively, showing comparative international tourist arrivals and world inbound tourism- international tourist arrivals by region. The above average results in South-East (+4%) and South Asia (+4%) were not sufficient to compensate for the sharp slowdown in the growth on North-East Asia (+0.4%) and decline in Oceania (-1.5%).

Results for the Americas showed the strength of traffic to the USA up to August (North America was up by 3%) and the favourable performance of most Central and Southern American destinations. The Caribbean was actually the only sub-region in the world to perform better in 2008 than in 2007, but this was only a slight improvement (from 0.1% in 2007 to 1.2% in 2008).

The Middle East continued its rapid expansion, with growth for the year estimated at 11%, the highest among world regions. Africa’s growth (+5% though at half the level in 2007, was still comparatively positive during the second half of the year. North African destinations did particularly well.

Despite the general declaration, several destinations around the world showed very positive results in 2008 notably Honduras, Nicaragua, Panama, Uruguay, the Republic of Korea, Macao (China), Indonesia, Egypt, Lebanon, Jordan, Morocco and Turkey. The slowdown in traffic through the year is confirmed by the air transport data as reported by IATA and various regional air transport associations.
Nevertheless, the worldwide trend through November was a 2.2% increase in passenger traffic (against +7.4% in 2007); results deteriorated clearly in the last part of the year. As capacity increased by 3.9% and demand slowed down, load factors dropped from 77% in 2007 through November 2008. Hotel performance data for the 11 months of the year as reported by Deloitte and Touché corroborate these trends. Overall occupancy was down in all regions, except the Middle East (+2%) and Central and South America (+0.6%). The increases in revenue per available room (RevPar) and average room rates remained significant – particularly in the above mentioned regions where RevPar (in US dollars) increased at double digit rate through to November. The UNWTO Confidence Index was at its lowest since its creation in 2003. The almost 300 members of the UNWTO Panel of Experts gave 2008 an overall evaluation of 98 – down 45 points from the score given a year ago.

Figure 2.14: International Tourist Arrivals (% Change Over Same Period the Previous Year)

A. Conclusion

History proves that despite the crises faced at different times, world tourism and hospitality performance outgrew the world economy (UNWTO January, 2003). The results reflect international tourism arrivals for which comprehensive data is available, for domestic tourism, which is highly important in many destinations, UNWTO Tourism Barometer (2009) expects that it will follow a more or less similar performance trend and the growth of receipts tended to follow closely that of arrivals. The crises provided an opportunity because they called for substantial efforts and industry solidarity in redirecting the tourism and hospitality strategy and significant other performance drivers through structures (UNWTO Tourism Barometer, 2009).

2.4 Zimbabwe Tourism and Hospitality Industry

2.4.1 Introduction

The effective management of economic performance outcome as a result of strategy – structure “fit” is seen through tourism trends. The tourism trends are governed by the image of a destination, this being the ideas and conceptions held individually or collectively of a destination.
The image is critically important to an individual’s preference, motivation and behaviour towards tourist products and destinations as it will provide a “pull” effect resulting in different demand schedules (Cooper, Fletcher, Gilbert, Shepherd and Wanhill 1998). Zimbabwe as a tourist destination will have impressions that people hold about it. These impressions are known as the destination image. Seaton and Bennet (1996) have defined destination image as the sum of ideas and impressions that a tourist prospect holds about a destination as what is thought to be there resulting from the interplay of national strategies in ministries, politics and social relations under the structure of revenue generating and supporting ministries’ activities, whose performance in turn could be exacerbated, to a large proportion, by the “lack of fit” between strategy and structure. Christie and Crompton (2001) posit that given its cross-sectorial nature, tourism can only grow sustainably if it is integrated into the country’s overall economic, social and physical planning policies and framework. Where national attractions are shared with neighbouring countries, joint or regional promotion and marketing can be effective. Partial measures are unlikely to address vested interests, underlying economic relationships and generic social or physical constraints effectively. Christie and Crompton (2001) argue that government’s role is to create the tourism strategies that will encourage for-profit private investment, and that, in combination with regulatory structures, will ensure good economic returns and linkages with other sectors.

To be sustainable, tourism requires an open dialogue, facilitated through framework, between the government, the private sector, civil society and local communities to ensure consensual decisions and the generation of economic benefits for a broad spectrum of the population. National policies must conserve the country’s cultural and environmental heritage to preserve the resource base on which tourism is based.

The World Travel and Tourism Council (WTTC)/Wharton Econometrics (1998) are currently optimistic about the prospects for tourism growth in Africa. WTTC (1998) forecasts that tourism and travel will account for over 11% of GDP in Sub-Saharan African countries in 2000 and will have a growth rate of over 5% in real terms in the ensuing decade. This is considerably higher than the forecast average growth rate of 3% for the world at large. The World Bank forecast growth in real GDP of 2.5% for Sub-Saharan African countries in 1999, rising to 4.0% in both 2000 and 2001, compared with 2.4% and 2.8% for global GDP growth in the same years.
Based on the WTTC (1998) estimates, travel and tourism will play a significant role in assisting Sub-Saharan African countries to attain their economic growth targets within enabling structures.

Hall and Jenkins (1995) posit that national tourism strategy is whatever governments choose to do or not to do with respect to tourism. Pressman and Wildavsky (1973) express so cogently that whether stated explicitly or not, strategies point to a chain of causation between initial conditions and future consequences. If X, then Y. Strategies then become programmes, when, by authoritative action, the initial conditions are created. X now exists. Programmes make theories operational by forging the first link in the causal chain connecting actions to strategies. Given X, we act to attain Y.

2.4.2 The Post – Colonial Economic Period: Structure of Tourism and Hospitality Industry in Zimbabwe

The structure of the Tourism and Hospitality Industry comprise the following:

a) The Government Structure (Public Sector)

The government of Zimbabwe was involved with tourist organisations at both the national basis and international level. On the national basis, they were the instigators for the establishment of an enabling government structure, establishment of a national tourist office while on the latter, they were partners with other member states in such bodies as World Tourism Organisation (WTO), European Travel Commission, World Bank, United Nations, International Air Transport Association (IATA), International Civil Aviation Organisation (ICAO), Organisation for Economic Cooperation and Development (OECD) and the Pacific Asia Travel Association. All these bodies contributed to the formation of a country’s tourism policy. The national tourism and hospitality office was represented by Zimbabwe Tourism Authority mandated to promote and market tourism as well as to provide technical assistance.

Chandler (1960) posits that structure follows strategy. SADC Secretariat (2003) concurs that the new structure…adopted…to implement more coherent and better coordinated strategies for sustainable growth and development… would depend, to a large extent, on how the twin objectives of economic and political governance were addressed in a manner that would provide opportunities to all its people, on the basis of equity and mutual benefits.
Nordlinger (1981) posits that in more structural terms, the government is a relatively permanent set of political institutions operating in relation to civil society. Hall (1994) informs that the main institutions of the government or state include; the elected legislature, government departments and authorities, the judiciary, enforcement agencies, other levels of government, government-business enterprises, regulatory authorities, and a range of Para-state organisations such as trade unions. The government thus includes elected politicians, the various arms of bureaucracy, public/civil servants, and a plethora of rules, regulations, laws, conventions and policies.

Since the tourism industry does not control all the factors which make up the attractiveness of a destination, and since the impact on the host population can be considerable, it is necessary that options concerning development of tourism should be considered at the highest level of the government and that the appropriate public administrative framework be put in place (Cooper et al, 1993). Self (1985) propounds that tourism national strategy is first and foremost a political activity influenced by the economic, social and cultural characteristics of society as well as formal structures of government. Barrett and Fudge (1981) posit that national strategy-making involves the economic, physical and social/political environments in a process of action and reaction over time.

Simeon (1976) postulates that national tourism strategy is therefore a consequence of the political environment, values and ideologies, the distribution of power, institutional frameworks and of decision-making processes. Christie and Crompton (2001) argue that the role of governments is of creating an enabling investment climate and framework for tourism strategy. All export industries compete in an international market but few have such complex structures and such a variety of intermediaries and individual buyers as tourism. A country develops the elements of a tourist product, with or without external assistance. Then a number of players in the tourism system assemble (structure) and distribute the end product for consumption by the buyer, i.e., the tourist.
The government’s role in tourism may be summarised in Figure 2.16 below:

Figure 2.16: The Roles of Government in Tourism.


Fridgen (1991) asserts that government, through its structures, set tourism policies for the country to assist in meeting tourism strategies. A government through its structures may regulate suppliers in travel and tourism, imposing controls on such things as output and prices. The government may itself act as a consumer, a producer in many areas of the travel and tourism industry deriving income from tourists in several ways including taxation, service taxes etc. (Leiper, 1995). Government’s policies restricting entry or travel abroad influence the size and magnitude of balance of payments. Medlik (1995) argues that tourism in developed countries can be regarded as a mainly social activity with economic consequences whereas in developing countries it is largely an economic activity with social consequences.
Governments historically erect barriers to control or increase the cost of both the inflow and outflow of tourist (Edgell, 1988) including policies restricting the amount of currency a country’s residents can take with them when travelling, requiring foreign visitors to exchange a certain amount of hard currency for each day in the host country, entry and exit taxes, and other taxes which may be included in an airline ticket or imposed on services utilised by visitors.

Christie and Crompton (2001) motivate that the tourism product consists of the principal assets that the country has to offer to tourists, combined with every aspect of the tourism experience, from the time the tourist decides to travel until his return home. Bennet (1995) posits that in its broadest sense, the environment includes the natural and cultural heritage and life-styles, values and traditions of the people of Zimbabwe and the Southern Africa. Bennet (1995) further motivates that that constitutes the primary resource base for tourism. The tourist industry and the environment are interdependent. Whilst the environment is the primary resource base for tourism, tourism in turn provides a primary means through which an economic return can be generated through the environment. Poon (1996) argues that tourism is the axial industry offering key opportunities for wealth creation. A number of services are directly and indirectly activated by the presence of the tourism industry and that no ministry can replicate the unique opportunities that the tourism sector can provide. Hall and Jenkins (1995) propounds that the tourism industry is a major economic, environmental and socio-cultural force, and a highly political phenomenon (Ritcher, 1989). According to Peck and Leiper (1989) the nature of tourism in any given community is the product of complex interrelated economic and political factors, as well as particular, geographic and recreational features that attract outsiders.

Lea (1988), Pearce (1992) motivate that public strategy is the focal point of government activity. Tourism and hospitality has become an integral part of the machinery of many modern governments, and many governments’ programmes in both developed and lesser developed countries. Harrison (1992), Craig-Smith and French (1994), and Dye (1992) have noted with scepticism and uneasiness about the effectiveness of government, and the intended consequences and impacts of much government strategies including tourism public policy. Dye (1992) argues that public policy on tourism should be studied for three primary reasons.
First, national tourism strategy can be studied for purely scientific reasons so as to gain an understanding of the causes and consequences of public strategy decisions and to improve our knowledge of society. In this instance, Dye (1992) posits that national tourism strategy can be viewed as a dependent variable or an independent variable. If national tourism strategy is viewed as a dependent variable, the critical focus of inquiry becomes, “what socio-economic (or environmental forces) and political structure characteristics operate to shape the content of national tourism strategy.”

Dye (1992) further argues that if national tourism strategy is viewed as an independent variable, then the central question becomes what impact does the national strategy have on society (the environment) and the political system. Second, national tourism strategy can be studied for professional reasons in order to understand the causes and consequences of strategy. Thus we might apply social science knowledge to the solution of practical problems, and feed the knowledge to the political process. Third, national strategy can be studied for political purposes so as to ensure that the nation adopts the right strategies to achieve the right goals.

Machiavelli (1988) propounds that if the first signs of trouble are perceived, it is easy to find a solution; but if one lets trouble develop, the medicine will be too late, because the malady will have become incurable. What physicians say about consumptive diseases is also true in strategy-structure discourse, namely that, at the beginning of an illness, it is easy to treat but difficult to diagnose but, if it has not been diagnosed and treated at an early stage, as time passes it becomes easy to diagnose but difficult to treat…if one recognises a misfit of structure and strategy early…they may be resolved quickly, but if they are not recognised, they are left to develop so that everyone recognises them, but there is no longer any remedy (Hall and Jenkins, 1995).

According to Kosters (1984) if a multi-disciplinary tourism science develops without the necessary ingredient of structure analysis, it will remain imperfect and incomplete. Tourism national strategies are enmeshed in a dynamic on-going process, and it has become increasingly evident that governments struggle to comprehend the tourism industry, its impacts and future, and how they should intervene (Pearce, 1992, Jenkins, 1994), to an extent that tourism trends and statistics information is limited (Hall and Jenkins, 1995).
Christie and Crompton (2001) posit that despite the low accommodation base in the region, expansion of investments in hotels and other accommodation alone will not necessarily result in an increase in economic benefits commensurate with the investment. As an essential condition, tourism must create value added for international travellers and provide an experience that is unique for them. Thus, tourism products and services must be built upon intrinsic tourism assets - coastal, wildlife, nature, cultural, or city based - that can compete internationally. The natural assets must be accompanied by and packaged with appropriate and competitive built assets, i.e., accommodation, tourist services, and infrastructure, as well as a safe and healthy environment for tourists. The selected packages should create a distinctive quality product that draws tourists to them and away from alternatives elsewhere in the world governed by the framework within which tourism is implemented.

The government structures including ZTA should have the capacity to translate the tourism and hospitality strategy into reality that is desired, and translate vision into reality. The executive who work in these offices are the people who have been sanctioned by the European Union and United States of America. The sanctions purport to target SDNs, imposing travel bans on the individuals who form part of the trading team for the nation, an assert freeze of the SDNs, their companies and their relatives has been made through sanctions. The resultant effect is that the individual who holds a public office and the related parties would be crippled in terms of dispensing their duties and other dimensions to tourism are thus affected (Tribe, 1997). Thus sanctions to individuals are similar to sanctions imposed on a nation, where the individuals are outlawed in terms of interactions with trading partners.

Tourism statistics as discussed below indicate that the Western market leads in terms of foreign tourist arrivals to Zimbabwe. The researcher argues that Zimbabwe’s economy historically has a stronger relationship with the western countries than the other blocs. The economic structure is such that it is connected to United Kingdom and United States of America and this has formed centuries old human relations which are key in tourism and hospitality industry. Despite the sanctions and the other acrimonies held among these nations, a tourism and hospitality programme should be crafted in order to steer the economic development of Zimbabwe.
Cooper, Fletcher, Gilbert, Shepherd and Wanhill (1998) assert that the political structure can affect the impacts of tourism and carrying capacity. Political instability will deter tourists and therefore hinder tourism development. The authors motivate that some countries limit tourism development by restricting the number of visas issued within a given year. They propound that the political openness may well reflect the willingness of society to welcome tourism development and this may raise the carrying capacity thresholds. Ritcher (1995) asserts that any political instability – as reflected in a government structure discord, can cause tourism arrivals and receipts to plummet (as reflected in tourism trends below), but in well diversified economies, the tourism sector is buttressed by domestic markets that may persist even if international arrivals decline as reflected in the South African case study. Moreover, business travel is likely to be more resilient than discretionary travel.

Ritcher (1995) further argues that developing nations may have much less ability to control, modify or re-direct transportation than developed nations. The receiving country will then depend upon timetables and routes of other nations’ airline and cruise ships. If those re-route, cut flights or skip their routes, it is academic what real political conditions are, for it will be months to years before the bookings and tourist traffic regain their momentum. Developing countries are often unable to control events or insulate tourists from the political strife that might be manageable for more developed nations (Harrison, 1995). Harrison (1995) further motivates that the political conditions prevailing in a country are almost incidental to the perception of security that governs tourism decisions.

The Government of Zimbabwe came up with structure in 1980, in order to implement its strategies. The functions of the government will affect tourism strategy and development to different degrees. One of the national strategies was through the Ministry of Information and Tourism. The highlighted ministries in Figure 2.17 on the next page illustrate ministries that have potential to bring in revenue directly.
Figure 2.17: Government of Zimbabwe Structure 1980 Structure.

This structure later devolved to mirror strategies of 2009 as indicated in Figure 2.18 below on page 64. The Government of the Republic of Zimbabwe (2008) was concerned about the social, economic and political challenges that were facing the country. Despite this, this research will analyse the fit of strategy and structure for positive economic performance in the tourism sector.

The government therefore acknowledged that it had an obligation to establish a framework (structure) of working together including the requisite procedures and processes. The new Government’s (as illustrated in Figure 2.18 on page 64) objectives and priorities address the economic crisis the country was in, through the restoration of economic stability and growth, addressing the sanction issue, concluding on the Land Question. To aid this, the Government acknowledged the need to come up with a new constitution that would promote equality, national healing and cohesion, unity, deal with external interferences, free political activity, address the rule of law question, structure state organs and institutions with appropriate legislative agenda priorities. Secure environment is necessary for tourism and hospitality to prosper and the new Government will address the security of persons and prevent violence. Communication which is necessary for the turnaround of tourism and hospitality industry will be dealt with through framework for the new Government. A global political agreement will be dealt with so that the country would cease its isolation and arrest the fall in living standards and reversing the decline of the economy (Government of Zimbabwe Memorandum of Understanding, 2008).

Article III of the Government of Zimbabwe Memorandum of Understanding (2008) posits that a priority will be given to the restoration of the economic stability and growth in Zimbabwe including the activities in tourism and hospitality industry. The Government will lead the process of developing and implementing an economic recovery strategy and plan urgently addressing the issues of production, food security, poverty and unemployment, challenges of unemployment and the challenges of high inflation, interest rates and the exchange rates, these being the core of the problems affecting tourism arrivals in Zimbabwe.

These issues will be addressed through a National Economic Council (NEC) which is inclusive of manufacturing, agriculture, mining, commerce, financial, labour, academia, tourism and other relevant sectors (structure being set to execute strategy).
Article XX of the Government of Zimbabwe Memorandum of Understanding (2008) articulates the framework for the new Government that will be used to execute the strategies embodied in the ministries as specified in Figure 2.18 on the next page, the determination being to carry out sustainable work to create the conditions for returning Zimbabwe to stability and prosperity. Structure implementation mechanism will include a Joint Monitoring and Implementation Committee (JOMIC) so that the mandate of the new Government is carried out.
Figure 2.18: Government of Zimbabwe Structure from 2009.

Gartner (1996) asserts that in a free trade situation, unlike the Zimbabwe situation, where travel is unrestricted, and the relative value of a country’s currency on the world market, influences balance of payments. The researcher advocates that Zimbabwe as a nation, has potential to improve its GDP through the Ministry of Lands and Rural Resettlement and Ministry of Agriculture, Mechanisation and Irrigation Development. These ministries would require substantive capital and technical investment, and a long lead time. At the moment, they rely on dry-land farming as Zimbabwe does not have a vibrant irrigation to trigger the quick economic development. Ministry of Mines and Mining Development would be another avenue through which revenue unlocking could be done and bring economic recovery to Zimbabwe. Ministry of Industry and Commerce, where there is manufacturing repose, depends on inputs from mining and agricultural activities. Manufacturing also requires huge investment in machines, technology and a long lead time.

It is therefore arguable that tourism and hospitality industry is the premier gateway to attract huge economic turnaround for the country. Gunn (1988) eloquently puts across that evidence of economic impact of tourism that it is overwhelming and that it is no wonder that underdeveloped countries seek it and industrialised nations wish to protect it. Tourism is seen by some as the new wave of economic opportunity. Holloway (1992) divides the economic effects of tourism into four categories, namely; income derived from tourism; employment; balance of payment; and investment development. UNCTAD (2008) posits that tourism is also one of the sectors with potential for “shared-growth”, given its ability to employ unskilled labour and establish linkages with many other sectors of the economy. Benefits may spread to other areas of the economy such as agriculture, construction, manufacturing and infrastructure, through supply chain and multiplier effects (UNCTAD, 2007). Because of the extensive value chain in tourism, the more this industry is linked with other sectors of the economy, the greater is likely to be the effect on, for example, direct and indirect employment and revenue generation (UNCTAD, 2008).

Ministry of Environment and Natural Resources Management is one of the strategies as formulated by government for macro management of tourism and hospitality industry. It becomes the first port of reference, denoting the “systems hardware” of Zimbabwe and tourism and hospitality being the “systems software” of Zimbabwe. The former ministry represents the physical, tangible product and the latter the intangible product.
b) **Zimbabwe Tourism Authority**

Prior to the formation of this organ, the government had in fact set up the Zimbabwe Tourism Development Co-operation (ZTDC) in 1982 indicating the country’s determination to develop tourism into a very viable industry. ZTDC was set up to market Zimbabwe to the regional and international community. It was also formed to play a facilitating role in the development of tourism and hospitality industry in Zimbabwe, by providing regular user friendly research data to the tourism industry through digest of statistics, short reports on market trends and helping with research enquiries.

Due to certain problems in 1995 Zimbabwe Tourism Act Number 15 saw the development of Zimbabwe Tourism Authority (ZTA) with more functions and objectives, but mostly adopted ZTDC’s roles as well as with a mandate to establish a network of offices in foreign offices in foreign countries generating the bulk of its international visitor flows so that it can create and maintain vital trade contacts and act as a point of distribution for the destinations range of tourism products. The other major role of ZTA is to organise workshops and trade shows for example Shanyai, and A’sambeni so that the groups of suppliers of tourist products may meet with groups of prospective buyers such as tour operators, trade agents and other travel organisers at a relatively low cost (Tourism Act, 1995).

Governance of Tourism and hospitality is thus done through the government agency – Zimbabwe Tourism Authority (ZTA), and through the private sector agency – Zimbabwe Council for Tourism-ZCT (structure). ZTA carries out public policy in accordance with the goals of government (Gartner, 1996).

Poon (1996) motivates that collaboration of private and public sector influences the whole holiday experience of the tourist, and that it allows for suppliers to control the nature, pace and direction of development of the destination. The overall strategy of ZTA and ZCT is to drive economic performance through tourism. Tourism and hospitality as a national strategy would drive revenue, attract the necessary ingredients for economic performance to occur and investment opportunities for the country may be unlocked through visiting tourists in their encounter with business environment, economic environment and the fabric of people who make up Zimbabwe. Thus tourism becomes a low-hanging fruit for the nation.
c) Zimbabwe Council for Tourism (ZCT)

This council was formulated in 1988 at the request of the government and the sectorial associations within the industry. As indicated in ZCT’s constitution, it was felt that the rapid growth of the tourism industry within Zimbabwe, an overall representative body and spokesperson was needed to represent the industry as a whole if it were to grow in a meaningful way. To this effect, the ZCT’s mission statement states that, the council is to promote the sustainable development of a quality and competitive tourism industry that meets the needs of its members, customers, investors and the workers and respect the environment and society in all aspects. The council is determined to promote ethical practices and the protection of the customer as leading objectives. The aim of the council is to be an effective lobby for the tourism industry and speak and act as a national voice on all issues that affect the industry. The structure of the industry constitutes corporation membership of the tourism industry as:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITOZA</td>
<td>Inbound Tourism of Zimbabwe Association</td>
</tr>
<tr>
<td>HAZ</td>
<td>Hospitality Association of Zimbabwe (dealing with accommodation and restaurants).</td>
</tr>
<tr>
<td>ZATSO</td>
<td>Zimbabwe Association of Tour and Safari Operators</td>
</tr>
<tr>
<td>ZIVRA</td>
<td>Zimbabwe Vehicle Rental Association of Zimbabwe (representing the transport sector)</td>
</tr>
<tr>
<td>BOAZ</td>
<td>Boat Owners Association of Zimbabwe</td>
</tr>
<tr>
<td>AZTA</td>
<td>Association of Zimbabwe Travel Agents</td>
</tr>
<tr>
<td>ZIPGHA</td>
<td>Zimbabwe Professional Hunters and Guides</td>
</tr>
<tr>
<td>BAR</td>
<td>Board of Airlines Representatives (including the national carrier Air Zimbabwe).</td>
</tr>
</tbody>
</table>

It is the interrelationship or lack of it of these players that problems have arisen in the tourism sector in Zimbabwe. The analysis of the problems, relate to poor performance as is elaborated below.
2.4.3 The Public Policy Framework

The first problem arises in that funding for the developing tourist infrastructure can be borrowed using organs such as the World Bank, non-governmental organisations etc. The aim of the funding is to improve the quality of Zimbabwean tourist services, stimulate demand for tourism outside the common boarders and to improve the business environment in which tourist enterprises operate in Zimbabwe. Due to the political situation in the country and the economic policies that are parallel to requirements of the World Bank, the country is unable to access funds hence the achieving of the aims above becomes impossible (Cooper et al, 1993).

Focusing on the structure of the tourism sector (as indicated above) especially the function of ZTA and ZCT, it can be gleaned that these organisations are duplicating each other’s work thereby wasting resources. Other than the issue of duplication, it is also stated in the Tourism Policy that ZTA should include the provision of research, statistics, facilitation in terms of easing frontier formalities and improving transport infrastructure, together with the general image promotion. ZCT in its annual congress actually pointed out that the main problem is that this objective is not being done by ZTA yet Zimbabwe National Chamber of Commerce (2000) specifies that in a deliberate move to accelerate the development of the tourism sector, the government has set up a Tourism Recovery Task Force (TRTF) under the National Economic Consultative Forum (NECF). The Task Force had already formulated the Tourism Recovery Plan.

The Tourism Recovery Task Force had highlighted the major challenges that had been perceived to impinge on the growth of the tourism sector to include personal safety of tourists, foreign currency and fuel shortages, accessibility by tourists and the price expectations. The recovery programme noted that in the light of the state of the tourism industry the programme sought to address the identified issues with the view to regain the industry’s former standing. It is important to note that tourism has been on the decline from the mid 1990s and the demise started in December 1999, the industry had problems prior to the demise. The purpose or objective of the task force was to address problems identified as having led to the collapse of the industry after November 1999 in the short term in the long term all problems would be considered with the view to grow the industry (ZNCC, 2000).
Different ministries in government all undertake activities which impinge upon tourism and some of them negatively. The Ministry of Agriculture for instance, is helping the Government resettle people and its methodology has been deplored by many sectors as well as the external community and this has directly affected tourist arrivals. The Ministry of Transport has the mandate to develop and construct roads yet the road networks are highlighted as very poor especially those that lead to attractions. Another problem directly related to the government is that there is no ministry that looks at provision of holidays for socially disadvantaged. The Ministry of Water Resources and Development is not focusing on creation of reservoirs in geographic regions 4 and 5 of the country to improve on water resources that can support tourism projects.

Cooper, Fletcher, Gilbert, Shepherd, and Wanhill (1993) indicate that the truth is that government cannot quite decide what its own role is. The government sees its main role in relation to tourism as promoting general economic climate favourable for the industry’s development. The authors go further to say that the governments thus minimise the appearance of involvement in terms of money thereby lack of commitment financially without any specific strategy to guide its use. On the question of financial commitment, the WTO has long used the rule that the minimum of 1% of the country’s receipts should be devoted to the nation’s tourism organisation, in this case ZTA.

Cooper et al, (1993) argue that there is always a temptation for the government to switch policy directions. This would give the impression of the dynamics of change, but it can, in practice generate chaos through the conflicting objectives. They go further to say that it takes a long time to create tourist destinations and build up market positions. It is therefore somewhat simplistic to behave as if the factors influencing such developments can be turned on and off like a tap. There are also many associations in Zimbabwe and some of these may not be directly related to the tourism industry but due to lack of enabling structures, coordination and working together have led to myriad ways in which duplication and conflict of interest arise resulting in the loss of revenue by the tourism sector for example the Zimbabwe Farmers’ Union etc. It is then that ZTA is faced with a daunting task of liaising with all these groups at a national as well as at a local level.
The other problem closely linked to public policy framework is that the tourism is a diverse and fragmented industry with many different economic agents acting in their interests which may not be to the long term benefit of tourism as a whole. This is compounded by the fact that tourism is so broad that sectors which fall within this cannot be de-lineated properly. This uncoordinated market competition can produce cyclical growth patterns with the consequent waste of resources. This places a premium on the overall planning body – ZTA, which should be able to give a sense of direction by marketing the destination and acting as a distribution channel, drawing attention of potential tourists and travel trade to products that numerous suppliers in Zimbabwe have to offer (Cooper et al, 1993).

2.4.4 Significant Other Performance Drivers (SOPD)

Needle (2000:161) argues that, it is doubtful that strategy and structure alone can lead to improvements in performance outcome. The two variables cannot totally overcome problems or enhance opportunities created by the legacy of the past (Colonial Economy), the post – Colonial Economic Period 1980 - 2008, economic sanctions against Zimbabwe by European Union and United States of America and the interplay of the other big powers such as China and Russia and the enforcement of sanctions. Needle (2000) motivates that there is some evidence that strategy and structure in harmony with other variables, can lead to improvements in economic performance outcome. This leads to the sub-proposition that while the relationship between strategy and structure exists leading to economic performance outcome, as seen in the well-documented literature, this relationship may be understated, and that there could be other significant performance drivers for the country.

Leo Tolstoy (1942: 74), regarding the significant other performance drivers, motivates that, in military affairs, the strength of an army is the product of its mass and some unknown x. That unknown quantity is the spirit of an army referred to by Tzu (1981) as chi. It is the factor which, if multiplied by the mass, gives the resulting force. Thus in the strategy, structure and economic performance (SSEP) discourse, for example, the ‘un-known’, or significant other performance drivers, could be identified as the links among the characteristics that led to sanctions and their resulting influence on tourism. Basing on this reasoning, significant other performance drivers include:

   a. Image analysis
b. Prevalence of corruption,
c. Economic environment and tourism,
d. Lack of adequate food security,
e. Loss of bread basket status for the region,
f. Failure to maintain infrastructure,
g. Shortage of energy and fuel,
h. Decline of health delivery system
i. Safety and Security.

ii). Economic Sanctions against Zimbabwe by:
   a. European Union
   b. United States of America

iii). Zimbabwean sanctions and tourism trends.

To add rigour to the debate on significant other performance drivers, Tzu (1981) contends that:

> When the front is prepared, the rear is lacking and when the rear is prepared the front is lacking. Preparedness on the left means lack on the right; preparedness on the right means lack on the left. Preparedness everywhere means lack everywhere.

By implication, the key variables of strategy and structure are focused at by a country, at the expense of significant other performance drivers and this may be the cause of “good strategies that failed” or poor national economic performance outcome in a country’s revenue generating ministries. However, it is argued that sanctions alone are not to blame for the country’s current economic weakness (Teegen, Askari, Forrer, and Yang, 2003).

a) Image analysis

In analysing the visitor-destination, the destination image is one of the critical elements since it affects the level of attractiveness of any destination. Product (destination) is a process of communicating the distinctive competencies of a visitor destination that include among other things, the purposeful creation and projection of a desired destination image. Crompton (1979) defines image as the sum of beliefs, impressions, ideas, and perceptions that people hold of a destination. Mayo and Jarvis (1981) refer to image as simplified impressions.
Zimbabwe views destination image from two perspectives that include the market (demand) perspective and the destination (supply) perspective (Laws, 1995). Medlik (1995) aptly defines destination as the ‘raison d’être’ of tourism which is perishable. Murphy (1985) concludes that image is the sum of beliefs, ideas and impressions that a person has regarding a tourist destination.

b) The Market Perspective
At independence and subsequent few years, Zimbabwe enjoyed a positive image and was a shining example of a developing country.

The country attracted a lot of positive international attention making it a leading meeting, incentives, conferences and exhibitions (MICE) destination, attracting such international conferences as Non Aligned Movement Summit, Commonwealth Heads of Government Meeting and World Council of Churches’ Conference. Following the introduction of the Land Reform Programme in 1999, Zimbabwe has continuously been subjected to western propaganda and de-campaigning.

As a result, the country has lost its place as a prestigious tourist destination to competitors in the region. The fact that most international airlines are no longer coming to Zimbabwe, has exacerbated the situation. The general economic malaise and the sporadic shortage of fuel, food and other basic commodities, have eroded the confidence any touring company in the region and overseas may have on Zimbabwe. There are several issues in Zimbabwe that have contributed towards the negative image the country experiences in the international markets resulting in travel warnings issued in source market against travel to Zimbabwe (ZTA, 2005). Images and the tourist’s expectations of travel experiences are closely linked in the tourist’s mind.

Perceptions are formed on the basis of previous experience of the destination, word-of-mouth recommendations from friends or family; and the prospective tourist’s immediate needs (Parasuraman et al, 1988). Perceptions are powerful determinants of people’s behaviour. Peters and Austin (1985) summarise the power of perception eloquently when they state that perception is all there is. The following is mostly cited in the international media as those factors which contributed to negative perception of Zimbabwe as a safe destination:

c) **Prevalence of Corruption**

Kunaka and Matsheza (2002) motivate that when Zimbabwe became independent in 1980, it had been isolated from the rest of the world for 15 years and this impacted negatively on the modernization of management systems. In terms of management, the systems were directive, inward looking, protective against outside interference, monopolistic and monolithic. The government’s role in the private sector, parastatals, trade, commerce and industry was to regulate and control the systems. There was absence of transparency and accountability as the private sector and parastatals joined the public sector in sanction busting. To avoid sanction busting strategies, these institutions tended to operate secretly akin to that of security agencies.

The post independence government inherited this highly economic environment. The command economic system based on aspirations for one party state reinforced it. Most of these institutions continue to operate today with minimal changes both in terms of administrative procedures and the governing legal framework save those changes effected through the Economic Structural Adjustment Programme (ESAP). The management systems were characterized by high-level discretionary powers enshrined in the administrative and legal framework and a centralized, top-down decision-making processes.

Information on which decisions were based was never made public. Until 1991 the government operated mostly through control by issuing licenses and it is therefore not surprising that the majority of corruption cases in the eighties evolved around issuing of licenses. The excessive licensing and control systems led to increased cases of exchange control violations, illegal transfer of funds through under pricing and under invoicing. From about 1991, when Zimbabwe adopted the IMF sponsored ESAP, a lot of controls regulating trade, industry and commerce were eased without introducing alternative appropriate management systems in place, leading to the escalation of corruption in the country. An input into the processing of applications of such permits/licenses in the first place. Most of the Acts do not provide for disclosure of reasons for the rejection of the application. This is one of the sources of corrupt practices within the management systems of the public sector. This situation also makes prosecution of this category of corruption almost impossible.
d) Economic Environment and Tourism:

Alwang, Bradford and Taruvinga (2002) point out that Zimbabwe achieved its independence in 1980, and the new government inherited a relatively modern and diversified economy, especially by sub-Saharan African standards. The structure of the inherited economy was such that it is highly dependent upon foreign trade. The prosperity of tourism and hospitality, agriculture, manufacturing and mining is to a significant degree dependent on exports, as are the power, transportation, and communications sectors. The Government adopted a working structure in order to implement its strategies represented through the different ministries. Following independence, the government embarked on a programme of central economic planning and socialist–oriented policies. Priority was given to poverty reduction, and government spending was focused on social sectors.

Social sector spending rose from 25.7% of the total government budget in 1980-81 to 34.9% by 1990-91 (CSO, 1998a). By the start of 1990s, imbalance between government expenditures and revenues compromised the sustainability of the poverty reduction and public investment programs. Macroeconomic performance began to stagnate by the mid-1980s, and the government revenue grew much more slowly than did the expenditures. Most of the government programmes never achieved their stated goals. Mounting central government debt began to crowd out private investment. By most economic indicators of performance, Zimbabwe’s economy was on shaky ground. Real economic growth was negative for most of the 1990s and prospects for the near future were not good (Alwang, Bradford and Taruvinga, 2002).

Poverty in Zimbabwe grew substantially, partly as a result of the government’s inability to manage microeconomic crises. Forces associated with the economic downturn include, economic liberalization, which was derived from the Economic Structural Adjustment Programme (ESAP) launched in 1991. The Government’s inability to achieve any of ESAP’s fiscal targets, increased uncertainty about property rights, changes in governance such as decentralization and the recurring droughts.

Johnston and Stout (1999) argue that while government expenditures as a share of GDP fell gradually, revenues fell more quickly and the deficit remained high. The failure to lower budget deficit resulted in excessive monetary growth, inflation, and continued high interest rates (IMF 2001).
These factors in turn, slowed investment and placed particular hardships on the poor because of limited job creation and increased food prices, all these factors affecting tourism and hospitality sector as well. The drought and the economic restructuring were associated with a serious economic decline between 1990 and 1996. Official estimates show that real household consumption fell by 24.2% during this period (CSO 1997a, 1998b).

The scale of economic collapse was such that Zimbabwe’s economy had shrunk by a third since 1999, a far worse decline than was seen during full-scale civil wars in other African countries. This compares to an average GDP decline in civil wars of “only” 15% (Collier et al, 2003).

Indeed, the purchasing power of the average Zimbabwean had fallen so far in the past seven years that it has returned to 1953 levels (Clemens and Moss, 2005). About 35% of the population lived below the poverty line in 1996, but this grew to an estimated 80% by 2003 (World Bank, 2005). Inflation, which is under control in nearly every African country (the regional average is in the single digits), topped 400% in Zimbabwe in October 2005. Similarly, inflation has caused both consumers and investors to change their spending habits. This has been demonstrated by the decline in real values in disposable incomes for locals which impacts negatively on domestic visitation and at the same time, investors’ business declining possibly leading to closure of operations. The NEDPP and the Central Bank have put in place initiatives to reverse the inflationary trends hence all stakeholders should be supportive to this cause. Stakeholders in the destination have raised concern that the local currency is overvalued against major currencies and this has resulted in the emergence of the parallel market.

UNCTAD (2008) posits that many developing countries are looking to tourism as a potentially promising avenue for economic and human development. This is a relatively new position for some countries, and reflects the rapid increase in tourism in terms of both numbers of arrivals and revenues for several economies in recent years. Traditionally, tourism was placed below manufacturing or agriculture, since it was not seen as a significant or appropriate source of growth.
In contrast, today, a “quiet but significant reappraisal” is taking place, which values tourism as a potential means of earning export revenues, generating large numbers of jobs – including for young people and women – promoting economic diversification and a more services-oriented economy, helping to revive declining urban areas and cultural activities, and opening up remote rural areas.

The most immediate effect of inflation is the decline in the purchasing power of the local currency as well as its depreciation against major currencies. Under normal circumstances, this stands to be an advantage to foreign nationals’ consumptive patterns within the destination, but because of the existence of the parallel exchange rate, price distortions that emerge have made the destination very expensive (ZTA, 2005). The impact of this on tourism industry is that the pricing structure of operators tends to be responsive to high cost of inputs and primary goods in the market such as fuel, food and beverages (Moss, 2005). The overall effect is that the destination becomes more expensive than its competitors for the foreign tourists whilst local tourists’ declining purchasing power is reflected in low levels of domestic visitation.

Porter (1998) postulates that the economy can have a serious impact on sales and profitability within an industry and firm. Unemployment rates, the value of the dollar, inflations, growth, and productivity are factors that impact the health of the economy and consumer confidence. These factors provide indicators to potential concerns on recession and inflation. The economy may lead to reduced spending by consumers that have a rebound effect throughout companies and industries. A firm must monitor these factors to forecast sales and profits appropriately and devise appropriate strategies to ride out an unfavourable economic environment. Firms may even be able to take advantage of an economic downturn to gain share and customers from competitors.

Bennet (1995) posits that the main components of the tourism product are perceived by the prospective tourist as an experience available at a price, hence the addition of the image of the destination and the price to the consumer as basic components of the tourism product (Middleton, 1988).
This concept is illustrated in Figure 2.19 on the next page, from which it follows a prospective tourist would choose a destination. Tribe (1997) motivates that tourists from abroad are interested in the exchange rate of the destination as this will affect their spending power. Zimbabwe’s economic environment poses a threat to its tourism industry; not only is the world including Zimbabwe going through a recession, but the exchange rate against the Zimbabwean dollar is at a low point making Zimbabwe a very expensive destination.

Poon (1996) further advocates that the price level and the inflation rate are also significant since a combination of high inflation and rising exchange rate can make a destination less attractive than its competitors. Poon (1996) also argues that a country should therefore manage its economic growth; consumer expenditure; exchange rates and inflation. Bull (1998) says that in international tourism, exchange rate variations are usually the major contributor to relative price differences.

ZTA (2000) laments that an over-valued currency, rewards speculative behaviour at the expense of bona-fide exporters. The most immediate impact of the over valuation of the currency is in the food and beverage pricing, e.g. if the average cost of breakfast in most hotels in Zimbabwe is approximately ZWD 4000 and on average, in other parts of the world, breakfast would cost USD10. This is taken to be equivalent to ZWD 4000, in year 2000. However, if one pays for breakfast in a local hotel at the official exchange rate, this will cost the tourist USD16. What this means is that the pricing of tourism products is based on the pricing of the inputs that are priced using the rate that is different from the official one.

The industry also experienced challenges in processing payments through international credit cards. The effect on the tourism industry is that the destination will be viewed as expensive and this needs to be addressed through monetary policies that are pro-tourism. The high cost of borrowing currently prevailing in the market is prohibitive to the development of tourism. This also implies that major capital developments and other refurbishments will be difficult to carry out. With inflation, cost of borrowing will continuously increase and this is often as well, translated into charging higher and speculative prices making the destination more expensive. Monetary policy instruments that need to be put in place should include tourism promotion incentives. A precedent already exists in the form of Agricultural Sector Productive Enhancement Facility (ASPERF), which provides a concessionary lending facility for the agricultural sector (ZTA, 2005).
a. With the attractions and facilities that would appeal to them;
b. That is readily accessible by transport mode they prefer;
c. That they can afford; and

d. That projects an image in line with their needs or preferences.


Foreign currency shortages affect the destination in many respects such as promotion, destination accessibility, service delivery and general maintenance of facilities and equipment. Currently, foreign currency available through official channels is not adequate for the destination’s needs and people often resort to unofficial parallel market that is not accounted for in official records. Monetary policies, through appropriate instruments need to address these issues with a view to closing the leakages. Tribe (1997) posits that a developing domestic economic environment offers clear opportunities for development and investment opportunities especially where the political environment is stable and thus perceived safe by both tourists and investors. Adverse international publicity on violence has depicted Zimbabwe as an unsafe destination therefore affecting any potential growth it could have.

e) Lack of adequate food security/Loss of bread basket status for the region/ Failure to maintain infrastructure

Erosion of economic foundations: Agriculture, the mainstay of the pre-crisis economy, is a shell of its former self. Production of maize, the national staple food, has dropped to 86% between 2000 and 2005. The volume of tobacco exports, once the country’s leading foreign exchange earner, is down by more than 60% since 2000 (IMF, 2005). Industry, and to a lesser degree mining, have also suffered tremendously. Indicative of the scale and tragedy of the decline, Zimbabwe had once been a food exporter, but it is now food-insecure with up to half the population reliant on imported food aid.
This is mostly the result of chaotic land seizures and the departure of at least 80% of the country’s commercial farmers (not drought or donor withdrawal, as the government claims) (Clemens, Moss, and Richardson, 2005). Violence on the farms has also led to widespread destruction of infrastructure. Just a few years ago Zimbabwe had Africa’s most extensive system of dams and irrigation but today that is nearly all gone.

Bennet (1995) motivates that the infrastructure referred here is the physical infrastructure such as roads, electricity and water, which is required to support activities in the tourist industry. It is essential to accommodate the specific needs of the tourist industry when planning future infrastructure by the Public sector where there is multiplicity of use and introduction of user charging at a cost that is appropriate to the service provided. There is need to create an effective forum between the tourist industry and relevant public (infrastructure) institutions.

f) **Shortage of energy and fuel**

Burkart and Medlik (1981) argue that tourism is about being elsewhere illustrating the extreme importance of transport suppliers in the tourism system and that without transport, there cannot be any tourism. Petrol, mostly unavailable at the officially set price, was found on the black market at a premium of 600 to 800 per cent (Moss, 2007) up to 2008. The oil crisis manifested by petrol shortages, dealt a severe blow to Zimbabwe’s tourist industry as Zimbabwe depends on countries contiguous to her in terms of supply of tourists who are mostly road users than flying.

g) **Decline of health delivery system**

*Breakdown of basic service:* State social services - which had once been among the best in Africa - no longer effectively, function. This erosion of state services has contributed to a deterioration in already low human development indicators, dropping Zimbabwe in the UN rankings from 87th in 1990 to 145th by 2003 (UN, *Human Development Report 2006*). The number of health professionals fleeing the country has escalated while resources for the health sector have collapsed (Clemens and Moss, 2005).
h) Repackaging Zimbabwe as a destination

The negative publicity has destroyed the Zimbabwean brand and as a product, tourists are shunning the destination. The issue of re-branding the destination should therefore be given priority (ZTA, 2006). Fridgen (1991) argues that economic impact assessment (EIA) on existing economy is made to determine the effects of tourism spending on employment and income in that economy. Whilst the number of projects for 2006 remained at only 2, the fact that projects were undertaken at all as things stand indicates the priority being given to tourism. Fridgen (1991) further asserts that this is mainly due to the direct, indirect and induced impacts of tourism on an economy.

As the element of sanctions bite, Zimbabwe elevated tourism as a national strategic priority in the NEDPP (National Economic Development Priority Programme). The national blueprint recognises that tourism has potential for growth and that it is a major source of foreign currency and employment generation (ZTA, 2005).

Through NEDPP, Zimbabwe established a Tourism and Image Building Task Force (structure) whose core mandate is to correct the impediments in the sector and reposition Zimbabwe as Africa’s Paradise. Perception Management campaign was rolled out to fight the negative publicity in overseas markets. During the course of 2006, over 1000 opinion leaders, journalists and travel agents from Europe, America, Asia and Africa were hosted. The “Go to victoriafalls.com” campaign, a private sector initiative was very strategic in the regaining of certain lost markets and the effective penetrations of new markets (ZTA, 2006).

Various pieces of legislation that address tourism directly or indirectly should be, however, reviewed with the purpose of identifying areas of duplication and contradictions. Such pieces of legislation that relate to wildlife, museums, monuments, environment, Local Authorities among others should recognise that tourism is a strategic industry whose benefits cascade to all sectors of the economy. There is need to harmonise such legislation with the Tourism Act so as to achieve an integrated approach towards fulfilment of the destination’s strategic objectives. The planning policies need to be looked at so that there is proper coordination between tourism planning and physical planning. The Tourism Policy approval needs to be expedited. A tourism sector without an approved Tourism Policy, Tourism Master Plan, let alone Tourism Development and Marketing Plan, will be like a house built without a foundation (ZTA, 2000).
There is also need for air transport policies which are crucial for the destination’s accessibility from long-haul markets. The country adopted a visa policy regime such that countries are divided into three categories: where visas are not required, where visas are issued at port of entry on payment of the requisite visa fee and where visas need to be applied for prior to travel.

ZTA (2000) motivates that the visa regime is a significant issue especially with Zimbabwe’s competitors in the region who are targeting the same markets. Zimbabwe’s competitors in the SADC region, who are also part of the multi-destination package with Zimbabwe, have adopted a visa exemption policy, specifically for the markets of UK, USA, France, Germany, China and Japan and they are benefiting at the expense of Zimbabwe as she battles with sanction imposition. It is out of this consideration that the tourism sector has been agitating for a review of the visa regime to take into account the need to attract certain markets. The current visa regime is as outlined in the attached schedule (Appendix 1 on page 342) where the bulk of Zimbabwe’s traditional markets are in Category B.

Some of the targeted markets that are in Category C, should be upgraded to Category B for competitive purposes. Furthermore, the country needs to adopt exemption visa policy for important target markets listed in Appendix 1 on page 342. Countries in Category C require the nationals to apply for and obtain visas prior to travelling whereas countries in category B’s nationals are granted visas at the port of entry on payment of the requisite visa fees.

Information and communication technology (ICT) occupies a prominent position in the development agenda of the destination. Zimbabwe needs to invest into ICT infrastructure, which is supportive to tourism development and improves access from source markets. Successful destinations have effectively utilised ICT opportunities for promotion, distribution and improved service delivery in order to remain competitive. The tourists and tourist destinations are separated by varying degrees of distance, which contributes to difficulties in distribution (NECF, 2005). This particularly affects Zimbabwe whose source markets, both traditional and new, are long-haul. It follows therefore that failure to communicate effectively with actual or potential consumers has serious implications for the success of Zimbabwe as a destination.
The growing sophistication of information technology though such media as the internet and new e-mail has increased the speed and standard of communication to an unprecedented degree. This constitutes both a threat and opportunity for Zimbabwe. ZTA (2005) laments that as an organisation, lacks the resources to fully embrace new technologies by engaging in electronic commerce in order to match the competitors. Some opportunities derived from technological developments include; improvements in the quality of goods and services, distribution system and access through direct marketing in source markets. On the other hand, limited technology or lack of it may lead to the product or service becoming obsolete or subject to fierce competition.

a) A low volume, high quality, high added value tourism is the future philosophy of destinations, presupposing rationing which can be divisive, denying access to some and often prejudicing educational use.

b) Further studies – the political nature of tourism strategy-making process, public participation in the tourism planning and strategy process, the sources of power in tourism strategy-making, the exercise of choice by public servants in complex strategy environments and, perceptions as to the effectiveness of tourism strategies.

i) Safety and Security

UNCTAD (2008) motivates that tourism is sensitive to exogenous shocks and it is critical for low-income countries such as those in Africa to examine its development and dimension in order to be able to devise a strategic policy for maximizing and sustaining its positive impacts and minimizing its negative ones. One also has to look at the motivations for travelling. One of the most important elements in motivation for travelling is safety and security. Visitors want to go back to their homes alive. Zimbabweans believe that it is a safe destination, it is therefore necessary to project the desired destination image to the markets and to manage the perceptions. The researcher feels that Zimbabwe as a nation seems to have failed to assure to the international market or community that it is safe to visit and stay in Zimbabwe. There currently appears to be no harmony of motivation for travel with the prevailing discord in politics, economic and social arenas and this is directly affecting inflows of tourists and so are the performances of accommodation, activities, food and beverage as revenue spinners. ZTA (2002) motivates that the Southern Africa Region (RETOSA) experiences a negative growth of -10% (2002/2001) in tourist arrivals compared to a positive growth of 4% (2001/2000).
This is largely a result of intense negative press publicity of the region particularly Zimbabwe internationally during the period under review resulting in negative perceptions by travellers on the destination in regard to safety and security.

Equating Zimbabwe to South Africa in terms of safety and security, it actually indicates that South Africa is the worst destination but still it has a lot of arrivals. The reason is that the South African government has come out in the open to condemn crime and has given the perception that it is containing crime. Visiting a destination has a lot to do with perception which is the tourist’s reality and that guides tourists (McIntosh, Goeldner, and Ritchie, 1995). To this end Zimbabwe Tourism Authority is making concerted effort to send attaches to source markets to try and promote the country and subsequently boost occupancy percentages. Safety and security also relate to issues of availability of medicines and hospitals. Our health sector is almost non-existent, making Zimbabwe an unsafe destination especially with the outbreak of cholera.

Bennet (1995) argues that motivation for travel is influenced by image of the destination and the perception is influenced by the information available at the time of decision making. Travel embargoes to Zimbabwe were widely published in source markets thereby affecting the arrivals to Zimbabwe. The tourist’s holiday decision is influenced by the following factors as reflected in Figure 2.20 on the next page:
Bennet (1995) motivates that the political/governmental environment which is turbulent, impacts on the tourism industry. Changes were taking place at an increasingly rapid pace, forcing the industry to focus heavily on the environment and on the changes instead of relying on set structures to aid the tourism strategy.

Ritcher (1995) asserts that instability in the country may negatively affect neighbouring nations because of interruptions of air or overland routes or that publicity makes the whole region sound volatile. Internal upheavals within a country result in tourists being dissuaded from coming or staying because of received conflict. Tourists may be targeted at by anti-government forces to embarrass the government, weaken it economically, and draw attention abroad to the political conditions the opposition finds salient. Ritcher (1995) further argues that tourism as a discretionary activity is incredibly vulnerable to political instability.
Seaton and Bennet (1996) motivate that politics at regional, national and international levels profoundly affects tourism’s supply and demand. Governments and country blocs may pass laws affecting the provision of tourism. Political unrest, wars and terrorism can destabilise tourism overnight as in Lebanon during the 1970s and the former Yugoslavia during the late 1980s. London lost over 50% of its American visitors in the summer of 1986 following the bombing of Libya, and Jordan lost most of its tourists during the Gulf war.

j) Social Environment and Tourism:

Social-cultural environment factors affecting tourism include the size and structure of the population, mixture of social classes, attitudes and values. The population of Zimbabwe is approximately 13 million and consists of a multi-racial mixture. The population consists of a rising black middle class with potential for domestic visitation and tourism investment. There is need to develop a domestic tourism strategy to take advantage of this market. While the country enjoys a skilled manpower base, because of economic hardships over the last few years, there has been a skills drain, which has also affected the tourism sector. The decline in performance of key economic sectors has led to unemployment, closure of companies and reduced investment inflows. This has resulted in poverty and related crimes impacting on the destinations’ image in general (Christie and Crompton, 2001 and Medlik, 1995.). There is need to put in place strategies to protect tourists from crime. Southern Africa tops the list on HIV/AIDS prevalence and deaths in the world. This has a negative impact on country destination’s image and this threat needs to be adequately addressed.

k) Ecological Environment and Tourism:

In line with the National Environmental Policy, the Government of Zimbabwe recognises the importance of the relationship between the environment and the development of sustainable tourism. The Destination Management Organisation (DMO) will ensure that the development of tourism is based on careful assessment of carrying capacities of the local environment.
2.4.5 Economic Sanctions against Zimbabwe by European Union and United States of America

In the context of international relations, Galtung (1967) defines sanctions as “actions initiated by one or more international actors (the senders) against one or more others (the receivers) with either or both of two purposes; to punish the receivers by depriving them of some value and/or to make the receivers comply with certain norms the sender deem important. Fisher (1969) notes, that in international conflict as elsewhere our first reaction to somebody doing something we don’t like, is to think of doing something unpleasant to them. Fisher (1969) goes on to note that the purpose of sanctions is to exert influence on the “receiver” to make some decision about changing their mind. Galtung (1967) defines negative sanctions as punishment for the deviance and positive sanctions as rewards for compliance. After making this distinction, however, he concentrates on negative sanctions as the instrument to induce compliance. Economic warfare, using value deprivation as a weapon, has as its end, the political disintegration of the enemy so that he gives up the pursuit of his goals (Galtung, 1967).

Unlike Galtung (1967), both Doxey (1971) and Wallensteen (1971) clearly distinguish between economic warfare as a situation where military as well as economic measures are used to inflict maximum damage to the economy of other nations. Economic sanctions include general trade bans between states without the use of military means—perhaps as an alternative to military violence (Doxey, 1971). While Wallensteen (1971) focuses on the differences in techniques used, Doxey (1971) stresses that the techniques may be similar, but the objectives or ends are different. In economic warfare, the target is perceived as an enemy, and according to Doxey (1971), “the objective is to hasten the enemy’s defeat, to induce or eliminate its capacity to wage war, to undermine morale, and generally to make life for the citizens as difficult as possible.

When economic measures are used as sanctions, the object is to deter or dissuade states from pursuing policies which do not conform to accepted norms of international conduct. Sanctions are penalties which relate specifically to acts which the international body condemns (Doxey, 1971). Strack (1978) makes the point that perhaps the success of economic restrictions in wartime gave rise to the widespread belief in the efficacy of such measures as international sanctions.
Doxey (1971) reserves the term “sanctions” for those actions which are “conformity-defending instruments relating to behaviour which is expected by custom or required by law,” and thus in the legal system are always negative in character. The point is that sanctions as “conformity-defending” instruments of international legal enforcement (Doxey) may well have a better chance of being perceived as more legitimate by the international community of actors than sanctions which are used by one state to advance its national interests by compelling another state to do what it desires (Wallensteen, 1971). A more legitimate threat is likely to be more effective.

Beside punishment and compliance, sanctions may serve expressive or symbolic functions. Galtung (1967) states that in lieu of military action, when doing nothing is seen as complicity, something may have to be done to express morality or disapproval. The author, however, suspects that “economic sanctions may serve the purpose of expressing moral disapproval best when they are of symbolic nature and value-deprivation is kept low.” Moreover, he notes that there are less costly ways of expressing such as declarations, resolutions, demonstrations, or non-recognition. Schreiber (1973) after studying United States sanctions against Cuba and the Dominican Republic, concludes that it is mainly its symbolic function that makes economic coercion a tempting policy to governments. Regardless of its concrete impact on the target state, a government may consider economic coercion useful if it serves to declare its position to internal publics, or helps to win support at home or abroad.

Strack (1978) argues that in receiving past applications of sanctions by states and international organizations, a high degree of consensus emerges as to the ability of sanctions to induce the targets or receivers to comply with the wishes of the senders. In short, the prevailing view is as follows: first, aside from purely punitive or symbolic considerations, sanctions have not been useful device to induce, persuade, or compel the target to comply, second, sanctions maybe dysfunctional by serving to make the target less rather than more compliant; and third, while some of the effects of sanctions may be deprivation, other effects may be very beneficial and desirable for the target, enhancing its internal political and economic situation in ways not foreseen by the senders. All the sanctions outlined in Articles 41 and 42 of the United Nations Charter – and these include trade bans, interruption of transportation and communications, severance of diplomatic relations, demonstrations, and blockades – applied by all states against a target, would not necessarily ensure compliance by the target.
The theory of sanctions postulates that within the target there is a linkage between economic deprivation and political change. Galtung (1967) labels this as the “naive” theory of sanction which asserts a direct, positive correlation between value deprivation and political disintegration. Curtin and Murray (1967) claim that this theory depends on the notion that threatening people’s incomes is as effective as threatening their lives that, in the case of Rhodesia, a decline in real income of the country’s inhabitants should lead to the desired political changes or substantial European emigration. The effectiveness of a sanction, however, is dependent not only on its economic characteristics but upon the social characteristics of the target population. The reaction to economic attack is a function of personality, culture and social organisation. Imposing pain may not be a good way to produce a desired result (Fisher, 1969). This is especially true if the target population perceives itself threatened with more pain by compliance than non-compliance. For Europeans in Rhodesia, compliance meant African majority rule sooner or later, and this was perceived as being the end of European existence in Rhodesia. What is important in securing compliance is not reality, but the target’s perception of reality (Strack, 1978).

Far from provoking political change or disintegration, sanctions may well do precisely the opposite – namely enhance solidarity, cohesion, and popular support of the target. The generalised siege mentality induced by sanctions may make dissidents or potential dissidents more susceptible to appeals of national unity.

Wallensteen’s (1971) research indicates that the theory that economic sanctions would be an act of support for the opposing groups in the receiver is not validated. After studying the sanctions against Italy in 1935 and 1936, Baer (1973) concludes that what was meant to be only instrumental economic pressure to elicit internal protest was transformed by the Italian government into a cause for rapid intensification for integral economic and political nationalism. According to Doxey (1971), “a siege psychosis, once engendered, can be a powerful factor in sustaining the will to resist, and it will also enable the government to take unpopular steps such as rationing consumer goods or increasing taxes. If the target state has problems establishing or maintaining internal cohesion, outside pressure in the form of sanctions might well serve to accelerate its political integration. In addition, Galtung (1967) notes that a society, when worked upon by the forces of cohesion, may draw on reservoirs of strength and ability not only to resist stress but also to act creatively – qualities that lie latent in quieter periods.
In the case of Rhodesia, one result of sanctions had been the stimulation of an industrial revolution in manufacturing and a general economic diversification that might have taken decades to achieve naturally.

Beside the linkage between economic deprivation and political change, the theory of sanctions postulates a second linkage; that is between external trade and economic deprivation. Galtung (1967) describes an ideal target for economic sanctions as a country whose foreign trade represents a sizable percentage of its gross national product (GNP), a foreign trade highly concentrated in one trading partner, exports concentrated in one product, and the country’s economy dependent on one product. Placing sanctions on this ideal target should cause a reduction in incomes in the foreign trade sectors with a minimum of damage to sanctioners. The recession engendered in the foreign trade sectors should spread to the rest of the economy, causing a large decline in the national income. This is certainly valid economic theory, however, economists or sanctioners may, on one hand, underestimate the ability of the target to adapt itself and restructure its national economy to minimise the damage and, on the other hand, may overestimate the degree of world compliance with the sanctions (Strack, 1978). There are many and varied counterstrategies available to the target, from sacrifice and smuggling to developing import-substitutes and diversifying the economy.

a) Effects of Sanctions on Zimbabwe

The effects are that we have a limping tourism and hospitality industry, worsened by temporal structures in place. The disposable income of Zimbabweans has been eroded. Their participation in tourism is thus negatively affected. Yet at the same time, foreigners are declining in numbers in terms of their arrivals to Zimbabwe. A redress of the currency in use should be made so that the Zimbabweans become the predominant market in tourism and hospitality industry with a high average spending per cover for continuity of the industry. Others argue that Zimbabwe as a nation, is not under sanctions but, Zimbabwe Democracy and Economic Recovery Act (ZIDERA) does not say we are now imposing economic sanctions against Zimbabwe. The enactment simply allows the US to prevent Zimbabwe from accessing finance from certain multilateral lending institutions that can then be used as capital expenditure in tourism ventures. That is smart sanctions. ZIDERA therefore subtly introduced economic sanctions against Zimbabwe (Hondora, 2008). Brazenly declaring that the US is imposing sanctions on an impoverished developing African nation would be bad public relations.
People ask questions: Why Zimbabwe? Why not the Middle Eastern countries where women are not allowed to vote, where there is no freedom of speech, where there is torture, etc.? Why not countries like Pakistan where the current President came to power through a coup? Why not Egypt where presidential elections are predetermined? Why not Uganda where there is no multiparty politics? Why not Ethiopia where elections are rigged, students detained indefinitely, where torture is rife, etc.? Why not China, or Libya – the two countries currently doing roaring trade with the USA and EU among others, though there is no democracy, or basic human rights observance? It is further argued that Zimbabwe is not for a minute different from other countries and that there must be no consequences for gross human right violations, election rigging, etc. Honduras (2008) motivates that it is wrong to cause an economic implosion in all its sectors simply to rid Zimbabwe of its leadership.

The economic and strategic impacts of sanctions in business strategy and government policy, have taken a central arena in Zimbabwe, especially in the tourism and hospitality field. This study discusses how sanctions are changing the relationship between markets and governance at local, national and international levels and how sanctions are affecting the stability of international financial markets. The appraisal of the element of sanctions and their efficacy in the global business arena are crucial to Zimbabwe as depicted through case studies such as South Africa. Sanctions imposed against a country are normally targeted at different ministries and sectors of production and by virtue of their mandate; they will ultimately affect tourism and hospitality industry activities. The prosperity of tourism and hospitality industry is highly dependent upon trade in other sectors of the economy such as agriculture, mining, manufacturing and transportation.

Deterrence theory explains the control of human behaviours through sanctions (Gibbs, 1975). Different types of sanctions exist in societies, including formal (penal) and informal (social) sanctions. Individuals do not engage in certain behaviours due to the perceived sanctions, defined as consequences. The United States focuses on formal sanctions in preventing criminal behaviour—prison, probation, and fines. However, American society has not focused as extensively on informal sanctions, which included stigmatization, shaming, embarrassment and disapproval from others, and individual conscience (Grasmick, Blackwell and Bursik, 1993).
In the past, deterrence theory research examined the role of formal sanctions in controlling criminal behaviours and focused on the effects of increasing the severity and certainty of legal sanctions. The legal system has been viewed as a potentially powerful deterrent. However, weak evidence for formal sanctions shift the focus to informal sanctions (Gibbs, 1975; Weisburd, Waring and Chayet, 1995), and today deterrence theory has expanded to include informal deterrence. Research demonstrates that informal sanctions are strong deterrences across these different settings for different forms of deviance. The effect of formal sanctions is largely mediated by social sanctions. Arrest appears to be a deterrent; however, the existence of social sanctions associated with the arrest, actually deter the offender (Tsoudis, 2001).

2.4.6 Performance of Zimbabwean Tourism and Hospitality Sector

Strack (1978) observed that up until after World War II, Zimbabwe’s tourist industry was growing very slowly. In the 1960s tourism potential as an important player in the national economy began to be taken seriously. The Zimbabwean War for Independence between 1970 and 1979 saw a dip in tourist arrivals. After 1980, the civil war that broke out in Matebeleland and Midlands areas of Zimbabwe (Gukurahundi War) received attention from the international media that went on to paint a bad picture of Zimbabwe. This was worsened by abduction of two American tourists by “dissident” elements in Matebeleland in 1984. However, the policy of reconciliation adopted by the government in 1987 went a long way in creating a good peaceful picture of Zimbabwe which had more influence on tourist arrivals.

The tourism in Zimbabwe has developed at a phenomenal rate since 1980. In fact in 1996 the World Tourism Organisation ranked Zimbabwe as the fourth top tourist destination in Africa. In 1997, the Zimbabwe Investment Centre estimated that in 1995, tourism contributed 1.8% Gross Domestic Product (GDP). Bond (1997), Strack (1978), Henderson (2007) all acknowledged the centrality of tourism in Zimbabwe economy. The setting up of the Communal Areas Management Programme for Indigenous Resources Programme (CAMPFIRE) led to the active involvement of the rural people in tourism.
Zim Tourism (2007) noted that from the late 1980's to 1999, tourism was the fastest growing economic sector in Zimbabwe. It experienced a growth from 20% to about 40% during those years with the annual average growth rate being 18.4%. Global Eye (2002) contends that tourism as a strategy is Zimbabwe's third largest earner of foreign exchange after the agriculture strategy in tobacco and mining strategy in gold. Mayo (1997) estimated that employment into the tourism industry would rise to 100,000 by the end of 1998 compared to 43,532 in 1990. Zimbabwe National Chamber of Commerce (2000) indicated that growth in tourism arrivals slumped from 36% in 1995 to -19% in 1997, then took a two-decade-long rise to 55% in 1998 before growing as little as 6% in 1999.

However, Zimbabweans are discovering the fickle, uncertain nature of the industry as serious challenges of unconnected events bring the tourism sector to its knees. From the late 1980's to 1999, tourism was the fastest growing economic sector in Zimbabwe generating over USD200 million and contributing 7% to Gross Domestic Product in 1999 (ZTA, 2007). In 1997 the country’s tourist industry strategy was just getting underway in a real sense within the country’s structure. Tourist arrivals reached 1.2 million with nearly 400,000 tourists visiting the Victoria Falls - a record high. The sector experienced a growth from 20% to about 40% during those years with the annual average growth rate being 18.4%. During that time, tourism made up about 8% of the Gross Domestic Product (GDP) in Zimbabwe and was expected to keep undergoing phenomenal growth well into the 21st Century. It was expected that with tourism growing in South Africa at over 8% per annum and tourist arrivals in that country, were expected to reach 10 million in year 2003. In the same vein, Zimbabwe could look forward to rapid growth in this vital industry. Tourism had a high job creation ratio where it was estimated that for every eight tourist who visited the country, one local job was created (Sokwanele, 2004).

However, the predictions did not anticipate the social, political and economic structural crisis that the country’s ministries would be thrown into during the beginning of this century. The turmoil in tourism arose seemingly, from the introduction of sanctions following certain events in Zimbabwe. This study presents research on strategy, structure and significant other performance drivers (SOPD) which seemingly induced the imposition of unilateral external and internal economic sanctions by the European Union and United States of America on Zimbabwe.
The various sanctions in place are identified and discussed in terms of the underlying rationale and repercussion to the tourism and hospitality sector in Zimbabwe. The cumulative impact of the sanctions is assessed from the perspective of the sanctions targeted at Zimbabwe in both economic and strategic terms. An analysis of the benefits accruing to tourism of neighbouring countries at the expense of Zimbabwe due to the imposition of sanctions is made.

Since sanctions exact great economic loss in terms of international business opportunities, this study explores the winning strategies and structure the tourism sector can employ as economic development tools at the disposal for the sector under the “smart” sanctions. The economic as well as strategic costs and benefits of the proposed approach are evaluated. Moderators to impact of sanctions are also identified and discussed (GW Centre for Globalization, 2003). This study will explore compromised trade and social decline and the environmental degradation suffered during the period. The economic sanctions imposed on Zimbabwe by United States of America (USA) and European Union (EU) are broad reaching in scope and duration with a track record of nine years to date. As such the case of Zimbabwe is particularly instructive concerning the staying power of USA and EU in unilaterally maintaining pressure on another nation via economic sanctions to effect policy changes. The efficacy of economic sanctions imposed on a nation, are also assessed using the case of South Africa for comparison.

Zimbabwe’s economic performance problems are multidimensional, influenced by domestic and foreign factors. This study seeks to explore whether or not these economic performance problems started with the introduction of USA Executive Order 13288 superseded by E.O 133391 including the International Emergency Executive Powers Act (SOU.S.C 170/et.seq IEEPA, considering that since 1980, the country’s economy has grown in fits and starts and has not been really stable (Hondora, 2008). The study also assesses other factors which may have contributed to the meltdown in the tourism and hospitality sector, (Significant other Performance Drivers).

Cooper, Fletcher, Gilbert, Shepherd and Wanhill (1998) inform that performance of international and domestic tourism is made through volume, value and visitor profile statistics.
Medlik (1995) argue that a low volume, high quality, high added value tourism is the future philosophy of destinations, presupposing rationing which can be divisive, denying access to some and often prejudicing educational use. These can be presented for the country as a whole, but often more useful when broken down to provide reliable information for specific destination areas. Leiper (1997) posits that tourists are temporary consumers in the places they visit, spending money on a wide range of goods and services with the result that economic consequences of their presence impacts, directly or indirectly, on virtually every part of the place’s economy. Australian Department of Tourism (1992) argue that every industry in the national economy is affected to some extent by tourists’ consumption. The economic impacts are measured through trends and statistics which vary from one country to another (Harrison and Husbands, 1996).

Trends clearly outline how particular markets are performing and this helps in the crafting of appropriate strategies and structures. Cooper, Fletcher, Gilbert, Shepherd and Wanhill (1998) argue that while tourism statistics are normally estimates and are liable to various forms of error, they represent the best estimates available and provide a guide as to true magnitudes. Fridgen (1991) asserts that tourists travel to destination and their purchase among other things, of accommodation that then maximise their satisfaction, is the beginning of the creation of an economic model of tourist behaviour. This economic model in tourism, describes the small scale version of some aspect of the economy.

2.5 Comparative Study

To have a feel of the economic performance of the tourism industry in other countries, the researcher shall look briefly at two of them and these are South Africa and Kenya. This section provides a synthesis of country case studies on the economic development impacts of the strategy in tourism correlation with government structures for two East and Southern African countries namely Kenya and South Africa.

The case studies sought to present evidence on the scale and trends in tourism, and on its development impacts as a result of the fit between strategy and structure and the effect of significant other performance drivers. The case study countries were selected with a view to enabling a comparative analysis of different country contexts.
Some countries have much older tourism industries for instance Kenya and South Africa and Zimbabwe has a much younger tourism (UNCTAD, 2008).

2.5.1 South African Tourism and Sanctions

Peterson Institute for International Economics (1994) posits that in 1948 the Nationalist party assumed power in South Africa and, over the next two years, passed legislation that formed the pillars of the apartheid system: Prohibition of Mixed Marriages Act (1949); Group Areas Act (1950), which separates areas of legal residence by race; and the Population Registration Act (1950), which requires official registration by race. In April 1960, during a protest against the passed laws, which restrict the movements of blacks and other minorities, sixty-nine blacks were killed by police at Sharpeville. Incident provoked worldwide condemnation of South African regime, calling for UN sanctions.

UN Security Council passed Resolution S/4300, (with UK and France abstaining) that deplored violence and called for end of apartheid. In 1961 African states demanded for political, economic sanctions against South Africa, as shown in Figure 2.21 on page 98. South Africa withdrew from British Commonwealth upon becoming a republic and was subsequently excluded from specialized UN agencies. In October 1962, Francis T. P. Plimpton, (US representative to UN) criticized the use of economic sanctions against South Africa, states US "will continue to oppose" specific sanctions.

In November 6, 1962 UN General Assembly in a non-binding resolution (1761), called upon members (separately or collectively, in conformity with the charter) to break diplomatic relations with South Africa, to close ports to South African vessels, to forbid vessels flying their flags to enter South African ports, to boycott South African trade, and to suspend landing rights for South African aircraft. In May to June 1963, Organization of African Unity was established and recommended economic sanctions against South Africa, termination of diplomatic links and called on US to choose between Africa and colonial powers.

In 1981, newly inaugurated administration of President Ronald Reagan announced policy of "constructive engagement" with South Africa State Department said that it represented above all the reality that there was a limit on the U.S. capacity to use negative pressure to achieve policy results in South Africa.
New policy, formulated by Assistant Secretary of State for African Affairs (Chester A. Crocker) included relaxation of diplomatic, economic sanctions imposed under previous administrations, including allowing more South African honorary consuls in US, granting visas to South African rugby team, relaxing controls on nonlethal exports for South African military and police and on restrictions on exports of dual-use military equipment, technology (Washington Post, 23 July 1986, A14; Baker 8-12).

In 1985 Eleven of 12 EC nations agreed on package of limited sanctions, including tighter enforcement of arms embargo, ban on all nuclear, military cooperation with South Africa UK withheld approval pending assessment of sanctions' impact. UK also objected to recall military attachés, and discouraged cultural and scientific exchanges. In Basel, Switzerland, central bankers meeting at Bank for International Settlements reportedly refused to consider request from de Kock to put together official "rescue" package for South Africa (Washington Post, 11 September 1985, A1, A20). In 1985 on 20th of October Commonwealth of Nations overcame UK objections and adopted sanctions package similar to that adopted by US and EC.

Commonwealth package also included ban on government loans to South African government and threatened increased sanctions if progress on dismantling apartheid was not made within six months. Package fell short of Commonwealth's Third World members' call for immediate comprehensive, mandatory sanctions, (Washington Post, 21 October 1985, A16; 22 October 1985). On June 12th 1986, to head off planned protests marking 10th anniversary of Soweto uprising, South Africa declared nationwide state of emergency as shown in Figure 2.21 below. More than 1 000 persons were detained on first day of the decree.

Simultaneously, Eminent Persons Group, appointed by Commonwealth to mediate between South African government and ANC, reported that it had failed, claiming that Botha was not interested in negotiations and at that point in time, called on Western nations to impose widespread sanctions (New York Times, 13 June 1986, A1, A12; Massie 604-06). On June 16th 1986, Archbishop Tutu called for international economic sanctions arguing that there was no guarantee that sanctions would topple apartheid, but it was the last nonviolent option left, and it was a risk with a chance. President Reagan's policy of constructive engagement had failed dismally (New York Times, 16 June 1986, A19; Financial Times, 16 June 1986).
On 11\textsuperscript{th} February 1990, Mandela was released without conditions (refer to Figure 2.21 on the next page). He asked international community to keep pressure on South Africa arguing that, to lift sanctions would be to run the risk of aborting the process toward ending apartheid. Bush telephoned Mandela, inviting him to visit White House. Bush said that he spoke two days earlier with de Klerk, invited him to visit as well (New York Times, 12 February 1990, A1, A17; Washington Post, 12 February 1990, A1). On February 27\textsuperscript{th} the last remaining sanction on South Africa was lifted as shown in Figure 2.21 on the next page.

Phillips and Govender (2001) motivates that tourism did not enjoy a high priority under Apartheid government. In fact, the Apartheid was designed to restrict rather than encourage the travel of the majority of South Africans. International sanctions against South Africa and the global anti-Apartheid campaign ensured that the country attracted few foreign tourists. South Africa’s potential for tourism is enormous but has been hampered until recently by its history, economy and social and political setting (Christie and Crompton, 2001).
Saayman and Slabbert (1998) posit that tourism was identified by government and the private sector as a vehicle to facilitate growth in the South African economy. One of the aspects that had been highlighted was the development of entrepreneurs, and especially black entrepreneurs, in the tourism industry. Tourism was chosen because it impacts on basically all other sectors of the economy. Tourism shows a steady growth as it creates many employment opportunities because an increase in tourists results in a direct increase in employment. International tourism to South Africa has also grown at an average of 10% per year since 1988.
Tourism is currently the fastest growing industry in South Africa and the largest industry in the world and also is the biggest employer. Globalisation has brought about economic changes in general, but also particular changes in the tourism industry. The focus of the tourism industry has shifted from air travel, overnights, and meals and so on to total experiences or fantasy worlds associated with specific destinations. This new tourism phenomenon is not only influenced by economic factors but also by new cultures and a new generation of tourists. In tourism, the different destinations compete worldwide through globalisation (Saayman, 1998). The tourism industry can be defined as a mixture of public and private organisations that are actively involved in the development, production and marketing of both products and services that may provide the needs of tourists (Gee et al., 1989:4). According to Gee et al, (1989) the tourism industry can therefore be divided into three categories:

1. Direct suppliers - reflect those sectors which are visible to the tourist, for example hotels, travel agents, restaurants, airlines and retailers;
2. Support services - supply support to the direct suppliers, for example tour organisers, tourism research units, tourism and trade publications, food services and launderettes and
3. Development organisations - mainly handle tourism development that is more complex than the previous two categories, and include government agents, financial institutions, estate developers and educational centres.

South Africa’s competitive advantages include: macroeconomic stability plus world class infrastructure and a growing domestic tourism economy, South Africa is the gateway to Africa and has experienced strong tourist growth performance since 1994, revelling in diverse cultures and heritage, natural wealth and biodiversity. South Africa has a developed tourism products and services where value for money destination with great year-round weather! Recent tourism developments have included rapid growth in tourism product/investment across all subsectors, with 6 World Heritage sites. This growth has also seen development of Casinos and Convention Centres, expanded Conservation Areas/ Biospheres, growth in niche market tourism and purports to be the world leader in development and promotion of Responsible Tourism (Green Tourism).
S.A. Government Tourism Investment Services has been involved with identification, packaging and promotion of tourism projects through a tourism investment register and matchmaking incentives and facilitation. Tourism’s growth areas include commercialisation of State Assets through Public-Private-Partnerships centring on cultural and adventure activities, resorts/ family destinations, mid-market/ budget accommodation, introduction of new, globally branded properties, large turnkey developments some of it through tourism specific private equity funds.

There was a listing of Hospitality Property Fund on Johannesburg Stock Exchange (JSE) as of 10 Feb 2006. Public-Private-Partnerships in Tourism have seen private sector party (investor) awarded right to operate a facility/ service on state owned asset (e.g. luxury game lodges in Kruger National Park; Maropeng interpretation centre at the Cradle of Humankind WHS) where the implications for investment is that there is a unique access to key tourism assets (World Heritage Sites, National Parks) and associated branding, ensures feasibility and value for money for both parties which usually require impact assessments (EIA), private sector parties to advance government’s objectives (Black Economic Empowerment- BEE, community empowerment and conservation.

Investment Project Opportunities across the provinces of SA are many projects that have been prioritised by government, including: Cradle of Humankind WHS, Ipozzi Mini-hotels, Cape Vidal Accommodation, Luxury Cruise Liner Project, Thabani Wines Project, Pilgrims’ Rest Hotel, The Eye of Africa, Cedar Park Project, Limpopo Parks, Cape Harbours and Transfrontier Conservation Areas. In the light of transformation in South Africa, numerous “windows of opportunity” have opened for entrepreneurs in the tourism industry.

According to Saayman and Saayman (1998) the opportunities were created by the following the lifting of sanctions against South Africa which opened new markets for South Africa. Previously closed markets, such as East and Central Europe, the Far East and the rest of Africa, can now be exploited. It also leads to specialised tourism as reflected in the increase in the frequency of conferences, business travel and sports tours to South Africa. Liberation of South Africa’s international aviation policy and the expansion of air traffic capacity, an increase in the recognition of positive reports on South Africa as a key “long-haul destination”, the paradigm shift to globalisation, better access to a wide variety of international communication channels to market South Africa, especially the Internet.
This includes more positive media reports and advertisements regarding South Africa as a tourist destination. Government support in the provision of sufficient tourism infrastructure has increased including Spatial Developments Initiatives (SDI), for example the road from Walvis Bay in Namibia to Maputo in Mozambique via South Africa.

Arrival figures reveal that the tourism industry is on a growth path. Since 1994 there has been a 37% increase in foreign tourist arrivals to South Africa as shown in Tables 2.5 and 2.6 below. South Africa Tourism (SATOUR) surpassed its forecast that by 1996 it would have attracted more than a million tourists (Harrison and Husbands, 1996). In 1999, 5 890 507 foreign tourists visited South Africa, representing an increase of 2.8% over 1998. The table below shows the progressive growth in foreign arrivals.

Table 2.5: Foreign Tourist Arrivals 1994-1999.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign Arrivals</td>
<td>3 669 850</td>
<td>4 488 270</td>
<td>4 944 430</td>
<td>4 976 340</td>
<td>5 732 039</td>
<td>5 890 507</td>
</tr>
</tbody>
</table>


The Tourism Action Plan presents the top six countries of origin for the years 1998 to 2002 as follows: (Growth rate is based on the average growth rate achieved in the period 1994 - 1998) (Phillips and Govender, 2001).
Table 2.6: Top Six Countries of Origin for the Years 1998 to 2002

<table>
<thead>
<tr>
<th>Market</th>
<th>Visitors 1998 (000’s)</th>
<th>Growth rate 1999 Expected</th>
<th>Visitors 1999 (000’s)</th>
<th>Growth rate 200-2002 (expected)</th>
<th>Visitors 2002 (000’s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>321</td>
<td>5%</td>
<td>337</td>
<td>10%</td>
<td>450</td>
</tr>
<tr>
<td>Germany</td>
<td>196</td>
<td>5%</td>
<td>206</td>
<td>10%</td>
<td>273</td>
</tr>
<tr>
<td>USA</td>
<td>166</td>
<td>10%</td>
<td>183</td>
<td>20%</td>
<td>316</td>
</tr>
<tr>
<td>France</td>
<td>73</td>
<td>10%</td>
<td>80</td>
<td>20%</td>
<td>139</td>
</tr>
<tr>
<td>Italy</td>
<td>37</td>
<td>10%</td>
<td>41</td>
<td>20%</td>
<td>71</td>
</tr>
<tr>
<td>Netherlands</td>
<td>83</td>
<td>12%</td>
<td>93</td>
<td>20%</td>
<td>161</td>
</tr>
<tr>
<td><strong>Total top 6</strong></td>
<td><strong>877</strong></td>
<td><strong>7.2%</strong></td>
<td><strong>940</strong></td>
<td><strong>14%</strong></td>
<td><strong>1.409</strong></td>
</tr>
<tr>
<td>Rest of World</td>
<td>552</td>
<td>5%</td>
<td>579</td>
<td>10%</td>
<td>771</td>
</tr>
<tr>
<td><strong>Total Overseas</strong></td>
<td><strong>1.428</strong></td>
<td><strong>6.4%</strong></td>
<td><strong>1.519</strong></td>
<td><strong>13%</strong></td>
<td><strong>2.180</strong></td>
</tr>
<tr>
<td>Africa</td>
<td>4.303</td>
<td>10%</td>
<td>4.734</td>
<td>10%</td>
<td>6.300</td>
</tr>
<tr>
<td><strong>Total Visitors</strong></td>
<td><strong>5.731</strong></td>
<td><strong>9.1%</strong></td>
<td><strong>6.253</strong></td>
<td><strong>11%</strong></td>
<td><strong>8.481</strong></td>
</tr>
</tbody>
</table>


Christie and Crompton (2001) motivate that foreign arrivals to South Africa totalled 5.4 Million in 1997. Adjusted for cross border transfers (job seekers, etc.), this total falls to 1.6 Million international arrivals (compared to 1.4 Million in 1996); of these, were 24200 air arrivals (6% of total) from points of origin in Africa. About 25% of visitors are from Britain, 15% from Germany and 10% from the United States; amongst African countries, Zimbabwe and Namibia are the most important providing 20% and 13% respectively. For domestic tourism, according to SATOUR, sixteen Million South Africans (63% of the population) took 30 Million trips in 1996. In terms of expenditures, of a total of R60.5 Billion in 1997, R43.8 was for tourism services (domestic R29.2 Billion and foreign R14.6 Billion), capital and other expenditure R16.7 Billion (1US$ = 6 Rands).

Foreign tourism is expected to increase its share, due to South Africa’s remarkable assets and a favourable exchange rate. Harrison and Husbands (1996) posit that post apartheid South Africa is a striking example of the hopes that countries attach to tourism, according a high priority in tourism as the country restructures and improves the country’s economy (Travel Show Indaba, 1995).
Of the Sub-Saharan countries, only South Africa is listed in the top forty tourism destinations worldwide, where it was 26th in 1997. According to the World Tourism Organization (WTO), Africa as a whole attracts just fewer than 4% of total world tourists and accounted for 2.0% of international tourism receipts in 1997. But, the Africa region showed the strongest expansion in arrivals of any world region for 1997, up 8.1% over 1996. Furthermore, during the 1988-97 decade, Africa had an average annual growth of 7.2% in visitor arrivals, only slightly lower than East Asia/Pacific, which had the highest growth rate of all regions and from a much higher base than Africa. The average annual growth rate for all tourist arrivals worldwide has averaged 5.0% for the past decade. WTO ranked the top twenty destinations in Africa by international tourist arrivals and by receipts in 1997. South Africa was the top destination and accounted for 24% of arrivals and 26% of receipts in Africa. The highest annual increase in international tourist receipts in 1997 was recorded by Côte d’Ivoire (17%), followed by South Africa (15%), Zimbabwe and Seychelles (14%), and Tanzania (12%). The WTO calculates that Africa has just over 3% of world accommodation capacity (796,000 beds), but does not show the distribution of that capacity among countries (Christie and Crompton, 2001).

WTTC forecasts a bright future for South African tourism (based on tourism satellite accounts, which include domestic as well as foreign tourism) in 1997, travel and tourism was worth about Rands 60.5 billion (US$9.9 billion) and is predicted to grow at a rate of 12% to the year 2010; domestic tourism is twice as large as foreign tourism but is expected to narrow the gap (44% foreign tourists by 2010). Tourism accounts for between 7 and 8% of GDP and is expected to grow at a rate of 10% to reach double digits in GDP terms by 2010, according to WTTC. Tourism creates one-in-fifteen jobs in the country currently and is expected to grow to one-in- eleven by 2010. The region of Southern Africa attracts about 30% of Africa’s total arrivals and about the same proportion of its tourism receipts. The Regional Tourism Organization of Southern Africa (RETOSA, the promotion group for SADC) was created a few years ago with the support from MIGA to market Southern Africa and work with public and private agencies to that end. A recent initiative is the Okavango Upper Zambezi International Tourism Development Initiative to create a giant wildlife sanctuary to be supported by public and private funds. They are also promoting a Shengen-type tourist visa to give tourists simplified formalities in regional trips to member countries (SADC essentially).
South Africa has close to 8,500 tourism accommodation establishments with over 160,000 rooms and a total of 600,000 beds. Camping and caravan sites are the biggest group (28% of total), hotels (25%), holiday apartments (11%), resorts (11%), guesthouses and farms (9%) and game lodges (6%). National parks’ accommodation is only 2% of room capacity (4% including campsites). In 1997, the overall hotel occupancy rate was 55% (average room rate (ARR): R233), of which, 41% in greater Johannesburg (ARR: R247), 80% in the Cape Peninsula (ARR: R346) and 60% in Durban (ARR: R204); little information is available for other types of accommodation. With the exception of the Cape region, these rates are not particularly high and yet there has been a construction boom in hotels in response to market expectations; room rates are modest in foreign exchange terms.

The arrival rates show that a total of 877,000 from the six European markets visited South Africa in 1998, as opposed to 4,303,000 from the African continent. South Africa has been able to sustain the dominant markets in Europe in 1999. The country also experienced growth in the Asian and Middle-East markets. This means that these are potential markets in the future. However, the marketing strategy completely ignores this fact and no expenditures are allocated for marketing in African countries. Overseas arrivals totalled 1,491,057 compared to African arrivals of 4,272,153. African tourist arrivals represented 72% and the overseas arrivals, 28% of the total international tourists. In the African market there were increases from Mozambique (24%), Botswana (12%) and Swaziland (3%). The previously dominant African markets, Zimbabwe and Lesotho experienced declines, by 6% and 3% respectively. A breakdown of African arrivals by country is shown in Table 2.7 on the next page.
Table 2.7: African Arrivals to South Africa

<table>
<thead>
<tr>
<th>Country</th>
<th>1999</th>
<th>1998</th>
<th>% Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>29,309</td>
<td>32,046</td>
<td>-8.5%</td>
</tr>
<tr>
<td>Botswana</td>
<td>549,818</td>
<td>490,275</td>
<td>12.1%</td>
</tr>
<tr>
<td>Egypt</td>
<td>2,864</td>
<td>3,193</td>
<td>-10.3%</td>
</tr>
<tr>
<td>Kenya</td>
<td>1,468</td>
<td>16,623</td>
<td>-11.7%</td>
</tr>
<tr>
<td>Lesotho</td>
<td>1,582,401</td>
<td>1,434,460</td>
<td>-3.2%</td>
</tr>
<tr>
<td>Malawi</td>
<td>69,411</td>
<td>65,822</td>
<td>5.5%</td>
</tr>
<tr>
<td>Mozambique</td>
<td>422,203</td>
<td>341,051</td>
<td>23.8%</td>
</tr>
<tr>
<td>Namibia</td>
<td>200,982</td>
<td>199,854</td>
<td>0.6%</td>
</tr>
<tr>
<td>Swaziland</td>
<td>777,472</td>
<td>754,999</td>
<td>3.0%</td>
</tr>
<tr>
<td>DRC</td>
<td>4,757</td>
<td>4,406</td>
<td>8.0%</td>
</tr>
<tr>
<td>Zambia</td>
<td>67,017</td>
<td>61,844</td>
<td>8.4%</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>491,533</td>
<td>523,301</td>
<td>-6.1%</td>
</tr>
<tr>
<td>Other</td>
<td>59,701</td>
<td>55,776</td>
<td>7.0%</td>
</tr>
</tbody>
</table>

**Total:** 4,272,153 | 4,183,880 | 2.1% |


The Tourism Growth Strategy (TGS) is premised on focusing marketing activities in core and tactical markets within four portfolios (the Americas, Europe, Asia/Australasia and Africa/Middle East) to target segments of consumers. Marketing campaigns based on the TGS began to roll out in 2002. The “Opportunity SA” campaign was rolled out in the UK to address seasonality, ease and affordability. This package was put into the market in early 2002 to deal with the depth of the offseason (April/May) and was completely sold out. This proved that seasonality patterns could be altered with deal-driven campaigns and the overall growth of the UK market in 2002 showed the importance of marketing South Africa as affordable and “easy to do” destination (South Africa Tourism Strategic Research Unit, 2002). Growth from the markets targeted in the TGS has been the drivers of the 2002 boom. The measurement of the other growth objectives, contained in this report, is starting to show the benefits of the focus that the TGS has given marketing campaigns as opposed to generic marketing that was focused at all consumers (whether or not they were interested in travelling to South Africa). The projections for 2003 are optimistic (SATOUR, 2002). The “growth strategy” that South Africa applies, has to-date kept its tourism performance rising, with the highest records in 2004 and 2008 respectively.
B. Conclusion

South Africa and Zimbabwe shared historical similarities in experiences in terms of implementing the tourism and hospitality strategy and adopting appropriate structures. Whilst there are similarities, South Africa was able to harness the tourism strategy, changing its structures. Changes in an organisation's strategy led to new administrative problems which, in turn, required a new or refashioned structure for the successful implementation of the new strategy. Chandler (1962) demonstrated that as strategy changed, problems occurred involving coordination within and between functions (e.g., the determination of the profit contribution of different businesses) thus concluding that it is very difficult to achieve efficiency (optimal resource allocation) when changing strategy without the appropriate organizational structure. The primary focus here is that alignment between these different organizational attributes is critical to firm performance. As Porter (1991) argues, firm profitability is attributable to both structure and the strategic position of firms within industries and taking cognisance of significant other performance drivers.

2.5.2 Kenyan Tourism

a) Introduction

UNCTAD (2008) posits that since independence in 1963, the Kenyan Government has been struggling with development challenges and made numerous development plans, session papers, fiscal papers and recovery strategy papers. Since 2003, however, the economy has been experiencing a gradual economic recovery. It grew by 1.8 per cent in 2003, 4.3 per cent in 2004, 5.8 per cent in 2005 and 6.1 per cent in 2006 in real terms. The Kenyan tourism industry has experienced tremendous growth since the country attained independence, except during the period 1995–2002, when unprecedented challenges led to its erratic performance. Tourism arrivals and earnings have been on an upward trend since 2003, generally reflecting the fortunes in the economy. www.tourism.go.ke/ministry.nsf/pages/tourism_assoccitions (2008) posits that Kenya’s well established tourism sector is strengthened and united by several public and private sector associations. The associations include Kenyan Association of Tour Operators (KATO), Kenyan Association of Travel Agents (KATA), the Eco-tourism Society of Kenya (ESOK) and Kenyan Association of Hotelkeepers and Caterers (KAHC).
http://www.kenya.go.ke (2009) informs that in Kenya, the powers of government are traditionally divided into three main organs i.e. the Executive, the Legislature and the Judiciary. The separation of powers here makes the judiciary more independent. However, the legislature, which makes the laws, contains members of the executive (President and the Cabinet Ministers) who are responsible for carrying out the laws. This is not unusual since the ministers who are elected members of parliament, are accountable both individually and collectively to the legislature for the administration of their ministries.

b) **Tourism Trends and Statistics up to 2007**

Harrison (1995) motivates that 60% of Kenyan visitors are from Europe, with another 12% from North America. International tourism is an important source of foreign exchange as illustrated in the Tables below. Tourism is also a high contributor to both exports and GDP. www.experiencekenya.co.ke (2009) states that migration statistics are collected under the Immigration Act 1967.

Table 2.8: Reported Visitor Arrivals

<table>
<thead>
<tr>
<th>Year</th>
<th>Holiday/Busine</th>
<th>Visitor</th>
<th>Visitor in Transit</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>773,667</td>
<td>841,491</td>
<td>876,532</td>
<td>820,865</td>
<td>819,124</td>
</tr>
<tr>
<td>1999</td>
<td>101,949</td>
<td>107,493</td>
<td>138,514</td>
<td>152,633</td>
<td>163,252</td>
</tr>
<tr>
<td>2000</td>
<td>18,667</td>
<td>20,339</td>
<td>21,491</td>
<td>20,140</td>
<td>18,904</td>
</tr>
<tr>
<td>2001</td>
<td>894,283</td>
<td>969,323</td>
<td>1,036,537</td>
<td>993,639</td>
<td>1,001,280</td>
</tr>
</tbody>
</table>

Source: www.experiencekenya.co.ke
Table 2.9: Method of Travel, 1998 – 2006

<table>
<thead>
<tr>
<th>Year</th>
<th>Arrivals</th>
<th>Departures</th>
<th>Total Departures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>894,285</td>
<td>564,197</td>
<td>2,458,482</td>
</tr>
<tr>
<td>1999</td>
<td>969,431</td>
<td>611,538</td>
<td>2,580,969</td>
</tr>
<tr>
<td>2000</td>
<td>1,036,537</td>
<td>653,944</td>
<td>2,690,481</td>
</tr>
<tr>
<td>2001</td>
<td>993,638</td>
<td>626,879</td>
<td>2,620,517</td>
</tr>
<tr>
<td>2002</td>
<td>1,001,280</td>
<td>539,242</td>
<td>2,540,522</td>
</tr>
<tr>
<td>2003</td>
<td>1,146,102</td>
<td>547,314</td>
<td>2,693,416</td>
</tr>
<tr>
<td>2004</td>
<td>1,360,700</td>
<td>764,058</td>
<td>2,124,758</td>
</tr>
<tr>
<td>2005</td>
<td>1,479,000</td>
<td>764,058</td>
<td>2,243,058</td>
</tr>
<tr>
<td>2006</td>
<td>1,600,541</td>
<td>964,296</td>
<td>2,564,837</td>
</tr>
</tbody>
</table>

Source: www.experiencekenya.co.ke

African Development Bank (2009) motivates that tourism has been an important growth driver for Kenya. Ministry of Tourism and Wildlife (2006) posits that international tourism in Kenya went up by 5.5% to 808 million arrivals in 2005 despite the industry’s threat from issues ranging from terrorism, natural disasters, health scares, oil price rises, exchange rate fluctuations and economic and political uncertainties. The estimated increase represents around 42 Million additional arrivals, with more than 18 Million in Europe, 11 Million from Asia and the Pacific, 7 Million from America, 3 Million from Africa and 2 Million from the Middle East exhibited in Figures and Tables below.

France was the leading tourist destination worldwide in 2004 and accounted for 9.8% of total international arrivals. There was an increase of 18.8% in global tourism expenditure from US$ 524 Billion in 2003 to US$623 Billion in 2004. Germany was the top tourism spender in 2004 with an expenditure of US$71 Billion accounting for 11.4% of total tourism expenditures.
Table 2.10: International Tourist Arrival by Region (Millions)

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>Market share 2005 (%)</th>
<th>Average Growth Rate 2000-2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>681</td>
<td>680</td>
<td>700</td>
<td>690</td>
<td>763</td>
<td>808</td>
<td>100</td>
<td>3.6</td>
</tr>
<tr>
<td>Europe</td>
<td>384.1</td>
<td>383.8</td>
<td>394</td>
<td>396.6</td>
<td>416.4</td>
<td>443.9</td>
<td>54.9</td>
<td>3.0</td>
</tr>
<tr>
<td>Asia</td>
<td>114.99</td>
<td>120.7</td>
<td>131.1</td>
<td>119.3</td>
<td>152.5</td>
<td>156.2</td>
<td>19.3</td>
<td>7.0</td>
</tr>
<tr>
<td>America</td>
<td>128.2</td>
<td>122.1</td>
<td>116.6</td>
<td>113.1</td>
<td>125.8</td>
<td>133.1</td>
<td>16.5</td>
<td>1.0</td>
</tr>
<tr>
<td>Middle East</td>
<td>25.2</td>
<td>25</td>
<td>29.2</td>
<td>30</td>
<td>35.4</td>
<td>38.4</td>
<td>4.8</td>
<td>9.0</td>
</tr>
<tr>
<td>Africa</td>
<td>28.2</td>
<td>28.9</td>
<td>29.5</td>
<td>30.8</td>
<td>33.2</td>
<td>36.7</td>
<td>4.5</td>
<td>5.5</td>
</tr>
</tbody>
</table>


Europe had the highest share of arrivals at 443.9 million arrivals in 2005 accounting for 54.9% of total arrivals. It was followed by Asia and the Pacific which had 156.2 million arrivals representing 19.3%. America received 133.1 % accounting for 16.5% while Middle East and Africa accounted for 4.8% and 4.5% respectively.
Middle East had the highest average growth rate of 8.8%, between 2000-2005 followed by Asia and Pacific with 7%. Africa had an average growth rate of 5.4% which was higher the average global growth rate of 3.2%. Europe and America witnessed the slowest growth rates lower than the world average.

Table 2.11: International Tourist Arrival (Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Africa</th>
<th>North Africa</th>
<th>Sub-Saharan Africa</th>
<th>Kenya</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>28.2</td>
<td>10.2</td>
<td>18</td>
<td>1</td>
</tr>
<tr>
<td>2001</td>
<td>28.9</td>
<td>10.7</td>
<td>18.2</td>
<td>0.99</td>
</tr>
<tr>
<td>2002</td>
<td>29.5</td>
<td>10.4</td>
<td>19.1</td>
<td>1</td>
</tr>
<tr>
<td>2003</td>
<td>30.7</td>
<td>11.1</td>
<td>19.6</td>
<td>1.15</td>
</tr>
<tr>
<td>2004</td>
<td>33.3</td>
<td>12.8</td>
<td>20.5</td>
<td>1.36</td>
</tr>
<tr>
<td>2005</td>
<td>36.7</td>
<td>13.6</td>
<td>23.1</td>
<td>1.62</td>
</tr>
</tbody>
</table>

Kenya witnessed an average growth of 9.8% for international tourist arrivals from 2000 – 2005 as shown in the leading destination in Table 2.1 below. This was more than 3 times the average growth of 3.2% globally. Africa had a growth rate of 5.4% while North Africa and Sub-Saharan Africa had a growth of 5.9% and 5.2% respectively over the same period. Kenya accounted for 0.2% of the total international arrivals worldwide by receiving 1.62 million of the total international arrivals of 808 million worldwide. Africa accounted for 4.5% of the total international arrivals while Sub-Saharan Africa and northern Africa accounted for 2.8% and 1.7% respectively.

Table 2.12: Leading Destinations in Africa 1990-2004

<table>
<thead>
<tr>
<th>Country</th>
<th>1990</th>
<th>1995</th>
<th>2000</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>03/02</th>
<th>04/03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>15,160</td>
<td>20,438</td>
<td>28,154</td>
<td>29,492</td>
<td>30,763</td>
<td>33,222</td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Africa</td>
<td>1,029</td>
<td>4,684</td>
<td>6,001</td>
<td>6,550</td>
<td>6,640</td>
<td>6,815</td>
<td>20.5</td>
<td>1.4</td>
</tr>
<tr>
<td>Tunisia</td>
<td>3,204</td>
<td>4,120</td>
<td>5,058</td>
<td>5,058</td>
<td>5,058</td>
<td>5,998</td>
<td>18.1</td>
<td>1</td>
</tr>
<tr>
<td>Morocco</td>
<td>4,024</td>
<td>2,602</td>
<td>4,240</td>
<td>4,303</td>
<td>4,761</td>
<td>5,501</td>
<td>16.6</td>
<td>10.7</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>636</td>
<td>937</td>
<td>1,967</td>
<td>2,041</td>
<td>2,256</td>
<td>1,854</td>
<td>5.6</td>
<td>10.5</td>
</tr>
<tr>
<td>Kenya</td>
<td>814</td>
<td>937</td>
<td>1,104</td>
<td>1,104</td>
<td>1,146</td>
<td>1,360</td>
<td>4.1</td>
<td>3.4</td>
</tr>
<tr>
<td>Algeria</td>
<td>1,137</td>
<td>520</td>
<td>866</td>
<td>988</td>
<td>1,166</td>
<td>1,234</td>
<td>3.7</td>
<td></td>
</tr>
<tr>
<td>Nigeria</td>
<td>190</td>
<td>656</td>
<td>813</td>
<td>887</td>
<td></td>
<td></td>
<td>3.2</td>
<td></td>
</tr>
<tr>
<td>Botswana</td>
<td>543</td>
<td>521</td>
<td>1,104</td>
<td>1,037</td>
<td>975</td>
<td></td>
<td>2.5</td>
<td>-5.9</td>
</tr>
<tr>
<td>Mauritius</td>
<td>292</td>
<td>422</td>
<td>656</td>
<td>682</td>
<td>702</td>
<td>719</td>
<td>2.2</td>
<td>3</td>
</tr>
<tr>
<td>Namibia</td>
<td>399</td>
<td>757</td>
<td>695</td>
<td></td>
<td></td>
<td></td>
<td>2</td>
<td>-8.2</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>33.3</td>
<td></td>
</tr>
</tbody>
</table>


In 2004, Kenya was the fifth international tourist destination in Africa after receiving 1,360,000 international tourists representing 4.1% of international arrivals in Africa as shown in Figure 2.25 above. This was less than ¼ of international arrivals in the Africa’s leading destination, South Africa which received 6,815,000 representing 20% of international arrivals in Africa.

Figure 2.26 above shows that the top ten tourists’ destinations in Africa account for 70% of the total international tourist arrivals leaving 30% to the rest of the countries.


One tourist earns Kenya an average of US$ 316 (Kenyan shillings 23,700) compared to an average earning of US$ 1352 per tourist for Seychelles and US$ 1,027 and 889 for Mauritius and Tanzania respectively as shown in Figure 2.27 above. This implies one tourist earns Seychelles more than what 4 tourist earn Kenya while 1 tourist in Tanzania earns the country more than what 2 tourists earn Kenya. Other highly earning destinations in Africa are Reunion, South Africa and Morocco. Kenya needs to borrow a leaf from these destinations.
Table 2.13: Top 20 Tourist Destinations

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>002/003</th>
<th>003/002</th>
<th>004/003</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>700.0</td>
<td>690.0</td>
<td>763.0</td>
<td>2.9</td>
<td>-1.5</td>
<td>10.7</td>
</tr>
<tr>
<td>France</td>
<td>77.0</td>
<td>75.0</td>
<td>75.1</td>
<td>2.4</td>
<td>-2.6</td>
<td>0.1</td>
</tr>
<tr>
<td>Spain</td>
<td>52.3</td>
<td>51.8</td>
<td>53.6</td>
<td>4.5</td>
<td>-0.9</td>
<td>3.4</td>
</tr>
<tr>
<td>United States</td>
<td>43.6</td>
<td>41.2</td>
<td>46.1</td>
<td>-7.1</td>
<td>-5.4</td>
<td>11.8</td>
</tr>
<tr>
<td>China</td>
<td>36.8</td>
<td>33.0</td>
<td>41.8</td>
<td>11.0</td>
<td>-10.4</td>
<td>26.7</td>
</tr>
<tr>
<td>Italy</td>
<td>39.8</td>
<td>39.6</td>
<td>37.1</td>
<td>0.6</td>
<td>-0.5</td>
<td>-6.4</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>24.2</td>
<td>24.7</td>
<td>27.8</td>
<td>5.9</td>
<td>2.2</td>
<td>12.3</td>
</tr>
<tr>
<td>Hong Kong (China)</td>
<td>16.6</td>
<td>15.5</td>
<td>21.8</td>
<td>20.7</td>
<td>-6.2</td>
<td>40.4</td>
</tr>
<tr>
<td>Mexico</td>
<td>19.7</td>
<td>18.7</td>
<td>20.6</td>
<td>-0.7</td>
<td>-5.1</td>
<td>10.5</td>
</tr>
<tr>
<td>Germany</td>
<td>18.0</td>
<td>18.4</td>
<td>20.1</td>
<td>0.6</td>
<td>2.4</td>
<td>9.5</td>
</tr>
<tr>
<td>Austria</td>
<td>18.6</td>
<td>19.1</td>
<td>19.4</td>
<td>2.4</td>
<td>2.5</td>
<td>1.5</td>
</tr>
<tr>
<td>Canada</td>
<td>20.1</td>
<td>17.5</td>
<td>19.2</td>
<td>1.9</td>
<td>-12.6</td>
<td>9.2</td>
</tr>
<tr>
<td>Turkey</td>
<td>12.8</td>
<td>13.3</td>
<td>16.8</td>
<td>18.6</td>
<td>4.3</td>
<td>26.1</td>
</tr>
<tr>
<td>Malaysia</td>
<td>13.3</td>
<td>10.6</td>
<td>15.7</td>
<td>4.0</td>
<td>-20.4</td>
<td>48.5</td>
</tr>
<tr>
<td>Ukraine</td>
<td>10.5</td>
<td>12.5</td>
<td>15.6</td>
<td>14.6</td>
<td>19.0</td>
<td>24.9</td>
</tr>
<tr>
<td>Poland</td>
<td>14.0</td>
<td>13.7</td>
<td>14.3</td>
<td>6.8</td>
<td>-1.9</td>
<td>4.2</td>
</tr>
<tr>
<td>Greece</td>
<td>14.2</td>
<td>14.0</td>
<td>14.0</td>
<td>0.9</td>
<td>-1.5</td>
<td>1.9</td>
</tr>
<tr>
<td>Hungary</td>
<td>12.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thailand</td>
<td>10.9</td>
<td>10.0</td>
<td>11.7</td>
<td>7.3</td>
<td>-8.0</td>
<td>16.5</td>
</tr>
<tr>
<td>Portugal</td>
<td>11.6</td>
<td>11.7</td>
<td>11.6</td>
<td>-4.3</td>
<td>0.5</td>
<td>-0.8</td>
</tr>
<tr>
<td>Netherlands</td>
<td>9.6</td>
<td>9.2</td>
<td>9.6</td>
<td>1.0</td>
<td>-4.3</td>
<td>5.1</td>
</tr>
</tbody>
</table>


As is exhibited in Tables 2.13 above, France is the leading tourist destination worldwide and accounted for 9.8% of total international arrivals. It was followed by Spain, United States, China and Italy in that order. Hong Kong (China) had the highest arrivals per 100 population with 318 arrivals for every 100 people followed by Austria, Spain and Greece in that order.

Figure 2.28 above, shows that the top 20 tourists’ destinations account for 66% of the total international tourist arrivals leaving only 34% to be shared among the rest of the world. There was an increase of 18.8% in global tourism expenditure from US$ 524 billion in 2003 to US$ 23 billion in 2004. Germany was the top tourism spender in 2004 with an expenditure of US$71 billion accounting for 11.4% of total tourism expenditures. It was followed by United States, United Kingdom and Japan respectively Hong Kong (China) had the highest tourism expenditure per capita of US$ 1934 per person followed by Norway, Australia and Belgium in that order. Tourism earnings increased by 27.0 per cent from Kenyan Shillings 38.5 billion in 2004 to Kenyan Shillings 48.9 billion in 2005. Provisional figures for 2006 reflect an increase of 15% to Kenyan Shillings 56.2 billion.

International visitor arrivals grew by 8.7 per cent from 1,360,700 in 2004 to 1,479,000 in 2005. Provisional figures for 2006 indicate a growth of 5.2% to stand at 1,556,000 international arrivals. After overtaking tea in 2004, tourism overtook even Horticulture by a small margin to become the leading foreign exchange earner. Bed night occupancy, by visitors from Asian countries increased by 32.5%, showing a response of increased frequency of national carrier to the Far East. Bed-night occupancy by German and UK residents accounted for 15% and 14% respectively, the largest share of bed nights occupied by foreign residents. Overall bed-occupancy rate increased from 37.8% in 2004 to 41.3% in 2005. Tourism significantly contributes to both the formal and informal jobs in Kenya. They are estimated at 130,000 and 360,000 jobs respectively. The sector proved successful in regaining its position as the leading foreign Exchange Earner in the year under review (Ministry of Tourism and Wildlife, 2006).

c) Tourism Contribution to GDP
Over the years, the tourism sector has been a major contributor to GDP. The sector's contribution has been estimated in the current national accounts as Trade, Hotels and Restaurants (TRH). It has averaged about 12 % contribution to GDP in 2004. Growth in the tourism sector has a multiplier effect which stimulates growth in other sectors of the economy. However, the statistics available captures tourism as an amalgam of activities in trade and hotels and restaurants industries. Travel, a key aspect of tourism industry, has continuously been omitted when capturing tourism related data. This has led to gross under estimation of the exact contribution of the tourism industry to the GDP.
The Tourism Satellite Account project was hatched to correct this anomaly but its implementation is behind schedule.

According to World Travel and Tourism Council Statistics, Kenya's Travel & Tourism Industry (Trade Element omitted) is expected to contribute 5.2% to Gross Domestic Product (GDP) in 2006 (KES87.0 Billion or US$1,118.5 Million), rising in nominal terms to KES214.2 Billion or US$1,842.9 Million (5.7% of total) by 2016. The Travel & Tourism Economy contribution (per cent of total) should rise from 11.4% (KES189.1 Billion or US$2,430.9 Million) to 12.3% (KES461.8 Billion or US$3,973.0 Million) in this same period. For this to happen, Government Travel & Tourism operating expenditures in Kenya in 2006 are expected to total KES19.7 Billion (US$253.3 Million) or 6.9% of total government spending. In 2016, this spending is forecast to total KES43.8 Billion (US$376.4 Million), or 7.1% of total government spending. These high forecast rates of growth may seem optimistic, but a number of Sub-African countries already derive significant benefits from tourism.

Typically, tourism receipts are a high proportion of GNP in the island economies that have targeted tourism for some years: Seychelles (21%), Mauritius (13%) and Comoros (9%), and even in the more recent entrant, Sao Tome & Principe (4.4%). But, in four mainland Sub-Saharan countries, tourism receipts account for over 5% of GNP: Kenya (5.1%), Gambia (5.4%), Namibia (6.9%) and Tanzania (8.7%). In another five countries, tourism receipts account for between 2.5% and 5% of GNP: Senegal and Zimbabwe (3%), Swaziland (3.4%), and Botswana and Ghana (4%). In South Africa, the top tourism destination in Sub-Saharan Africa, tourism receipts account for only 1.6% of GNP in its diversified economy (Christie and Crompton, 2001).
Table 2.14: Contribution of Tourism/Hotels and Restaurants, Agriculture & Manufacturing to GDP (Figures in Kenyan Shillings Million and at 2001 constant prices).

<table>
<thead>
<tr>
<th>Year</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>982,855</td>
<td>1,020,022</td>
<td>1,025,854</td>
<td>1,056,454</td>
<td>1,107,715</td>
<td>1,172,090</td>
</tr>
<tr>
<td>TH&amp;R</td>
<td>101,662</td>
<td>105,395</td>
<td>103,661</td>
<td>102,708</td>
<td>114,402</td>
<td>122,736</td>
</tr>
<tr>
<td>%GDP</td>
<td>10.34</td>
<td>10.33</td>
<td>10.10</td>
<td>9.72</td>
<td>10.33</td>
<td>10.47</td>
</tr>
<tr>
<td>AGR</td>
<td>250,965</td>
<td>277,592</td>
<td>269,189</td>
<td>276,312</td>
<td>280,819</td>
<td>299,762</td>
</tr>
<tr>
<td>%GDP</td>
<td>25.53</td>
<td>27.21</td>
<td>26.24</td>
<td>26.15</td>
<td>25.35</td>
<td>25.57</td>
</tr>
<tr>
<td>MNF</td>
<td>99,485</td>
<td>99,777</td>
<td>99,894</td>
<td>105,891</td>
<td>110,617</td>
<td>116,157</td>
</tr>
<tr>
<td>%GDP</td>
<td>10.12</td>
<td>9.78</td>
<td>9.74</td>
<td>10.02</td>
<td>9.99</td>
<td>9.91</td>
</tr>
</tbody>
</table>


**Key:**
TH&R = Trade, Restaurants and Hotels
AGR = Agriculture
MNF = Manufacturing

The contribution of Tourism/Hotels and Restaurants, Agriculture & Manufacturing to GDP (Figures in Kenyan Shillings Million and at 2001 constant prices) is shown in Table 2.14 above, the trend in GDP is shown in Figure 2.29 below.

Leiper (1995) posits that positive foreign exchange earnings and a consequential healthy balance of payments, as shown in Figure 2.30 above, allow national economies to import a range of goods and services to sustain material well-being without having to sell capital resources to foreigners or go into debt. Estimates of earnings from inbound tourists are recorded as credits, the so-called “invisible” accounts in each country’s national balance of payments, following the standard method of national accounting used globally. Leiper (1995) informs that the estimated expenditure abroad by residents of the same country who travel internationally is recorded as debits. The net figure, the difference between the amount a country earns as international tourist destination and the amount it spends as an international travel generator, is often called the “tourism gap” in the balance of payments. Collier (1989) remarks that it should not be assumed that a deficit on the tourism Balance of Payments is always a bad thing.
Leiper (1995) argues that the tourism gap is at best a distraction and at worst an indication of defective economic analysis, because the tourism gap is an abstraction and its measurement and consideration in national policy are irrelevant. Leiper (1995) informs that there is no problem whatever if a country has a large negative tourism gap, any more than if a country has a similar gap in its balance of payments related to imports versus exports of tobacco, oil or any other item. Problems only occur if the total balance of payments (all items combined) is negative to a significant extent.

d) Tourism Earnings and International Tourist Arrivals 1995-2005
Tourism earnings and arrivals are on an upward trend after a slight slump in 2002. Tourism earnings increased by 51.9% from Kenyan shillings 25.8 billion in 2003 to Kenyan shillings 39.2 billion in 2004 while visitor arrivals grew by 18.7% from 1,146,100 in 2003 to 1,360,700 in 2004. In 2005 and 2006, the number of tourists arrivals soared to 1,479,000 and 1,556,000 earning the country a total of Kenyan shillings 48.9 billion and Kenyan shillings 56.2 billion respectively. For a long time, Kenya's exports have heavily depended on agricultural products. Starting 1987, tourism was the leading foreign exchange earner after coffee and tea, which traditionally have been the main foreign exchange earners. However, the scenario has changed since 1997 when earnings from tourism were overtaken by earnings from tea and horticulture in 2002. Due to aggressive marketing however, Tourism in 2004 offset horticulture and finally Tea to regain its position as the Major Foreign Exchange earner accounting for 20% of the total foreign exchange earnings.

e) Contribution of Tourism to Employment
Articlebase (2008) argues that Travel & Tourism is the world’s largest industry and creator of jobs across national and regional economies. World Travel and Tourism Council research shows that in 2000, Travel & Tourism will generate, directly and indirectly, 11.7% of Gross Domestic Product and nearly 200 million jobs in the world-wide economy. International tourism arrivals in 2002 exceeded 700 million, generating $US 474.2 billion in worldwide receipts.
These figures are forecasted to have an upward trend in 2010. Tourism in Kenya is also a major source of employment. About 175,700 jobs (between 9 - 10 per cent) in the modern sector employment is in tourism and allied services. Employment levels within the sector, has been on a constant growth pattern. This will go a long way in fulfilling the government’s commitments to create over 500,000 new jobs annually. An impact assessment study conducted in 1996 estimated that tourism generates a further 360,000 jobs in the informal sector. It is also important to note that tourism, treated as an amalgamation of Trade, Hotels and Restaurants, is one of the only two sectors which had an increase in job opportunities provision with a 3% to 4% job increase after Transport and Communications Sector. Articlesbase (2008) motivates that jobs generated by Travel & Tourism are spread across the economy - in retail, construction, manufacturing and telecommunications, as well as directly in Travel & Tourism companies.

These jobs employ a large proportion of women, minorities and young people; are predominantly in small and medium sized companies; and offer good training and transferability. Tourism can also be one of the most effective drivers for the development of regional economies. These patterns apply to both developed and emerging economies.

f) Hotel Bed Nights

The Coastal Beach remains the favourite region for tourists claiming slightly over 50% of the total Bed night occupancy in the country followed by the Nairobi hotels with 23.5 Per cent. German visitors occupied the highest bed-nights at the Coast recording 606.4 thousand, followed by Kenyan residents with 399.3 thousand, while visitors from United Kingdom occupied 387.8 thousand. Kenyan residents occupied majority of Nairobi hotels recording 253.8 thousand bed-nights followed by the United Kingdom and the United States, which together occupied a total of 95.8 thousand bed nights. Bed Occupancy in the Nairobi High-Class hotels recorded a slowed growth of 9.7 per cent in 2005 compared to previous year growth recorded to be 38.6% Other Nairobi hotels notably declined by 7.2 per cent. The Northern Zone recorded a remarkable growth of 66.4, which is mainly attributed to improved security in the region and the strategic tourism promotion by KTB in the Northern Corridor. Nyanza Basin and Western zone recorded 17.3 per cent and 27.0 per cent growth respectively while the Masailand recorded a 32.9 per cent growth.
Visitors from Europe preferred staying at the Coast accounting for over 76.0 per cent bed-night occupancy while those from America, Asia and African countries preferred the Nairobi Hotels as shown in Figure 2.31 below.


Overall bed occupancy significantly increased from 37.8 per cent in 2004 to 41.5 per cent in 2005. The graph however depicts that the occupancy rates have generally been on the ups and downwards trend over the past ten years. It started to improve after the slump of 1998 but declined again in 2003 probably due to adverse travel advisory by issued by the US Government to its citizens. The graph also shows a general decline in the total bed-nights available since 1996 to 2003. This is a reflection of some hotels that had closed for refurbishment. The recovery of both the bed-nights available and those occupied that started in 1999 was severely affected in 2001 and further in 2003 perhaps following the September 11 terrorists attacks in the US and the subsequent perception of Kenya as a highly vulnerable spot for terrorist attacks following bombings in Kikambala. The system however, started picking up after the 2003 slump taking a new recovery trend in both the number of bed-nights available and their occupancy rate with 2005 positively recording the highest number of bed-nights available since 1997.

It is clear that foreign tourists occupy most of the bed nights and implying that most Kenyans have not taken to being domestic tourist.
The 5.1% decline in the number of bed-nights occupied by Kenyan residents depicts a clear case of the backtracking of Domestic Tourism, which had been seen to be on the verge to soar in 2004 after experiencing a stunning increase of 61.1%. Perhaps, this can be attributed to relaxed advertisement of Domestic tourism.

On a long-term view however, the number of domestic tourist nights depicts an almost constant trend. This is important for the sector given the sensitivity of the sector towards external and internal events like the terrorist bombing. However domestic tourism needs to be targeted as a potential growth segment. In 2005, bed–nights occupied by visitors from Asia increased by 32.5 per cent from 131.2 thousand reflecting a positive response of increased frequency of national carrier to the Far East. Bed nights occupied by Visitors from European countries hiked by 15.0 per cent with Germany and United Kingdom accounting for 15.4 and 14.0 per cent of total occupancy respectively, the largest share of bed-nights. Bed night occupancy by visitors from African countries dipped 4.2% in 2005 compared 59.5 % increase in 2004.

g) Hotel Length of Stay
The average length of stay has exhibited a steady decline since 1997 moving from a 12-day stay to 8-day stays. The visitors are choosing to stay within Kenya for shorter periods. Competition with neighbouring destinations could be among the reasons. A visitor prefers to use the other extra days to visit another competing destination. The limited range of activities for the visitors could also prompt a visitor to venture to a neighbouring competitor for more adventure. The net effect will be Kenya losing some tourism revenue to a country like Tanzania. This calls for aggressive effort in product diversification to provide visitors with a wide range.

h) Performance of Kenyan Tourism to-date
Currently, Tourism accounts for 10 per cent of the Gross Domestic Product (GDP), making it the third largest contributor to Kenya’s GDP after agriculture and manufacturing, and Kenya’s third largest foreign exchange earner after tea and horticulture. Tourism has been identified as one of the key drivers in achieving the goals of the Vision 2030. Tourism plays a major role in the economy of the country.
In 2007, the tourism sector maintained an upward growth momentum by recording approximately 2 million visitor arrivals, up from 1.6 million arrivals in 2006, reflecting a 12.5 per cent growth. Consolidated tourism earnings expanded from Kenyan shillings. 56.2 billion in 2006 to about Kenyan shillings. 65.4 billion in 2007, reflecting an 11.6 per cent growth. This was impressive and is now the leading economic sector in Kenya recording the highest growth in the economy at 13%. It contributes about 12% of the country’s Gross Domestic Product and accounts for over 9% of total wage employment, and is also a major source of Government Revenue in the form of taxes, duties, licence fees, entry fees, etc. In addition, tourism through its multiplier effect has the capacity to promote regional development, create new commercial and industrial enterprises, stimulate demand for locally-produced goods and services and provide a market for agricultural products.

Tourism development in Kenya has therefore led to economic growth and poverty eradication through: generation of foreign exchange earnings (Kenyan shillings. 56.2 billion in 2006), contributed 13.3% to national economic growth and 12% to GDP in 2006; major source of government revenue in form of taxes, duties, licence fees, park entry fees. The tourism sector as a major source of employment, accounts for at least 400,000 in the formal sector and over 600,000 in the informal sector.

The sector is a major contributor to induced employment effects, promotion of local and foreign investment into the tourism and hospitality industry; capacity to promote regional development and create new commercial and industrial enterprises leading to growth in new and old markets; it has potential to act as a catalyst for development. Due to its high multiplier effect, Tourism sector stimulates growth in other economic sectors such as Agriculture, Manufacturing, Transport and Handicrafts; transfer of technology due to the presence of foreign tourists and investors, revival and preservation of ancient technology especially the almost forgotten traditional carpentry; encourages conservation and preservation of the environment (natural and cultural heritage) because of its value as a resource base for the tourism industry; influences quality of life standard of living and the social economic status of the people has been directly influenced by the sectors performance; encourages hospitality among people through enhanced cultural interaction and understanding, intermarriages, culinary exchanges and acceptance of other cultures.
Whilst positives have been registered with regards to tourism trends and statistics there appeared to be no marked differences in the business environment faced by the two categories of tourism enterprises: local and foreign. The main challenges the industry faces include high electricity costs, poor road infrastructure, insecurity, a demanding tax regime, and cumbersome licensing requirements among others. These will need to be addressed for tourism to become more attractive to both local and foreign investors. There is an urgent need to finalize and formalize the tourism policy. This should go beyond general policy provisions by including proactive policy interventions, designing an elaborate incentive package for tourism investments (both local and foreign), and encouraging competition and technology transfer.

These policy interventions should be coherent and in line with the country’s long-term development strategy, *Vision 2030*. The business climate should be improved. This will involve improvements in infrastructure (with priority given to roads, railways and energy), seriously tackling corruption, simplifying and reducing licensing requirements, streamlining and harmonizing taxation, and relocating and organizing beach operators, among others.

Marketing the East Africa region as a single destination, formulation of regional classification and standardization criteria, introduction of a regional tourist visa, and complete removal of cross-border bottlenecks in the movement of tour vehicles will improve tourist arrivals and therefore earnings for Kenya. Domestic tourism should be vigorously promoted through increased budgetary allocations among other interventions. Further research should be conducted to confirm the findings of this study.

**C. Conclusion**

Kenyan tourism and hospitality industry went through turbulence and contrasts. Like the left foot follows the right (Chandler, 1962), Needle (2000) argues that the notion of strategy-structure “fit” underpins studies on structure change, where structure is manipulated to achieve the desired strategic ends. At best, this represents an understanding by position holders that successful implementation of a strategy requires consideration of behavioural and structural changes resulting in a merge or “congruence” of the two variables plus the influence of significant other performance drivers.
2.6 Chapter 2 Conclusion

Global Eye (2002) contends that tourism as a strategy is Zimbabwe's third largest earner of foreign exchange after the agriculture strategy in tobacco and mining strategy in gold. However, Zimbabweans are discovering the fickle, uncertain nature of the industry as serious challenges of unconnected events bring the tourism sector to its knees. From the late 1980's to 1999, tourism was the fastest growing economic sector in Zimbabwe generating over USD200 million and contributing 7% to Gross Domestic Product in 1999 (ZTA, 2007).

In 1997 the country’s tourist industry strategy was just getting underway in a real sense within the country’s structure. Tourist arrivals reached 1.2 million with nearly 400 000 tourists visiting the Victoria Falls - a record high. The sector experienced a growth from 20% to about 40% during those years with the annual average growth rate being 18.4%. During that time, tourism made up about 8% of the Gross Domestic Product (GDP) in Zimbabwe and was expected to keep undergoing phenomenal growth well into the 21st Century.

It was expected that with tourism growing in South Africa at over 8% per annum and tourist arrivals in that country, were expected to reach 10 million in year 2003. In the same vein, Zimbabwe could look forward to rapid growth in this vital industry. Tourism had a high job creation ration where it was estimated that for every eight tourist who visited the country, one local job was created (Sokwanele, 2004). However, the predictions did not anticipate the social, political and economic structural crisis that the country’s ministries would be thrown into during the beginning of this century. The turmoil in tourism arose seemingly, from the introduction of sanctions following certain events in Zimbabwe.
Due to sanctions imposed against Zimbabwe, the country has yet to secure hotel bookings with regards to the World Cup to be hosted by South Africa. As seen in the in Figure 2.32 above, the other countries have, however, secured bookings already.

The next chapter is going to deal with the African Kitchen-hut strategy, structure and economic performance cone model (AKHSSM).
Chapter 3


3.0 Introduction

The relationship between strategy and structure in Strategic Management has evolved over at least the past 40 years resulting in diverse literature. Zott and Amit (2006) posit that the central objective of strategic management research has been to understand the contingent effects of strategy on firm performance. Chandler (1962) made an early contribution to strategic management literature considering the contingency relationship between a firm’s strategy and its internal administrative structure. While this particular pair of strategy and structure variables has been thoroughly addressed by Amburgey and Dacin (1994), Galbraith (1995), Mintzberg (1991) and Faulkner and De Rond (2001), the received literature seems to have paid surprisingly little attention to extending the question of strategy-structure correlation issues for positive economic performance (Yin and Zajac, 2004). However, researchers such as Rumelt (1974) investigated the link between strategy and structure for firm economic performance to occur. Porter (1998) postulates that performance refers to measurements by which the industry or firms in the industry can be judged as to whether they have achieved their stated goals and for the tourism and hospitality industry, this maybe done through trends.

Yin and Zajac (2004) posit that the importance of matching an organisation’s strategy and structure is one of the fundamental insights in the strategic management literature (Chandler, 1962; Rumelt, 1974). In fact the insights from Chandler’s (1962) seminal work on corporate strategy, organisational structure, and the performance implications of strategy/structure fit among USA firms have shown remarkable resiliency over multiple decades, and have been replicated in a variety of contexts (e.g. Channon, 1973, 1978; Grinyer, Yasai-Ardekani and Al-Bazzaz, 1980; Hamilton and Shergill, 1992, 1993; Suzuki, 1980). The stream of research has shown that while strategy alone or structure alone may have some influence on organisational performance differences, firms are better predicted by considering the nature of the strategy and structure fit.
What is absent from the tourism literature in Zimbabwe, is a consideration at a national and some organisations’ levels, of possible contingent superiority of one governance structure over another, based on its fit with the strategy pursued by that nation and cascaded down to individual organisations. Mansfield (1986) posits that all organisations, be they industrial companies, schools or government service departments are structured. Yavitz and Newman (1982) postulate that wise managers seek a synergistic fit between their selected strategy and their organisational design.

Yavitz and Newman (1982) argue that the primary structure should be built around business-units – the same units that were singled out in strategy formulation, and headquarters of diversified corporations should be organised to help their business-units and the latter’s activities should be distinctly provided for.

3.1 The African Kitchen-Hut Strategy and Structure (AKHSS) Model

This research, addresses the gap in the literature and the contingent effects of significant other performance drivers on the firm performance by elaborating on the business strategy in tourism and hospitality industry and the structural template of how a focal firm transacts with all its external constituents, whether they are customers or other parties. In other words, it describes how the firm connects with factor and product markets. Though there is an array of literature on the relationship between strategy and structure, a gap exists where the “fit” or “merging” of strategy and structure leads to a certain level of firm economic performance outcome. The subject of this study, therefore, is a critical analysis of the “fit” between strategy and structure, (framework) as a determinant of economic performance in the tourism and hospitality industry in Zimbabwe.

The African Kitchen-hut Strategy and Structure Model is proposed to illustrate unit of purpose which must be available to any organisation dealing with tourism. Unit of purpose is shown in the strategy and structure “fit” and the results. When a kitchen is constructed it has a purpose. The purpose of the African Kitchen-hut is to be a place which would act as a public relations centre, a venue for important family meetings and a feeding point. Whoever designs a kitchen in the African sense, has those three purposes in mind for a very long time, therefore, the choice of material, the one who constructs the kitchen from foundation to roof, and the way the material is blended together on the kitchen is very well thought out.
When the AKHSSM is translated to strategy, structure and economic performance in tourism and hospitality industry, it means that whoever is put in place to run the industry must have their visions very clear. The AKHSSM analogy to the tourism and hospitality industry is based on these fundamental issues. Tourism and hospitality industry is about building relationships. Food is not about nutrition only but it’s about relationship-building, much as the African Kitchen-hut is “...ukama igasva hunozadziswa nekudya.” The AKHSSM intends to make the readers understand tourism and hospitality from an African point of view. The African Kitchen-hut plays an extremely important function in this regard.

The African Kitchen-Hut

Figure 3.1: The African Kitchen Hut.

Source: Researcher’s view.

Aldrich (1999:6) argues that ‘organisations are shaped by the contexts in which they are established i.e. sociological background and thus contemporary organisations reflect the impact of historical origins in societies characterized by growing affluence and competition over the control and distribution of wealth’. This implies that any study about how organisations emerge and grow may be informed by an appreciation of their political, economic, technological, and social differentiation.

This study aims to draw the positive from African sociological experiences and contribute towards a robust organisational architecture model that exploits the rich African cultural heritage as informed by the symbolism of the kitchen hut, as shown in Figure 3.1 above.
Thus the model used in this study is Afrocentric, i.e. it uses the African value systems and concepts to explain African behaviour, is be presented in national languages to avoid dilution of their meaning. Literature on African culture as embodied in the symbolism of the kitchen is quite revealing.


Africans have a thing called Ubuntu; it is about the essence of being human, it is part of the gift Africa is going to give to the world. It embraces hospitality, caring about others, being willing to go that extra mile one for another. We believe that a person is a person through other persons; that my humanity is caught up, bound up inextricably in yours. When I dehumanize you, I dehumanize myself. The solitary human being is a contradiction in terms, and therefore you seek work for the common good because your humanity comes into its own in community, in belonging.

This synthesis highlights that dominant African national cultures are governed by the creation of space through the kitchen and the dura or tsapi (granary), whence hospitality emanate from, as a venue for important family board meetings, where issues related to zvomusha are discussed. The kitchen also denotes a public relations centre in the sense that the kitchen staff headed by the mother, gives the first impression of the home. The kitchen plays a crucial role in feeding family, friends, relatives or people who pass by as an extension of African hospitality e.g. the offering of drinking water by the Mutoko people as a way of welcome.

3.1.1 Structural Concepts of AKHSS Model

The Circle

The circle which forms the foundation and structural design of the kitchen structure, signifies dariro – symbolising an enclosure for security. The enclosure has tenets in dancing where the dancers, whilst having fun, will be concurrently watching each other’s back. The dancers will give each other a chance to be on the centre and evaluation of the dancer is done by those around him/her.
In Zulu, the circle denotes the cow horn formation – an attacking strategy/structure adopted for war. The circular shape is akin to the shape of the moon, the sun, nyembe dzamadzishe, showing the essential linkage to the environment. The form of a classroom structure used in teaching was conducted in that form with the teacher in the middle, again with individuals concurrently watching each other’s back, noting the environment around them. The kitchen is such a place where the teaching took place. The circle denotes continuity as there is no-start-nor an end. The circle on the centre of the kitchen, choto, a core, represents the heart of the family feeding, pakaroverwa hoko, to map the very kitchen structure. Thus the circle is a strategy and a structure in the same breath, already indicating the fitness of the two variables which are essential as illustrated in the literature below.

**Equipment and Utensils in the Kitchen**

The equipment and utensils (resources) in the kitchen are considered the mother’s property. Their significance lies in terms of production of commodities, goods and services, reproduction and consumption as allocated by the mother. The place where the kitchen was constructed was through the symbolic relationship between the cock and the hen. Jongwe (cock) and sheche (hen) were closed under a dengu overnight at an earmarked place for construction of the kitchen (panozoroverwa hoko). In the morning, the elders removed the dengu and if no sexual relationship (reproduction) is exhibited by the cock and the hen, then the place would not be deemed suitable for construction of the kitchen, the structure would thus be moved on to another spot that would enable the strategy of reproduction to commensurate.

**The Cone Shape**

Figure: 3.2 (a) and (b) - Formation and Construction of Conical Structure (Roof)

Figure: 3.2 (a).
The conical shape of the roof, symbolic in strategic management in terms of strategy-structure fit, is initiated at the edge of the wall structure by the strongest mbariro as shown in Figure 3.2 (a). Nhungo will be tied on the strongest mbariro being shaped towards the conical apex and held together by other mbariro which diminish in size as they get closer to the apex as shown in Figure 3.2 (b). Mbariro and nhungo are held together by the strongest rwodzi or gavi from a rwenya tree, symbolising Ubuntu, binding the African family organisation structure. The conical roof is then well aligned and held together at the apex as illustrated in Figure 3.2 (b). Chisuvi (apex) symbolises the merging of mhepo (spirits) dzekwamai (maternal spirits) and dzekwababa (paternal spirits) to harmonise the family spiritually (strategy, structure and SOPD fit).

Mbariro and nhungo represent the offspring of this family (SOPDs). This kitchen symbolises a home business entity. The kitchen symbolises a convergence of strategy, structure and significant other performance drivers. The same concept was adopted at the Great Enclosure at the Great Zimbabwe Ruins (circular and conical concepts).

**Dura**

The entire kitchen structure is linked to dura (granary) structures and reserves therein. There are usually two matura (granaries) in a home, one governed by the mother and the other by the father. The former is for day-to-day consumption and the latter is a reserve. Ultimately both matura (granaries) structures and resources allocation, are governed by the father and the mother to ensure sustainable upbringing of the family structures.
The kitchen, like a hotel, symbolises circulation of energy, not just through the food eaten but more to the point, circulation of the Afrocentric hospitality and [family] organisation’s energy as embodied in tangible and intangible products and services such as food and beverage service, ambience, image, accommodation and drink that is consumed. This is what the tourism and hospitality industry is all about. Food has a socio-binding relation (which is the kitchen’s role). Instead of customer care, hospitality should be about socio-binding through training, recruitment and delivery of service as this is about attitudes and feelings. The Zimbabwean tourism and hospitality industry should practise and teach tourists about Afrocentric socio-binding thereby creating a unique ethnic African hospitality as Zimbabwean culture is unique only to Zimbabwe. This creates a competitive advantage for all players in the tourism industry and this distinctive competence should be exhibited in tourist infrastructures as well. Benchmarking to international standards would then be employed in terms of hygiene, best operating standards etc.

The kitchen where food is prepared and where parts of food service start, represents the etiquette, similar to that exhibited in the tourism and hospitality industry strategy. The catechism done (akin to training in hotel schools and universities) by mothers in the kitchen is done through stages and processes such as initially fetching water, washing dishes and making a fire until a person then learns to cook and serve the family and visitors. The inspector/tutor is the mother. When special visitors come, the mother does the cooking herself, showing that visitors are given preferential treatment and that they are held and received at the highest level in the family structures. The kitchen also represents a shrine, as in a place of worship of ancestors, where there is recognition, validation, celebration and affirmation of creative spirits. These creative spirits may be considered as archetypes with generic values and orientations that, when awakened, become the basis for both personal and organisational architecture.

3.1.2 Strategy, Structure and Economic Performance (SSEP) Cone

The researcher advances the idea that economic conceptualizations of the firm are embedded in the “fit” of strategy and structure as embodied in the cone roof of the African kitchen hut. Michael Porter (1980) posits that the reason why firms succeed or fail is perhaps the central question in strategic discourse and is the source and mechanism of persistent economic performance differentials that lie in the “fit” of strategy and structure.
The strategy-structure “fit” and significant other performance drivers confer on a firm, sources of profit differentials as compared to that of a rival firm such as the production function, governance structures, nexus of contracts, pool of resources and the coalition of diverse interests.

Pearce II and Robinson, Jr. (1997) posit that one of the early and widely accepted frameworks that identify the key factors that best explain superior performance was the McKinsey 7-S Framework provided in Figure 3.3 below.

Figure 3.3: McKinsey 7-S Framework


The framework in Figure 3.4 above provides a useful visualisation of the key components managers must consider in making sure a strategy permeates the day-to-day life of the firm. Once a strategy has been designed, the McKinsey Framework suggests that managers focus on six components, with similarities to Galbraith’s Star Model (1995), to ensure effective execution: structure, systems, shared values (culture) (Ubuntu), skills, style and staff.
This study re-organises these variables into two primary drivers which are strategy and structure. Galbraith (1995) puts forward The Star Model, which is an organizational design framework. This model implies that the five design policies are autonomous and discrete. Yet inherent in the structure are people issues (skill and mind-set), implied in people, issues are rewards or motivation, and for all that to occur, processes (information, resource allocation etc.) are implied in the organization’s structure.

This research re-organises these variables in that the design ‘policies’ initiated by Galbraith (1995) may therefore be eclipsed into two major variables of strategy and structure. The ‘fit’ of these two variables then would lead towards positive economic performance outcome, as illustrated through the symbolism of the African Kitchen Hut. If one realigns the Star Model and merges it with the strategy – structure diagram, there is a “cone-shape” that results and at the point of the cone, would be the highest level of economic performance as indicated in Figure 3.4 on the next page.
Fig 3.4: The Strategy + SOPD, Structure and Economic Performance Cone.

KEY:

= Strategy + Significant Other Performance Drivers (SOPD)/Purpose(s) of African Kitchen Hut.

= Structure/African Kitchen Hut Structure

= Strategy, Structure + SOPD Merge (Fit)/Chisuvi

= Economic Performance Outcome (EPO) of organisation/symbolism of kitchen hut (organisation) meshed within its structure.

A “fit” of strategy and the resources that an enterprise possesses, reduces the “gap” of what management would like to do and what they can do in a firm’s economic performance. This may be referred to as “the gap analysis,” as reflected in Figure 3.5 below, Strategy-Structure–Economic Performance (SSEP) Relatedness.

Figure 3.5: Strategy – Structure - Economic Performance Relatedness. As the strategy and structure gravitate to a ‘fit’ there is incremental positive economic performance as reflected by the escalating Economic Performance (1-10 Level, 10 being higher). The graph above is illustrative of a positive change in Economic Performance due to changes in ‘fit’ of strategy and structure.

Source: Researcher’s viewpoint.
The “gap analysis” will identify for management those resource aspects that maybe lacking or significant other performance drivers that will have to be rectified or addressed if opportunities are to be realized or threats are to be successfully fought off. As the alignment of structure to strategy and significant other performance drivers is being done at national level, there is a positive incremental change in performance of tourism and hospitality industry due to the “fit” or “intimacy” between strategy and structure for individual companies whose performance will reflect the national performance.

Pearce II and Robinson Jr., (1997) motivate that successful strategy implementation depends in large part on the firm’s primary organisational structure where the later helps identify the firm’s key activities and the manner in which they will be coordinated to achieve the firm’s strategic purpose. An organisational structure comprises the firm’s major elements, components or differentiated units. Structure portrays how key tasks and activities have been divided to achieve efficiency and effectiveness. The viewpoint is that implied in structural architecture activities, are soft issues related to rewards system, coordination terms, and planning procedures. This research motivates that the soft issues are incorporated and defined through the schools of thought which would have been adopted by a company in its strategy formulation.

### 3.2 Strategy-Structure ‘Fit’

Needle (2000) argues that the notion of a strategy-structure “fit” underpins studies on structure change, where structure is manipulated to achieve the desired strategic ends. At best, this represents an understanding by management that successful implementation of a strategy requires consideration of behavioural and structural changes resulting in a merge or “congruence” of the two variables. Needle (2000) goes further to explain that the alignment of structure or “resource profile” to strategy is needed to establish whether the various opportunities, threats and management expectations can be met by a nation or a firm.

This “fit” maybe seen through the harnessing of the 7 National Key Result Areas inclusive of politics and social relations, communication and transportation, other revenue generating and supporting ministries’ structure and performance; all impacting upon the tourism and hospitality economic performance of a nation as summarized in Figure 3.6 on the next page:
Figure 3.6: Adapted Model of Key Result Areas.

Jones and Lockwood (1997) argue that strategy-structure “fit” is the principal means of improving economic performance outcomes in the services sector. The Model of Key Result Areas merges elements of strategy (politics and social relations, within support and revenue generating ministries), and structure and processes (ministries), to improve economic performance outcomes. Tourism and hospitality industry is highly sensitive and is affected by the interactions and activities within the political framework, social relations, communication, transportation, the economy of the nation (including other support and revenue generating ministries), and migration within the nation. Tribe (1997) motivates that an organisational structure is the framework which describes how a nation’s activities are arranged. Mintzberg (1979) defines structure as the ways in which labour is divided into distinct tasks and then its coordination achieved amongst those tasks.
Tribe (1997) further argues that structure is a key consideration in determining how successful a country is in achieving its aims. For this reason the structure follows strategy (Sloan, 1964 and Child, 1977). Emerging strategies will influence the existing structure.

Fitzroy and Hulbert (2005) posit that following the traditional view that, to support the new strategy developed, senior managers make changes in structure, holistically to include processes and human resources and this process is referred to as organisational architecture. Organisational architecture is about making that good idea happen for it involves decisions about the type of people who comprise the firm, the culture of the firm, and the information systems within the structure. Fitzroy and Hulbert (2005) argue, however, that structure and strategy are so intertwined that there is really mutual causation. Organisational architecture does not create competitive advantage, it can certainly contribute to inferior performance, in particular a poor match between strategy and architecture will result in a lack of focus and integration, a lack of coordination among various organisational units is wasted effort, indecision or worse conflict, slow decision-making and poor information for decision making- all of which can produce inferior results.

Fitzroy and Hulbert (2005) postulate that good organisation architectures ensure consistency and alignment with strategy being pursued by the firm. The three elements of organisational architecture are organisational structure which refers to the way in which tasks are differentiated and then coordinated. In addition, it indicates the way tasks have been defined and the hierarchy of the firm, indicating formal relationships and decision-making power, human resources who include decisions on the selection, motivation, compensation, training and succession planning for managers within the firm. In addition, the CEO must understand the company cultures and whether or not it is appropriate for current and anticipated strategic moves, processes which include decision making, planning, and budget process, workflows, and the increasingly important IT architecture of the firm. These three dimensions must be congruent with each other as well as with the strategy that has been developed. Governance structures are defined as an organisation design that incorporates systems of decision making, operational control and incentives.
Dess, Lumpkin and Taylor (2005) postulate that to implement strategies successfully, firms must have appropriate organisational structures which include the processes and integrating mechanisms necessary to ensure that boundaries among internal activities and external parties are flexible and permeable. Hall (2002) defines organisation structure as the formalised patterns of interactions that link the tasks, technologies and people of the firm. Structures are designed to ensure that resources are used most efficiently toward accomplishing an organisation’s mission. Structure provides managers with a means of balancing two conflicting forces: a need for the division of tasks into meaningful groupings and the need to integrate such groupings in order to ensure organisational efficiency and effectiveness. Structure identifies the executive, managerial, and administrative organisations of the firm as well as indicating responsibilities and hierarchical relationships it also influences the flow of information as well as the context and nature of human interactions (Dess, Lumpkin and Taylor (2005).)

Needle (2000) further argues that a particular structure emerges to maximize the opportunities and to solve problems created by various influences. As a structure emerges, a loose relationship between strategy and structure develops and then evolves to where strategy and structure “merge” as illustrated in Figures 3.4 and 3.5 on pages 136 and 137 respectively – resulting in a “cone-shape” and at the point of the cone (SSEP Cone), is where there is “strategy – structure fit” resulting in high levels of performance.

The persistent firm performance differentials lie in what is expressed by Leo Tolstoy (1942:74) as, “…the product of mass and some unknown x…that unknown quantity is the spirit …is the factor which multiplied by mass and gives the resulting force”. By implication the strategy-structure “fit” together with significant other performance drivers, result in a certain level of economic performance outcome (EPO). Thus the study draws on Strategy-Structure-Significant Other Performance Drivers (SSSOPD) paradigm result in creating and sustaining superior economic growth, economic profits and overall EPO of the firm.
3.3 Managing Strategic Behaviour (SB) in Tourism and Hospitality Industry

SB can be managed by means of the following frameworks:

3.3.1 “Helicopter Viewing”

This is the ability to focus on the reality of the big picture i.e. the key strategic issues, structure and significant other performance drivers both internally and externally as illustrated in Figure 3.7 below:

Figure 3.7: Helicopter Viewing


Focusing on Figure 3.7 above, senior executives in tourism and hospitality industry should avoid ‘rabbit hole management’, that is, focusing on strategy and structure only.

The executive should also focus on significant other performance drivers, as operating a tourism and hospitality venture for example, with the best “fit” between strategy and structure will not necessarily give the highest firm economic performance outcome, if the political climate negatively affects tourist inflows from the ‘traditional’ source markets e.g. USA, Germany and United Kingdom etc.
3.3.2 **Cause of Behaviour Analysis (COBRA).**

COBRA is an application of root cause analysis that has been tailored by Grundy (1998) to be used specifically with behavioural issues in the service sector e.g. tourism and hospitality industry. Following the same principles as conventional fishbone analysis, one begins by describing the main symptom(s) of the problem on the right-hand-side of a page then trace this symptom back to the divergent agendas of subgroups in the team. For example, to apply this concept to the parastatals in tourism and hospitality industry, fear of more work is seen in employees who are used to working straight shifts as compared to the demands of a commercial hotel and training where there will be no holidays as staff is used to have. The employees have experienced past strategic disappointments and this will affect their capacity to work. The leadership style is usually ad hoc resulting in poor performance outcome.

There are other significant performance drivers such as the negative publicity that subsequently affects tourist inflows into the country. Once this initial COBRA analysis has been done, it is possible to go a level deeper to explore what micro-level drivers of SB are at play in the tourism and hospitality industry so that EPO may be improved.

Figure 3.8: Cause of Behaviour Analysis (COBRA).

![Cause of Behaviour Analysis (COBRA)](image)

Source: Grundy (1998)

3.3.3 **Piranha Analysis**

This is helpful when dealing with complicated issues of strategy, structure and significant other performance drivers ‘fit’ as determinants of firm economic performance outcome.
The Piranha Analysis was developed by The Guardian Royal Exchange showing a series of fish bones laid out ‘around the clock’. Each fishbone is a mini fishbone suggesting that there is a veritable shoal of problems hence the name Piranha as illustrated in Figure 3.9 below:

Figure 3.9: Piranha Analysis

![Piranha Analysis Diagram]

Source: Guardian Royal Exchange.

### 3.3.4 Wishbone Analysis

Figure 3.10: Wish Bone Analysis – Strategic Behaviour (SB)

![Wishbone Analysis Diagram]

Source: Grundy (1998)
This technique can be applied to align the system of SB. It is used to identify all things that need to go right and in the future to create a particular behavioural pattern towards positive economic performance outcome. The main point is to cover all the key interventions and other factors needed to bring about the behavioural vision of the firm (Grundy: 1998).

3.3.5 **Score bone**

Figure 3.11: Score Bone

![Score bone diagram]

**KEY:**

EPO = Economic Performance Outcome

Source: NOKIA (1997)

This is a cross between a wishbone and a balanced scorecard. It was developed by the Finance Team, Nokia Personal Communications San Diego (1997).

3.3.6 **Stakeholder Analysis**

This is a most useful way of understanding the behavioural drivers at work in a team that affect firm economic performance outcome. It is the systematic identification of key stakeholders and appraisal of their influence on and posture towards implementation of strategy and structure.

This can be used after COBRA or before in order to identify which stakeholders are causing behavioural difficulties e.g. suppliers of raw materials to hotels; Government’s stance and behaviour to the tourism and hospitality industry.
3.3.7 From – To (FT) Analysis

This is a tool that can be used to manage a behavioural problem or stakeholder position e.g. solving a problem of moving from an emergent strategy to a deliberate one and the structures to be adopted to achieve EP. FT analysis can be used to gather all the strands of behavioural change and present them as a picture as shown in Figure 3.12 below:

Figure 3.12: Using From - To Analysis. There is need to identify shifts relevant to each part of the business, e.g. hotels, Ministries and National Tourism Organisations, scoring them on a scale 1-5 or 1-10

<table>
<thead>
<tr>
<th>From:</th>
<th>To:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structures</td>
<td>Bureaucratic, rigid Structures.</td>
</tr>
<tr>
<td></td>
<td>Upturned, responsive And lean structures.</td>
</tr>
<tr>
<td>Goals</td>
<td>Produce manpower.</td>
</tr>
<tr>
<td></td>
<td>Produce manpower According to industry Needs.</td>
</tr>
<tr>
<td>Behaviours</td>
<td>Clique</td>
</tr>
<tr>
<td></td>
<td>Team spirit</td>
</tr>
<tr>
<td>Cost Base</td>
<td>Cost recovery</td>
</tr>
<tr>
<td></td>
<td>Revenue generation And re-capitalization of Profits.</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>Reactive</td>
</tr>
<tr>
<td></td>
<td>Proactive</td>
</tr>
</tbody>
</table>


This can be used in conjunction with stakeholder agenda analysis.

3.4 Pillars of Business Success

These are achieved through the geese formation, upturning the organisation and the 12 crucial ingredients of business success.

3.4.1 The “V” of the Geese Formation

Sewell (1997) motivates that the firm will only succeed if it creates an environment in which the entire firm is working together to a predetermined level of economic performance outcome. As gardeners will know, no plant, however healthy, will thrive if planted in the wrong environment. Similarly no economic performance will be realized if strategy, structure and other performance drivers are not aligned properly in the right environment.
The success of the firm depends on creating an environment in which every single member of the firm feels totally committed to the firm’s success. The figure missing in most organizations is their “team commitment index”: the extent to which each member of the team is fully committed to achieving the goals needed for the overall success of their firm. The team members should be “enrolled” rather than “bought in”.

Sewell (1997) says that to achieve ‘positive economic performance outcome’ a leader needs to transform the organization into a team of individuals working together to achieve significantly improved results. If a manager considers the two variables, strategy and structure only, he is creating an organization that is equivalent to a herd of buffaloes where everyone takes its lead from the leader when he/she turns them. The option is to transform the firm into an equivalent flock of geese as illustrated in Figure 3.13 on the next page, where the ‘V’ of the geese formation is alluded to the ‘merge’ of the variables: strategy, structure and significant other performance drivers (SOPD). It is the point where an enterprise would experience maximum firm economic performance outcome.
Figure 3.13: Fly with The Geese to achieve positive firm economic performance outcome.

One chief executive had an organisation that behaved like ‘buffaloes’. His staff took their lead from him. When he turned: they turned. He decided to get them to behave more like a ‘flock of geese’ with his colleagues each taking their turn to lead.

Geese fly in formation, taking turns to fly ‘point’. They complete their journey 70% faster than any goose flying by itself.

The benefits of flying with the geese are:

i. health
ii. happiness
iii. survival
iv. performance.

Everybody should be committed to the process of Kaizen or continuous improvement where management style should change from transactional which views that the employee is being paid to do a job, should do it when he is told without challenge and without concerning himself with how or why, to transformational management which holds the viewpoint that we are making an investment in people whom the organization needs to optimize by transforming their performance. The fundamental attitude to everyone who works in the firm is that, “…we have trust and confidence in your expertise and commitment. We will share information on our vision, goals and performance to enable you to gain satisfaction and recognition for making a meaningful contribution to our joint success” (Sewell: 1997).

3.4.2 The Up-turning of the Organisation

Executives should realize that it is not only strategy and structure that matter in an environment of increased competition and decreased margins in tourism and hospitality industry, but investment in people, whose direct and indirect costs are often more than 50% of total operating costs. Research projects continue to show that the majority of people, often more than 75% of those questioned, do not feel that their organization is using their talents to the full (Sewell: 1997). To increase economic performance outcome in tourism and hospitality industry, there is need to upturn the organization as illustrated in Figure 3.14 on the next page:
3.4.3 The Twelve Crucial Ingredients

Sewell (1997) suggests that apart from strategy and structure there are ten other ingredients that should be present in an organization for it to achieve positive economic performance outcome in the tourism and hospitality industry. These ingredients are totally interdependent. The 12 crucial ingredients requiring a totally new mind-set if positive economic performance outcome is to be achieved are illustrated in Figure 3.15 on the next page:

Figure 3.15: The Space Shuttle to Positive Firm Economic Performance.

A space rocket has been used to depict that each section has to work effectively for the rocket to be successful. The pillars include leadership. Kotter (cited in Sewell: 1997) motivates that the difference between leadership and management is the difference in firm economic performance outcome of organizations that have realized this.

Sewell (1997) and Pete Senge (1998) motivates leadership is to do with personal mastery, that is about being vision driven. Leaders should build visionary companies that are built to last through different product life cycles and multiple generations of leaders. The three key issues to EP are competence, confidence and commitment.

For positive firm economic performance to be achieved the leader should develop a team of people with complimenting skills that is, effective followers and missionaries. Missionaries help the leader to build the ‘critical mass’ that is needed to achieve EP. Ghoshal (cited in Sewell: 1997) motivates that to achieve positive economic performance the firm needs to build a credo/vision that everyone is ‘enrolled in’. Employees need to have a sense possibility that goes beyond ‘business as usual’, and a sense of urgency which will challenge under-performance, a sense of personal responsibility, where self-discipline stems from personal commitment, a sense of identity, which provides meaning to everyone’s efforts. The challenge is that, “…the most basic task of leaders is to unleash the human spirit which makes initiative, creativity, and entrepreneurship possible.’

Leading companies owe their success as much to their superior strategies as to their superior philosophies. Superior philosophies focus on ‘extended business’ or the ‘value stream’ of the business i.e. suppliers, distributors, customers, financiers and share holders, the community, the competitors and colleagues for positive firm economic performance outcome to occur. Collective knowledge is the most invaluable asset in positive firm economic performance outcome. There are eight issues that need to be confronted and these are, performance, courage, confidence of leaders and followers, assertiveness, contention, openness, the learning organization and techniques.

To maximize economic performance outcome a firm has to focus on people and every activity related to building the firm. People issues are normally perceived to be irritating interruptions amid all the other pressures.
“Internal marketing” enrols people in organizations thereby increasing the chance of high economic performance levels and that is designing a superior and winning organization. There are nine activities that should be considered are inclusive of developing superior organizations and winning team where learning must be supported by the right structures and systems so that the firm works towards positive firm economic performance outcome.

**Motivating a winning performance** is achieved through leadership, vision, and strategies, structures, philosophies, collective knowledge, building organization and rewarding the team. Strategy, structure and significant other performance drivers’ ‘fit’ and its subsequent effect on economic performance of the organization must be communicated to all employees in order to build a team. A written charter will clarify the firm’s relationship with suppliers and dealers. It becomes the basis of the firm’s psychological contract with the team members, and it will become the basis of the marketing and public relations platform being given to customers. The charter is thus deeply held beliefs that govern and guide the behaviour of all stakeholders in strategy – structure ‘fit’ and the EPO attained.

### 3.5 Conclusion

In other words, the impact of strategy on the performance of the organization is a function of the value of structure as symbolised and embodied by the African Kitchen-Hut Model, the management of strategic behaviour in the tourism and hospitality industry, pillars of business success and significant other performance drivers.

Chapter 4 deals with research methodology.
Chapter 4

Research Methodology

4.1 Introduction
In this chapter, the procedures, methods and instruments used to carry out the study are highlighted. The methods of sampling and steps taken in collecting data are also outlined. The validity of these procedures, methods and research instruments will be analysed.

Sarantakos (1998) defines research methodology as a theoretical and more abstract context, and perceives it in conjunction with distinctive, uni-dimensional and mutually exclusive theoretical principle. A methodology is translated clearly and accurately, as a guideline on acceptable research practices. Methodology is determined by principles of research entailed in a paradigm. The approaches that result from this definition are quantitative and qualitative approaches. Leedy (1980) defines it as an operational framework within which the facts are placed so that their meanings maybe seen more clearly.

4.2 Research Design
Qualitative approach with some elements of quantitative approach will be employed in this study by the researcher. Qualitative evidence is combined with quantitative elements in a synergistic way. Besides indicating relationships that may be less obvious to a researcher, quantitative evidence can keep researchers from being carried away by vivid, but false, impressions in qualitative data, and it can bolster findings when it corroborates those findings from qualitative evidence (Eisenhardt, 1989:538). At the same time, qualitative data was useful for understanding the rationale behind those relationships revealed in quantitative data. Qualitative data also suggested directly those theoretical insights to be strengthened by quantitative data (Jick, 1979).
Due to the lack of prior research on the causal relationship between strategy, structure and significant other performance drivers in emerging African economies, the desire to understand the resultant economic performance in organisational contexts and the sensitive nature of data needed, qualitative approach and elements of quantitative approach was chosen (Yin, 1984). The choice of this approach was also influenced by the focus of the study. The focus was the economic performance associated with the relationship between strategy and structure and significant other performance drivers of companies over time.

An evaluative research design on case studies was chosen because it is aimed at making judgments about Economic Performance Outcome (EPO) as a result of the “fit” of strategy and structure and the influence of significant other performance drivers as determinants of EPO. It is an important tool in policy analysis. Evaluative research design attempted to reduce any influence on the researcher to an absolute minimum and to establish the highest possible degree of objectivity.

The researcher used a multiple longitudinal case design (Newman & Nollen, 1998) to capture the experiences of Zimbabwe Tourism and Hospitality Industry, spanning from 1980 when Zimbabwe attained its independence to date, in the assessment of the correlation of strategy, structure and significant other performance drivers. Longitudinal research has the capacity to study change and development (Saunders, Lewis and Thornhill, 2003). Adams and Schvaneveldt (1991) point out that in observing events over time, the researcher was able to exercise a measure of control over variables being studied. In longitudinal studies the basic question was, ‘has there been any change over a period of time?’

In order to understand the thought processes underlying major strategic and structure decisions made along the way, it was necessary to include the perspectives of major stakeholders like business executives, worker opinion leaders, the media and customers.

This study is, therefore, an inductive study using grounded theory, rooted in case study method, to examine how the Zimbabwean government and chosen organisations engaged strategy, structure and significant other performance drivers fit. Strauss & Corbin (1990:24) define the grounded theory approach as “a qualitative research method that uses a systematic set of procedures to develop an inductively derived grounded theory about a phenomenon”. This involved inductive insights from field based, case data.
Grounded theory was selected since the study is looking at a rarely explored area for which extant theory does not appear to be useful in the African economies. Brown & Eisenhardt (1997:2), (quoting from Glaser & Strauss, 1967), point out that “in such situations, a grounded theory-building approach is more likely to generate novel and accurate insights into the phenomenon under study than reliance on either past research or office-bound thought experiments.” The results from this study were insights into a theory/model of organisational architecture suitable for companies in Zimbabwe and the government of Zimbabwe, and more broadly, in emerging economies in Africa.

It was also expected that the product(s) would be, and it is, consistent with the argument Leedy (1997:163) makes: “the theory is ‘grounded’ in that it is developed from the data, as opposed to being suggested by the literature; that is, theory is an expected outcome from, rather than the starting point for, the study”

As far as research is concerned, there are two major approaches and these are qualitative and quantitative, and the researcher discussed each of them in turn hereunder. Qualitative approach is associated with many diverse methods employed in the social sciences. It is perceived by some researchers such as Sarantakos (1998) to be a supplement to quantitative research, yet on the other hand, others perceive it as its opposite or alternative. Qualitative research as an alternative to traditional, established, conventional or quantitative research has been developed through a cooperative effort involving a number of factors such as:

1) The theoretical foundations of qualitative research – phenomenology (people are active creators of their world and have a consciousness that communicates to them everyday experiences and knowledge), hermeneutics (special technique based on text interpretation, it denotes the art of translating and constitutes an approach to texts and fixed expressions of human life with the purpose of understanding and interpreting them as well as their creators), symbolic interactionism.

2) Central principles of qualitative research – the main principles of qualitative research are based on and centre round a number of fundamental concepts such as communication, subject and everyday life.

3) Research foundations of qualitative research – the interpretive, naturalistic form, communicativeness, reflective nature of qualitative research.

4) The strength and weaknesses associated with qualitative research.
As a result the structure of this methodology is diverse and to a certain extent not as explicit as that of its adversary (Sarantakos, 1998).

Quantitative research is based on the positivist or neopositivist approach. Neopositivism is set to establish a ‘clear’ and ‘objective’ orientation, a vigorous, disciplined and systematic procedure and a reality-bound approach which allows scientists to arrive at theory that will be free from vague and sloppy, speculative thoughts about reality and a theory that should be distinguished from a social philosophy, abstract speculation and everyday assumptions (Stergios, 1991 and Vlahos, 1984).

However, despite the above criticisms levelled against quantitative method, just like qualitative methods, social scientists are still using quantitative method in research. The fact is that there is no “better” or right approach. Both approaches are good and depending on the circumstances. Quantitative and qualitative approaches are the tools of the trade of social scientists and both are useful and have a purpose. The two compliments each other and both offer a stereoscopic picture of the world. Quantitative researchers use qualitative elements in their work and qualitative research is not free from quantitative elements of study such as numbers, statistics and quantitative data in general. Quantitative elements compliment and supplement qualitative work, a notion supported by many qualitative researchers, critical theories and feminists (Sprague, 1989: 32).

4.2.1 Research Methods

Methods are the tools of data generation and analysis. Methods are different from methodologies. Literally, ‘methodology’ means the science of methods (method + logy), the latter being a Greek word which can liberally be translated to mean ‘the science of’ and contains the standards and principles employed to guide the choice, structure, process and use of methods, as directed by the underlying paradigm. Methods are a-theoretical and a-methodological (meaning independent from methodology). Interviews, observation, experiments, content analysis etc. can be used in any methodological type and serve any chosen research purpose.

Although methods in general are a-methodological, their content, structure and process are dictated by the underlying methodology.
Although interviews for instance can be used in a qualitative and in a quantitative methodology, the former employs an unstructured, open or in-depth interview, while the later normally employs standardised interviews. Participant observation is used in qualitative studies while structured observation is employed in quantitative studies (Sarantakos, 1998).

This study is going to apply qualitative research methods that is, surveys, case study, and participant observation.

a) Survey Method
Yates (2004) argues that qualitative methods, especially survey work, are one of the major ways in which government collect information upon which policy decisions are made, as such the researcher deemed it fit to use these methods in government ministries. Saunders, Lewis and Thornhill (2003) posit that the survey method is usually associated with the deductive approach and is a popular and common strategy in business and management research.

Data collected using the survey method may not be as wide-ranging as those collected by other research strategies. Within the survey method, structured interviews and focus group discussions were used in putting across standardised questions to all interviewees in order to construct cases. Ten respondents were selected from each case. A total of four focus group meetings were held for each case corresponding to the variables, strategy, structure, significant other performance drivers and performance to enable focused discussions to be held for value information to be obtained.

b) Case study Method
To explore the key research question, multiple case studies were conducted. In this context, each case was considered analogous to an experiment in traditional hypothesis testing research. Multiple cases, then, were analogous to multiple experiments. This permitted ‘a-replication’ logic, “in which the cases are treated as a series of independent experiments that confirm or disconfirm emerging conceptual insights” (Yin, 2003, and Brown & Eisenhardt, 1997:3).
The fieldwork was carried out on five cases, namely Ministry of Environment and Natural Resources (ME&NR), Ministry of Tourism and Hospitality Industry (MT&HI), Zimbabwe Tourism Authority (ZTA), Zimbabwe Council for Tourism (ZCT) and African Sun Limited (ASL). This number is consistent with the minimum cases Eisenhardt (1989:545) suggests when she says that there is no ideal number of cases, a number between 4 and 10 cases usually works well.

Fewer than 4 cases, is often difficult to generate theory with much complexity and its empirical grounding is likely to be unconvincing, unless the case has several mini-cases within it. Yin (2003) posits that as a research strategy, the case study method is used to contribute to our knowledge of individual, group or organizational, social, political and related phenomena. Case study aids in understanding of complex social phenomena.

Yin (2003) motivates that case study method allows investigators to retain the holistic and meaningful characteristics of real-life events such as organizational and managerial processes, neighbourhood change, international relations, and maturation of industries. Saunders, Lewis and Thornhill (2003) argue that the case study method is a very worthwhile method of exploring existing theory, and in addition, case study method can enable you to challenge an existing theory and also provide a source of new hypotheses. Case study method was employed by the researcher to buttress the findings done through the literature review and the subsequent model developed, as the method is based on grounded theory.

Schweitzer (2009) motivates that a case study is a detailed account of a company, industry, person, or project over a given amount of time. The content within a case study may include information about company objectives, strategies, challenges, results, recommendations, and more. A case study may be brief or extensive, and may range from two pages to 30 pages or more. Yin (1981) posits that a case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident.
Yin (2003) motivates that the case study inquiry copes with the technically distinctive situation in which there will be many more variables of interest than data points, and as one result relies on multiple sources of evidence, with data needing to converge in triangulation fashion, and as another result benefits from the prior development of theoretical propositions to guide data collection and analysis.

Wikipedia (2009) motivates that case study methods involve an in-depth, longitudinal examination of a single instance or event: a case. They provide a systematic way of looking at events, collecting data, analysing information, and reporting the results. As a result the researcher gained a sharpened understanding of why the incident happened as it did, and what might become important to look at more extensively in future research. Case studies lend themselves to both generating and testing hypotheses (Flyvbjerg, 2006). Wikipedia (2009) argues that case study should be defined as a research strategy, an empirical inquiry that investigates a phenomenon within its real-life context.

Case study research means single and multiple case studies which can include quantitative evidence, relies on multiple sources of evidence and benefits from the prior development of theoretical propositions. Case studies should not be confused with qualitative research and they can be based on any mix of quantitative and qualitative evidence. Yin (2003) advocates that case studies are the preferred strategy when ‘how’ or ‘why’ questions are being posed, when the investigator had little control over events and when the focus is on a contemporary phenomenon within some real-life context.

When selecting a case for a case study, the researcher used information-oriented sampling, as opposed to random sampling (Flyvbjerg, 2006). This is because an average case is often not the richest in information. Extreme or typical cases reveal more information because they activate more basic mechanisms and more actors in the situation studied. In addition, from both an understanding-oriented perspective, it is often more important to clarify the deeper causes behind a given problem and its consequences than to describe the symptoms of the problem and how frequently they occur. Random samples emphasizing representativeness will seldom be able to produce this kind of insight; it is more appropriate to select some few cases chosen for their validity (Wikipedia, 2009).
c) **Participant Observation Method**

Whereas interviews and questionnaires elicit responses from the subjects, it is possible to gather data without asking questions to the respondents. People can be observed in their natural work environment or in a lab setting and their activities and behaviours or other points of interest recorded on the paradigm strategy-structure-significant other performance drivers and the performance of organisations.

Apart from the activities performed by the individuals understudy, their movements, work habits, the statements made and meetings conducted by them, their facial expressions of joy, anger and other emotions and body language were observed.

Other environmental factors such as workplace layout, workflow patterns, how close the seating arrangement is, were also noted. The researcher played one of two roles while gathering field observational data – that of non-participant or participant observer suitable to each case. Nonparticipant observer - The researcher collected the needed data in the role of a researcher without trying to become an integral part of the organisational system. By merely observing all the activities, recording them in a systematic way and tabulating them, the researcher came up with some findings. For this purpose, observers were physically present in the workplace for extended periods of time.

Participant observer – The researcher entered the organisation or the research setting and become part of the work-team. The researcher used structured observational studies on the respondents from Ministry of Environment and Natural Resources, Ministry of Tourism and Hospitality Industry, Zimbabwe Tourism Authority, Zimbabwe Council for Tourism and African Sun Limited. The observer had a predetermined set of categories of activities or phenomena on the strategy-structure-performance paradigm to be studied. Formats for recording the observations were specifically designed and tailored to suit the goals of this research focusing on the constructs.
4.3 Population
To investigate the “fit” between strategy and structure (framework) as a determinant of economic performance in the tourism and hospitality industry in Zimbabwe, respondents were drawn from revenue generation ministries, national tourism bodies and companies in the tourism and hospitality industry drawn from facilities, transport, national tourism bodies, attractions and activities. Due to significant other factors which may have affected tourism business performance, respondents from support ministries will also be included. The population drawn from these organisations will be inclusive of chief executive officers, general managers, senior managers and shop-floor workers.

To this end, the population of this study is 300 drawn from ministries of government, tourist facilities companies, and national tourism bodies. The population was representative of the tourism and hospitality industry.

4.4 Sampling Techniques and Sample Size
According to Leedy (1980) a sample is an individual person or a social group of the chosen population or individual units of analysis that form the basis for sampling. A sample is a subset of the population of the research Chaneta (2006). A sample refers to all the elements from which the information is gathered to solve a particular research problem. However, because the population of the survey was known, it was possible to divide it into smaller samples or strata. In the case of this study, the sample was divided into manageable groups within the tourism and hospitality industry.

The selection of the sampling method was dependent on the objectives of the study, financial resources, and time and research problem under review. However, the researcher also considered other factors as non-responses and the value of the information provided by respondents included in the sample (Adams and Schvaneveldt, 1991). The type of sample that is used determined what the respondents were required to do. In this study, a stratified random sampling was used for selecting a sample for questionnaire distribution (Sarantakos, 1998).
The sampling methods can be grouped into two broad categories specifically, probability sampling and non-probability sampling. Probability sampling refers to a sample in which all the subsets of the population have a known zero-chance of being selected, while non-probability sampling is used when certain subsets of the population have little or no chance of being selected for the sample (Straus and Corbin, 1990). A non-probability sampling yields good estimates of the population’s characteristics. It involves the use of personal judgement (Straus and Corbin, 1990). A judgemental sample is defined as an approach in which the researcher attempts to draw a representative sample of the population by using a judgemental procedure. This type of sampling was used in this study to select the in-depth interview and focus group discussions after a careful consideration of its limitations such as high levels of bias (Sarantakos, 1980).

For the purpose of this study, a directory ministries and a directory of all registered national and international tourism and hospitality operators was used. The registers contained the name, physical address, e-mail and other contact details of each of the registered designated tourism operators in Zimbabwe. A sample frame was drawn from the population that the researcher intended to investigate. While the researcher does not claim to have a representative sample frame, the sample comprised 150 people drawn from the shrunk tourism and hospitality industry ten of whom were key informants who participated in the interview and focus group discussions drawn from each case.

The sample size was influenced by the data collection methods used. The sample of this study was 150 and was made up as follows: 25 executives, 75 middle level managers and 50 shop-floor workers. The sample was randomly selected from the two ministries, two tourism bodies and one business sector organisation referred to above under “population.” The cases that made up the sample were Ministry of Environment and Natural Resources (ME&NR), Ministry of Tourism and Hospitality Industry (MT&HI), Zimbabwe Tourism Authority (ZTA), Zimbabwe Council for Tourism (ZCT) and African Sun Limited (ASL) which were used to analyse the frequency of constructs in Questionnaire 1.
4.5 Data collection Instruments/Technique

There are two main sources of data and these are:

1) Primary source – data collected from the field work and
2) Secondary source – data from annual reports, policy documents e.g. regulations etc.

Media reports about the companies assisted in understanding the forces exerted on the companies by various stakeholders. The records from Published Annual Accounts of the relevant sectors, Government and industry statistics including physical measure of output were collected. Reports such as The Company Prospectus – which are published because of legal requirements, market research reports by Zimbabwe Tourism Authority, credit rating agency reports, reports on trends and statistics by Zimbabwe Tourism Authority were also gathered. There was a considerable and ever expanding range of material that was traced through various databases and indexes including the Internet, product launches, competitive issues, and hotel expansion or redundancies.

Multiple data collection methods were employed. These included interviews, focus group discussions to confirm archival data, observations, archival sources and intensive literature search, the triangulation that is made possible by “multiple data collection methods provided stronger substantiation of constructs” (Eisenhardt, 1989: 538). Qualitative evidence was combined with quantitative evidence in a synergistic way.

Besides indicating relationships that may be less obvious to a researcher, quantitative evidence kept the researcher “from being carried away by vivid, but false, impressions in qualitative data, and it bolstered findings when it corroborated those findings from qualitative evidence” (Eisenhardt, 1989:538). At the same time, qualitative data was useful for understanding the rationale behind those relationships revealed in quantitative data. Qualitative data also suggested directly those theoretical insights strengthened by quantitative data (Jick, 1979).

The triangulation that is made possible by “multiple data collection instruments/techniques, provides stronger substantiation of constructs” (Eisenhardt, 1989:538). Different data collection instruments ensure the authenticity of data (Saunders, Lewis and Thornhill, 2003).
4.5.1 Records inspection

Annual reports were obtained from companies and confirmation of the information contained in them was obtained through focus group discussion and interviews. Archival data was drawn from a variety of company documentation including annual reports, workers’ committee and management meeting minutes, as well as media reports.

4.5.2 Questionnaires

A. Questionnaire 1

The first questionnaire was created to identify the degree of alignment of strategy, structure and significant other performance drivers showing the level of alignment required if the company is to achieve its strategic goals (Appendix 3 on page 347 and Appendix 5 on page 353). Interviews and focus discussion groups were formulated in 2009 and 2010 to respond to these questions.

In the framework of this research, the views of middle level managers, shop-flow workers and client’s respondents carried more weight and legitimacy – what do shop-floor worker-respondents say about the organization’s attitude to issues that related to them and what do client-respondents say with respect to issues that related to them similarly.

Generally, middle level managers, shop-flow workers and customer-respondents were used as control measures or legitimate respondents as their views were bound or assumed to be different from those of senior management. This added credibility to the results obtained by the researcher.

To assess the tightness of the strategy and structure (SS) to economic performance (EP) the first questionnaire related to six outcomes as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control Questions</td>
<td>1; 7; 13; 19; 25.</td>
</tr>
<tr>
<td>Connection Questions</td>
<td>2; 8; 14; 20; 26.</td>
</tr>
<tr>
<td>Creativity Questions</td>
<td>3; 9; 15; 21; 27.</td>
</tr>
<tr>
<td>Commitment Questions</td>
<td>4; 10; 16; 22; 28.</td>
</tr>
<tr>
<td>Coordination Questions</td>
<td>5; 11; 17; 23; 29.</td>
</tr>
<tr>
<td>Competence Questions</td>
<td>6; 12; 18; 24; 30.</td>
</tr>
</tbody>
</table>
Respondents were asked to consider the thirty statements and give their view of the current alignment of the strategy and structure. Each of the six outcomes (control, connection, creativity, commitment, coordination and competence) contains five questions.

i. **Questions on Control**

Statistical analysis was used to focus on the frequencies of variables on certain outcomes of a case. Cases were given codes for data entry and analysis as case name. Control questions dealt with were: Q1, Q7, Q13, Q19, and Q25 as shown in Table 4.1 below. 44 questionnaires were distributed to the 5 cases and none was spoiled.

<table>
<thead>
<tr>
<th>Case Name</th>
<th>Case has just the right number of workers</th>
<th>Costs are well controlled</th>
<th>Organisatio n has good performance systems</th>
<th>Organisatio n has flat structure</th>
<th>Sanctions’ effect on tourism</th>
</tr>
</thead>
<tbody>
<tr>
<td>N Valid</td>
<td>44</td>
<td>44</td>
<td>44</td>
<td>44</td>
<td>44</td>
</tr>
<tr>
<td>Missing</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

ii. **Questions on Connection**

Connection outcome questions were: Q2, Q8, Q14, Q20, and Q26. 44 questionnaires were distributed to the 5 cases and none were spoiled.

iii. **Questions on Creativity**

Questions on creativity dealt with were: Q3, Q9, Q15, Q21, and Q27. 44 questionnaires were distributed to the 5 cases and none were spoiled.

iv. **Questions on Commitment Outcome**

Commitment outcome questions dealt with were: Q4, Q10, Q16, Q22 and Q28. 44 questionnaires were distributed to the 5 cases and none were spoiled.

v. **Coordination Questions**

Questions on coordination asked were: Q5, Q11, Q17, Q23 and Q29 as shown in Frequency Tables 6.23-6.27 from page 252. 44 questionnaires were distributed to the 5 cases and none were spoiled.
vi. **Questions on Competence**
Questions on competence dealt with were: Q6, Q12, Q18, Q24 and Q30 in order as shown in Frequency Tables 6.27 - 6.31 from page 254. 44 questionnaires were distributed to the 5 cases and none were spoiled.

vii. **Organisation**
Respondents were asked to consider the thirty statements and to make one response to each. The respondents gave their views of the current alignment of the strategy and structure. Each of the six outcomes (control, connection, creativity, commitment, coordination and competence) contained five questions with a maximum score of 2. The highest mark allocation for each outcome was 5 questions × 2 marks = 10, which corresponded to the scale used on the Strategy, Structure, Economic Performance Model where maximum performance was 10 points as illustrated in Chapter 3, Figure 3.5 on page 137.

Graphs were then constructed and used to present the results of each sector and its constructs, clearly showing the differences in performance (for both profit and non-profit making organisations) as governed by the degree of “fit” of the variables with the best ‘fit’ being represented by the score 10 and the least by 0. The results, as reflected in the graphs were then used to compare the different organisations’ performance and the sectors.

A total of 36 questionnaires were distributed to the ME&NR and 21 were responded to by respondents in the Minister’s office (middle level managers and shop-floor workers). There was a 58.33% return on questionnaires distributed. A total of 30 questionnaires were distributed to the MT&HI and these were responded to by 27 respondents in the Minister’s Office, both middle level management and shop-floor workers. There was a 90% return on questionnaires distributed. A total of 30 questionnaires were distributed to ZTA and 24 questionnaires were responded to by the senior and middle level managers and shop-floor workers. There was an 80% return on questionnaires distributed. A total of 30 questionnaires were distributed to ZCT and 21 questionnaires were responded to by the senior and middle level managers and shop-floor workers. There was a 70% return on questionnaires distributed.
45 questionnaires were distributed to African Sun Limited (ASL) and 39 questionnaires were responded to by respondents in the Chief Executive Officer’s office comprising middle level managers and junior staff. This was an 86.6% return on questionnaires distributed.

B. Questionnaire 2

From the literature on strategy, structure and significant other performance drivers, there were five tentative constructs that were used as a basis for exploring the key research question. The five constructs were used to design the semi-structured interview and focus group discussion guide as reflected in Appendix 4 on page 350. The semi-structured interview guide was used to begin the capturing of experiences of the chosen companies under the five tentative constructs. This guide also provided a frame for the other data collection methods used. The five constructs were created to identify the correlation between strategy, structure and significant other performance drivers [SSSOPD] as determinants of economic performance [EP]. Respondents were asked to consider the twenty-five statements and make response to each.

Within each construct of: Structure, Strategic Behaviour, Learning Organization, 12 pillars to positive EP and Socio-political forces each had 5 (five) questions and to assess the correlation of SSOPD to EP, the questionnaire related to five constructs as follows:

- Structure Questions: 1; 2; 3; 4; 5.
- Strategic Behaviour (SB) Questions: 6; 7; 8; 9; 10.
- Learning Organization Questions: 11; 12; 13; 14; 15.
- 12 Pillars to Positive EP Questions: 16; 17; 18; 19; 20.
- Socio-Political Forces questions: 21; 22; 23; 24; 25.

Graphs were then constructed and used to present the results of each sector, clearly showing the differences in economic performance as a result of economic sanctions. The results, as reflected in the graphs, were then be used to compare the different sectors’ performance. The second questionnaire was also used to identify the correlation between sanctions and economic performance of an enterprise in tourism.
4.5.3 Interviews

The questionnaires were used in each case to gather information. In-depth interviews with senior managers were conducted in order to get information on the causal relationship between strategy, structure and significant other performance drivers (Saunders, Lewis and Thornhill, 2003). Semi-structured discussion group interviews with six to ten employees representing different grades and occupations in different companies were done to establish economic performance as a function of strategy, structure, and significant other performance drivers (SSSOPD) capturing data from shop-floor workers who are unskilled. This is constant with the recommendation made by Hofmeyr, Templer & Beaty (1994) that, given the problems of accurately measuring attitudes at the unskilled level in the organisation, qualitative methods such as focus groups be used to complement other methods. The composition of focus groups was multi-level and cross-functional and in others for employees at the same level. This approach permitted rich conversations on the various issues and provided an opportunity to observe the interpersonal interaction dynamics in the companies.

Data collection was opportunistic. All groups held discussions in Shona, English and Ndebele. Necessary translations were made to keep all participants engaged. Interviews had the merit of using the questionnaires that are mailed to the respondents. The interviews dates were set well in advance so that the respondents could prepare themselves.

Another advantage of using the interview as a technique of data collection was that the interviewer could elicit the desired answers from the interviewee and guidance was given in terms of questions’ interpretation. The agenda of the questions to be asked was sent in advance for adequate preparation by the interviewee. The interviews were taped with the permission of the respondents and were used as reference. Interviews provided an opportunity for participants to relate their stories of how the organisation evolved. Probing questions are mostly in the form of “WHY” to search for more insights.

4.6 Analysing the Data

The data were analysed using both content and statistical analysis so as to try and bring holistic understanding.
All transcribed interview responses were entered into a database indexed by interview number, and question number and responses. Next, all responses to the same question were collected from the individual interview database as a single response in a composite database. The responses from focus groups were treated similarly. With the information from the two composite databases, observations, documentation and media reports, a case description for each case was made based on the constructs. This analysis provided intimate familiarity with each case as a standalone entity, allowed the unique patterns of each case to emerge and accelerated cross-case comparisons (Eisenhardt, 1989). At this stage of the analysis, two research assistants individually, read through the original evidence and formed independent views of each case. The views were then used to cross check the emerging story for each organisation. The analytical methodology used in this study can be described as iterative, replicative and triangular. The data collected from cases were used to building theory. New lines of investigation were opportunistically determined.

In analysing data the following tools were used:

1) **Frequency Tables**
   Statistical analysis was used to focus on the frequencies of variables on the constructs: control, connection, creativity, commitment, coordination and competence.

2) **Bar graphs**
   The construct connection, provided variables for bar graphs construction. The variables looked at were needs, focus, satisfaction, delight and relationship. The bar graphs focused on a comparison of customer satisfaction in Ministry of Environment & Natural Resources and Ministry of Tourism and Hospitality Industry, tourism bodies, that is, Zimbabwe Tourism Authority and Zimbabwe Council for Tourism and profit making organisations.

3) **The SWOC Analysis**
   The SWOC analysis focused on the construct structure. The tools used to analyse the strategy and structure “fit” to achieve a certain level of performance were the Human Factor Competences.
4) **Correlation - Line graphs**

Correlation graphs were drawn from the determinants of economic performance in the organisation using the marks awarded. A line of best fit was drawn and interpretations were made with regards to correlation of strategy and structure.

4.7 **Conclusion**

This chapter dealt with research design, data collection methods, instruments used to collect data, sampling procedures and data analysis methods. The chapter also reflects that it is a longitudinal, multiple case study based on Eisenhardt’s (1989) process of building theory from case study.

The next chapter is going to deal with findings from the fieldwork.
Chapter 5

Research Findings

5.0 Introduction

This chapter deals with the gathering of primary data from the field through the use of questionnaires, interviews and participant observation. Three questionnaires were sent to the respondents broken down as follows:

1. organisation analysis intended to spell out the strategy and structure fit of the tourism and hospitality industry in Zimbabwe;
2. determinants of economic performance of the afore-said industry to bring out the economic factors and significant other performance drivers (SOPD); and
3. strength, weaknesses, opportunities and challenges to the tourism and hospitality industry (human factor competencies).

The findings of the study concentrate on strategy, structure, significant other performance drivers and the economic performance in the tourism and hospitality industry in Zimbabwe. Further, the researcher gathered data from the five cases using the sample of 150 broken down as follows per each case:

1. senior management – five (5) respondents;
2. middle management – fifteen (15) respondents; and
3. shop-flow workers – ten (10) respondents.

5.2.0 The Structure of the Tourism Industry in Zimbabwe

Structure refers to both social and administrative issues. Positions and jobs give meaning to strategy. Both strategy and structure give meaning to organisational performance. Failure or success depends on this. The definition of position is in two parts, the geometric space, see Figure 5.1 and the anthropic space. A person occupies a position to do a job, which in turn is broken down to tasks. Anthropic space (hunhu) is elastic, it may be good or bad and this equates to the realisation of tasks or not. When organisations fail or succeed, an analysis has to be done on the kind of anthropic space occupants of positions have.
What kind of people are employed within an organisation? Success of an organisation is embedded in the job specification. We may draw lessons from the Biblical “Jethro Solution to Moses,” which defined the first organisation chart. Exodus 18 Verses 13-24, states that:

“...the next day, Moses took his seat to hear the people’s disputes against each other; they waited for him from morning till evening. When Moses’ father-in-law saw all that Moses was doing for the people, he asked, ‘what are you really going to accomplish here? Why are you trying to do all this alone while everyone stands around you from morning till evening?’ Moses replied “because the people come to me to get a ruling from God. When a dispute arises, they come to me, and I am the one who settles the case between the quarrelling parties. I inform the people of God’s decrees and give them his instructions.”

Moses’ father-in-law exclaimed that, that was not good. He indicated that:

“...this job is too heavy a burden for you to handle all by yourself. You should continue to be the people’s representatives before God, bringing their disputes to him. Teach them God’s decrees and give them his instructions. Show them how to conduct their lives, but select from all the people some capable, honest men who fear God and hate bribes. Appoint them as leaders over groups. They should always be available to solve the people’s common disputes, but have them bring the major cases to you. Let the leaders decide the smaller matters themselves. They will help you carry the load, making the task easier for you. If you follow this advice, and if God commands you to do so, then you will be able to endure the pressures and all these people will go home in peace.”

Structure can only have meaning if the job doers have these specifications. These are also given in Job 1 Vs. 8 where God’s servant should be blameless (akakwana), a man of complete integrity (akarurama), who fears God (anotya Mwari) and stays away from evil (anonzyenga zvakaipa). The human factor competencies as explained elsewhere in this study, assist to define the kind of people who should occupy positions in organisations. They should be people who believe, affirm and practice the ideals of an organisation. These are people who have the vision to see disaster before it comes.
The main finding contained in this research, is simply that no organisation, society, nation or country can sustain its development activities without people who are patriotic, committed and disciplined (Mararike and Chivaura, 1998). Mararike and Chivaura (1998) challenge the error-prone view that Africa’s development problems are largely due to lack of material resources, shortage of skilled manpower and sophisticated technology, but what Africa needs are not just people and their skills and high qualifications but people who, in addition to these skills and qualifications, believe strongly in the ideals of their organisations affirm and practice them. Structure, position and jobs therefore give meaning to strategy of an organisation as given in the architecture of *mbariro* in our analogy of the African Kitchen-hut Strategy and Structure. If economic performance is lacking, one needs to interrogate the whole process of putting people in positions, the policy framework and systems must be interrogated. Resources will not make strategy or a project succeed but people would, as exemplified by *mbariro, nhungo, makavi, huswa* (resources) in the architecture of the African Kitchen-hut Strategy and Structure Model. Resources do not act but people do. They may make things happen either positively or negatively.

The structuring of tourism activities in Zimbabwe may be categorised into two distinct sectors, namely the public sector, which leads and drafts policies and the private sector which represents the majority of the investors in the tourism and hospitality industry. Both private and public sectors strategize and craft structures for operation. Tourism and Hospitality Industry and National Tourism Organisation (NTO) - Zimbabwe Tourism Authority (ZTA), falls under the Ministry of Tourism and Hospitality Industry (MT&HI) with effect from 2009. Prior to that, it was under the Ministry of Tourism and the Environment. The later is now called the Ministry of Environment and Natural Resources (ME&NR). The overall structure of these organisations is shown in Figure 5.1 on the next page:
5.2.1 Ministry of Environment and Natural Resources (ME&NR)

Respondents from the Minister’s Office pointed out that the environment cuts across most sections of society and the economy. They told the researcher that social and economic changes in turn can impact the environment by altering the demand for goods and services. Respondents indicated that an assessment of any environmental issues takes into account the influences and feedbacks represented by the Pressure-State-Response model adopted by ME&NR (Figure 5.2 below), so as to ensure that the eventual policy responses are to the extent possible, complete, appropriate and effective.
Figure 5.2: Relationships between the environment and the various social, economic and natural environment pressures on it (pale arrows). The changes in state induced by these pressures in turn produce feedback on them, both naturally and by stimulating different kinds of environmental management response (dark arrows).


Respondents from the Minister’s Office explained that the other concepts which involve this policy are the concepts of sustainable development and the ecosystem approach as means of integrating social, economic and environmental relationships. Respondents from the Minister of Environment and Natural Resources’ Office said that the key principle of sustainable development is that of stewardship (leadership as defined by structure). Respondents further said that the vision of ME&NR follows closely the National Development Objective of the Government of Zimbabwe which is, to alleviate poverty and improve the quality of life of the people of Zimbabwe.
The Ministry’s vision is to be the best global player in conservation and sustainable utilization of natural resources. The state of the environment is critical in determining whether this vision will be achieved, as it directly supports the livelihoods of the majority of people and underpins much of the economic activity of the country. Respondents underscored that the goal was to avoid irreversible environmental damage but maintain essential environmental processes and preserve the broad spectrum of biological diversity so as to sustain the long-term ability of natural resources to meet the basic needs of people, enhance food security, reduce poverty and improve the standard of living of Zimbabweans through long-term economic growth and the creation of employment. All these factors directly affect tourism and hospitality activities. As such, the mission of the ME&NR is to promote sound environmental management practices and sustainable utilization of natural resources.

Respondents in the ME&NR said that, Natural Resources Management (NRM) was an important sector of Zimbabwe’s economy for foreign currency earnings. Many international tourists come to experience the country’s natural attractions, therefore the quality of the environment is a major factor influencing the potential of the tourist market in Zimbabwe. Respondents in the Minister’s Office argued that since NRM was not always benign, concerns had been expressed about the adverse effects of NRM on the environment. These include excessive use of natural resources and unsightly infrastructure developments. The respondents advocated that careful planning of tourist destinations and facilities was needed to secure the positive aspects of NRM and manage the potentially negative ones. Respondents talked about the costs, benefits and feasibility of different forms of NRM development that they needed to be regularly assessed using structures and instruments within the ministry.

A. ME&NR Strategies

On strategies, respondents said that strategy was being guided by principles. Guiding Principle number 43, states that NRM in Zimbabwe is founded on the natural attractions of the country and so needs to be developed in environmentally and socially sustainable ways. Respondents said that the strategic directions of the Government of Zimbabwe, in consultation with stakeholders in the NRM industry as indicated on the structure on page 181 would:

1. promote the formulation of friendly environment and sustainable strategy for NRM development in Zimbabwe that would take account of the wide range of tourists and the need for a diversity of tourist opportunities;
2. regularly assess the environmental cost, benefits and feasibility of different kinds of NRM development;
3. promote domestic NRM with the aim of motivating Zimbabweans to conserve their natural environment;
4. actively promote NRM as a means of fostering greater understanding among others of Zimbabwe’s history, culture and natural attractions;
5. seek to mitigate any adverse impacts of NRM on the local environment, values, culture and natural heritage (kitchen hut);
6. promote joint ventures between communities and both public and private-sector enterprises to maximise the sustainable economic benefits of NRM;
7. encourage private-sector investment and developments in the NRM industry as a means of conserving natural and cultural attractions; and
8. work with neighbouring countries to formulate environmentally sustainable and integrated regional strategies for NRM development.

Middle and low level management respondents indicated that wildlife and fisheries were renewable economic resources with continuous off-take if harvested in sustainable ways. Wildlife production can be a form of sustainable land use, especially in semi-arid environments. Senior respondents in the Minister's Office argued that for almost three decades, Zimbabwe has been a world leader in the sustained commercial use of wildlife and other biological resources, taking advantage of the diversity and size of its wildlife populations to build a substantial safari hunting and eco-Natural Resources Management industry. Respondents also said that innovative strategies such as the Communal Areas Management Programme for indigenous Resources (CAMPFIRE) and the conservancies programme had been developed and widely emulated elsewhere within Africa. Respondents said that the wildlife and fisheries industries had both positive and negative effects on the environment and natural resources, though on balance, the positive effects predominate.

Senior respondents in ME&NR lamented that, issues of equity of involvement in and benefit from the wildlife and fishing industries and on there being adequate technical capacity to manage these resources through structures adopted, gave some cause for concern about their long-term viability.
Guiding Principle number 45 as stated by senior respondents in the Minister’s Office said that the use of natural resources produced a market value that reflected their scarcity and unique qualities, thereby creating incentives to conserve these resources and use them sustainably.

B. Strategic directions for Wildlife Industry

On strategic direction and wildlife industry, respondents said that the Government of Zimbabwe, in partnership with the wildlife industry:

1. recognised the use of wildlife and wild land as legitimate forms of land use;
2. put in place mechanisms that ensured equitable access for all Zimbabweans to the resources and opportunities to develop the potential of the wildlife industry without undermining its obligations to the people of Zimbabwe and the world generally, to conserve the country’s biological heritage;
3. continued to support the growth and expansion of the wildlife and fishing industries strictly within sustainable limits;
4. acknowledged the right of landowners to ownership of wildlife as a means of direct investment;
5. promoted the need for greater equity in the sharing of opportunities to participate in and benefit from, development of wildlife and fishing industries;
6. recognised and encouraged the use of the opportunity for wildlife to contribute towards alleviating rural poverty, particularly in times of drought; and
7. continued to encourage and support research that enhanced the wildlife and fishing industries.

C. ME&NR Structure

The respondents said that the Minister responsible for the environment reported to the parliamentary Portfolio Committee on Mines, Energy, Environment and NRM on the steps taken to implement the policy and the assessment of its effectiveness. The responsibility for the monitoring and evaluating of the policy rested with the Ministry in charge of the environment, working in close collaboration with the department of Policy Implementation in the Office of the State President as exhibited in Figure 5.3 on page 181.

Respondents stated that the overall policy was being reviewed at least once every 10 years and a report on the state of the environment was produced every five years.
Respondents told the researcher that their overall terms of reference of the Ministry were guided by Environment Management Act (Chapter 20:27), Parks and Wildlife Management Act (Chapter 20:14), Forestry Act (Chapter 19:05) and Communal Lands Forestry Produce Act (Chapter 19:07) which strangely were silent on the Tourism Act (Chapter 14:20) to show the relationship between the 2 ministries. Respondents told the researcher that job specification as defined in “Jethro’s Solution to Moses” was not really practised though the organisation chart was well defined on paper as shown in Figures 5.3 on page 181 and 5.4 on page 182. Respondents indicated that leadership lacked God’s job specification (that is) a servant should be blameless (akakwana), a man of complete integrity (akarurama), who fears God (anotya Mwari) and stays away from evil (anonzvenga zvakaipa).
Figure 5.3: ME&NR Institutional Structure.

D. Strategy and Structure Fit

Performance in the ME&NR is measured through the use of Results-Based Management System as reflected in Table 5.1 on page 184 and Balanced Scorecard reflected in Table 5.2 on page 189, which is an attempt to align strategy and structure in order to achieve certain levels of expected outcomes. Governance is through a structure as reflected in Figure 5.3 on page 181. The structure is all inclusive down to the grassroots for the strategies to be successfully implemented. Figure 5.3 on page 181 is the structure that shows the institutional relationships and synergies. There is however, no linkage that is visible to the Ministry of Tourism and Hospitality Industry. Figure 5.4 above shows the internal structure used by the ME&NR.
Table 5.1, on page 184, summaries the ME&NR strategy and structure fit implementation and measurement. The attempt towards fit is seen through the movement from the National Vision, Key Result Areas, Goals (strategies) cascading to Sectorial cluster of the ME&NR.

The respondents in the Minister’s office said that the ME&NR’s budget, vision, terms of reference (structure), overall functions of the Ministry (structure), Key Result Areas for the departments which fall under the Minister, i.e. Environment Management Agency, National Parks and Forestry Commission. The instrument focuses on the needs, legislation and problems encountered by the departments in the implementation of strategies. Policy requirements, goals, strategies and their weighting (order of importance in terms of execution) are summarised. The outcome, related to the economic performance outcome on the SSEP Model is indicated at the end of the framework, and as well as Table 5.2 on page, 189.
Table 5.1: Implementation of Strategy & Measurement of Performance in the ME&NR.

1. National:
   a. Vision – to emerge as a united, strong, democratic, prosperous, egalitarian society/country with a high quality of life for all by 2020
   b. Key Result Areas:
      i. Quality of life
      ii. Economic diversification
      iii. Political stability
      iv. Internal and external security
   c. Goals:
      i. Macro-economic stabilization
      ii. Foreign exchange generation
      iii. Improved service delivery
      iv. Improved capacity utilisation
      v. Food security

1. Sectorial/Cluster
2.1 Vision – A growing economy that is generating adequate resources for increased incomes and employment in Zimbabwe.
2.2 Key Result Areas:
   i. Resource mobilisation
   ii. Achieve and sustain macroeconomic stabilisation including price stability
   iii. A supportive legal and regulatory framework for the economy, inclusive of ensuring the security of people and assets, as well as a land audit.
   iv. Comprehensive reform of the Public Sector.
   v. Restore a functional financial system.
   vi. Re-branding Zimbabwe.

2. Goals:
3.1 Ministry Budget code: U022
3.2 Ministry vision – To be the best global player in conservation and sustainable utilisation of natural resources
3.3 Purpose of Life for Ministry – To promote sound environmental management practices and sustainable utilisation of natural resources.
4. Overall Terms of Reference for Ministry:
   i. Environmental Management Act Chapter 20:27
   ii. Parks and Wildlife Management Act Chapter 20:14
   iii. Forestry Act Chapter 19:05
   iv. Communal Lands Forestry Produce Act 19:07
5. Overall Functions for Ministry:
   i. Plan, research and develop environmental and natural resources policies.
ii. Promote the adoption of appropriate and proven natural resources management techniques and profitable use of these resources on a sustainable basis.

iii. Promote public participation in integrated programmes of environmental, forestry and wildlife management.

iv. Provide corporate administration and finance services.

6. **Key Result Areas (KRAs):**

<table>
<thead>
<tr>
<th>No.</th>
<th>Key Result Area</th>
<th>Weightage</th>
<th>Responsible Department/s</th>
<th>Sector/Cluster KRA Reference</th>
<th>National KRA Reference</th>
<th>MDG Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>KRA1</td>
<td>Environmental management</td>
<td>50%</td>
<td>Environment Division</td>
<td>1,4,6</td>
<td>1</td>
<td>Goal 7</td>
</tr>
<tr>
<td>KRA2</td>
<td>Natural resources management</td>
<td>50%</td>
<td>Natural Resources Division</td>
<td>1,4,6</td>
<td>1</td>
<td>Goal 7</td>
</tr>
</tbody>
</table>

7. **Clients Needs/Problems Analysis**

<table>
<thead>
<tr>
<th>External Client</th>
<th>Needs/Problems</th>
<th>Characteristics/Extent/priorities</th>
</tr>
</thead>
</table>
| Client 1: Environmental Management Agency | Needs: supportive legislation  
Capitalisation in terms of funding  
Problems:  
- Delays in gazetting of Statutory Instruments  
- Non deterrent penalties for violation of Environmental Laws  
- Limited enforcement powers | Needs: Service required regularly |
| Client 2: National Parks | Needs: Supportive legislation  
Problems:  
- Delays in gazetting of Statutory Instruments  
- Non deterrent penalties for violation of Environmental Laws  
- Limited enforcement powers | Needs: Service required regularly |
| Client 3: Forestry Commission | Needs: Supportive legislation  
Problems:  
- Delays in gazetting of Statutory Instruments  
- Non deterrent penalties for violation of Environmental Laws  
- Limited enforcement powers | Needs: Service required regularly |
<p>| Client 4: External Audit | Needs: Supportive legislation | Needs: Cooperation is necessary |</p>
<table>
<thead>
<tr>
<th>Client 5: Treasury</th>
<th>Needs: Submission of financial and non-financial reports timely</th>
<th>Needs: Compliance is necessary to facilitate follow up</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Problems:</strong></td>
<td>Limited cooperation as staff would be occupied with other duties</td>
<td>all the time.</td>
</tr>
<tr>
<td></td>
<td>Late submission of returns</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Internal Client 1: Minister</th>
<th>Needs: Compliance with environmental and natural resources legislation and policies</th>
<th>- 100% compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Public/stakeholder participation in environmental and natural resources management</td>
<td>- Participation by 80% of public/stakeholders</td>
</tr>
<tr>
<td></td>
<td>Public stakeholder participation in benefit sharing of natural resources</td>
<td>- Participation by 100% of public/stakeholders</td>
</tr>
<tr>
<td></td>
<td>Efficient and effective implementation of Ministry and parastatals plans</td>
<td>- 80% of the plans efficiently and effectively implemented.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Client 2: Internal Audit</th>
<th>Needs: Cooperation from staff members</th>
<th>Needs:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problems</td>
<td>Lack of cooperation from staff members who do not understand the audit function.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Client 3: Employees</th>
<th>Needs: Recognition, training, decent remuneration, information and communication.</th>
<th>Needs:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problems</td>
<td>Side-lined in important issues, given tasks without relevant training, overwhelming workload, poor remuneration, lack of downward communication.</td>
<td></td>
</tr>
</tbody>
</table>
### 8. Stakeholders

**External:**
- a. Cabinet
- b. Government Ministries
- c. Parastatals
- d. Local Authorities
- e. Industries
- f. Non Governmental Organisations
- g. Universities and Colleges
- h. Parliament

**Internal:**
- a. Minister
- b. Permanent Secretary
- c. Donor funded project teams.

### 9. Policy Requirements

<table>
<thead>
<tr>
<th>External</th>
<th>Internal</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Millennium Development Goals</td>
<td>1. National Environmental Policy</td>
</tr>
<tr>
<td>2. Medium Term Plan</td>
<td>2. Forest Based Land Reform Policy</td>
</tr>
<tr>
<td>4. Regional and Multilateral Environmental Agreements</td>
<td>4. Management Reports</td>
</tr>
<tr>
<td></td>
<td>5. Management Minutes</td>
</tr>
<tr>
<td></td>
<td>6. Circulars</td>
</tr>
</tbody>
</table>

### 10. Goals (G) under Ministry – Goals should be results oriented with clearly stated targets and timeframes
<table>
<thead>
<tr>
<th>No.</th>
<th>Goals</th>
<th>Weightage</th>
<th>Target (Budget Year)</th>
<th>Responsible Department/s</th>
<th>KRA Ref</th>
</tr>
</thead>
</table>
| G1  | Timely provision of environmental and natural resources legal and policy framework increased. |           |                      | 1. Environmental Division  
2. Natural Resources Division | 1,2      |
| G2  | Increased awareness on environmental issues by 50%                    | 20%       |                      | 1. Natural Resources Division  
2. Environment Division | 1,2      |
| G3  | Improved performance by parastatals by 50%                           | 30%       |                      | 1. Environmental Division  
2. Natural Resources Division | 1,2      |
| G4  | Increased compliance with Multilateral Environmental Agreements     | 50%       |                      | 1. Environmental Division  
2. Natural Resources Division | 1,2      |

11. Objectives (Obj) to be achieved for Budget Year – Objectives should be results oriented with clearly stated deliverables and timeframes

<table>
<thead>
<tr>
<th>No.</th>
<th>Objective</th>
<th>Weightage</th>
<th>Responsible Departments</th>
<th>Goal Ref.</th>
<th>KRA Ref</th>
</tr>
</thead>
</table>
| Obj. 1 | Increased reviews of environmental and natural resources legislation |           | 1. Natural Resources Division  
2. Environment Division | 1  | 1,2 |
| Obj. 2 | Increased interaction with stakeholders                                   |           | 1. Natural Resources Division  
2. Environment Division | 2  | 1,2 |
| Obj. 3 | Increased monitoring of Parastatals                                       |           | 1. Natural Resources Division  
2. Environment Division | 3  | 1,2 |
| Obj. 4 | Increased monitoring of the implementation of Multilateral agreements    |           | 1. Natural Resources Division  
2. Environment Division | 4  | 1,2 |


Table 5.2: Measurement of Performance in ME&NR
<table>
<thead>
<tr>
<th>Strategy</th>
<th>Structure</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Crafting Environmental and Legal Policy Framework</strong></td>
<td>Minister</td>
<td>KPIs</td>
</tr>
<tr>
<td>○ Print and launch National Environmental Policy by 5 June 2009</td>
<td>Minister’s Direct Reports</td>
<td>○ Outsource printing of NEP Document by 24 April 2009</td>
</tr>
<tr>
<td>○ Achieved</td>
<td>○ Monitor and review Annual Plans of EMA, FC, PWMA by July 2009</td>
<td>○ Policy Document Printed</td>
</tr>
<tr>
<td><strong>Ensuring Sustainable Environment Management and Utilisation</strong></td>
<td>Minister</td>
<td>○ Deferred because key stakeholders were at COMESA, to be launched by end of July 2009.</td>
</tr>
<tr>
<td>○ Timely and efficient implementation of work plans by Parastatals throughout Create awareness on Environmental issues though out</td>
<td>Minister’s Direct Reports</td>
<td>○ Press statement given</td>
</tr>
<tr>
<td>○ Achieved</td>
<td>○ Monitor and review Annual Plans of EMA, FC, PWMA by July 2009</td>
<td>○ Commemorated at Mukuzizi Woodlands</td>
</tr>
<tr>
<td>○ Achieved</td>
<td>○ Commemorate International Day for Biodiversity (22.05)</td>
<td></td>
</tr>
<tr>
<td><strong>Compliance with Multilateral Environmental Agreements</strong></td>
<td>Minister</td>
<td>○ Commemorate World Diversification Day (17.05)</td>
</tr>
<tr>
<td>○ Ratify Kyoto Protocol and SADC Protocol on Forestry by 15.05.09</td>
<td>Minister’s Direct Reports</td>
<td>○ Commemorate World Diversification Day (17.05)</td>
</tr>
<tr>
<td>○ Monitor implementation of ratified MEAs – UNCCCF, Montreal Protocol throughout</td>
<td>○ Finalisation of instruments of ratification by 17.04.09</td>
<td>○ Dissemination of Environmental Information to stakeholders</td>
</tr>
<tr>
<td>○ To present GoZ at Regional and International Environmental Meetings throughout</td>
<td>○ Submission for Instruments for Presidential Assent by 24.04.09</td>
<td></td>
</tr>
<tr>
<td>○ Achieved</td>
<td>○ Deposition of Instruments with Ministry of Foreign Affairs by 15.07.09</td>
<td></td>
</tr>
<tr>
<td>○ Achieved</td>
<td>○ Effective implementation of the Agreements by 15.07.09</td>
<td></td>
</tr>
<tr>
<td>○ On-going</td>
<td>○ Zimbabwe’s priorities inputted into regional and international meetings by 15.07.09</td>
<td></td>
</tr>
<tr>
<td>○ Achieved</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Source: Interview and Focus Group Evidence, 2010</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
5.2.2 Ministry of Tourism and Hospitality Industry (MT&HI)

The respondents in the Minister’s Office told the researcher that the final draft of the National Tourism Policy of the Government of Zimbabwe was completed in October 2005 through the then Ministry of Environment and Tourism. About the Tourism Policy, respondents stated that since independence, Zimbabwe’s tourism development had been guided by the strategy of high value and low volume tourism. They also said the strategy was based on the understanding that Zimbabwe’s tourism product was highly dependent on the environment particularly the natural and cultural resources which were susceptible to damage. They argued that, whilst this strategy ensured sustainable utilisation of the resources and the development of tourism, it had its shortcomings. Of concern, was its failure to cater for the domestic market as well as its focus and dependence on the western tourism source markets as a strategy.

The promulgation of the Tourism Policy, through input from various stakeholders through a number of workshops between 1992 and 2002, sought to broaden the product development base and open new markets where there was great potential for growth as strategies. Respondents commented that the Tourism Policy took into consideration other policy documents from government structures within the country, the region and international organisations. Respondents said that the development and finalisation of the policy document was as a result of collaborative effort by resource persons from the then Ministry of Environment and Tourism, Zimbabwe Tourism Authority (ZTA), Parks and Wildlife Management Authority (PWMA) and Forestry Commission with input from the private sector through the Zimbabwe Council for Tourism (ZCT).

The respondents said that since independence in 1980, tourism had been one of the fastest growing economic sectors and one of the five major land use types that existed in Zimbabwe among agriculture, mining, forestry and manufacturing. Zimbabwe was the leading destination with extended packages to Botswana, Zambia, Mauritius, Malawi and South Africa (ZTA, 2008).

Bennet (1995) motivates that South Africa’s tourist arrivals are mainly from UK, Germany and USA and these tourists travel to Zimbabwe through the extended packages.
The country also enjoyed reliable internal air access to tourist resorts such as Victoria Falls, Hwange, Kariba, Masvingo and Buffalo Range boosting arrivals.

The researcher was informed that the Government of Zimbabwe’s tourism and hospitality industry’s vision was sought to be world class tourism destination as its mission attracted vibrant tourism that met the requirements and expectations of the market that contributed to the social and economic being for all Zimbabweans. That was a sustainable manner to address the decline in tourist arrivals and receipts. In addition to the above, respondents said that the National Tourism Policy provided the basis upon which the long range tourism development planning (strategic plan) such as the tourism master plan, strategies for the industry which included investment and turnaround strategies were to be developed.

A. National Tourism Strategies
Respondents in the Minister’s Office said that development of tourism was based on the following four broad strategies:

a) **Economic strategy**
Which was meant to create an enabling environment for attaining economic growth through efficient, equitable utilisation of cultural and natural resources in the development of tourism. The Government of Zimbabwe recognised the importance of tourism and its potential as an engine for economic growth. The economic policy strategies included the:

i. increase of revenues and the contribution of tourism to foreign currency earnings and the Gross Domestic Product (GDP);

ii. increase of a conducive-investment climate in the tourism sector and the encouragement of local entrepreneurship with linkages between tourism and other industries in order to curb leakages and stimulate multiplier effect;

iii. maximisation of employment opportunities through tourism development;

iv. promotion of indigenisation of the tourism industry;

v. use of tourism to aid the development of rural communities;

vi. achievement of growth in domestic, regional and international tourism; and

vii. encouragement of development of wildlife as an appropriate land use option.
b). **Social/Cultural strategy**

The Government of Zimbabwe recognised the importance of using tourism to conserve and enhance the uniqueness of the country’s heritage, its history, culture and a way of life.

It stated that uncontrolled tourism development could have negative impacts on the society and its culture yet on the other hand, well-managed tourism could also be used to promote the development of national identity and pride in the national culture. The social/cultural strategies included the:

i. encouragement of the further development of a national identity and the maintenance of pride in national culture through tourism;

ii. development of tourism that would enhance the use of historical sites, monuments and other cultural attractions;

iii. encouragement and facilitation of participation of the general public in tourism development;

iv. monitoring of adverse social impacts of tourism on the local population;

v. building of cross-cultural relations and promotion of peace through tourism; and

vi. improvement of the quality of life of Zimbabweans and visitors through equitable distribution of tourism benefits.

c). **Environmental strategy**

In line with the National Environmental Policy, the Government of Zimbabwe recognised the relationship between the environment and the development of sustainable tourism. As such government was convinced that the development of tourism should be based on careful assessment of carrying capacities of the local environment. The overall objective was meant to discourage tourism development that would be in conflict with natural and cultural resources. The environmental policy strategies included the:

i. development of environmentally sustainable products and practices;

ii. establishment of national support of cross-border conservation areas;

iii. use of indigenous knowledge in the development of tourism;

iv. empowerment of host communities in managing their tourism projects for maximum benefit, while limiting negative impacts on the environment; and
v. development of tourism facilities only in areas judged appropriate in accordance with the zoning and land use controls.

d) **Organisational strategy**

The respondents stated that the lack of shared vision and coordinated approach to tourism development from among key stakeholders had a negative impact on tourism growth. It was said that institutional participation would bring about greater transparency, accountability and good governance of the tourism industry. The organisational policy objectives included the:

i. establishment and coordination of effective institutional arrangements and planning mechanisms for tourism sector development;

ii. development of tourism in a balanced and sustainable manner in harmony with the country’s economic and social strategies to enhance the national priorities as set from time to time; and

iii. development of world class tourism training programmes and facilities.

**B. Strategy and Structure Fit**

Respondents stated that human resources had a critical role to play in improving the quality, productivity and competitiveness of the tourism sector. Although it is believed that the key to quality are the physical features of the tourism product, it is actually the quality of the experience delivered by the human resources that determine the true quality and value of the tourism experience. Over the years under review, there was a serious brain drain in the tourism sector and that had a negative impact on the quality of the product offered to tourism clients. To this end, the respondents stated that there should be continuous development and improvement of the human resources in this critical economic sector.

It was stated that promotion and marketing were important components of the tourism development in that they needed to be undertaken along with product development in conformity with consumer profiles and product characteristics. Development and implementation of cost effective marketing strategies based on market research and segmentation analysis in each of the tourist generating countries were very critical.
It was reported that since independence, Zimbabwe had largely depended on the traditional western markets but the introduction of the land reform programme in 2000 resulted in the country losing its market share. Over the same period, respondents stated that the country had not explored the potential offered by the domestic and other market business structures elsewhere in the world.

Respondents indicated that since independence, the development of facilities and amenities had been based on the principle of high value low volume tourism to the extent that there had been inadequate facilities for the low income clientele including the domestic market. Tourism requires an efficient transport system which involves air, rail, water and road modes but over the years, the sector has not been able to upgrade its transport systems as a result the quality and capacity of the system have been compromised. Respondents said that wildlife resource base was not fully utilised for tourism purposes mainly because sustainable utilisation systems were not being practised as espoused in the ME&NR policy. It was reported that there were many areas across the country which had great tourism potential but had remained undeveloped, due to lack of appropriate knowledge and initiatives by most local authorities. As visiting tourists pass through Immigration and Customs control systems, relevant authorities should ensure smooth entry and exit of the said visitors so as to allow smooth movement of visitors.

C. Significant Other Performance Drivers (SOPD)

Respondents stated that Zimbabwe was richly endowed with natural resources where over 13% of the country’s total land use was set aside for national or wildlife recreational parks. It was reported that, with its vast natural and cultural resources, the potential for further rapid growth for the tourism and hospitality sector in Zimbabwe was very high. Historically, the tourism sector was a preserve of a minority sector (whites) of the society, focusing more on a smaller segment of the market and heavily dependent on the western traditional markets as a strategy. Against this background, the respondents said that the tourism policy envisaged the diversification strategy and new initiatives towards making tourism the catalyst for economic development. They said that the policy would guide in the opening up of the sector to new markets, diversifying the product base and above all, encouraging participation by the majority of the Zimbabweans.
Respondents said that the strategy would use tourism as a tool for poverty alleviation and sustainable economic development and the policy would guide the development of strategies inclusive of Community Based Tourism (CBT), Tourism Development Zones (TDZs) and Trans-Frontier Conservation Areas (TFCAs). The policy was expected to level the playing field for the tourism sector by defining specific strategies for tourism development and guiding the preservation of Zimbabwe’s environmental and cultural resources. Respondents said that, since Southern Africa was a long haul destination, most tourists would want to visit more than one country and members of Southern African Development Community (SADC) would benefit if strategies facilitated the cross border tourism operations. In recognition of the importance of regional integration in tourism, several trans-border initiatives had been implemented or suggested including TFCAs and Spatial Development Initiatives (SDI). To take advantage of this, SADC established various Protocols to promote tourism development, Tourism Protocol, the Wildlife Conservation Protocol and the Law Enforcement Protocol. These measures sought to develop the tourism industry in an equitable and sustainable manner to enhance economic and social development. To this end, Regional Tourism Organisation of Southern Africa (RETOSA) was established in 1996 to develop market and promote tourism in the region.

National statistics for the period 1980 to 2000 indicate a high growth of arrivals. However, this was without a corresponding growth in receipts. In the year 2000, the Zimbabwe Government embarked on a massive land reform programme to correct the historical imbalances in resource ownership and this triggered a negative perception and bad publicity for the country from traditional western source markets resulting in the decline of tourist arrivals and receipts from these markets. This led to the development of domestic and other markets from 2000 to date. Respondents in the Research and Development Department said that tourism trends in measuring the performance of the tourism industry globally, regionally and nationally over a given period of time became important since they gave historical performance of tourism.

Respondents indicated that the banking and financial policies had made it difficult for the tourism businesses to access credit and the overall marketing and promotion of the tourism development in this country. On the same note, respondents stated that petroleum fuel supply for the years under review had been erratic for the tourism industry and were thus negatively affected.
There were indications, however, that the health, safety and security needs of tourists were given high priority in the national strategy for tourism development. Respondents reiterated that the tourism and hospitality were “everyone’s” business. The success of the industry through the stated objectives and strategies, depended upon each player playing its part according to the structures.

The prevailing economic, social and political environment had seen the sector experiencing the worst performance since independence, largely as a result of intense negative press publicity of the region internationally. This gave rise to negative perceptions by travellers on the destination regarding the safety and security of tourists and this country was perceived as an unsafe destination in most Western source markets whose governments issued warnings against travel to Zimbabwe. Many overseas tour operators removed holiday packages on Zimbabwe from their catalogues as consumers became reluctant to purchase holidays to the destination, resulting in the decline in arrivals. As a result, the infrastructure at present is deteriorating through neglect and shortages of hard currency.

D. MT&HI Structure

The structure of core departments of the Tourism and Hospitality Industry is reflected in Figure 5.5 on page 197. Respondents told the researcher that job specification as defined in “Jethro’s Solution to Moses” was not practised in MT&HI though the organisational chart was well defined on paper as shown in Figure 5.5 on page 197. Respondents indicated that leadership lacked God’s job specification, that is, servant-leadership should be blameless (akakwana), a man of complete integrity (akarurama), who fears God (anotya Mwari) and stays away from evil (anonzyenga zvakaipa).
Figure 5.5: Structure Core Departments – Ministry of Tourism and Hospitality Industry
5.2.3 Zimbabwe Tourism Authority (ZTA)

Zimbabwe Tourism Authority (ZTA) is Zimbabwe’s National Tourism Organisation (NTO). Being a statutory body formed under the Tourism Act Chapter 14:20, ZTA is responsible for the tourism promotion, planning and development, research and the enforcement of standards and services. Respondents in the CEO’s said that the statutory functions of ZTA are:

1. promotion of Zimbabwe locally, regionally and internationally as a tourist destination;
2. development of marketing skills and initiatives within the tourist industry;
3. promotion of high standards in the tourist industry through the establishment of standards, training and human resources development;
4. registration and grading of designated tourist facilities;
5. undertaking of planning for the tourist industry, including the conducting of market research and development of a tourism database;
6. promotion of awareness in Zimbabwe of the benefits of tourism;
7. provision of consultancy and advisory services regarding tourism;
8. investigation and making of recommendations to the Minister on any matters affecting the tourist industry and the administration of the Act; and
9. carrying out any function that may be conferred or imposed on the Authority by or under the Act, or any other Enactment.

Respondents in CEO’s Office indicated that Zimbabwe Tourism Authority (ZTA) was implementing all strategies generated by the Ministry responsible for tourism and as per the requirements of the Tourism Act 14:20 of 1996. Respondents in ZTA CEO’s Office stated that strategic objectives of ZTA were developed using a customised balanced scorecard model. ZTA’s BSC, as shown in Figure 5.6 on the next page, is predicted on the belief that they exist to serve the customer.

Whilst financial performance is crucial to profit-oriented enterprises as a driver and hallmark of corporate success, ZTA believes that they do not exist to make money but to use financial resources that are put at their disposal to achieve their mission of promoting sustainable growth and development of tourism in Zimbabwe for the socio-economic benefit of the nation. This means that ZTA focuses on customer and see financial measures not as the “be-all and end-all” but as enablers of customer and mission success or constraints within which they operate.
The respondents indicated that before the crafting of strategies, ZTA engaged in three key processes namely, analysis of industry driving forces, the key success factors (KSFs) in the tourism and hospitality industry and depth in any one of them so that it would have an edge over its rivals.
A. Strategy and Structure Fit

The respondents indicated that taking cognisant of the adverse economic environment prevailing in the country, ZTA would pursue growth strategies in the medium and long-terms for survival and consolidating strategies in the short term. This encompassed strategies such as concentric growth (to increase volume and frequencies of long haul tourists from traditional markets), market development (to tap business from emerging markets in the east), product development (to influence tourist traffic flows through innovative product offerings and value propositions) and diversification (to expand the revenue base and reduce systematic risk). ZTA came up with strategic objectives to turn around the industry as reflected in the stratification of a strategy, the critical activity to be carried out and alignment to structure as shown in Table 5.3 below, to serve as an example, (Action Plan Matrices 1 – 10) below, including the time line. Senior and middle level management respondents in ZTA CEO’s office said that ZTA came up with specific business strategies as follows:

Table 5.3: Action Plan Matrices 1
Strategic Objective C1
To be recognised as the leader in marketing Zimbabwe as a tourist destination by June 2008.

<table>
<thead>
<tr>
<th>Strategic Objective</th>
<th>Strategies</th>
<th>By Whom</th>
<th>By When</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2. Lobby for stakeholder cooperation</td>
<td>b. Director Marketing</td>
<td>ii. 28 Feb 2008</td>
</tr>
<tr>
<td></td>
<td>3. Launch National Marketing Strategy</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. Implement Marketing Plan</td>
<td>a. Director Marketing</td>
<td>i. 30 Jun 2008</td>
</tr>
<tr>
<td></td>
<td>2. Identify Markets</td>
<td>b. Director Marketing</td>
<td>ii. 31 Jan 2008</td>
</tr>
<tr>
<td></td>
<td>3. Appoint Marketing Heads</td>
<td>c. Chief Executive</td>
<td>iii. 31 Mar 2008</td>
</tr>
<tr>
<td></td>
<td>1. Review current legislation</td>
<td>a. Industrial Management</td>
<td>i. 30 June 2008</td>
</tr>
</tbody>
</table>

Strategic Objective C2
To be recognized as the authoritative tourism statistical and economic information by December 2008
Action Plan Matrix 2

<table>
<thead>
<tr>
<th>Strategies</th>
<th>Critical Activity</th>
<th>By Whom</th>
<th>By When</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Develop Tourism Satellite Account (TSA)</td>
<td>a. Director R&amp;D</td>
<td>i. 28 Feb 2008</td>
</tr>
<tr>
<td>2.</td>
<td>Identify critical stakeholders</td>
<td>b. Director R&amp;D</td>
<td>ii. 31 Mar 2008</td>
</tr>
<tr>
<td>3.</td>
<td>Carry out appropriate awareness for stakeholders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Craft &amp; implement awareness programmes for staff</td>
<td>c. Director R&amp;D</td>
<td>ii. 30 April 2008</td>
</tr>
<tr>
<td>4.</td>
<td>Implement TSA</td>
<td>d. Director R&amp;D</td>
<td>iii. 31 Dec 2008</td>
</tr>
</tbody>
</table>


Strategic Objective C3
To be recognized as the leader in sustainable development of tourism in Zimbabwe by December 2008
Action Plan Matrix 3

<table>
<thead>
<tr>
<th>Strategies</th>
<th>Critical Activity</th>
<th>By Whom</th>
<th>By When</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Review Tourism Policy (Master Plan emanates from tourism policy)</td>
<td>a. Director R &amp; D</td>
<td>i. 31 Mar 2008</td>
</tr>
<tr>
<td>2.</td>
<td>Consult key stakeholders</td>
<td>b. Director R &amp; D</td>
<td>ii. On going</td>
</tr>
<tr>
<td>3.</td>
<td>Develop &amp; implement Master Plan</td>
<td>c. Director R &amp; D</td>
<td>iii. 30 June 2008</td>
</tr>
<tr>
<td>4.</td>
<td>Monitor and evaluate the system</td>
<td>d. Director R &amp; D</td>
<td>iv. 30 June 2008 &amp; beyond</td>
</tr>
<tr>
<td>5.</td>
<td>Develop &amp; implement regional Master Plan</td>
<td>e. Director R &amp; D</td>
<td>v. 31 Dec 2008</td>
</tr>
</tbody>
</table>


Strategic Objective IBP1
To eliminate unnecessary bureaucratic inefficiencies in all corporate business by December 2008

**Action Plan Matrix 4**

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Critical Activity</th>
<th>By Whom</th>
<th>By When</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Develop efficient business systems and procedures</td>
<td>a. Chief Executive</td>
<td>i. 31 Jan 2008</td>
</tr>
<tr>
<td></td>
<td>1. Identify all business systems and procedures</td>
<td>b. Finance Director</td>
<td>ii. 31 Jan 2008</td>
</tr>
<tr>
<td></td>
<td>a. Procurement</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>b. Budgeting</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>c. Administration</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>d. Human Resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>e. Communication</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Review existing systems and procedures</td>
<td>b. Finance Director</td>
<td>ii. 31 Jan 2008</td>
</tr>
<tr>
<td></td>
<td>3. Develop manuals for each identified system</td>
<td>c. Finance Director</td>
<td>iii. 31 Mar 2008</td>
</tr>
<tr>
<td></td>
<td>4. Implement systems</td>
<td>d. Finance Director</td>
<td>iv. 30 Apr 2008</td>
</tr>
<tr>
<td></td>
<td>5. Monitor and evaluate system</td>
<td>e. Finance Director</td>
<td>v. 31 Mar 2008</td>
</tr>
<tr>
<td></td>
<td>1. Design &amp; implement the performance management system</td>
<td>a. Personnel Manager</td>
<td>i. 31 Jan 2008</td>
</tr>
<tr>
<td></td>
<td>2. Train staff on a performance management system</td>
<td>b. Personnel Manager</td>
<td>ii. 28 Feb 2008</td>
</tr>
<tr>
<td></td>
<td>3. Introduce a performance based reward system</td>
<td></td>
<td>iii. 1 Mar 2008</td>
</tr>
<tr>
<td></td>
<td>d. Personnel Manager</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. Craft a clear business charter or code of ethics/culture</td>
<td>a. Chief Executive</td>
<td>i. 28 Feb 2008</td>
</tr>
<tr>
<td></td>
<td>2. Train staff on the new culture/code</td>
<td>b. Chief Executive</td>
<td>ii. 31 Mar 2008</td>
</tr>
<tr>
<td></td>
<td>3. Monitor and evaluate</td>
<td>c. Chief Executive</td>
<td>iii. 31 Dec 2008</td>
</tr>
</tbody>
</table>


**Strategic Objective IBP2**
### To create an integrated Management Information System by March 2008

Action Plan Matrix 5

<table>
<thead>
<tr>
<th>Strategies</th>
<th>Critical Activity</th>
<th>By Whom</th>
<th>By When</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Identify &amp; integrate information needs</td>
<td>a. IT Manager</td>
<td>i. On-going</td>
</tr>
<tr>
<td>2.</td>
<td>Develop &amp; implement the system</td>
<td>b. IT Manager</td>
<td>ii. 31 Mar 2008</td>
</tr>
<tr>
<td>3.</td>
<td>Monitor &amp; evaluate the system</td>
<td>c. IT Manager</td>
<td>iii. 31 Mar 2008</td>
</tr>
</tbody>
</table>


### Strategic Objective LG1

To develop a capable organization by December 2007

Action Plan Matrix 6

<table>
<thead>
<tr>
<th>Strategies</th>
<th>Critical Activity</th>
<th>By Whom</th>
<th>By When</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Introduce the following perks:</td>
<td>a. Chief Executive</td>
<td>i. On-going</td>
</tr>
<tr>
<td></td>
<td>i. School fees assistance at all levels</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ii. Housing utility scheme</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>iii. Generally improve net position of the employee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Develop career path for all staff</td>
<td>a. Personnel Manager</td>
<td>i. 31 Jun 2008</td>
</tr>
<tr>
<td>2.</td>
<td>Provide adequate and appropriate tools of trade</td>
<td>b. Personnel Manager</td>
<td>ii. 31 Dec 2008</td>
</tr>
<tr>
<td>3.</td>
<td>Train managers on empowerment</td>
<td>c. Personnel Manager</td>
<td>iii. 30 June 2008</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strategies</th>
<th>Critical Activity</th>
<th>By Whom</th>
<th>By When</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Prepare job descriptions based on points factor system</td>
<td>a. Personnel Manager</td>
<td>i. 31 Jan 2008</td>
</tr>
<tr>
<td>2.</td>
<td>Conduct core skills audit</td>
<td>b. Personnel Manager</td>
<td>ii. 15 Feb 2008</td>
</tr>
<tr>
<td>3.</td>
<td>Conduct training needs analysis and prepare requisites employee development programme</td>
<td>c. Personnel Manager</td>
<td>iii. 15 Feb 2008</td>
</tr>
</tbody>
</table>


### Strategic Objective LG2: To turnaround ZTA into a strategy focused organization by December 2008

Action Plan Matrix 7

[Further content not shown]
### Strategic Objective LG3: To turnaround ZTA into a strategy focused organization by December 2008, Action Plan Matrix 8

<table>
<thead>
<tr>
<th>Strategies</th>
<th>Critical Activity</th>
<th>By Whom</th>
<th>By When</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cascade vision and mission to all staff in the Authority</td>
<td>1. Conduct workshops for all levels of staff (starting with the ZTA Board of Directors)</td>
<td>a. Chief Executive</td>
<td>i. 28 Feb 2008</td>
</tr>
<tr>
<td></td>
<td>1. Develop and implement a culture change programme</td>
<td>a. Chief Executive</td>
<td>i. 31 Mar 2008</td>
</tr>
<tr>
<td></td>
<td>1. Publish a consolidated strategy-aligned organisational structure</td>
<td>a. Chief Executive</td>
<td>i. 31 Jan 2008</td>
</tr>
</tbody>
</table>


### Strategic Objective F1
To achieve financial self-sufficiency for all our programmes by December 2008, Action Plan Matrix 9

<table>
<thead>
<tr>
<th>Strategies</th>
<th>Critical Activity</th>
<th>By Whom</th>
<th>By When</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve communication</td>
<td>1. Carry out comprehensive communication audit programmes through:</td>
<td>a. Public Relations Manager</td>
<td>i. 31 Mar 2008</td>
</tr>
<tr>
<td></td>
<td>- Internal audit exercise</td>
<td>ii. 30 Apr 2008</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Establish communication policy</td>
<td>iii. 31 Mar 2008</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Embark on team building programmes and develop new culture</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Formulate a coordinated strategy for improving external communication</td>
<td>iv. 30 Apr 2008</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Increase staff compliment</td>
<td>v. 31 Mar 2008</td>
<td></td>
</tr>
<tr>
<td>Rebrand and reposition the Authority through:</td>
<td>1. Rebrand and reposition the Authority through:</td>
<td>a. Public Relations Manager</td>
<td>i. 30 Jun 2008</td>
</tr>
<tr>
<td></td>
<td>- Establishing a new corporate identity</td>
<td>ii.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Monitor and evaluate progress</td>
<td>Public Relations</td>
<td>ii. 31 Dec 2008</td>
</tr>
<tr>
<td></td>
<td>- Embark on aggressive advertising &amp; marketing campaigns</td>
<td>Manager</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. Identify &amp; support strategic areas for the Authority to participate</td>
<td>a. Public Relations Manager</td>
<td>i. 31 May 2008</td>
</tr>
<tr>
<td></td>
<td>2. Monitor and evaluate progress</td>
<td>ii.</td>
<td></td>
</tr>
</tbody>
</table>

1. Present strong justification to shareholders namely, MET, Ministry of Finance, Ministry of Economic Development, NEDP
   a. Finance Director i. On-going

1. Improve capacity to collect levy, registration & grading fees:
   i. Computerise collection system
   ii. Increase staff compliment
   a. Finance Director i. Quarterly

2. Review collectable fees continuously
   b. Finance Director ii. On-going

1. Identify possible projects
   i. Implement fuel project
   a. Finance Director i. On-going

1. Identify area of funding & present a case to potential donors
   a. Chief Executive i. On-going


Strategic Objective F2
To realize value for money (VFM) for all financial resources at our disposal by December 2008
Action Plan Matrix 10

1. Implement commitment register
   a. Finance Director i. Immediate
2. Produce management accounts & monthly financial accounts by 5th day of subsequent month
   b. Finance Director ii. 31 Mar 2008
   c. Finance Director iii. Quarterly
3. Carry out timeous budget reviews

1. Create an up-to-date database of approved suppliers and buy to advantage (BPA)
   a. Finance Director i. 28 Feb 2008


B. Significant Other Performance Drivers (SOPD)
On the drivers respondents said that significant other performance drivers (SOPD) included the perceived political instability in Zimbabwe, national policy inconsistencies and harsh economic operating environment that had the propensity of driving away tourists as the destination was perceived as very expensive and unfavourable needing purposeful managerial intervention to avert stagnation.

They reiterated that negative publicity had destroyed the Zimbabwean brand and as a product, tourists were and are shunning the destination making the issue of rebranding the destination a priority of the new vision for ZTA. It was also stated that the visa regime was a significant issue especially with Zimbabwe’s competitors in the region who were and are targeting the same markets. The respondents explained that Zimbabwe’s competitors in the SADC region, who are also part of the multi-destination packages, adopted a visa exemption policy specifically for the United Kingdom, United States of America, Germany, China and Japan markets. It is out of this consideration that the tourism sector had been agitating for the review of the visa regime to take into account the need to attract certain markets. The current visa regime is such that the bulk of traditional markets in Zimbabwe are in Category B. The targeted markets that are in Category C should be upgraded to Category B for competitive purposes. Furthermore, Zimbabwe needs to adopt an exemption visa policy for targeted markets. It would seem, however, that Zimbabwe follows a follower strategy than take the initiative. Respondents indicated that the policies in place were rather restrictive to the free movement of airlines in Zimbabwe’s airspace. Resultantly, there is need to implement the declaration on air transport and to promote strategic alliances with viable airlines.

Table 5.4: Tourism Economic Indicators
<table>
<thead>
<tr>
<th>Year</th>
<th>Contribution to Economy (% of GDP)</th>
<th>Contribution to Total Exports (% of Total Exports)</th>
<th>Contribution to Total Imports (% of Total Imports)</th>
<th>Tourism Receipts (Million US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>3.5</td>
<td>14.1</td>
<td>6.0</td>
<td>193</td>
</tr>
<tr>
<td>2005</td>
<td>2.7</td>
<td>13.5</td>
<td>5.0</td>
<td>97</td>
</tr>
<tr>
<td>2006</td>
<td>4</td>
<td>14.9</td>
<td>6.7</td>
<td>338</td>
</tr>
<tr>
<td>2007</td>
<td>5</td>
<td>17.9</td>
<td>5.7</td>
<td>365</td>
</tr>
<tr>
<td>2008</td>
<td>4.7</td>
<td>16</td>
<td>5.8</td>
<td>294</td>
</tr>
</tbody>
</table>

The diagrams show trends over the years from 2004 to 2008.
Note: *Based on tourist arrivals and average expenditure by source market
**The contribution to employment refers to direct & indirect contribution
In light of the above, respondents said that Zimbabwe experienced a decline in tourism arrivals and receipts for the past five years as illustrated through the trends and statistics in Table 5.4 above when other countries in the region enjoyed positive growth in tourism. The respondents also said that the destination did not have a plan to reverse the trend. As such, ZTA came up with a strategy that sought to address this development with a view to turning around the tourism sector in Zimbabwe.
The National Tourism Development and Marketing Strategy 2009 (NTDMS) details Zimbabwe’s marketing objectives as derived from the country’s vision and strategic intent indicated above. ZTA’s R&D unit explained that the economic impact of tourism was being measured through revenue generated by the sector to the GDP and employment among other indicators. The NTDMS had been developed within the framework of the National Economic Development Priority Programme (NEDPP 2006). This national economic blue print, underlines the importance of the tourism sector in the overall economic turnaround programme. ZTA’s broad objectives focused on the restoration of investor confidence, infrastructure rehabilitation and development, reduction of both domestic and external debt to sustainable levels, restoration of a positive image of the country and economic empowerment. ZTA’s strategic intent is to regain and increase the country's market share in the traditional markets, penetrate new markets and develop and foster a culture of domestic tourism.

Government through the NEDPP has recognized the need to provide adequate funds for effective and well coordinated marketing programmes. It is clear that if the targets set in this plan are to be achieved, there is need to commit reasonable amounts of financial resources. The funding of the Destination Management Organisation will be improved in the form of budget support for recurrent and capital expenditure. It is realized that such funding will have to be both in local and foreign currency. Recurrent expenditure is inclusive of travel shows, road shows, advertising (billboards, print and electronic media (CNN, BBC, etc.), production of collateral, development and maintenance of the website.

C. ZTA Structure

The Tourism Act Chapter 14:20 provided for the execution of strategy through structure by appointment and establishment of the functions of the Board of the Authority, resourcing through the establishment of a Zimbabwe Tourism Fund, the appointment of a Chief Executive Officer of the Authority, licensing Officers and other Officers, to provide for the imposition and collection of levies in respect of the designated tourist facilities and to provide for the matters connected with or incidental to the foregoing (ZTA, 2008:5). Respondents said that being a regulatory body, ZTA has authority over Zimbabwe Council for Tourism (ZCT), which is a private organ that represents Inbound Tour Operators of Zimbabwe (ITOZA), Hospitality association of Zimbabwe (HAZ), Zimbabwe Association of Tour and Safari Operators (ZATSO), Zimbabwe Vehicle Rental Association (ZIVRA), Boat Association of Zimbabwe (BOAZ), Association of Zimbabwe Travel Agents (AZTA),
Zimbabwe Professional Hunters and Guides (ZPHGA), Board of Airline Representatives (BAR) and National Carrier Air Zimbabwe. Before ZTA’s establishment in 1996, it was known as the Zimbabwe Tourism Development Corporation (ZTDC). The organisational structure of the ZTA and its link with the Ministry of Tourism and Hospitality Industry is illustrated in Figure 5.7 below:

Figure 5.7: Zimbabwe Tourism Authority structure.

ZTA is an arm of the government headed by a Chief Executive Officer (CEO) who is appointed by the Minister of Tourism and Hospitality Industry as prescribed in the Act of 1996. ZTA promulgated a Corporate-Governance Charter (CGC) that will clearly define Executive Limitations (separation of powers and responsibility between the Board and Management), governance style of ZTA Board and Board Ends, which will essentially comprise the deliverables in the ZTA strategic plan. In addition, respondents said that ZTA published a Code of Ethics for the ZTA Board and Executive Directors with the idea that this will help guide the said parties in steering the corporate ship to high standards of governance.
Respondents envisaged Zimbabwe that would become a preferred and pulsating tourist destination for both local and international tourists to enjoy the country’s resources and tourism products. Respondents told the researcher that job specification as defined in “Jethro’s Solution to Moses” was not practised in ZTA though the organisational chart was well defined on paper as shown in Figure 5.7 above. Respondents indicated that leadership lacked God’s job specification (that is) servant leadership should be blameless (akakwana), a man of complete integrity (akarurama), who fears God (anotya Mwari) and stays away from evil (anonzvenga zvakaipa).

5.2.4 Zimbabwe Council for Tourism

The Council was formed in 1988 at the request of both the Government and the sectorial associations within the industry. It was felt that the rapid growth of the tourism industry within Zimbabwe needed an overall representative body and spokesman to represent the industry as a whole if it were to grow in a meaningful way.

Respondents said that the Zimbabwe Council for Tourism (ZCT) and other private sector representative bodies formed the link between the government and the tourism private sector activities. Their role is to lobby and represent the tourism private sector interests, since a constructive and mutually beneficial partnership between the public and private sector is an absolute necessity for sustainable growth of tourism. It also needs to develop and maintain high quality tourism products and services in accordance with national laws and regulations, as well as supporting Government initiatives in the development, marketing and promotion of sustainable tourism. The private sector tourism operators are an integral part of the tourism and hospitality industry in Zimbabwe. This sector comprises companies that are public and private owned. The large variety of companies in this sector makes it sensible for them to form associations that represent various groups of specialist sectors that share common interests and face similar challenges in the industry (ZTA, 200:15). The private sector associations in Zimbabwe are varied and are headed by the Zimbabwe Council for Tourism, which is affiliated to ZTA and deliberates on issues that arise from the industry and advises ZCT members on the best way forward.
The Zimbabwe Council for Tourism’s mission statement is to promote the sustainable development of a quality competitive tourism industry that meets the needs of its members, customers, investors and the workers and respect the environment and society in all aspects. The Council is determined to promote ethical practices and the protection of the customer as leading objectives of all members. The aim of ZCT is to be an effective lobbying body for the tourism industry and speak and act as the national voice on all issues that affect the industry.

A. Objectives of ZCT

The main objectives of the council are to:

1. represent the tourism industry at top level as a single voice with Government and other bodies and to strive to have selected overall industry views accepted both by Government and the public;

2. provide a composite and coordinated industry input for the Government and the industry on tourism policies, plans, programmes and resource allocation: giving priority to significant long term issues;

3. coordinate the tourist industry views on matters of common interest for all its members on behalf of the whole tourism industry;

4. strive for a legislative, fiscal and physical environment favourable for tourism investment and growth;

5. develop public awareness of the positive role of tourism in national, economic, social and environmental matters;

6. promote and create public awareness of the fact that the Council has been formed and exists to further the development of domestic, regional and international tourism;

7. represent the interests of members in all spheres wherein collective representation is deemed desirable;

8. consider, promote or comment on any proposed or existing legislative or other measures which might affect the interest of the Council for its members;

9. collect and circulate such information as may benefit or be of assistance to members, authorities or the public;

10. cooperate, join and affiliate with any other organisation, association or body as may be deemed desirable whether within or without the Republic of Zimbabwe;
11. in pursuit of the above objectives not to act against the vital interest of any member and not to take from the sectorial bodies their responsibility for pursuing their own sectorial interests nor interfere with the free market forces existing between member’s sectors. The public airing of sectorial differences of interest will be avoided; and
12. be non-profit making.

B. Structure of the Council
The respondents in the ZCT’s Administrator’s Office said that the ZCT structure comprised an executive council, a management committee and working committees as illustrated in Figure 5.8 and Figure 5.9 showing constituencies represented by ZCT as shown on pages 215 and 217 respectively. Respondents told the researcher that job specification as defined in “Jethro’s Solution to Moses” was not practised in ZCT though the organisational chart was well defined on paper as shown in Figures 5.8 and 5.9 as shown on pages 215 and 217 respectively. Respondents indicated that leadership lacked God’s job specification, that is, servant-leadership should be blameless (akakwana), a man of complete integrity (akarurama), who fears God (anotya Mwari) and stays away from evil (anonzvenga zvakaipa).

These specifications were linked to the human factor competence characteristics namely; preparedness, awareness, willingness, ability and capacity as explained elsewhere in this study.
Figure 5.8: ZCT Structure.
Source - Interview and Focus Group Evidence.
C. Executive Council

The Executive Council that provided guidance to the Permanent Secretariat (“the secretariat”) and Management Committee shall comprise:

i. The Chairman

ii. The Chairman of each regional committee

iii. A representative of Air Zimbabwe Limited

iv. A representative of the Department of National Parks and Wildlife

v. Two additional representatives from HAZ and

vi. One additional representative from ZATSO.

vii. The executive Council shall meet once every three months.

D. Management Committee

The Management Committee, whose function is to direct and approve the Secretariat and allocate tasks to the Working Committee, comprises:

i. The Chairman

ii. The Chairman of each sectorial association or alternate

iii. Two of the Chairmen of each regional Committee

iv. The council member of Air Zimbabwe Limited

v. Two co-opted members and shall be appointed by the Council.

vi. The Management Committee shall meet once every month.

E. Working Committee

It comprises:

i. The Management Committee responsible for the establishment and monitoring of Working Committee for marketing, legal and finance, human resources development, the environment and public relations and consumer protection.

ii. The Management Committee responsible for the appointment of members of the Secretariat and from among its members, appoint a chairman at each of the working committees. The Chairman shall appoint persons within the industry to sit on each committee, provided that a representative from the ZTA or such an equivalent body shall sit on the marketing and human resources development committees and a representative from National Parks and Wildlife Management who sits on the environment committee.

The Working Committee shall meet as and when necessary.
Figure 5.9: Corporate Membership Structure.

Source - Interview and Focus Group Evidence, 2010.
F. Additional corporate members maybe elected by majority vote of the existing corporate members:
   i. Association membership will be available to such companies or organisations as the Executive Council may decide provided they have substantial involvement in the tourist industry in Zimbabwe.
   ii. Corporate and associate members shall notify the council, in writing, of the name of any person and alternate, if any, authorised to represent them at general meetings of the Executive Council. Such appointments shall remain in force until withdrawn by the member.
   iii. If any members fail to pay their annual subscriptions within 60 days of the due date, their membership shall automatically lapse and the secretariat shall advise accordingly provided that the Executive Council waives the whole or part of any subscriptions payable.

Secretariat:
   i. The Secretariat manages the affairs and finance of the Council which comprises a Chief Executive and persons, whose one is a secretary treasurer. The Chief Executive be appointed by the Executive Council, holds the position of Chairman of the management committee.
   ii. Membership of regional committees, are drawn from corporate members of the associations and are fully representative at the tourism industry in that region.

Financing:
   i. To enable the Council to carry out its functions effectively, all members pay an annual subscription the level of which is set by the Executive Council.
   ii. These funds are used, from time to time, as the Executive Council decides to further or promote the objectives of the Council.
   iii. The methods of financing any specific projects is undertaken by the Council when it requires additional finance as and when necessary subject to a $2/3$ majority vote of all cooperative members.

G. Challenges facing ZCT
   ii. Lack of incentives to encourage growth (customs and excise duty).
iii. Limited link between the large and small players e.g. Central Reservation System (CRS).

iv. Lack of facilitating Air Policy (open skies).

v. Slow/no implementation of tourism development zones.

vi. Lack of regional visa.

On Strategy:

i. Absence of National Tourism Strategic Development Plan.

ii. Role conflict between ZTA and ZCT

iii. Price wars of products and services.

iv. Poor coordination with RETOSA and among other member countries.

v. Limited local participation and sense of ownership.

vi. Tourism sustainability development.

On Marketing:

i. Poor marketing of Zimbabwe as a destination and investment destination.

ii. Little or no coordinated strategic marketing plan for Zimbabwe.


iv. Poor entertainment facilities.

v. Bad publicity leading to poor image.

vi. Over dependence on old key source markets.

On Infrastructure:

i. Poor infrastructure for accessing tourist attractions.

ii. Need to improve security for tourist and the tourism industry.

iii. Unreliable transport services (rail, road and air).

iv. Need to improve health care facilities.

5.2.5 Profit Making Organisation

There are currently four main players in the Hotel & Tourism sector in Zimbabwe namely, African Sun Limited, Rainbow Tourism Group (RTG), Meikles Africa Hotels (Kingdom Meikles Limited) and Cresta (TA Holdings). These, among others, are represented by Zimbabwe Council for Tourism.
The four companies are all listed on the Zimbabwe stock exchange. African Sun, with a market share of 54%, dominates the industry, followed by RTG at 22%. Kingdom and TA trail at 13% and 11%, respectively as shown in Figure 5.10 below.

![Figure 5.10: Market Share by Number of Rooms for 2008](image)

Source: Kingdom Financial Holdings, 2009.

Table 5.5: Market share analysis of organisations in ZCT

<table>
<thead>
<tr>
<th></th>
<th>813</th>
<th>1224</th>
<th>431</th>
<th>467</th>
<th>555</th>
<th>3490</th>
</tr>
</thead>
<tbody>
<tr>
<td># of Room</td>
<td>246 870</td>
<td>362 377</td>
<td>143 954</td>
<td>127 330</td>
<td>180 441</td>
<td>1 060 972</td>
</tr>
<tr>
<td>Total Gross Available Rooms</td>
<td>116 150</td>
<td>158 032</td>
<td>61 953</td>
<td>51 294</td>
<td>74 906</td>
<td>462 335</td>
</tr>
<tr>
<td>Total Rooms Sold</td>
<td>47%</td>
<td>44%</td>
<td>43%</td>
<td>40%</td>
<td>42%</td>
<td>44%</td>
</tr>
<tr>
<td>Occupancy</td>
<td>54</td>
<td>66</td>
<td>48%</td>
<td>125</td>
<td>55</td>
<td>65</td>
</tr>
<tr>
<td>ADR</td>
<td>6 328</td>
<td>10 363</td>
<td>2 985 082</td>
<td>6 411</td>
<td>4 094 172</td>
<td>30 181</td>
</tr>
<tr>
<td>Room Revenue</td>
<td>043</td>
<td>526</td>
<td>175</td>
<td>26</td>
<td>29</td>
<td>21</td>
</tr>
<tr>
<td>REVPAR</td>
<td>107.97%</td>
<td>100.08%</td>
<td>98.76%</td>
<td>92.44%</td>
<td>95.26%</td>
<td></td>
</tr>
<tr>
<td>REVPAR</td>
<td>83.46%</td>
<td>100.45%</td>
<td>73.81%</td>
<td>191.46%</td>
<td>83.73%</td>
<td></td>
</tr>
<tr>
<td>Potential Market Share</td>
<td>23%</td>
<td>34%</td>
<td>14%</td>
<td>12%</td>
<td>17%</td>
<td>100%</td>
</tr>
<tr>
<td>Actual Market Share</td>
<td>22%</td>
<td>44%</td>
<td>43%</td>
<td>40%</td>
<td>42%</td>
<td>44%</td>
</tr>
<tr>
<td>Market Penetration</td>
<td>54</td>
<td>66</td>
<td>48%</td>
<td>125</td>
<td>55</td>
<td>65</td>
</tr>
<tr>
<td>Average Rate Penetration</td>
<td>83.46%</td>
<td>100.45%</td>
<td>73.81%</td>
<td>191.46%</td>
<td>83.73%</td>
<td></td>
</tr>
<tr>
<td>REVPAR Yield Index</td>
<td>90.11%</td>
<td>100.53%</td>
<td>72.89%</td>
<td>177.00%</td>
<td>79.76%</td>
<td></td>
</tr>
<tr>
<td>Market Penetration Ranking</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>5</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Average Rate Penetration Ranking</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>2</td>
<td>5</td>
<td>1</td>
</tr>
</tbody>
</table>

Interview and focus group discussions revealed that for year ending 2009, African Sun Limited (ASL) had the leading market share percentage of 34%, with Rainbow Tourism Group following at 25%, the least being that of Meikles Hotel as indicated in Table 5.5, above. Due to a high average daily rate of USD125, Meikles Hotel’s revenue was almost similar to that of Rainbow Tourism Group. Market share percentage is related to the performance of each stakeholder in terms of arrivals and tourism receipts. This research however, focuses on African Sun Limited. African Sun Limited was the leading organisation in terms of performance.

Stock market performance

Table 5.6 below showed the performance of the four counters on the stock market during the past four years:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afrisun</td>
<td>37.5 sextillion</td>
<td>945,846</td>
<td>6,752</td>
<td>2,600</td>
</tr>
<tr>
<td>KML</td>
<td>5.2 sextillion</td>
<td>283,233</td>
<td>2,509</td>
<td>1,817</td>
</tr>
<tr>
<td>RTG</td>
<td>1.6 sextillion</td>
<td>1,199,900</td>
<td>7,476</td>
<td>725</td>
</tr>
<tr>
<td>TA</td>
<td>37.5 sextillion</td>
<td>1,029,312</td>
<td>12,043</td>
<td>1,900</td>
</tr>
<tr>
<td>Industrial Index</td>
<td>2.9 sextillion</td>
<td>335,338</td>
<td>2,983</td>
<td>1,584</td>
</tr>
</tbody>
</table>

Source: Kingdom Financial Holdings, 2009.

A. African Sun Limited

African Sun (Private) Limited (ASL), ‘is the fastest growing hospitality group in sub-Saharan Africa. It has interests in various African countries, namely Zimbabwe, South Africa, Nigeria, and Ghana as is exhibited in Figure 5.11 on page 223. Established in 1968, the company, then known as Zimbabwe Sun Limited, was part of Delta Corporation, but has evolved significantly from being just a Zimbabwe-based hospitality management company. In Zimbabwe, African Sun is the leading player in the tourism and hospitality industry, with the Zimbabwe operations forming the largest business under the African Sun Limited group of companies.
After restructuring in 1990, Zimbabwe Sun Limited was converted into a public company, incorporated in Zimbabwe and listed on the Zimbabwe Stock Exchange (ZSE). The company was demerged from Delta Corporation in January 2002. Today it consists of 13 hotels and resorts throughout the country and employs over 1500 people.

African Sun comprises two main divisions; Sun Hotels and Sun Resorts. The portfolio includes 50% of the world renowned Victoria Falls Hotel, a member of “The Leading Hotels of The World.” Sun Resorts are situated in unique leisure destinations catering for a diverse range of tastes and experiences. Safari enthusiasts, fishing fanatics, golf lovers, bird watchers and many others are all catered for. The Holiday Inn properties meet the needs of both the business and leisure traveller. The development of the properties has been done by the community with the environment in mind. Environmental impact assessments are very much part of the development plans and the environmental management systems incorporated to continually monitor the impact of operations on the natural surroundings.

Zimbabwe Sun Limited is strategically positioned as it is the only leisure company that has properties in every tourist destination in Zimbabwe. The company is able to offer luxurious accommodation, courteous and friendly service, superb local and international cuisine and limitless entertainment, sports and leisure activities throughout Zimbabwe.

African Sun Limited, formerly Zimbabwe Sun Limited, changed ownership in 2002, thus beginning a strategic journey to attain blue chip status for the Group. In May 2008, Zimbabwe Sun Limited re-branded to African Sun Limited in order to re-position the Group as a leading brand of hospitality in Africa; the name encapsulates the synergies within the Group’s operations in sub-Saharan Africa as Zimbabwe emerges as a pan-African hospitality Group within the tourism chain. The Group is currently pursuing expansion projects in the region. It operates the Victoria Falls hotel on 50/50 joint venture with Meikles Africa Hotels (Kingdom Meikles Limited). It also manages other hotels throughout the country as well as two in South Africa and one in Nigeria depicted in Figure 5.11 on page 223.
Figure 5.11: African Sun’s Hotel Portfolio:

<table>
<thead>
<tr>
<th>Hotels</th>
<th>Rooms</th>
<th>Location</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victoria Falls hotel</td>
<td>180</td>
<td>Victoria Falls</td>
<td>5 Star</td>
</tr>
<tr>
<td>The Kingdom</td>
<td>294</td>
<td>Victoria Falls</td>
<td>4 Star</td>
</tr>
<tr>
<td>Elephant Hills resort</td>
<td>276</td>
<td>Victoria Falls</td>
<td>4 Star</td>
</tr>
<tr>
<td>Hwange Safari Lodge</td>
<td>100</td>
<td>Hwange</td>
<td>3 Star</td>
</tr>
<tr>
<td>Carribea Bay</td>
<td>83</td>
<td>Kariba</td>
<td>3 Star</td>
</tr>
<tr>
<td>Troutbeck resort</td>
<td>70</td>
<td>Nyanga</td>
<td>3 Star</td>
</tr>
<tr>
<td>Great Zimbabwe Hotel</td>
<td>47</td>
<td>Masvingo</td>
<td>3 Star</td>
</tr>
<tr>
<td>Crowne Plaza Monomotapa</td>
<td>250</td>
<td>Harare</td>
<td>4 Star</td>
</tr>
<tr>
<td>Holiday Inn Harare</td>
<td>200</td>
<td>Harare</td>
<td>3 Star</td>
</tr>
<tr>
<td>Hotels</td>
<td>Rooms</td>
<td>Location</td>
<td>Rating</td>
</tr>
<tr>
<td>------------------------------</td>
<td>-------</td>
<td>------------</td>
<td>--------</td>
</tr>
<tr>
<td>Holiday Inn Mutare</td>
<td>96</td>
<td>Mutare</td>
<td>3 Star</td>
</tr>
<tr>
<td>Holiday Inn Bulawayo</td>
<td>157</td>
<td>Bulawayo</td>
<td>3 Star</td>
</tr>
<tr>
<td>Express by Holiday Inn</td>
<td>200</td>
<td>Beitbridge</td>
<td>2 Star</td>
</tr>
<tr>
<td>Beitbridge</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obudu Country Resort</td>
<td>200</td>
<td>Nigeria</td>
<td>4 Star</td>
</tr>
<tr>
<td>Amber Tinapa</td>
<td>243</td>
<td>Nigeria</td>
<td>3 Star</td>
</tr>
<tr>
<td>Utanga Lodge</td>
<td>90</td>
<td>Nigeria</td>
<td>3 Star</td>
</tr>
<tr>
<td>Holiday Inn Accra Airport</td>
<td>168</td>
<td>Ghana</td>
<td>3 Star</td>
</tr>
<tr>
<td>The Lakes Hotel &amp; CC</td>
<td>155</td>
<td>Johannesburg</td>
<td>3 Star</td>
</tr>
<tr>
<td>The Grace in Rosebank</td>
<td>68</td>
<td>Johannesburg</td>
<td>5 Star</td>
</tr>
<tr>
<td>Fothergill Island Safari</td>
<td>14</td>
<td>Kariba</td>
<td>3 Star</td>
</tr>
</tbody>
</table>


African Sun’s vision was to create and grow stakeholder value through the provision of an exceptional experience in the Hospitality and Leisure Industry. African Sun defined the creation of stakeholder value as encompassing:

1. the delivery of sustained real value growth to shareholders in excess of 10% per annum;
2. provision of an exciting and rewarding professional working environment for all the employees;
3. the establishment of an ethical and honest relationship with business partners and suppliers; and
4. the enhancement of good citizenship status in the society in which African Sun Limited live.

B. African Sun Limited Strategies

The respondents said that African Sun defined its business strategy as encompassing all aspects of the tourism chain. Respondents also indicated that expansion strategies of operations throughout Africa are through direct investment, equity participation or strategic alliance relationship being pursued. They explained that African Sun provided a holistic hospitality and leisure product that met the needs and expectations of guests. These include the integration and coordination of:

i. the seamless delivery of guests to and from the destination;
ii. the co-ordination of an exciting suite of activities and attractions;
iii. the provision of appropriate high quality accommodation and amenities; and
iv. the sense of adventure, fun, safety and experience.

C. **African Sun identified the following critical success factors in the quest to achieving their vision:**

i. a deep understanding of the needs and expectations of guests and markets;
ii. the design of appropriate products and services;
iii. the recruitment, maintenance and retention of the highest quality skills and competencies;
iv. the development of a knowledge based organisation operating at the forefront of technology;
v. the identification of, and investment in, the best business and leisure destinations;
vi. the unleashing of the creativity of employees at all levels through the creation of an innovative and empowered working environment; and
vii. the constant measurement and improvement of product and service delivery.

The Group’s core purpose is exceeding expectation by providing exceptional experience.

Senior, middle level management and shop-floor workers explained that African Sun premise all their policies, actions and dealings with others, inside and outside the company, on the set of values and beliefs. The respondents explained that they were willing to change everything about themselves in support of:

i. commitment to the promise of providing an exceptional experience to guests;
ii. commitment to the highest standards of ethical behaviour, honesty, fairness, integrity and to providing equal employment opportunities;
iii. gaining energy through focused teamwork, fun and excitement in daily work; and
iv. commitment to discipline and professionalism in dealings with all stakeholders.

Respondents said that African Sun Limited has adopted the protection of the environment as critical to the long-term sustainable future of the country and its people. The sanctity of all eco-systems should be preserved for future generations as African Sun Limited is committed to acting responsibly and with due regard to the impact of all its operations and products on the environment. Respondents at all levels also indicated that, protecting the environment was an obligation and not a choice.
As a result, African Sun utilised the best available technology to limit emissions and effluents, improved land eco-efficiencies and waste recovery, conformed to prescribed and self-determined environmental, health and safety standards, supported and promoted supplies of environmentally friendly products and services. It continuously monitored and audited the environmental status of all its operations.

On branding respondents said that the growing brands regionally was a fundamental strategy as the Group, continued in its quest to establish brand leadership where African Sun dominated in other brands in the region. As African Sun’s expansion strategy is implemented, a combined brand strategy of the use of Intercontinental Hotels Group (IHG) brands, namely Holiday Inn, Crowne Plaza and Holiday Inn Express in emerging markets is the key. Respondents indicated that IHG brands were tried and tested with great brand equity and awareness especially for foreign and business travellers due to their high international brand awareness. African Sun uses its own brands in markets where the company has gained acceptance, and these are made up of the following mix exhibited in Table 5.7 below:

Table 5.7: African Sun Limited Brands

<table>
<thead>
<tr>
<th>Five Star Luxury</th>
<th>The Mulberry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Five Star City</td>
<td>Platinum</td>
</tr>
<tr>
<td>Mid range</td>
<td>Amber</td>
</tr>
<tr>
<td>Value</td>
<td>Amber Express, Adrenalin</td>
</tr>
<tr>
<td>Long stay</td>
<td>My Place</td>
</tr>
</tbody>
</table>


D. Strategic Goals

African Sun’s goals are:

1. To grow rooms in Africa from the current 2 500 to 8 500 by 2012;
2. To become an employer of choice by providing competitive remuneration, an enabling and winning environment driven by personal learning and development;
3. To achieve a market capitalization of US$1billion;
4. To establish brand leadership where African Sun Limited dominate other brands and become the benchmark for other players; and
5. To seek a dual listing on a major bourse by 2012.
Respondents said that those goals had continued to be the guiding factor as the Group realized its vision of attaining 8,500 rooms under management by 2012. In view of this strategic positioning, it is appropriate that an update on these goals for the period under review is given:

The Group focused on its strategy to increase revenue generation, manage cash flows and costs and increase productivity from 2004 to 2008. Respondents explained that prudent and financial management saw the Group emerge as a ‘Blue Chip’ entity through increased market capitalization. The Group paid dividends consistently. Respondents said that the gap between service expectations and service delivery was recognised and in 2007 focus on this key area gave impetus to a service culture that had previously not been experienced in the Zimbabwean hospitality industry. This was the introduction of the “How May I Serve You?” (HMISY) and service culture campaign.

In this campaign, the Group Chief Executive Officer held himself accountable for the service performance of the whole Group and responded directly to any issues of service failure from the public. This raised the bar for hospitality operations in Zimbabwe and the Group emerged as a market leader.

Respondents explained that African Sun’s footprint continued to grow based on the rate of expansion of the past 3 years.

1. The Group created advocates for its brands across the continent and it aimed to build upon this base as global economy recovered.
2. Capital raising initiatives were implemented with phase one (Rights Offer) being completed. Refurbishment of hotels in Zimbabwe and restructuring of short term borrowings were undertaken.
3. Stronger balance sheet in USD terms enabled the Group to fulfil its growth-thrust for both arrivals and addition of new rooms.
a) Creating Sustainable Wealth

Respondents said that a relevant business model is of great importance to African Sun’s operations. In keeping with modern trends, the Group’s portfolio was largely dependent on a good mix of key revenue drivers together with identification of locations for expansion, based on sound business practice. Respondents said that the Group’s target grew in mega cities in Africa and so were mineral resources and leisure enclaves. Respondents reiterated that focus would be on the profitable core business (rooms, food and beverage, conferencing, casinos and entertainment), and any linkages that would anchor its core. However, in order to reach critical mass to maintain a competitive edge in a wider range of regions, the Group maximized return through pursuing a fee-based model which included Leasing, Management and Franchise contracts in order to increase revenue opportunities.

The long-term vision was to create a franchise business from African Sun’s own brands, allowing leases and management contracts to anchor the Group as the Group work on goal to achieve a market capitalisation of US$1billion. In addition, ownership of hotels would be considered in key strategic locations such as Cape Town, Johannesburg, Lagos and Nairobi.

Respondents explained that the re-modelling of the Group’s distribution channels through the introduction of channel management would help decrease reliance on third party intermediaries to drive sales, and that would result in higher yields. Respondents said that availability to a wider market segment would make it possible to manage rates and inventory at the point of purchase and offer a direct selling approach on the back of a dynamic pricing strategy so that the hotel would know the place and the client at the time of booking.

b) Increase Group’s Capacity from current 2500 to 8500 by 2012 (Capacity Growth - Destination 2012):

Respondents in the Group Chief Executive Officer’s Office said that research in sub-Saharan Africa had shown that Africa has a critical need for five times more rooms in the hospitality sector than the ones available. As such, African Sun Limited had targeted to increase rooms under management in Africa from the current 2 500 to 8 500 by 2012. This pathway would clearly set the pace for brand dominance in the sub-region and would see the bulk of the Group’s business deriving from west, east and southern Africa. Zimbabwe would contribute 28% of total rooms by 2012. This expansion highlights diversification and spread of risk managed by country and region.
c) **New Openings 2010**

On the expansion drive:

i. More than 600 rooms are to come on board in South Africa, Nigeria, Ghana, Botswana and Kenya; and projected rooms contributions by 2012 will be:

ii. 35% in West Africa;

iii. 7% in East Africa;

iv. 33% in Southern Africa; and

v. 25% in Zimbabwe.

d) **Growing ZSL Brands Regionally (Brand Leadership)**

Respondents stated that African Sun Limited used its own brands in markets where the Group had already gained recognition. It has been 12 months since African Sun Limited opened first Amber in Nigeria and the:

i. brand was received positively by developers, leading to the development of a select service hotel brand under the name Amber Express;

ii. Amber Express became the value brand that African Sun Limited pushed into the continent as the Group extended its footprint;

iii. African Sun Limited launched its five star city brand, Mulberry, into Nigeria.

iv. African Sun Limited’s relationship with Intercontinental Hotels Group (IHG) grew with the signing of Holiday Inn Gaborone, making the Group’s position largest of IHG brands in Africa;

With its on-going quest to create sustainable wealth and unlock shareholder value, the Group will seek a dual listing on another major bourse. Respondents said that through these plans and developments, African Sun Limited had successfully planted its footprint in strategic target markets. The Group will continue to increase its presence across Africa making growth objectives for wealth, creative brand dominance and capacity and legacy, a reality.
E. African Sun Limited Structure

Figure 5.12: Group Structure


Figure 5.12 above shows the African Sun Group Structure, where share holding is as follows:

i. 37.1% by Old Mutual holds;
ii. 16.7% by management;
iii. 44.7 % by public investors; and
iv. 1.5% by African Sun Limited employees.

As shown in Figure 5.12 above, African Sun Limited’s share holding is as follows:

i. 45% in P & A Travel (Private) Limited;
ii. 50% in SAVE Lodges (Private) Limited;
iii. 50% in River Lodges of Africa (Private) Limited;
iv. 40% in Safari Lodges of Africa (Private) Limited;
v. 30% in Silver Ranch (Private) Limited;
vi. 100% in BAIA DO PARAISO Limitada (Mozambique); and
vii. 24% in R C I (Zimbabwe) (Private) Limited.

Respondents in African Sun Limited explained that the major signpost(s), depicting changes in strategy, that the Group had gone through, had a contributory factor to the operating structure as exhibited in Figure 5.13 on page 233. The major signposts of African Sun Limited are indicated on Table 5.8 below:

Table 5.8: ASL Major Signposts

<table>
<thead>
<tr>
<th>YEAR</th>
<th>SIGNPOST(S)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1952</td>
<td>Rhodesia and Nyasaland Hotels (Private) Limited is formed as a wholly-owned subsidiary of Rhodesian Breweries</td>
</tr>
<tr>
<td>1968</td>
<td>Sable Hotels (Private) Limited is established</td>
</tr>
<tr>
<td>1973</td>
<td>Rhodesian Government grants first casino licence for the Victoria Falls Hotel</td>
</tr>
<tr>
<td>1979</td>
<td>Meikles Southern Sun Hotels is established, becoming the largest hotel chain in southern and eastern Africa, with control of thirteen major properties in the country</td>
</tr>
<tr>
<td>1980</td>
<td>Meikles Southern Sun Hotels changes its name to Zimbabwe Sun Hotels after Zimbabwe’s Independence</td>
</tr>
<tr>
<td>1988</td>
<td>Zimbabwe Sun Hotels merges with Touch the Wild safari operations, later selling it to Rainbow Tourism Group (Private) Limited on 30 April 1998</td>
</tr>
<tr>
<td>1990</td>
<td>Zimbabwe Sun Limited is floated on the Zimbabwe Stock Exchange (ZSE), at the time being the largest flotation in Zimbabwe, with 70 million shares offered to the public which was over-subscribed by 28%</td>
</tr>
<tr>
<td>1990</td>
<td>Opening of the timeshares built in Troutbeck, Nyanga and at Caribbea Bay, which received “Gold Crown Resorts” status from the RCI in 1999</td>
</tr>
<tr>
<td>1991</td>
<td>First Holiday Inn franchise in Harare</td>
</tr>
<tr>
<td>1991</td>
<td>The Elephant Hills Resort hosts the Commonwealth Heads of Government meeting, officially opening in 1992</td>
</tr>
<tr>
<td>1994</td>
<td>First regional office for reservations is established in Johannesburg</td>
</tr>
<tr>
<td>YEAR</td>
<td>SIGNPOST(S)</td>
</tr>
<tr>
<td>------</td>
<td>-------------</td>
</tr>
<tr>
<td>1998</td>
<td>The construction of Express by Holiday Inn in Beitbridge is completed</td>
</tr>
<tr>
<td>1999</td>
<td>Zimbabwe Sun Limited acquires 40% equity and management of Baio Do Paraiso</td>
</tr>
<tr>
<td>1999</td>
<td>Makasa Sun is re-developed into The Kingdom at Victoria Falls</td>
</tr>
<tr>
<td>2001</td>
<td>Elephant Hills Inter-continental is gutted by fire in July rendering the hotel inoperable.</td>
</tr>
<tr>
<td>2001</td>
<td>In keeping with its focus of offering quality and comfortable accommodation and high tech conference facilities, the Holiday Inn Bulawayo successfully completed the construction of its conference centre in July.</td>
</tr>
<tr>
<td>2002</td>
<td>Zimbabwe Sun Limited is unbundled from Delta Corporation</td>
</tr>
<tr>
<td>2003</td>
<td>Zimbabwe Sun Limited owns 100% shares in the timeshare operation in Vilanculos, Mozambique</td>
</tr>
<tr>
<td>2003</td>
<td>Dawn Properties Limited is listed as the first property entity on the Zimbabwe Stock Exchange • 2003 – The Hospitality Training Academy (HTA) is re-launched</td>
</tr>
<tr>
<td>2003</td>
<td>First negotiations for management of Holiday Inn Accra Airport, Ghana</td>
</tr>
<tr>
<td>2003</td>
<td>Elephant Hills Inter-continental reopens with better, more modern facilities and a new fresh 'look'.</td>
</tr>
<tr>
<td>2004</td>
<td>Zimbabwe Sun Limited acquires The Grace Hotel in Rosebank South Africa, ranked among the &quot;Top Ten&quot; hotels in Africa and the Middle East by Condé Nast Traveller (USA) in its first year of operation</td>
</tr>
<tr>
<td>2008</td>
<td>Zimbabwe Sun Limited adds The Lakes Hotel and Conference Centre, in Johannesburg, South Africa to its portfolio</td>
</tr>
<tr>
<td>2008</td>
<td>Zimbabwe Sun Limited rebrands its name to African Sun Limited</td>
</tr>
<tr>
<td>2008</td>
<td>African Sun Limited adds Obudu Mountain Resort to its regional portfolio</td>
</tr>
<tr>
<td>2008</td>
<td>African Sun Limited takes over management of Holiday Inn Accra Airport</td>
</tr>
</tbody>
</table>

Sources: Interview and Focus Group Evidence, 2009.
Figure 5.13: African Sun Limited Structure
Source: Interview & Focus Group Discussions
The structure of African Sun Limited, as shown in Figure 5.13 above, has directorate and management levels which consist of Executive Committee and Hotels and Resort Management, and there are middle level management and junior staff. Respondents said that for many years, the then Zimbabwe Sun formalised its stakeholder philosophy and introduced structures of corporate governance to manage the interface with the various stakeholder groups. African Sun put in place responsive systems of governance and practice which the Board and management had used. Respondents stated that African Sun Limited had applied various participative practices in its relationships with non-management employees, primarily in respect of operating matters and plans.

Respondents said that The Board of Directors of African Sun Limited is constituted with an equitable ratio of executive to non-executive directors and meets at least quarterly. The African Sun Board is chaired by a non-executive director. Respondents explained that the Audit Committee of the Board deals with compliance, internal control and risk management. They said that the Audit Committee is regulated by specific terms of reference. It meets at least twice a year with the company's external auditors to discuss accounting, auditing, internal control and financial reporting matters. The external auditors have unrestricted access to the Audit Committee.

Respondents stated that all these developments are supported by a management team comprising seasoned hotel and business managers providing the intellectual capital to upscale the business. African Sun Limited holds an 17.72% equity interest in Dawn Properties Limited, an investment property holding company formed and listed on the Zimbabwe Stock Exchange in 2003 when the Group spun-off wholly owned property interests and retaining the hotel management business. Dawn Properties owns nine of the properties that African Sun leases and operates in Zimbabwe. African Sun Limited places significant importance on its human capital base, and this has resulted in the strengthening of its training division, Hospitality Training Academy (HTA). The main role of the training academy is to ensure and maintain excellent service delivery within the group through the implementation of the correct training programmes for staff. Through HTA, African Sun replicates its excellent service standards via the installation of satellite training academies in West and East Africa (the two main areas of expansion in sub-Saharan Africa).
The Group continues in its quest to become an employer of choice by providing competitive remuneration, an enabling and winning environment driven by personal learning and development. In the period under review, the Group has retained the bulk of its employees, with staff movements below international trends. African Sun Limited’s remuneration, remains in the upper quartile in the hospitality industry, with regional benchmarks being the yardstick throughout the Group. The role-profiling and brand alignment exercise was conducted across the Group, resulting in staff being ideally placed in their roles. Respondents indicated that a mentorship programme was implemented in order to replicate the Deoxyribonucleic Acid Molecule (DNA) across the Group as a way of maintaining high standards.

The company, places high value on its human resources which is reflected through its human resources policies. The company recognises training and development as a key factor to high-level service delivery and standards. The Hospitality Training Academy (HTA) has continued to place critical role in skills training, despite the low volumes of business, thereby ensuring that employees are adequately positioned for future upturns in business. Respondents stated that during the course of the year various management and supervisory development programmes were held at Mandel Training Centre (MTC) for managerial and supervisory employees. To this end, many employees also underwent external exposure in South Africa through the Group’s strategic exchange programme with the Southern Sun Group. With the Delta demerger process having been finalised, employees benefited from the share purchase scheme, which now gives employees a more direct stake in the company. The increases in the number of resignations from key employees have been noted and these resignations are mainly due to employees relocating outside the country and this can be attributed to the current economic environment. Respondents said that the company made a concerted effort to ensure the general well-being of all its employees. This task has been complicated however, by the continuing inflationary pressure on disposable income. African Sun Limited remains focused on key skills retention and training. The Group has been able to attract international skills, namely Hotel General Managers and Chefs. The Group’s target of investing at least 3% of turnover into Training and Development programmes allows 10% of staff to undergo structured training and development programmes. Work is underway to establish HTA in West Africa.
Respondents told the researcher that job specification as defined in “Jethro’s Solution to Moses” was being practised in African Sun Limited as defined by the organisational chart as shown in Figure 5.13 above. Respondents indicated that leadership had to some extent, God’s job specification, that is, servant leadership should be blameless (akakwana), a man of complete integrity (akarurama), who fears God (anotya Mwari) and stays away from evil (anonzvenga zvakaipa). These specifications were also linked to the human factor competence characteristics namely; preparedness, readiness, awareness, willingness, ability and capacity as explained elsewhere in this study.

F. African Sun Limited’s Performance

![Figure 5.14: Eleven years Occupancy Trend](image)

Source: Annual Reports, 2009.

Respondents said that the operations achieved 43% occupancy for the first quarter that ended on 31st December 2009 as leisure business started to gain momentum with all the resorts achieving 100% occupancy over the just ended festive as shown in Figure 5.14 above. The average daily rate (ADR) is also on the rise for all the properties under African Sun Limited as shown in Figure 5.15 on the next page.
Figure 5.15: Average Daily Rate (ADR) on the rise


RevPar Increasing


The revenue per available room is also increasing as shown in Figure 5.16 above. The revenue contribution model shown below in Figure 5.17, shows leases bring the major chunk of revenue followed by a 3% revenue contribution from management contracts. Figure 5.18, below show 24% of rooms distribution through management contracts and 76% through leases. Figure 5.19, (below) shows that 32% of the revenue from resort hotels and 68% from city hotels. Figure 5.20, also shown below, show that of the rooms stock held by African Sun Limited, 52% are in the resort areas and 48% situated in cities.
Figure 5.17: Revenue contribution and business model

Source: Annual Reports, 2009.

Figure 5.18: Rooms Distribution

Source: Annual Reports, 2009.

Figure 5.19: Revenue - City Hotels vs Resort Hotels

Source: Annual Reports, 2009.
**G. African Sun Limited’s Focus**

The Group’s focus is as follows:

**Cash flow**

It aims to:

i. reduce operating costs targeting on employment costs and food & beverage by 10%; and

ii. maintain revenue contribution anchored on business model referred to in Figure 5.17 on page 238.

**Capacity Growth**

Respondents said that at the beginning of 2008, the Group had 73 rooms under management outside Zimbabwe, but as the Group’s vision took wing, it closed the year with nearly 1 100 rooms and eight operational hotels. The Group had experienced exponential growth with the addition of a total of 877 rooms in West Africa, 159 rooms in Nigeria and 168 rooms in Ghana (Accra Airport). Respondents said that the increase came on board in July and August 2008 respectively. Of 877 rooms, 548 came on board in the latter part of the year and were effectively under Africa Sun Limited Management between November and December 2008. These were Utanga Lodge with 90 rooms and Amber Tinapa with 243 rooms, both in Nigeria.

Source: Annual Reports, 2009.
In addition, Nike Lake Resort in Enugu State, also in Nigeria added 215 rooms to the portfolio. In South Africa, The Lakes Hotel and Conference Centre with 144 rooms came on board in August 2008. From the growth shown, the Group is likely to have the largest number of rooms under management in West Africa.

**Market Capitalization**
Research conducted by Renaissance Capital has valued African Sun Limited at US$0.54 per share (Market Capitalization of US$389 million assuming confirmed rooms of 3500 including the existing rooms). According to this research, and taking into account the target of 8500 rooms, African Sun Limited value grows to US$762 million, a clear indication of the attainability of the Group’s goal to reach US$1 billion market capitalization by 2012.

**Brand Leadership**
The focus group respondents stated that the Group was on course with its quest of establishing brand leadership in the areas within which it had chosen to operate. The period under review saw the introduction of African Sun Limited's own mid range brand, “Amber”, in Tinapa, Cross River State, Nigeria. Respondents said that on the Zimbabwean front, the plans for building an Amber branded hotel in the border town of Beitbridge were signed so as to introduce a total of two African Sun Limited Amber branded hotels within the group, in the period under review. Respondents reiterated that African Sun Limited continued to expand its IHG branded properties with the addition of Holiday Inn Accra Airport in Ghana. This hotel performed 11% ahead of its peers within its first few months under management by African Sun Limited.

**H. Operating Performance**
Respondents explained that measured in historic cost terms, turnover for the year 2001 grew to $2.2 billion. This inflow did not cover operating costs and in consequence, the company suffered a loss from operations of $152 million. Respondents indicated that due to the corporate re-engineering that had taken place over the last few years, the company managed to limit costs to a growth of only 66% over the prior year, despite the rampant inflation existing in the country. These costs included substantial provisions against certain non-performing assets and investments in associated companies, which are suffering major losses in the current environment, and a further provision for restructuring.
During the year the company disposed of its shares in Makasa Sun (Private) Limited, the company which owns the land and buildings of The Kingdom at Victoria Falls. This decision was approved by shareholders at an Extraordinary General Meeting held on 28 December 2001, was motivated by the necessity to bring down the company's ballooning debt. Total financing costs for the year amounted to $546 million.

A significant proportion of these costs stemmed from the massive exchange loss of $357 Million arising on the repayment of the offshore loans. In consequence, the company posted an historic loss attributable to shareholders of $425 Million. This loss, after adjusting from the impact of inflation and impairment in terms of International Accounting Standards (IAS) 29 and 36, translated to a profit of $221 million. The major components of these adjustments were a net monetary gain of $1 783 Million and the recovery of prior years' impairment of fixed assets of $654 Million.

Respondents indicated that the company was demerged from Delta Corporation in January 2002 through the mechanism of a Dividend in Specie of Delta's 64% equity stake in Zimbabwe Sun. As a precursor to this transaction the company was recapitalised through the sale and subsequent leaseback of The Kingdom at Victoria Falls.

This raised $1.25 Billion, which was applied to reduce the debt of approximately $2.2 billion, bringing it down to a more manageable level. The debt was further reduced through the inflow of the insurance proceeds arising out of the major fire at Elephant Hills in July 2001. These proceeds covered both consequential loss and material damage and by the year end, 78% of the claim had been settled. This inflow of funds, which will be utilised to rebuild the hotel, resulted in a net cash balance in the company of $173 Million at year end. The Board of Directors approved the building and refurbishment of Elephant Hills. The total cost of this redevelopment would be covered by the insurance proceeds. The company is committed to regular review of accounting standards and to the development of new and improved accounting policies. This is done to ensure that the information reported to the management and stakeholders of the company, continues to be internationally comparable, relevant and reliable. This includes, wherever it is considered appropriate, the early adoption of accounting standards.
Respondents said that it was however pleasing to note that, against this very difficult backdrop, Sun Casinos posted plausible results. The Retail Division, trading under the Sun Trades brand, also continued to be negatively affected by depressed tourist arrivals. Sunset Tours and Ross Travel provide improved marketing reach and exposure for all Zimbabwe Sun's properties. Silver Ranch (Private) Limited is the group's food and beverage strategic alliance partner. Against a very challenging economic climate this business has been able to operate profitably.

It has been reported that the Group’s Hotel occupancy remained steady at 41% compared to 40% achieved in 2007, whilst operating margins grew to 53.5% compared to 29.5% in 2007, owing to the contribution of exchange gains on debtors and foreign currency denominated balances. Operations in the rest of Africa, which constitute 11% of current room capacity, contributed US$8.7million in turnover, up from US$5.5million in the prior period. This represents 27% of consolidated turnover in comparison to a contribution of 15% in the previous financial year. Zimbabwe hotels, which constitute 89% of the current room capacity, contributed 73%. The growth in operations in the rest of Africa, revaluation of Plant and Equipment and the surge in fair value of the investment in Dawn Properties Limited and other approved hedging instruments, contributed to the significant growth of the Statement of Financial Position.

5.3 Conclusion

This study has specified links between strategy, structure, significant other performance drivers and economic performance of an organisation. Under Zimbabwe Council for Tourism, African Sun Limited has been chosen to represent other companies because of its positive economic performance as is exhibited in Table 5.6 on page 221. Of the five cases presented, some are more successful than others. This study through the case studies has brought out that there is a positive relationship between strategy and structure (framework), and the tighter the relationship, the more positive the economic performance outcome in an organisation. The better performing organisations as exhibited by Table 5.5 on page 220 see the need for the transformation of the organisational structure to fit with the strategies being implemented. The critical components, however, are the position holders and how they relate to the tasks they are supposed to carry out.
The organisations which are not practising this crucial management task, become predominantly opportunistic and will do whatever they perceive to bring positive economic performance in the organisation in any situation. The results of the findings and the discussion presented above, have given a clear picture that significant differences exist between and among companies who strive for a strategy and structure fit and those that do not. The use of case studies that is, the two Government Ministries, tourism bodies and profit making organisation gave force to this generalisation.

The case study gave impetus to the force of generalisation that there is a positive relationship between strategy and structure for economic performance to occur, is well documented and accepted, but the relationship is understated as reflected by the differentials in performance in all the companies that engage in structure alignment to strategy. The results of this study also seem to confirm that structure follows strategy. Case study evidence presented in this study also gives force to the generalisation that the relationship between strategy and structure is not as simplistic as is usually postulated but that there are usually a number of significant other performance drivers such as sanctions, socio-political forces, economic mismanagement prevalence of corruption, lack of adequate food security, failure to maintain infrastructure, shortage of energy and fuel, Land Reform Programme and the decline of health delivery system that negatively impinge on the economic performance of an organization.

The next chapter is going to look at the discussion and analysis of the findings
Chapter 6

Discussion and Analysis of the Findings

6.0 Introduction

This chapter presents, discusses, and analyses the research findings on the 5 (five) case studies. The study sought to critically analyse the ‘fit’ between strategy and structure (framework) as a determinant of economic performance in the tourism and hospitality sector in Zimbabwe. The presentation and discussion of results is guided by the concepts symbolised and embodied in the architecture of the African Kitchen-Hut Strategy and Structure Model and the Tourism and Hospitality Industry. This study has shown that the ‘fit’ between strategy and structure (framework), as a determinant of economic performance of the tourism and hospitality industry is the process of transformation of an organisation’s discernible behavioural patterns over time where an organisation exhibits stable, discernible configuration of strategic and structure characteristics relative and relevant to its content in the manner in which an African Kitchen Hut is constructed and what is symbolised by it.

6.1 Discussion

6.1.1 Questions on Control

<table>
<thead>
<tr>
<th>Frequency Table 6.1: Company Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Frequency Table 6.1 above shows that ME&NR constituted 15.9%, MT&HI 20.5%, ZTA 18.2%, ZCT 15.9% and African Sun 29.5% of the responses on the control outcome. This means that all the case show elements of control with regards the strategy, structure, and performance paradigm.
Frequency Table 6.2: Firm had just the right number of workers

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Strongly Agree</td>
<td>17</td>
<td>38.6</td>
<td>38.6</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>16</td>
<td>36.4</td>
<td>75.0</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>10</td>
<td>22.7</td>
<td>97.7</td>
</tr>
<tr>
<td></td>
<td>Strongly Disagree</td>
<td>1</td>
<td>2.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

It can be observed from Frequency Table 6.2 above that 75% of the respondents agreed with the control outcome that the cases had the right number of workers to execute the strategy and achieve a certain economic performance outcome, 22.7% respondents were neutral and 2.3% of them strongly disagreed that this phenomena existed in their organisations.

Frequency Table 6.3: Costs are well controlled

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Strongly Agree</td>
<td>13</td>
<td>29.5</td>
<td>29.5</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>21</td>
<td>47.7</td>
<td>77.3</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>9</td>
<td>20.5</td>
<td>97.7</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>1</td>
<td>2.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Frequency Table 6.3 above shows that 77.3% of the respondents agreed with the control outcome that the firms’ costs were well controlled to achieve a certain economic performance outcome in terms of trends and statistics, 20.5% were neutral and 2.3% disagreed.

Frequency Table 6.4: Organisation had good systems for measuring performance

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Strongly Agree</td>
<td>16</td>
<td>36.4</td>
<td>36.4</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>15</td>
<td>34.1</td>
<td>70.5</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>7</td>
<td>15.9</td>
<td>86.4</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>6</td>
<td>13.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

It can be seen in Frequency Table 6.4 above that 70.5% of the respondents agreed with the outcome that their individual organisations had good systems for measuring performance which was an indication of alignment of strategy to structure and that this minimised costs and wastage of resources since one of the primary purposes of structure is to confer allocation of resources. 15.9% were neutral and 13.6% disagreed.
Frequency Table 6.5: Organisation had flat structure

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Strongly Agree</td>
<td>12</td>
<td>27.3</td>
<td>27.3</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>17</td>
<td>38.6</td>
<td>65.9</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>11</td>
<td>25.0</td>
<td>90.9</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>4</td>
<td>9.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Frequency Table 6.5 above shows that 65.9% of the respondents agreed that their different organisations had a flatter structure and due to the alignment of structure to strategy, there was very little waste. The respondents agree that their organisations are working with upturned organisations as illustrated in Chapter 3. Frequency Table 6.6 below indicates that 93.2% of the respondents agreed that the significant other performance driver (sanctions) enforced on Zimbabwe had a negative relationship to tourism industry’s performance, hence it affected the strategy-structure-performance paradigm negatively.

Frequency Table 6.6: Sanctions effects on tourism

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Strongly Agree</td>
<td>28</td>
<td>63.6</td>
<td>63.6</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>13</td>
<td>29.5</td>
<td>93.2</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>3</td>
<td>6.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

6.1.2 Questions on Connection

Frequency Table 6.7: Guest’s needs were well understood

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Strongly Agree</td>
<td>24</td>
<td>54.5</td>
<td>54.5</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>14</td>
<td>31.8</td>
<td>86.4</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>6</td>
<td>13.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

It can be observed in Frequency Table 6.7 above that 86.4% of the respondents agreed that the needs of the clients served by each organization were well understood. This reduced the service gap and costs entailed in this. On the moment of truth, guests’ expectations are fulfilled.

Frequency Table 6.8: Strong focus on customer
Frequency Table 6.8 above shows that 77.3% of the respondents agreed that there was a strong focus on customer service. 20.5% were neutral and 2.5% disagreed. The facts that 100% is not obtained means organizations still have to work on their strategy and structure alignment. Frequency Table 6.9 below indicates that 70.5% of the respondents agree that customer satisfaction levels were closely monitored for the achievement of economic performance outcome.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>20</td>
<td>45.5</td>
<td>45.5</td>
<td>45.5</td>
</tr>
<tr>
<td>Agree</td>
<td>14</td>
<td>31.8</td>
<td>31.8</td>
<td>77.3</td>
</tr>
<tr>
<td>Neutral</td>
<td>9</td>
<td>20.5</td>
<td>20.5</td>
<td>97.7</td>
</tr>
<tr>
<td>Disagree</td>
<td>1</td>
<td>2.3</td>
<td>2.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

It can be observed from Frequency Table 6.10 above that respondents had the same opinion indicated by a score of 70.5% and that meant that the great majority of the clients/guests were delighted with the service rendered, 27.3% were neutral and 2.3% disagreed.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>19</td>
<td>43.2</td>
<td>43.2</td>
<td>43.2</td>
</tr>
<tr>
<td>Agree</td>
<td>12</td>
<td>27.3</td>
<td>27.3</td>
<td>70.5</td>
</tr>
<tr>
<td>Neutral</td>
<td>12</td>
<td>27.3</td>
<td>27.3</td>
<td>97.7</td>
</tr>
<tr>
<td>Disagree</td>
<td>1</td>
<td>2.3</td>
<td>2.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Frequency Table 6.11: Had good relationship with customers
<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>24</td>
<td>54.5</td>
<td>54.5</td>
<td>54.5</td>
</tr>
<tr>
<td>Agree</td>
<td>12</td>
<td>27.3</td>
<td>27.3</td>
<td>81.8</td>
</tr>
<tr>
<td>Neutral</td>
<td>8</td>
<td>18.2</td>
<td>18.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Frequency Table 6.11 above indicates that 81.8% of the respondents were in agreement that their firms had a good relationship with their customers. A good relationship with customers implies return business which is a cornerstone of the tourism and hospitality industry as it is based on the concept of socio-binding as explained in Chapter 3. However, 18.2% were neutral.

### 6.1.3 Questions on Creativity

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>20</td>
<td>45.5</td>
<td>45.5</td>
<td>45.5</td>
</tr>
<tr>
<td>Agree</td>
<td>14</td>
<td>31.8</td>
<td>31.8</td>
<td>77.3</td>
</tr>
<tr>
<td>Neutral</td>
<td>10</td>
<td>22.7</td>
<td>22.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Frequency Table 6.12 above illustrates that 77.3% of the respondents agreed that creativity did flourish in the organisation, 22.7% were neutral. Innovation is closely aligned with strategy crafting and architecture of subsequent structures to be used to implement the strategy. Frequency Table 6.13 below shows that respondents were of the same opinion that their organisations’ reputation attracted highly creative people implying that transformational management is practiced against transactional management.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>17</td>
<td>38.6</td>
<td>38.6</td>
<td>38.6</td>
</tr>
<tr>
<td>Agree</td>
<td>17</td>
<td>38.6</td>
<td>38.6</td>
<td>77.3</td>
</tr>
<tr>
<td>Neutral</td>
<td>8</td>
<td>18.2</td>
<td>18.2</td>
<td>95.5</td>
</tr>
<tr>
<td>Disagree</td>
<td>2</td>
<td>4.5</td>
<td>4.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Frequency Table 6.14: New ideas are well come
Frequency Table 6.1 above shows that 84.1% of the respondents were of the same opinion that new ideas were always welcome showing learning organisations that accepted change and structures thereto. Frequency Table 6.15, below indicates that 75% of the respondents were of the same mind that the country’s perceived negative image had contributed to poor tourism performance in Zimbabwe confirming the scenarios 1, 2, 3, and 5 explained in Chapter 6, in the Human Factor Competencies.

### Frequency Table 6.15: Country's perceived negative image

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>27</td>
<td>61.4</td>
<td>61.4</td>
<td>61.4</td>
</tr>
<tr>
<td>Agree</td>
<td>6</td>
<td>13.6</td>
<td>13.6</td>
<td>75.0</td>
</tr>
<tr>
<td>Neutral</td>
<td>7</td>
<td>15.9</td>
<td>15.9</td>
<td>90.9</td>
</tr>
<tr>
<td>Disagree</td>
<td>4</td>
<td>9.1</td>
<td>9.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Frequency Table 6.16 below, depicts 70.5% of the respondents concurring that their individual organizations changed their structures to suit the strategy, 18.2% were neutral and 11.4% disagreed. This empirical evidence supports the findings in the literature review that structure follows strategy.

### Frequency Table 6.16: Organisation changing its structure

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>21</td>
<td>47.7</td>
<td>47.7</td>
<td>47.7</td>
</tr>
<tr>
<td>Agree</td>
<td>10</td>
<td>22.7</td>
<td>22.7</td>
<td>70.5</td>
</tr>
<tr>
<td>Neutral</td>
<td>8</td>
<td>18.2</td>
<td>18.2</td>
<td>88.6</td>
</tr>
<tr>
<td>Disagree</td>
<td>5</td>
<td>11.4</td>
<td>11.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

### 6.1.4 Questions on Commitment Outcome
Frequency Table 6.17 People enjoying coming to work

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>21</td>
<td>47.7</td>
<td>47.7</td>
<td>47.7</td>
</tr>
<tr>
<td>Agree</td>
<td>13</td>
<td>29.5</td>
<td>29.5</td>
<td>77.3</td>
</tr>
<tr>
<td>Neutral</td>
<td>8</td>
<td>18.2</td>
<td>18.2</td>
<td>95.5</td>
</tr>
<tr>
<td>Disagree</td>
<td>2</td>
<td>4.5</td>
<td>4.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Frequency Table 6.17 above demonstrated that 77.3% of the respondents were of the same mind that people really enjoyed coming to work in their respective organisations indicating highly motivated individuals prepared to execute strategy. 18.2% were neutral and 4.5% disagreed.

Frequency Table 6.18: Committed workforce

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>21</td>
<td>47.7</td>
<td>47.7</td>
<td>47.7</td>
</tr>
<tr>
<td>Agree</td>
<td>14</td>
<td>31.8</td>
<td>31.8</td>
<td>79.5</td>
</tr>
<tr>
<td>Neutral</td>
<td>8</td>
<td>18.2</td>
<td>18.2</td>
<td>97.7</td>
</tr>
<tr>
<td>Disagree</td>
<td>1</td>
<td>2.3</td>
<td>2.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Frequency Table 6.18 above confirms that 79.5% of the respondents concurred that the workforce in each individual organisation was highly committed to achieving organisational goals. The workforce is enrolled to implement strategy rather than forced through implementing structures.

Frequency Table 6.19 below, exhibits that 65.9% of the respondents agreed that organisations had created an environment in which everyone worked at a predetermined level of performance outcome, 31.8% were neutral and 2.3% disagreed. This could imply that the soft issues are not being addressed adequately by organisations in the tourism and hospitality sector and this will subsequently affect the performance outcome.

Frequency Table 6.19: Created an environment of working together
Frequency Table 6.1

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Strongly Agree</td>
<td>18</td>
<td>40.9</td>
<td>40.9</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>11</td>
<td>25.0</td>
<td>65.9</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>14</td>
<td>31.8</td>
<td>97.7</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>1</td>
<td>2.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Frequency Table 6.19 below, shows that 77.3% of the respondents were in agreement that their management system was modernised. Management practiced transformational management against transactional management concepts.

**Frequency Table 6.20: Management system is modernised**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Strongly Agree</td>
<td>19</td>
<td>43.2</td>
<td>43.2</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>15</td>
<td>34.1</td>
<td>77.3</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>7</td>
<td>15.9</td>
<td>93.2</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>3</td>
<td>6.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Frequency Table 6.21 below illustrates that 70.5% of the respondents were of the same mind that an African sociological origins influenced how organisations were built and how organisations functioned 18.2% were neutral and 11.4% disagreed. Respondents confirmed that organisations used the rich African value systems and concepts to shape their firms supporting the African Kitchen Hut Strategy and Structure Model as espoused in Chapter 3.

**Frequency Table 6.21: African historical origins**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Strongly Agree</td>
<td>21</td>
<td>47.7</td>
<td>47.7</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>10</td>
<td>22.7</td>
<td>70.5</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>8</td>
<td>18.2</td>
<td>88.6</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>5</td>
<td>11.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**6.1.5 Coordination Questions**
Frequency Table 6.22: Best practice transferred

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Strongly Agree</td>
<td>16</td>
<td>36.4</td>
<td>36.4</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>9</td>
<td>20.5</td>
<td>56.8</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>16</td>
<td>36.4</td>
<td>93.2</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>3</td>
<td>6.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Frequency Table 6.22 above illustrates that above average 56.8% of the respondents agreed that best practice could be quickly transferred from one part of the organisation to another. However, 36.4% of the respondents were neutral and 6.8% disagreed. More could be done in this regard in order to improve upon performance of organisations. This implies that the world best practices as espoused in Chapter 2 and Chapter 3 were not being adequately adopted in the tourism and hospitality sector. Frequency Table 6.23 below shows that 81.8% of the respondents agreed that a great deal of the work was done in teams, 15.9% were neutral and 2.3% disagreed. This buttresses the “unison” concept espoused in the African Kitchen Hut Strategy and Structure Model in Chapter 3.

Frequency Table 6.23 Team work

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Strongly Agree</td>
<td>31</td>
<td>70.5</td>
<td>70.5</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>5</td>
<td>11.4</td>
<td>81.8</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>7</td>
<td>15.9</td>
<td>97.7</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>1</td>
<td>2.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Frequency Table 6.24 below demonstrates that 72.7% of the respondents agreed that their organisations viewed its staff as an investment that needed to be optimised by transforming their performance. This confirms organisations that are learning, organisations exhibiting a strategic behaviour and which implement pillars to organisation success as espoused in Chapter 3. However, 27.3% were neutral, indicating that the determinants of economic performance outcomes in the tourism and hospitality industry should be practiced and that the Human Factor Competences should be inherent in organisations.

Frequency Table 6.24: Staff as an investment

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
</table>
Frequency Table 6.25: Negative impact of macro-economic environment

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>37</td>
<td>84.1</td>
<td>84.1</td>
<td>84.1</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>37</td>
<td>84.1</td>
<td>84.1</td>
<td>84.1</td>
</tr>
<tr>
<td>Agree</td>
<td>5</td>
<td>11.4</td>
<td>11.4</td>
<td>95.5</td>
</tr>
<tr>
<td>Neutral</td>
<td>2</td>
<td>4.5</td>
<td>4.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Frequency Table 6.25 above illustrates that 95.5% of the respondents agreed that the Significant Other Performance Drivers had impacted negatively on tourism performance. This empirical evidence supports the theory espoused in Chapter 2 on determinants of economic performance in the tourism and hospitality industry and confirms the conceptual framework advanced in Chapter 1. 4.5% were neutral. Frequency Table 6.26 below, shows that 81.8% of the respondents were of the same mind that work flowed smoothly through the different parts of the organisation confirming Tzu (1981)’s concept of chi, being the unknown quantity that when multiplied by the mass gives the resulting force in performance, 13.6% were neutral and 4.5% disagreed.

Frequency Table 6.26: Work flows smoothly

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>14</td>
<td>31.8</td>
<td>31.8</td>
<td>31.8</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>14</td>
<td>31.8</td>
<td>31.8</td>
<td>31.8</td>
</tr>
<tr>
<td>Agree</td>
<td>22</td>
<td>50.0</td>
<td>50.0</td>
<td>81.8</td>
</tr>
<tr>
<td>Neutral</td>
<td>6</td>
<td>13.6</td>
<td>13.6</td>
<td>95.5</td>
</tr>
<tr>
<td>Disagree</td>
<td>2</td>
<td>4.5</td>
<td>4.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

6.1.6 Questions on Competence
Frequency Table 6.27: Learning highly valued

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Strongly Agree</td>
<td>21</td>
<td>47.7</td>
<td>47.7</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>16</td>
<td>36.4</td>
<td>84.1</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>6</td>
<td>13.6</td>
<td>97.7</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>1</td>
<td>2.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Frequency Table 6.27 above illustrates that 84.1% of the respondents concurred that learning was highly valued in their individual organisations, 13.6% were neutral and 2.3% disagreed. Respondents agreed that the determinant learning organisation, gave the firm an impetus to create its own future closely related to Sewell (1997)’s postulation that designing, building and developing superior organisations creates an enterprise that is upturned and one that creates a future that surpasses the lives of the executives who build them, a concept symbolised by the structure and architecture of the African Kitchen Hut championed in Chapter 3. Frequency Table 6.28 below, shows that 75% of the respondents agreed that their organisations always expanded their businesses confirming the Scenario 2 and 5 advanced in Chapter 6.

Frequency Table 6.28: Always expands its business

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Strongly Agree</td>
<td>24</td>
<td>54.5</td>
<td>54.5</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>9</td>
<td>20.5</td>
<td>75.0</td>
</tr>
<tr>
<td></td>
<td>Neutral</td>
<td>9</td>
<td>20.5</td>
<td>95.5</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>2</td>
<td>4.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Frequency Table 6.29 below demonstrates that 77.3% of the respondents agreed knowledge was freely shared across their individual organisations, 20.5% were neutral and 2.3% disagreed. Knowledge sharing implies a learning organisation exhibiting a strategic behaviour utilising the pillars to positive business success in a given environment to achieve a certain level of economic performance outcome.

Frequency Table 6.29: Knowledge is freely shared

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Strongly Agree</td>
<td>18</td>
<td>40.9</td>
<td>40.9</td>
</tr>
</tbody>
</table>
Agree 16 36.4 36.4 77.3
Neutral 9 20.5 20.5 97.7
Disagree 1 2.3 2.3 100.0
Total 44 100.0 100.0

Frequency Table 6.30: Loss of bread basket status

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>28</td>
<td>63.6</td>
<td>63.6</td>
<td>63.6</td>
</tr>
<tr>
<td>Agree</td>
<td>13</td>
<td>29.5</td>
<td>29.5</td>
<td>93.2</td>
</tr>
<tr>
<td>Neutral</td>
<td>3</td>
<td>6.8</td>
<td>6.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

It is observed in Frequency Table 6.30 above that 93.2% of the respondents agreed that the significant other performance drivers inclusive of: the loss of bread basket status for the region, poor health care and infrastructure had contributed to poor tourism industry’s performance in Zimbabwe, 6.8% of the respondents were neutral. This confirms that literature review in Chapter 3, that ultimately what a destination has, is its image as a pull factor. Frequency Table 6.31 below shows that 63.6% of the respondents agreed that the standard of training was very high in their individual organisations, 34.1% were neutral and 2.3% disagreed. The fact that 36.4% were not in favour of the element of high standard of training in organisations implies that curricula, availability of colleges, entry requirements need a serious focus in order to skill people who will be able to implement the best practices indicated in the literature review.

Frequency Table 6.31: Standard of training is very high

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>%</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>14</td>
<td>31.8</td>
<td>31.8</td>
<td>31.8</td>
</tr>
<tr>
<td>Agree</td>
<td>14</td>
<td>31.8</td>
<td>31.8</td>
<td>63.6</td>
</tr>
<tr>
<td>Neutral</td>
<td>15</td>
<td>34.1</td>
<td>34.1</td>
<td>97.7</td>
</tr>
<tr>
<td>Disagree</td>
<td>1</td>
<td>2.3</td>
<td>2.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

6.1.7 Organisation

6.1.8 Ministry of Environment & Natural Resources (ME&NR)
Organisational Analysis
Table 6.32: ME&NR Organisational Analysis

<table>
<thead>
<tr>
<th>Organisation’s Qualities</th>
<th>Control</th>
<th>Connection</th>
<th>Creativity</th>
<th>Commitment</th>
<th>Co-ordination</th>
<th>Competence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mark Awarded By:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Management</td>
<td>7.66</td>
<td>7.33</td>
<td>8</td>
<td>7</td>
<td>8.5</td>
<td>7.83</td>
</tr>
<tr>
<td>Shop-floor workers</td>
<td>7.88</td>
<td>6.63</td>
<td>6.13</td>
<td>6.38</td>
<td>8.25</td>
<td>5.63</td>
</tr>
</tbody>
</table>

**Figure 6.1: ME&NR Organisation Analysis**

Control:
Respondents from the ME&NR agreed that the strategy and structure of the Ministry were controlled. The graph as shown in Figure 6.1, above, shows that the shop-floor workers and senior management agreed that there was a high level of control in the Ministry. The control was particularly on issues of costs, internal efficiency and external and internal customer’s satisfaction.

Connection
Senior management posted a weighted average of 7.33 compared to that of shop-floor workers of 6.63 as indicated on Table 6.32 above, showing that there was a connection in terms of strategy and structure being used by the Ministry. This shows that the Ministry was above average in meeting its clients’ needs in the operative environment.

**Creativity**
Shop-floor workers scored 6.13 indicating that there was an above average level of creativity in the Ministry. The senior management scored a weighted average score of 8.00, which was very high as illustrated on Table 6.32.

**Commitment**
The Ministry had fairly high levels of employee commitment indicating ownership and what needed to be attained.

**Coordination**
The level of coordination of activities in the Ministry was very high with weighted scores of 8.50 and 8.25 for senior management and shop-floor workers respectively as shown on Table 6.32 above. Co-ordination is implied on the structure of the Ministry and the fact that the Ministry had better connection with external and internal customers and other variables indicated in the graph showing that there was a better “fit” of strategy and structure hence the Ministry had better performance outcome.

**Competence**
Management view however, differed from that of staff in terms of competence, where senior management scored 7.83 and staff scored 5.63 indicating that there could be a skills gap vis à vis the execution of strategy as illustrated on Table 6.32 above.
6.1.9 Ministry of Tourism & Hospitality Industry (MT&HI) Organisation Analysis

Table 6.33: MT&HI Organisation Analysis

<table>
<thead>
<tr>
<th></th>
<th>Control</th>
<th>Connection</th>
<th>Creativity</th>
<th>Commitment</th>
<th>Coordination</th>
<th>Competence</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Senior Management</strong></td>
<td>6.88</td>
<td>8.25</td>
<td>7.38</td>
<td>6.88</td>
<td>6.75</td>
<td>7.25</td>
</tr>
<tr>
<td><strong>Shop-floor workers</strong></td>
<td>7.1</td>
<td>7.5</td>
<td>7.2</td>
<td>7.3</td>
<td>7.7</td>
<td>7.6</td>
</tr>
</tbody>
</table>

Control

Table 6.33 shows that MT&HI has a high level of control i.e. knowledge and ability to control activities on the shop floor, sales territory and their ability to exercise an amount of influence over what is happening so as to produce the desired results as indicated by the revenue received.

Connection

MT&HI is highly structured around the market segments which reflect an average connection with their clients. This again proves the proposition that the tighter the “fit” of strategy to structure the better the organization’s connectivity to customers and the higher the level of performance.
Creativity
MT&HI have a high creativity level. Creativity is about organizational culture and employee trust where there is transformational management as compared to transactional management. This motivates employees to be creative in their work in order to “delight the customers.”

Commitment
MT&HI have fairly high levels of employee commitment indicating ownership of the enterprise and what it needs to attain.

Coordination
The level of coordination of activities in MT&HI is high. Co-ordination is implied in the structure of organizational chart and the fact that the MT&HI has better connection with customers and other variables indicated in the graph that there is a better “fit” of strategy and structure hence, MT&HI has better economic performance outcome.

Competence
MT&HI has high levels of competence. This is directly related to the other variables i.e. control, connection, creativity, commitment and coordination. MT&HI therefore has a better “fit” of strategy and structure since it has relatively high scores on all variables.
Customer Connection Bar Graph of ME&NR Comparison to MT&HI

Figure 6.3: ME&NR and MT&HI Customer Connection Comparison

<table>
<thead>
<tr>
<th>Connection: Customer</th>
<th>Needs</th>
<th>Focus</th>
<th>Satisfaction</th>
<th>Delight</th>
<th>Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>ME&amp;NR</td>
<td>82.14%</td>
<td>75%</td>
<td>46.42%</td>
<td>75%</td>
<td>75%</td>
</tr>
<tr>
<td>MT&amp;HI</td>
<td>72.22%</td>
<td>77.77%</td>
<td>77.77%</td>
<td>72.22%</td>
<td>88.88%</td>
</tr>
</tbody>
</table>

ME&NR scored 82.14% against that of MT&HI of 72.22% indicating that the former’s customer satisfaction is higher. Each Ministry needs to maintain a high index of customer satisfaction for the tourism industry to achieve higher returns. The “merge” of strategy and structure enables this to happen because the enterprise will be bridging the gap between what the customer wants and what is on the ground.

6.1.9 Zimbabwe Tourism Authority (ZTA) Organisation Analysis

Table 6.34: ZTA Organisational Analysis

<table>
<thead>
<tr>
<th>Organisation’s Qualities</th>
<th>Control</th>
<th>Connection</th>
<th>Creativity</th>
<th>Commitment</th>
<th>Co-ordination</th>
<th>Competence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mark Awarded By:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Management</td>
<td>6.83</td>
<td>7.50</td>
<td>8.83</td>
<td>8.00</td>
<td>8.17</td>
<td>8.33</td>
</tr>
<tr>
<td>Shop-floor workers</td>
<td>6.00</td>
<td>6.30</td>
<td>6.10</td>
<td>5.40</td>
<td>5.90</td>
<td>6.40</td>
</tr>
</tbody>
</table>
Control
ZTA indicates a slightly above average level of control i.e. knowledge and ability to control activities on the shop floor, sales territory and their ability to exercise an amount of influence over what is happening so as to produce the desired results.

Connection
As indicated in Table 6.34 and Figure 6.4 above, shop-floor workers scored 6.30 and senior management 7.50 regarding connection of strategy and structure. ZTA senior management shows that the organisation is highly structured around the market segment but shop-floor workers show a slightly above average connectivity with their clients.

Creativity
ZTA has an above average creativity level as is espoused by senior management. Creativity is about organizational culture, employee trust where there is transformational management as compared to transactional management. This motivates employees to be creative in their work in order to “delight the customers.”

Commitment
Shop-floor workers scored an almost average score for commitment of 5.4. Management on the other hand scored 8. This score shows levels of employee commitment indicating ownership of the enterprise and what it needs to attain.
Coordination
ZTA shop-floor workers respondents gave a slightly above average coordination mark of 5.90 compared to that of senior management of 8.17. Co-ordination is implied in the structure of organizational chart and that the organisation has better connection with customers and other variables indicated in the graph showing a better “fit” of strategy and structure to achieve a better performance outcome.

Competence
Shop-floor workers respondents scored a weighted average of 6.40 and senior management scored 8.33. ZTA is fairly competent as reflected by the scores. This measures the National Tourism Organisation’s ability to perform all the 7 Key Result Areas (assets, employees, service, productivity, income, customers and economic performance outcome) in a manner that improves the ZTA’s economic performance and the performance of the tourism industry at large.

6.1.10 Zimbabwe Council for Tourism (ZCT) Organisation Analysis

Table 6.35: ZCT Organisation Analysis

<table>
<thead>
<tr>
<th></th>
<th>Control</th>
<th>Connection</th>
<th>Creativity</th>
<th>Commitment</th>
<th>Coordination</th>
<th>Competence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Management</td>
<td>6.66</td>
<td>8.07</td>
<td>9</td>
<td>7.83</td>
<td>8.5</td>
<td>8</td>
</tr>
<tr>
<td>Shop-floor workers</td>
<td>7.38</td>
<td>7.13</td>
<td>7.63</td>
<td>8</td>
<td>8</td>
<td>7.38</td>
</tr>
</tbody>
</table>

Figure 6.5: ZCT Organisation Analysis
Control
ZCT’s graph for both senior management and shop-floor workers respondents show a fairly high level of control in the activities of the organization. Control is particularly on issues of costs, internal efficiency and customer and employee satisfaction. ZCT shows a fairly high “fit” of strategy and structure, and as such it is able to manage its operations. The internal influences are measured by (for instance) staff turnover and on internal records, ZCT does not have a high staff turnover validating, and indicating that the tighter the “fit” of strategy and structure the better the firm performance outcome.

Connection
ZCT senior management and shop-floor workers respondents respectively scored 8.07 and 7.13 on connection which basically indicates the council is satisfying in the transactional environment as shown in Table 6.35 above. This shows that ZCT is very much customer-oriented i.e. the council is structured around the market segment to provide a “fit” to its customers’ needs and wants.

Creativity
ZCT has very high creativity levels where senior management and shop-floor workers scored 9.00 and 7.63 respectively than that of ZTA, where senior management and sop-floor workers scored 8.83 and 6.10 respectively as depicted in Table 6.35 above. Creativity is about organizational culture and employee trust where there is transformational management as compared to transactional management. This motivates employees to be creative in their work in order to “delight the customers.”

Commitment
ZCT has very high levels of employee commitment indicating ownership of the organisation and what it needs to attain. Again the ability to cater for customer needs seems related to high levels of commitment as shown in the graph above.

Coordination
The level of coordination of activities in ZCT is very high. Co-ordination is implied in the structure of organizational chart and the fact that the Council has better connection with its customers and other variables shown in the graph, indicate that there is a better “fit” of strategy and structure, hence the Council has better performance outcome.
Competence
ZCT has high levels of competence. This is directly related to the other variables i.e. control, connection, creativity, commitment and coordination. The Council has a better “fit” of strategy and structure since it has relatively high scores on all variables.

Customer Connection Bar Graph of ZCT Comparison to ZTA

![Customer Connection Bar Graph of ZCT Comparison to ZTA](image)

Customer satisfaction is higher at ZCT than ZTA as indicated in Figure 6.6 above. This implies that ZCT understands its customer segment better than ZTA. When customers are happy, they tend to be more aligned to an organisation, become loyal and assist to increase or maintain the market share. The “merge” of strategy and structure enables for this to happen because the enterprise is bridging the gap between what the customer wants and what is on the ground. These are indications of the fragmentation in the tourism and hospitality industry.

6.1.11 African Sun Limited (ASL) Organisation Analysis

Table 6.36: ASL Organisation Analysis

<table>
<thead>
<tr>
<th></th>
<th>Control</th>
<th>Connection</th>
<th>Creativity</th>
<th>Commitment</th>
<th>Coordination</th>
<th>Competence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Management</td>
<td>9.2</td>
<td>9.8</td>
<td>9.6</td>
<td>9.5</td>
<td>9.6</td>
<td>9.4</td>
</tr>
<tr>
<td>Shop-floor workers</td>
<td>6.94</td>
<td>9.75</td>
<td>9.56</td>
<td>9.75</td>
<td>10</td>
<td>9.13</td>
</tr>
</tbody>
</table>
Control
ASL’s Organisation Analysis in Figure 6.7 above, for both senior management and shop-floor workers shows a fairly high level of control in the activities of the organization. Control is particularly on issues of costs, internal systems efficiency and customer and employee satisfaction. Because of the fairly high “fit” of strategy and structure, ASL is able to manage the hotel operations. The internal influences are measured by, for instance, turnover and on internal records, ASL has a low turnover validating the proposition that the tighter the “fit” of strategy and structure the better the firm’s economic performance outcome.

Connection
ASL’s senior management and shop-floor workers respondents scored 9.80 and 9.75 respectively as shown in Table 6.36 above, on connection which basically indicates the hotel’s customer satisfying process in the transactional environment. This shows that ASL is very much customer-oriented internally and externally indicating that the Group is structured around the market segment to provide a “fit” to customer needs and wants. Again the ability for cater to customer needs seems related to high levels of commitment as shown in the graph above.

Creativity
On creativity, respondents comprising management and shop-floor workers in African Sun Limited scored 9.60 and 9.56 respectively. ASL has very high creativity as is illustrated in Table 4.36 above.
Commitment
The respondents scored 9.50 and 9.75 respectively as is depicted on Table 6.3 above. ASL’s both categories of respondents scores were almost congruent. Employee commitment indicates ownership of the enterprise and what it needs to attain.

Coordination
The level of coordination of activities in ASL is higher as depicted in Table 6.3 above. Coordination is implied in the structure of organizational chart, and the fact that ASL has better connection with customers and other variables, indicates that there is a better “fit” of strategy and structure hence the ASL has better economic performance outcome.

Competence
ASL has high levels of competence as reflected in the scores of 9.40 and 9.13 for both categories of respondents respectively shown in Table 6.3 above. This is directly related to the other variables i.e. control, connection, creativity, commitment and coordination. ASL has a better “fit” of strategy and structure since it has relatively high scores on all variables.

Customer Connection Bar Graph of ASL Comparison to Competition
Customer satisfaction (internal and external) is highest in African Sun Limited, followed by Cresta and lastly United Touring Group as illustrated in Figure 6.8 above. When customers are happy, they tend to buy more (buy-in more to organisation’s strategy), become loyal and increase or maintain the market share. The “merge” of strategy and structure enables this to happen because the enterprise will be bridging the gap between what the customer wants and what is on the ground.

6.1.12 Human Factor Competencies

Other tools used to analyse the strategy and structure “fit” to achieve a certain level of performance were the Human Factor Competences referred to as “tin openers” by Mararike (1999). The reasoning is that strategy is implemented through people and structure is about people, positions and jobs. The tools used are: preparedness which is linked to readiness, the latter is linked to awareness and willingness and then abilities are linked to capacity.

Figure 6.9: Human Factor Competency Assessment Tool

Preparedness

Capacity

Awareness

Abilities

Willingness

Readiness

**Readiness** implies two things: mental and psychological and attitudinal readiness and physical readiness in terms of understanding the mission, vision and objectives of a company. **Awareness** implies knowledge of internal and external environments that would affect performance. **Willingness** means the leader’s motivation to work with the human resources available to achieve economic performance so as to avoid human factor decay. **Abilities** imply skills and aptitude to lead and **Capacity** implies capability.
All these factors work in unison as shown by the unidirectional arrows leading to *preparedness* to execute strategy to achieve economic performance as shown in Figure 6.9 (Mararike, 1999).

The cases studied reacted in different ways when faced with the challenge of poor performance of the tourism and hospitality sector. In each instance, the problem of non-performance was taken as a window of opportunity. The responses by the respondents in each case studied, showed a desire to solve the problem but this depended first on ability and awareness of the causes of the problems by each individual case through the management, middle level managers and shop-floor workers. Secondly, this depended on assets and other resources that could be harnessed to produce the desired results, the number one asset being people. The response that came out through the cases studied was that the problem of tourism and hospitality performance could not be contained at all with the assets that the cases had. Five possible reactions by people in the tourism and hospitality industry are summarised in the sketched scenarios as follows:

**Scenario 1:** Appeal for help, asking for assistance. This was a temporary measure where saturation syndrome is reached.

**Scenario 2:** Flee from the problem area. This was a tactical withdrawal. Other tactical strategies taken by cases included downsizing and in some instances, closing down the operations. Cases would need to be sure that they are standing on high ground, besides, cases could have been part of the problem.

**Scenario 3:** Look for someone or something to blame and struggle to find solutions.

**Scenario 4:** Players in the tourism and hospitality sector can accept the blame as God sent punishment and wait to face whatever consequences will come.

**Scenario 5:** Face the problem head-on and struggle on to solve it (Adapted from Survival strategies in Rural Zimbabwe, Mararike, 1999). In this instance, a combination of the other scenarios is used.

**6.1.13 Ministry of Environment and Natural Resources (ME&NR)**

Respondents indicated that leaders showed *readiness* both mentally, psychologically, attitudinally and physically in terms of understanding the mission, vision and objectives of the Ministry. *Awareness* was shown in the knowledge of internal and external environments that would affect performance through the Protocols signed by the leadership.
Leadership also showed willingness to work with the human resources available to achieve economic performance, avoiding human factor decay. Respondents indicated that strategy and structure alignment required leadership to address the issue related to motivation which was hardly there. Holbeche (2001) posits that human capital resources include the skills, competencies, experience and intelligence of employees that should be aligned to strategy and that people are a more fragile resource, yet one which has greater potential value than other forms of assets. Strategic Human Resources Management bridges business strategy and Human Resources Management and focuses on the integration of Human Resources with business and its environment. Abilities to lead were shown as indicated by respondents in Focus Group Discussions. The respondents indicated that the Ministry did not have adequate capacity and preparedness to execute strategy to achieve economic performance as shown in Figure 6.9 above (Mararike, 1999). Scenario 5 was mostly used by the Ministry faced with the problems in the period under review.

6.1.14 Ministry of Tourism and Hospitality Industry (MT&HI)

Respondents in Ministry of Tourism and Hospitality Industry indicated that leadership did not show readiness both mentally, psychologically, attitudinally and physically in terms of understanding the mission, vision and objectives of the Ministry as there was nothing in place to counteract effects of sanctions and other factors. Awareness was shown in the knowledge of internal and external environments that would affect performance though they came late in terms of implementation. Leadership also showed willingness to work with the human resources available to achieve economic performance, avoiding human factor decay though employees lamented that “soft issues” were not being adequately addressed and that performance appraisal system which drove towards “fit” were not consistently practised. Delaney and Huselid (1996) posit that ‘bundles’ of Human Resource policies agitate against organisations on business performance. These bundles of Human Resource policies need to be internally consistent and depend on the organisational logic in that context.

A key finding appeared to be that, in order to obtain best effects, an integrated set of complimentary Human Resource practices need to be implemented taking employees as ‘business partners’ (Holbeche, 2001). Holbeche (2001) goes further to argue that the level of psychological resistance should not be underestimated.
Abilities to lead were shown as indicated by respondents in Focus Group Discussions although respondents indicated that these had a potential to be undermined by lack of motivation. The respondents indicated that the Ministry did not have adequate capacity and preparedness to execute strategy to achieve economic performance. Scenario 5 was mostly used by the Ministry faced with the problems in the period under review.

6.1.15 Zimbabwe Tourism Authority (ZTA)

Respondents in Zimbabwe Tourism Authority indicated that leadership did not show readiness both mentally, psychologically, attitudinally and physically in terms of understanding the mission, vision and objectives of the Authority as there was nothing in place to counteract effects of sanctions and other factors as well as to feed into the Ministry of Tourism and Hospitality Industry. Awareness was shown in the knowledge of internal and external environments that would affect performance though they came late in terms of implementation. Respondents also indicated that awareness was compromised in terms of the seeming role conflict between ZTA and Zimbabwe Council for Tourism.

Leadership also showed some willingness to work with the human resources available to achieve economic performance avoiding human factor decay and abilities to lead were shown as indicated by respondents in Focus Group Discussions. The respondents indicated that ZTA did not have adequate capacity and preparedness to execute strategy to achieve economic performance. Respondents said that initially, ZTA used Scenario 1, where it appealed to the Government through the Ministry of Tourism and Hospitality Industry for intervention. As time progressed and tourism and hospitality performance remained poor, Scenario 2 was employed by organisations registered by the Authority but they fled from the problem area and became multi-national firms, some downsized others closed down. Assessing respondents’ comments, Scenario 3 was also employed where something or someone was blamed for poor tourism performance and different levels of maturity were shown with regards to approach to this problem. Scenario 4 was grudgingly accepted as God given. Scenario 5 was mostly used by ZTA faced with the problems of the poor performance of the tourism and hospitality sector.
6.1.16 Zimbabwe Council for Tourism

Respondents in indicated that leadership did not show **readiness** both mentally, psychologically, attitudinally and physically in terms of understanding the mission, vision and objectives of the Council as there was nothing in place to counteract effects of sanctions and other factors. Some level of **awareness** was shown in the knowledge of internal and external environments that would affect performance though they came late in terms of implementation. Respondents indicated that structure did not show clear lines in terms of communication with Government. Respondents indicated that the Council did not use its teeth sufficiently. Leadership also showed some **willingness** to work with the human resources available to achieve economic performance avoiding human factor decay. **Abilities** to lead were shown as indicated by respondents in Focus Group Discussions. The respondents indicated that the Council did not have adequate **capacity** and **preparedness** to execute strategy to achieve economic performance. **Scenario 1**, where the Council appealed for assistance through the Ministry, was used. When no immediate results were obtained, **Scenario 2** was employed individually by organisations that fell under the Council.

Some organisations downsized, others closed units within their portfolio and others fled from the problem area and used a combination of these as indicated through usage of **Scenario 5**. **Scenario 5** was mostly used by the Council faced with the problems of tourism and hospitality sector’s poor performance. **Scenario 3** was also employed as indicated by respondents and the blame game started further splitting the tourism and hospitality sector. Some organisations represented by the council adopted partly, **Scenario 4** and accepted what the industry was going through as God given.

6.1.17 African Sun Limited (ASL)

Respondents in ASL indicated that leadership showed **readiness** both mentally, psychologically, attitudinally and physically in terms of understanding the mission, vision and objectives of the Group to counteract effects of sanctions and other factors. **Awareness** was shown in the knowledge of internal and external environments that would affect performance through the attempting strategy and structure “fit”.
Leadership also showed willingness to work with the human resources available to achieve economic performance, avoiding human factor decay through the re-launch of Hospitality Training Academy and employment of highly qualified trainers. Huselid, Jackson and Schuler (1997) argued that technical Human Resources Management focused on building a company’s performance, while strategy created competitive advantage by building Human Resources systems which could not be imitated like those of African Sun Limited. Strategic Human Resources Management therefore has a clear focus on implementing strategic change and growing the skill base of the organisation to ensure that the organisation can compete effectively in the future. Indeed, Stroh and Caligiuri (1998) suggest that strategic Human Resources departments are future-oriented and operate in a manner consistent with the overall business plan in their organisation as indicated by respondents in African Sun Limited.

Abilities to lead were shown as indicated by respondents in Focus Group Discussions. The respondents indicated that the Group did not have adequate capacity and preparedness to execute strategy to achieve economic performance, the resources were stretched. **Scenario 1** was initially used where the Group appealed to ZTA, ZCT and the Government through Ministries. As this was seen to be a temporary measure that did not yield required results. **Scenario 2** was then adopted, where the Group fled from the problem area and expanded into the region. **Scenario 3** was also employed by the Group where there was blaming of someone or something. Respondents agreed that in a way for operations in Zimbabwe, **Scenario 4** was then adopted where the Group accepted the blame as God sent punishment and waited to face what-ever consequences would come. Thus ultimately **Scenario 5** was mostly used by the Group faced with the problems during the period under review.

### 6.2 Analysis of the Findings

The performance effects of strategy, structure and significant other factors were assessed by the use of scatter graphs. One scatter graph was constructed for each enterprise. The scatter graph, determined the correlation between strategy, structure and significant other performance drivers and the line of best “fit” was taken to represent EP. The scatter graphs were drawn for each case, using scores awarded to questions pertaining to each construct in Questionnaire 2. Scatter graphs permitted a replication of logic where the 5 cases were treated as a series of independent experiments that confirmed or disconfirmed emerging concepts in sight giving empirical grounding to the study.
Respondents were asked to consider the twenty-five statements and respond to each. Within each construct of: Structure, Strategic Behaviour, Learning Organization, 12 pillars to positive EP and Socio-political forces, each had a score of 10. The score out of 10 measured the relatedness of the variables to the current strategy. These were then used to plot a graph. The graph-demarcated sub-sectors within the main sector e.g. the outcome structure contained 5 questions representing the subsections. The score for each construct was then plotted on the graph thereby constructing a scatter graph. The line of best ‘fit’ was then drawn to represent the degree of “fit” of strategy, structure and the influence of significant other performance drivers on each sector. The scatter graphs enabled the researcher to see whether there was any pattern among the points in terms of the strategy, structure and significant other performance drivers relationship in relation to the performance of an organisation, whether profit-making or non-profit making. The more distinct the pattern, the more closely the variables were related in some way.

6.2.1 Determinants of Economic Performance in the Organisation

a) Construct: Current Structure is a result of the current strategy for the 5 Cases.
Figures 6.10, 6.11, 6.12, 6.13 and 6.14 above show the structure construct. Respondents indicated that the current structure was as a result of current strategy as illustrated in Figures 6.11, 6.11, 6.12, 6.13 and 6.14 above.
This supports the literature review that like the left foot follows the right, structure follows strategy. Q1 refers to question 1 where respondents strongly agreed that the current organisation structure was as a result of the current strategy. This empirical finding for the 4 cases, that is Ministry of Environment and Natural Resources, Ministry of Tourism and Environment, Zimbabwe Tourism Authority and African Sun Limited supports the literature in Chapter 2 and 3 that strategy and structure “fit” underpins studies on structure change, where structure is manipulated to achieve the desired strategic ends. This finding supports the SSEP model espoused in Chapter 3, where initially there is a loose relationship between strategy and structure and over a distinguishable time-frame, an organisation exhibits a stable discernible configuration of strategy and structure behaviour characteristics relative and relevant to its context. Over a longer period of time due to significant other performance drivers, this discernible pattern is mitigated upon by disruptive and quantum leaps leading to new structural dimensions or configuration state of being as symbolised by the African Kitchen Hut Strategy and Structure Model. Figure 6.14 for Zimbabwe Council for Tourism, however, shows that Q1 refers to question 1, where respondents strongly agreed that there was an inverse relationship that the current structure was as a result of current strategy. This means that Zimbabwe Council for Tourism needs to rework on its structure to reflect the tourism and hospitality strategy that is to be implemented.

b) Construct: Structure – Current strategy influences staff to work in groups/teams as collective effort delivers preferred outcomes for the 5 cases.
Figure 6.16: Question 2, MT&HI

Figure 6.17: Question 2, ZTA

Figure 6.18: Question 2, ZCT
Figures 6.15, 6.16, and 6.19 show Q2 referring to question 2, where respondents strongly agreed that the current strategy influenced staff to work in groups and teams as collective effort delivered the preferred outcome for Ministry of Environment and Natural Resources, Ministry of Tourism and Hospitality Industry and African Sun Limited respectively. This empirical evidence supports the determinants to positive economic performance outcome which are the linchpin on effectiveness and performance of an enterprise through informal decision making, enhanced speed of decision making in reaction to the operating environment leading to critical decision making instead of deferring to them. This phenomena, encourages creativity allowing employees to discuss issues that would otherwise be un-discussable, enriching mental maps, avoiding frustration and positive energy accumulated increasing team commitment index thereby creating a platform for influencing employees channelling internal politics more effectively.

However, Figure 1.17, Zimbabwe Tourism Authority and Figure 6.18, Zimbabwe Council for Tourism show that respondents stated that there was an inverse relationship that made the current strategy influence staff to work in groups and teams as collective effort that delivered preferred outcome. This means that the alignment of strategy and structure was not to the expectation of the workforce and needed to be redressed.
c) Construct: Structure – Information and vertical processes allocate the scarce resources of funds and talents for the 5 cases.

Figure 6.20: Question 3, ME&NR

Figure 6.21: Question 3, MT&HI

Figure 6.22: Question 3, ZTA
Figure 6.20, Ministry of Environment and Natural resources, Figure 6.21, Ministry of Tourism and Hospitality Industry, Figure 6.23 Zimbabwe Council for Tourism for Q3 being question 3, show that there was a strong correlation between processes and allocation of resources. The processes interfacing with resources resulted in service to be consumed by the tourists, which necessitates a transfer of funds, thereby moving towards achieving a certain level of economic performance outcome. This finding confirms one of the fundamental functions of structure, which is, to confer the allocation of resources in order to implement a strategy to achieve a certain economic performance outcome. Respondents on Q3 agreed that information and vertical allocation of financial resources and talents as exhibited in Figures 6.20, 6.21 and 6.23 above were profitably utilised. However Figures 6.22, Zimbabwe Tourism Authority, and Figure 6.24, African Sun Limited for Q3 as illustrated above shows that there is a strong inverse correlation between processes and allocation of resources within ZTA and African Sun Limited. This means that the significant other performance driver, of process and allocation of resources in the two organisations need to be redressed.
d) Construct: Structure – Horizontal and lateral process are designed around the workflow for the 5 cases.
Figure 6.25, Ministry of Environment and Natural Resources and Figure 6.27, Zimbabwe Tourism Authority, for Q4 illustrated above show that there is also a strong inverse correlation between the horizontal and lateral processes in relation to workflow. This evidence indicates that the different departments in organisations are failing to work towards achieving a strategy. The concept of departmentalisation seems to be fragmenting the organisation resulting in the inverse correlation. However, Figure 6.26, Ministry of Tourism and Hospitality Industry, Figure 6.28, Zimbabwe Council for Tourism, and Figure 6.29, African Sun Limited in the same line of thought, respondents indicated that horizontal and lateral processes were designed around the workflow as shown above. Respondents in agreed that horizontal and lateral processes were properly designed around the workflow as illustrated in Figures 6.26, 6.28 and 6.29 above.
e) Construct: Structure – The reward system is congruent with the structure and process to influence strategic direction for the 5 cases.
The respondents indicated the rewards system in use was not favourable resulting in the workforce being demoralised and failed to positively influence the strategic change of the ministry. Respondents indicated that the reward system was not congruent with structure and process to influence strategic direction. Figure 6.32, Zimbabwe Tourism Authority, Figure 6.33, and Zimbabwe Council for Tourism above confirms that respondents indicated that there was a moderate correlation between reward system and the structure and process in relation to influencing the strategic direction.

The unending question of organisational performance as a result of strategy and structure “fit” prompted this study. Is there a possibility (proposition) that the extent to which strategy is aligned to structure determines the performance outcome of firms or organisations, if it does, to what extent does it do so, and in spite of the fact that it does, what else could influence the performance outcome of firms in the tourism and hospitality industry in Zimbabwe as an emerging nation? The results of the fieldwork, which was undertaken to test the workability of the African Kitchen-Hut Strategy and Structure Model (AKHSSM) in Chapter 3 page 124, show that the model works and the symbolic architecture and meaning of the African Kitchen-Hut Model (AKHSSM) as aligned to that of an organisation, is a clear testimony. The respondents structured the order to positive economic performance outcome (EPO) through the crafting of strategy, the architecture of an implementing structure, the subsequent influence of significant other performance drivers, i.e. SSSOPD model, the shaping of organisational performance through instruments such as the balanced scorecard to the physical structure and symbolic meaning of the African Kitchen-Hut Strategy and Structure Model. Performance in an organisation through a robust organisational architecture model which exploits the rich African cultural heritage has gained momentum among latest researchers such as Madzivire (2003), Mbigi (2000) etc.

Looking at the results of the fieldwork, based on the six outcomes of control, connection, creativity, commitment, coordination and competence as well as the five constructs of structure, strategic behaviour, learning organisation, 12 pillars to positive economic performance and socio-political forces, performance of an organisation is mainly driven by strategy, structure, and the performance management tool in use by an organisation. Strategy is seen as a process of transformation of an organisation premised on discernible behaviour over time. Over a distinguishable timeframe, an organisation exhibits a stable, discernible configuration of behavioural (strategy and structure) characteristics relative and relevant to its context, i.e. ministries, tourism bodies or profit making organisations.

Over an even longer period, this discernible pattern of stability is mitigated upon by disruptive and quantum leaps leading to a new configuration or state of being as that depicted pakupfirimira zvakare imba, kudzira mumba, kurova choto and the continuous refurbishment and polishing of chikuva.
These discernible successive states of configuration, as shown in Table 6.37 on page 289, engender a regenerative sequence of patterns which could collectively describe an organisational life cycle. The call and mandate for strategic management intervention is therefore to strive for management and mitigation of the potentially degenerative and disruptive impact of these cycles to maintain stability, while recognising the need for inevitable transformation in its own right. Such mitigation can find expression through reinforcing or holding back on formal planning (matura), systematic analysis (positioning of African Kitchen utensils), cooperative learning (matare), collective cognition (kuronga mapfihwa pachoto), politicking (zvituru, zvigaravakwati, zvikumba) etc., each for its own time, matched to its context and situation.

Structure or configuration of an organization, maybe understood on two levels, firstly, it gives you, physically, how something is constituted, showing all its dimensions, secondly, structure maybe abstract in its meaning. Significant, is that structure has meaning that we are concerned with in terms of its translation to fulfil the objectives of an organisation linking with performance and in what way. Strategy, structure and performance need to be linked in harmony to fulfil the objectives of a company much like what is symbolised by the African Kitchen-Hut Model (AKHM). Strategy implies implementation through people, structure is practical and abstract and implies people. The meaning of strategy and structure confer meaning to affect results in an organisation. Strategy, structure and performance must compliment each other. They must adhere to the “tin openers” so that there is no discord.

People, as implied in the structure give meaning in that people give meaning to positions, jobs and tasks that have to be performed in the organisation. An organisation structure defines how job tasks are formally divided, grouped and coordinated.

Robbins (2005) posits that there are six key elements that managers need to address when they design their organisation’s structure and these are: work specialisation, departmentalisation, chain of command, span of control, centralisation and decentralisation and formalisation and this is akin to structuring of mbariro ne nhungo in the African Kitchen-Hut Strategy and Structure Model (AKHM). Each mbariro has a role to play and are complimentary to each other.
If one breaks the “unison” effect is affected. *Mbariro* are well chosen. *Mbariro yemumadziro*, the base, supports *denga remba*, thereafter, *mbariro* are arranged in sequence and in size *kusvika pachisuvi*. They are all linked, just like people, to produce the right performance required by the organisation through its strategy. Each concept gives meaning to strategy and performance. *Gavi* used to bind the *mbariro* and *nhungo* together is akin to organisational culture. *Mbariro* equates to *vanhu* (people in an organisation). *Vanhu* just like *mbariro*, remain in chosen positions that are well understood until the organisation is ready to transform again. These positions are relational e.g. the Chief Executive Officer to other workers. *Mbariro* gives meaning of positions vis `a vis other positions. One can occupy geometric space but that does not matter, what matters in strategy and structure “fit” are the occupants of geometric space and their anthropic space. Anthropic space refers to *unhu*, *ubuntu* that will make a leader drive an organisation to achieve positive economic performance outcome (Mararike, 1999).

Unfrozen, the configuration becomes fluid again, open and susceptible to environmental transaction much like a statement of source and application of funds and takes the entity to the next ‘snapshot’ view, which is the next stage of the transformative process as shown in Figure 6.35 on page 288. All organisations eventually under go conditions that threaten their very existence, eventually, most of them succumb. What distinguishes the world religions is that they have found ways to sustain themselves through these changes (Mintzberg and Westley, 1992) much like *kugaranhaka*. The African Kitchen-Hut Strategy and Structure Model (AKHSSM) is designed to achieve the “integrated approach” to strategic management for an organisation that requires a re-alignment of strategy, structure, significant other performance drivers and economic performance outcome. Each person has a role to play in the kitchen without the presence of visible supervision. If one person does not function, the functioning of the African Kitchen-Hut is stifled. The “unison” and interaction of people in their day-to-day work is a sign of “fit”.

Like the African Kitchen-Hut Strategy and Structure Model (AKHSSM), Strategy, Structure, Significant Other Performance Drivers (SSSOPD) calls for interaction and interdependence so as to successfully achieve positive economic performance for the tourism and hospitality industry.
If “unison” does not exist among all the levels in an organisational structure and stakeholders, the focus of the African Kitchen-Hut Strategy and Structure Model (AKHSSM) is defeated, change is difficult to implement and economic performance outcome would not be enhanced.
Figure 6.35: African Sun Limited Transformational Stages

### Table 6.37: Organisational Transformation Stages and Characteristics

<table>
<thead>
<tr>
<th>Stage</th>
<th>Characteristic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development</td>
<td>i. Taking and firming up on strategic position;</td>
</tr>
<tr>
<td></td>
<td>ii. Organisation architecture using the African Kitchen-Hut Model;</td>
</tr>
<tr>
<td></td>
<td>iii. Hiring; and</td>
</tr>
<tr>
<td></td>
<td>iv. Systems setting.</td>
</tr>
<tr>
<td>Stability</td>
<td>i. Fine-tuning strategy and structure.</td>
</tr>
<tr>
<td></td>
<td>ii. ‘Fit’ of strategy and structure</td>
</tr>
<tr>
<td>Adaptation</td>
<td>i. Incremental/marginal changes in strategy and structure.</td>
</tr>
<tr>
<td></td>
<td>ii. Significant other performance drivers.</td>
</tr>
<tr>
<td>Struggle</td>
<td>i. Groping for a new sense of being/direction.</td>
</tr>
<tr>
<td></td>
<td>ii. Significant other performance drivers.</td>
</tr>
<tr>
<td>Revolution</td>
<td>i. Rapid, quantum transformation of a variety of characteristics concurrently.</td>
</tr>
</tbody>
</table>

Source: Adapted from Mintzberg, 1992.

Interaction and interdependence will certainly resurface amongst levels of the organisational structure, organisational architecture, and organisational transformation and usher in the much needed “unison” which is the focus of the African Kitchen-Hut Strategy and Structure Model (AKHSSM). This will spearhead a conducive-work environment that will facilitate the successful implementation of strategy, dealing with significant other performance drivers to achieve positive economic performance outcome. With the condition that has presented itself from the results of the fieldwork, it is far-sighted to maximise it in order to make the unison prevail on strategy, structure, significant other performance drivers (SSSOPD). Unison is the foundation of the effective working of the African Kitchen-Hut Strategy and Structure Model. Results of the field work show that strategy and structure “fit” is the linchpin to performance. The poor performance of the tourism and hospitality sector can be narrowed if not totally
bridged by first addressing the issue of *ade idem* (meeting of minds) of the tourism strategy and its subsequent implementation so that there is harmonisation cascading from ministries down to public and private operators.

### 6.4 Conclusion

The study has specified the links between strategy, structure and significant other performance drivers in relationship to firm economic performance. At individual cases, construct level, strategy and structure “fit” was found to be positively linked to firm economic performance outcome. Economic performance outcome was also found to be a function of significant other performance drivers. The agitation towards “fit” by organisations whether they are profit or non-profit oriented was seen through the performance measurement tool in use, i.e. Balanced Scorecard and the use of Results-Based Management Systems (RBMS). Each of the five cases presented in the study have varying degrees of success. The better performing entrepreneurial leading organisations see the need to strategize and align structure to strategy while the low performers argue that because of the dynamism of the environment, there is no need to undertake this process. Strategizing has helped the better performers to remain focused, incorporate significant other performance drivers and work towards the gradual transformation of their firms to attain positive economic performance. The better performers also have obvious managerial weaknesses. They have an erroneous short-term and ad hoc approach to strategic management, where they perceive the operating environment to be hostile yet this hostility is part and parcel of strategic management depending on one’s approach to strategy crafting. The firms in this study have survived the critical years of Zimbabwean sanctions era indicating that they have potential for eternal survival in business.

Chapter 7 will deal with recommendations and conclusions.
Chapter 7

Conclusions and Recommendations

7.0 Introduction

This Chapter summarises the research on the critical analyses of the “fit” between strategy and structure as a determinant of economic performance in the tourism and hospitality industry. The recommendations are guided by the literature review, the African Kitchen Hut and Strategy and Structure Model, the research findings and analyses made. Areas of further research are identified.

7.1 Summary

This study was initiated to conduct a critical analysis of the “fit” between strategy and structure, (framework) as a determinant of economic performance in the Tourism and Hospitality Industry in Zimbabwe. In order to attain its objectives, the study was guided by the conceptual framework as presented in Chapter One, The African Kitchen Hut Strategy and Structure Model (AKHSSM) and the Strategy-Structure-Economic Performance model as derived from the AKHSSM presented in Chapter Three. This study looked at five cases: Ministry of Environment and Natural Resources, Ministry of Tourism and Hospitality Industry, Zimbabwe Tourism Authority, Zimbabwe Council for Tourism and African Sun Limited as presented in Chapter 5. The conceptual framework and model were as a result of the researcher’s propositions advanced to explain the alignment of structure to strategy in order to attain a certain level of performance in an organisation. The underlying supposition of the conceptual framework and model is that the strategy and structure ‘fit’ has a huge impact on the results of an organisation, be it profit or non-profit oriented. The model further proposes that economic performance
outcome is further influenced by significant other performance drivers. The major contribution of this study is that it is a ground-breaking investigation of these relationships to be conducted in Zimbabwe.

7.2 Conclusions
The study developed the thesis that economic conceptualizations of the firm are embedded in the “fit” of strategy and structure. Michael Porter (1985) expressed that the reason why firms succeed or fail is perhaps the central question in strategic discourse. Thus the source and mechanism of persistent firm differentials lies in the “fit” of strategy and structure i.e. “there is a positive relationship between strategy and structure, and the tighter the relationship, the more positive the economic performance outcome in firms, and that there is a positive relationship between strategy and structure for economic performance to occur is well documented and accepted, but the relationship is understated” or taken for granted.

The strategy-structure “fit” and significant other performance drivers confer a firm, sources of profit differentials as compared to that of a rival firm such as the production function, governance structures, nexus of contracts and pool of resources and the coalition of diverse interests.

A “fit” of strategy and the resources that an enterprise possesses, reduces the “gap” of what management would like to do and what they can do in firm economic performance. This maybe referred to as “the gap analysis,” as reflected in Figure 3.5 on page 137, Strategy-Structure-Economic Performance Relatedness (SSEP). The “gap analysis” will identify for management those resource aspects that maybe lacking and that will have to be rectified if opportunities are to be realized or threats are to be successfully fought of. As the alignment of structure to strategy and significant other performance drivers is being done, there is a positive incremental change in performance of an enterprise due to the “fit” or “intimacy” between strategy and structure.
Needle (2000) argues that a particular structure emerges to maximize the opportunities and to solve problems created by various influences. As a structure emerges, a loose relationship between strategy and structure develops and then evolves to where strategy and structure “merge” as illustrated in Figure 3.5 on page 137 – resulting in a “cone-shape” and at the point of the cone, is where there is “strategy – structure fit” resulting in high levels of performance akin to symbolic meaning of *chiruvi* on the African Kitchen-Hut Figure 3.1 on page 129.

As the strategy and structure gravitate to a ‘fit’ there is incremental positive economic performance as reflected by the escalating Economic Performance (1-10 points). Figure 3.5 on page 137 is illustrative of a positive change in Economic Performance due to changes in ‘fit’ of strategy and structure.

The persistent firm performance differentials lies in what is expressed by Leo Tolstoy (1942:74) as, “…the product of mass and some unknown x…that unknown quantity is the spirit …is the factor which multiplied by mass gives the resulting force.” By implication the strategy-structure “fit” together with significant other performance drivers, results in a certain level of economic performance outcome (EPO). Thus the study draws on Strategy-Structure-Significant Other Performance Drivers Paradigm in creating and sustaining superior economic growth, economic profits and overall economic performance outcome (EPO) of the firm in the tourism and hospitality sector.

This validates the proposition that, “…the relationship between strategy and structure is not as simplistic as usually postulated, there are a number of significant other performance drivers” such as strategic behaviour, the learning organization, 10 pillars of business success and socio-political factors.
The lack of “fit” of strategy-structure and failure to take cognizance of significant other performance drivers, leads to:

1. Barriers to achieving positive firm economic performance
2. Barriers to imitation
3. Market sluggishness
4. Bounded rational decision makers
5. Path dependencies and

Thus Strategy, Structure and Significant Other Performance Drivers are about creating value in production and commerce. Production creates value by the physical transformation of goods and services that are more valued by consumers.

Commerce creates value by repositioning goods and services in space and time to achieve stable economic performance outcomes.

7.3 Recommendations

The recommendations for the Tourism and Hospitality Industry are based on objectives of the study, review of literature, research findings and data analysis and the afore-said industry is urged to try and improve on the following factors:

7.3.1 Strategy and Significant Other Performance Drivers (SOPD)

i. The use of the African Kitchen-Hut Strategy and Structure Model (AKHSSM) advocates for ‘unison’ and proffers an integrated approach to strategy formulation and organisation architecture which takes cognisance of values of African people’s value systems and sociological background. The model offers a holistic approach to strategy formulation and the implementing structure as well as taking cognisance of significant other performance drivers for overall positive economic performance to be attained in the tourism and hospitality sector from support departments through to profit-making points. There is need to revisit strategy formulation and incorporate the “10 Schools of Strategic Thought” that would
encompass everything, taking cognizance of significant other performance drivers and usage of the AKHSSM. That would enable one to utilise the positives in the 10 schools of strategic thought (Appendix 10 on page 370).

ii. There is lack of authenticity of the Zimbabwean tourism and hospitality product, cultural heritage in the tourism product and usage of the AKHSSM that ensures that this critical and differentiating factor is taken cognisant of.

iii. Organisations should move from geometric space occupation concept to anthropic space concept.

iv. In order to achieve better performance, organisations should concentrate on the human factor competences.

v. A strategy to give tax incentives for both public and private organisations in the tourism sector, including training institutions, should be introduced to stimulate growth. Customs and exercise duties on items used by both training institutions (private and public) and the tourism industry at large, should be reduced in order to stimulate growth.

vi. Registration of tourism operators should be made simpler and more accessible to promote growth and indigenisation.

vii. The design of the organization (structure, processes and culture) should be determined by the company’s chosen strategy as well as other significant performance drivers.

A practical approach to organization design should be to identify the principal outcomes (Economic Performance Outcome) that a design can deliver, and then prioritize these in the light of a company’s strategy.

viii. Strategies crafted should clearly define revenue streams and reduce Ministries’ and tourism bodies’ overdependence on the fiscal budget.

ix. Development of a National Tourism Strategic Plan that will be crafted through incorporation of industry players through Zimbabwe Tourism Authority (ZTA) and Zimbabwe Council for Tourism (ZCT).

x. Development of holistic, integrated approach and implementation of cost effective marketing strategies which are based on market and marketing research and segmentation analysis in each of the tourist countries is very critical. Destination
marketing of Zimbabwe should be the responsibility of ZTA. The reality is that ZTA is underfunded and under resourced.

If a coordinated national marketing plan is to be produced industry-wide, must play its part through ZCT (their mother body).

xi. Visa requirements should be relaxed for citizens of regions with which the Republic of Zimbabwe has preferential treaty or protocol, and in tandem, the Zimbabwean Government is needed to move with speed with regards to the visa regime that is crippling movement of tourists into the country where the bulk of traditional markets are in Category B, the targeted markets are in Category C which should be upgraded to Category B for competitive purposes. Zimbabwe’s competitors in the SADC region as espoused in Chapter 5 who target the same markets as the former, who are also part of multi-destination packages, adopt a visa exemption policy specifically for the United Kingdom, United States of America, Germany, China, Japan and BRIC (Brazil, Russia, India and China) which are the current leaders in outbound tourism.

xii. Development of facilities to include catering for the domestic market needs to be urgently addressed as the domestic market has potential to anchor tourism performance as reflected in successful countries like South Africa and Kenya espoused in Chapter 2.

xiii. There is need to promote the development of a national tourism and recovery plan incorporating environmental and consumer guidelines. Policy remains the prerogative of Government through the Ministry of Environment & Natural Resources and Ministry of Tourism and Hospitality Industry. The private sector, through ZCT should also have substantial input into the planning process that is desperately necessary if the pitfalls so evident in tourism and hospitality industry elsewhere in the world are to be avoided in Zimbabwe. The structuring and roles of this sector need a clear enunciation.

xiv. Tourism and Hospitality Industry requires the support of efficient transport systems which involve air, rail, water and road. Over the past years, the sector has not been able to upgrade its transport systems and as a result, the quality and
capacity of the system have been compromised and the support ministries urgently need to attend to this.

xv. There are many areas across the country which have great tourism potential but have remained underdeveloped due to lack of appropriate knowledge and initiatives by local communities. The indigenisation strategy needs to be scaled up. Training for local communities should be undertaken under clear structures and ministry.

xvi. With regards to the above, there is need to promote Zimbabwe as Africa’s leading GREEN destination. The GREEN movement and organic food is rapidly gaining momentum internationally. Zimbabwe, through the Ministry of Environment and Natural Resources, has a proud record in conservation and environmental management. An opportunity exists to gain substantial international exposure and prestige by positioning the country as Africa’s leading GREEN destination as the environment is Zimbabwe’s main ‘raw material.’ Tourism operators should be encouraged to adopt sustainable tourism.

xvii. Diversification strategy needs to be employed to take advantage of business opportunities proffered through the Land Reform Policy and indigenisation as Zimbabwe has vast natural and cultural resources which allow for rapid growth for the tourism and hospitality sector in Zimbabwe.

xviii. The tourism and hospitality industry should actively support regional tourism initiatives based on SADC Protocol on Tourism and Regional Tourism of Southern Africa (RETOSA) in order to market and promote tourism in the region.

xix. United Nations World Tourism Organisation (UNWTO) indicated that tourism trends from Africa are not timeous and accurate. It is therefore recommended that ZCT together with ZTA lock horns in on tourism trends since they are vital in measuring performance of the industry nationally, regionally and globally. A system should be developed to improve the collection and processing of statistics, which play a fundamental role in planning and policy formulation.

xx. The preparation of a Tourism Master Plan should be actively pursued with the proposed guidelines acting as catalyst for this development.
xxi. Information and Communication Technology (ICT) programmes and initiatives should move in tandem with those that are there regionally and internationally to facilitate processes such as reservation systems and banking.

xxii. Banking and financial policies have made it difficult for the tourism businesses to access credit and the overall marketing and promotion of the tourism development in Zimbabwe. The financial policies need to be looked at in tandem with indigenisation and resourcing of the tourism sector. This will facilitate the refurbishment and in some cases development of infrastructure to cater for the world-wider-market. The banking and finance sectors should move with speed to allow usage of plastic money for the international tourist.

xxiii. The Government of National Unity (GNU) should ride on the wave and market tourism to counter the intense negative publicity locally, regionally and internationally that Zimbabwe went through since tourism is “everyone’s business.” This will deal with the element of significant other performance drivers inclusive of: prevalence of corruption; economic mismanagement, lack of adequate food security, loss of bread basket status for the region, failure to maintain infrastructure, shortage of energy and fuel, conclusion of the Land Reform Programme, decline of health delivery system, enforcement of economic sanctions against Zimbabwe by the European Union and the United States of America as espoused in Chapter One and Chapter Three.

xxiv. Zimbabwe should be rebranded modelling it to the African Kitchen-Hut Model, to counteract the negative image that the destination was no longer secure for tourists and investors.

xxv. The National Tourism Development and Marketing Strategy which details Zimbabwe’s marketing objectives as derived from the country’s vision and strategic intent should be spearheaded through the Minister of Tourism and Hospitality Industry’s Office and implementation could then be delegated ZTA. The National Tourism Development and Marketing Strategy had been developed within the framework (structure) of National Economic Development Priority Programme (NEDPP, 2006). This national economic blueprint underlines the
importance of the tourism sector in the overall economic turnaround programme and should be driven from the highest office as opposed to what is currently on the ground.

xxvi. ZTA and ZCT should be seen to be taking leading roles on branding Zimbabwe as a tourist destination and this will include the contentious issue of tourism products pricing.

xxvii. Implementation, monitoring and assessment of Zimbabwe’s tourism strategies and structures through the Ministry of Tourism and Hospitality Industry with the usage of an instrument should be agreed upon.

xxviii. The profile of the tourism and hospitality sector has grown lower over the past years. The importance of tourism and what the stakeholders are doing to develop the industry must be promoted not only to members of the sector but also to tourists, the public and potential investors. Usage of the AKHSSM’s “unison” effect will be of great benefit locally, other emerging nations and internationally as it gives a distinct African flair which is authentic to the tourism industry and strategic management approach.

xxix. The Government of Zimbabwe has a mandate to sponsor training in higher education institutions of learning through ZTA and ZCT. Of contention, is that the curriculum in tertiary institutions lags behind industry trends to an extent that industry feels that the trained student from tertiary institutions becomes inappropriate for industry’s initiative.

### 7.3.2 Structure

i. Re-engineer the Chief executive officers, managers and shop floor workers. For better economic performance outcome (EPO) to be attained, the role of management has to change significantly and paradoxically. The quality, practice and relevance of processes provided to workers will need to improve significantly in order to meet customer needs profitably. Continuous development and improvement of the human resources in Tourism and Hospitality sector should be undertaken as it is the quality of the experience delivered by human resources that
ultimately determine the true quality of the Zimbabwean tourism experience as symbolised in Figure 3.1 page 129.

ii. The well-being of employees in the tourism sector should be critically examined. Chaneta (2006) posits that there is need to provide a basis for a rational and equitable salary structure by systematically describing and analysing jobs thereafter evaluating and defining levels of job demands in basic functional terms. Job evaluation provides the most rational basis on which the different types of jobs and salary scales maybe equitably compared and/or integrated. It is also advocated that collective bargaining on matters relating to salaries, should be done. By supporting salary scales and grades with clear and concise definitions, the differences between grades are clearly established and this results in a reduction of disputes arising from job and salary comparison and obviates the need for protracted or fragmented negotiations on salaries for individual jobs in the tourism sector (Chaneta, 2006). This will reduce the brain drain occurring in the tourism and hospitality sector.

iii. Structuring of Government Ministries, their roles and duties need to be clearly delineated so that the support so necessary for the tourism and hospitality industry is implemented and monitored. Currently, for instance, there is no smooth entry and exit of tourists through immigration and customs control systems as their systems are not user friendly to allow for smooth movement of visitors.

iv. Ironing out of the seemingly role conflict in Ministry of Tourism and Hospitality and ZTA and role conflict between ZTA and ZCT so that a holistic tourism destination is unbundled as is symbolised by the African Kitchen-Hut Model.

v. There is need to clearly outline private sector structures that show and create appropriate communication channels with Government. To date, Government decisions with regards to tourism and hospitality development has been taken largely in isolation to that of the private sector. It may become easy to criticise the Government but the private sector’s strategy and structure “fit” is not at the “cone apex” and therefore should be put in order. The restructuring exercise should produce a truly representative body. Thereafter, it is vital that the consensus view of the tourism industry be communicated to Government on a regular basis.
vi. Lean teams of highly committed people who share the organization’s philosophies, values, beliefs and organizational goals to deliver consistently superior performance.

vii. Alignment of duties and responsibilities to strategies that an enterprise is adopting will reduce the “gap” between strategy and structure.

viii. Building boundary-less organizations in which everyone is responsible for economic performance outcome (EPO) instead of tightly defined departments and divisions.

ix. Enterprises should concentrate on relationship marketing so that people share a common mind-set.

x. Organizations should create a winning culture through upturned organizations that allows initiative instead of top-down organizations.

xi. Firms should create a performance ethic through teams.

xii. Strategic human resources management should be adopted by Human Resources Managers instead of human resources management only.

xiii. There is need for stronger Research & Development (R&D) units in service sector enterprises.

xiv. Intensive cultivation of “single field” organizations proves to be financially more successful than bold moves to un-chartered areas, but organizations should be aware that once that collapses, the firm dies.

xv. There could be shift to market structure as the service sector is imbued with buyers who have more power.

xvi. In organization development, mental maps should be developed, shared and enhanced. These should be developed from strategy-structure “fit” and significant other performance drivers.

xvii. Firms in the same sector need to develop industrial indexes on which economic performance outcome (EPO) can then be compared locally, regionally and internationally.

xviii. Design processes should be developed to cover strategy-structure- key processes-key people- roles and responsibilities- Information technology- performance
measures and rewards- training and development-career path and repeating the cycle as per need for better economic performance outcome (EPO) to be attained.

7.4 Areas for Further Research

This is probably the first research that has conceptualised the strategy and structure “fit” as well as the effect of significant other performance drivers, driving performance in the tourism and hospitality sector in Zimbabwe. Further research could be conducted focusing on:

1. How to increase synergy among similar service sector firms.
2. Research on furthering studies of the relationship between economics and strategy fields of management.
3. This research focused on cases from one industry in a country with several other industries. Strategy and structure “fit” and effect on firm economic performance may be researched on in other industrial sectors.
4. Branding of Zimbabwe as a tourist destination.
5. Relevant economic performance measure for the different industrial sectors and the industrial indexes to which economic performance outcome may be compared to.
7. Human factor competences in the tourism and hospitality industry.
8. Sociology of tourism and hospitality organisations with particular focus on geometric and anthropic space utilisation.
9. Examination of ecotourism in rural areas where the majority poor live while their surrounding with ecotourism and hospitality value remains unexploited.
10. Contribution of the poor majority from the rural areas to tourism and hospitality debates through optimisation of strategy, structure and significant other performance drivers in the tourism industry to enhance theoretical and practical quality of academic work.
11. Projection of the African Kitchen Hut Strategy and Structure Model to reflect the three scenarios in future on the nature of relatedness of strategy, structure and significant other performance drivers in 5-10 years to guarantee for initiatives on the practicalities of tourism and hospitality biased programmes for the rural and peri-urban communities in the foreseeable future to focus the attention of economic planners in Zimbabwe, Africa and Greater world rural communities.

**BIBLIOGRAPHY**


BBC: The Ruins at Great Zimbabwe http://www.bbc.co.uk/dna/h2g2/A21025513


Chowdhury S. (2000). Management 21 C: Someday We’ll All Manage This Way. Prentice Hall: London


Dr Prega R., Executive Secretary, SADC Secretariat. The Comparative Advantages of the SADC Region as an Investment Destination. SADC Trade, Industry and Investment Review 2003.


FDI and Development No. 4, New York and Geneva.


Findarticles.com/p/articles/mi_qa5427/is…/ai_n21390812/


Great Britain, Parliament, Parliamentary Debates (Commons), vol.770 (October 22, 1968), col. 2807, pp. 113-14.


http://www.treas.gov/offices/enforcement/ofac/comment.html.

http://www.experiencekenya.co.ke/ministrynsf/pages/tourism_associations


Lawrence, P. R and Lorsch, J. W. (1967). Organisation and Environment: Managing Differentiation and Integration. Harvard University, Graduate School of Business Administration, Division of Research: Boston, MA.


Ndamu, S. (2007), Low Ranking for Zimbabwe Tourism - Zimbabwe Standard
http://allafrica.com/stories/200703120023.html


New York Times, 13 June 1986, A1, A12; Massie 604-06)


Rhodesia Herald, April 20, (1972).

Rhodesia Herald, April 6, (1973).


Rhodesian Parliamentary Debates, Vol. 68, Column 27, July 20, 1967


SADC Secretariat, Prega R., Executive Secretary. (2003). The Comparative Advantages of the SADC Region as an Investment Destination. SADC Trade, Industry and Investment Review: SADC.


http://www.sokwanele.com/articles/economy/tourism.html

South Africa, Impact of Travel & Tourism on jobs and the economy, WTTC 2002


South African Reserve Bank Quarterly Review June 2005


The "Look East Policy" of Zimbabwe now focuses on China - Friedrich Ebert Stiftung (2004)


United Nations Document S/7761

United Nations Document S/7776


United Nations Document S/9844 Add 1, Annex II, p. 1

United Nations Document S/9844, p. 33


United Nations Documents S/7781 and Add 1 and 2; and S/8786 Annex II.


Zambia Travel Guide: Lake Kariba

Zimbabwe Economic Overview (2002)


Zimonline, Harare's Publicity Stunts will not work - Tafirei Shumba (2007)


### Appendices

<table>
<thead>
<tr>
<th>Appendix</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Appendix 1:</strong></td>
<td>Exemption of Visa Policy &amp; Current Visa Regime</td>
<td>342</td>
</tr>
<tr>
<td><strong>Appendix 2:</strong></td>
<td>Cover Letter and Questionnaires</td>
<td>345</td>
</tr>
<tr>
<td><strong>Appendix 3:</strong></td>
<td>Questionnaire 1: Organisation Analysis</td>
<td>347</td>
</tr>
<tr>
<td><strong>Appendix 4:</strong></td>
<td>Questionnaire 2: Determinants of Economic Performance in the Organization</td>
<td>350</td>
</tr>
<tr>
<td><strong>Appendix 5:</strong></td>
<td>Semi-structured Interview and Focus Group Discussion Guide</td>
<td>353</td>
</tr>
<tr>
<td><strong>Appendix 6:</strong></td>
<td>Questionnaire 3: Human Factor Competencies</td>
<td>356</td>
</tr>
<tr>
<td><strong>Appendix 7:</strong></td>
<td>Request to Study a Company</td>
<td>360</td>
</tr>
<tr>
<td><strong>Appendix 8:</strong></td>
<td>The “Case Method” Research Project Interview/Focus Group Discussion Consent Form</td>
<td>366</td>
</tr>
<tr>
<td><strong>Appendix 9:</strong></td>
<td>Request to be a Research Assistant</td>
<td>368</td>
</tr>
<tr>
<td><strong>Appendix 10:</strong></td>
<td>Schools of Strategic Thought</td>
<td>370</td>
</tr>
</tbody>
</table>
Appendix 1

Exemption of Visa Policy & Current Visa Regime

Visa Requirements Revised Regime

<table>
<thead>
<tr>
<th>Category A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Countries whose nationals do not require visas viz:</td>
</tr>
</tbody>
</table>
1. Antigua & Barbudua  
2. Aruba  
3. Bahamas  
4. Baltze  
5. Botswana  
6. Cayman  
7. Congo (DRC)  
8. Cyprus  
9. Grenada  
10. Hong Kong  
11. Hong Kong (China)  
12. Jamaica  
13. Kenya  
14. Kiribati  
15. Leeward Isle  
16. Lesotho  
17. Malaysia  
18. Malawi  
19. Maldives  
20. Malta  
21. Mauritius  
22. Montserrat  
23. Namibia  
24. Nauru  
25. Barbados  
26. Samoa Western  
27. Singapore  
28. Solomon Isl  
29. St Kritts  
30. St. Lucia  
31. Vincent & The Grenadies  
32. Swaziland  
33. Tanzania  
34. Togo  
35. Trinidad & Tobago  
36. Turk & Caicos Isl  
37. Tuvalu  
38. Uganda


### Category B

Countries whose nationals are granted visas at the port of entry on payment of the requisite visa fees viz:

1. Argentina  
2. Austria  
3. Australia  
4. Belgium  
5. Bermuda  
6. Brazil  
7. Britain UK***  
8. Brunei  
9. Canada***  
10. Cook Islands  
11. Denmark  
12. Dominic Rep  
13. Egypt  
14. Finland  
15. France  
16. Germany  
17. Ghana*  
18. Greece  
19. Indonesia  
20. Iceland  
21. Ireland  
22. Israel  
23. Italy  
24. Japan  
25. Korea (South)  
26. Kuwait  
27. Leithenstan  
28. Luxembourg  
29. Monaco  
30. Netherlands  
31. New Zealand  
32. Norway  
33. Palau Island  
34. Palestine (State of)  
35. Papua New Guinea  
36. Poland  
37. Portugal  
38. Puerto Rico  
39. Seychelles  
40. Sweden  
41. Switzerland  
42. United Arab Emirates  
43. Uruguay  
44. USA  
45. Vatican  
46. Virgin Islands


### Category C

Countries whose nationals are required to apply for and obtain visas prior to travelling
| 1. Chile | 25. Georgia | 57. Morocco |
| 5. Congo (Brazzanille) | 29. Guinea | 61. New Caledonia |
| 8. Cote d'Voire | 32. Haiti | 64. Niger |
| 11. Czech Republic | 35. India | 67. Northern Maiana Isl |
| 12. Djibouti Rep | 36. Iran | 68. Oman |
| 14. Equator | 38. Jordan | 70. Panama |
| 17. Estonia | 41. Kyrgyzstan | 73. Philippines |
| 18. Ethiopia | 42. Laos | 74. Principe |
| 19. Eyrom | 43. Latvia | 75. Qatar |
| 20. French Guiana | 44. Lebanon | 76. ReUnion |
| 21. French Polynesia | 45. Liberia | 77. Romania |
| 22. French West Indies | 46. Libya | 78. Russia Fed |
| 23. Gabon | 47. Lithuania | 79. Rwanda |
| | 49. Madagascar | 81. San Marino |
| | 50. Mali | 82. Sao Tome |
| | 51. Mashall Isl | 83. Saudi Arabia |
| | 52. Mauritania | 84. Sierra Leone |
| | 53. Mexico | 85. Slovak Republic |
| | 54. Micronesia | 86. Slovenia |
| | 55. Moldova | 87. Somalia |
| | 56. Mongolia | 88. South Africa*** |
| | | 89. Senegal |
| | | 90. Sri Lanka |
| | | 91. Sudan |
| | | 92. Suriname |
| | | 93. Syria |
| | | 94. Tajikistan |
| | | 95. Taiwan |
| | | 96. Thailand |
| | | 97. Togo |
| | | 98. Tunisia |
| | | 99. Turkey |
| | | 100. Turkmenistan |
| | | 101. Ukraine |
| | | 102. Uzbekistan |
| | | 103. Venezuela |
| | | 104. Vietnam |
| | | 105. Yemen Rep |
| | | 106. Yugoslavia |

** Key
* Gratis visas for Ghanaians
** Gratis Visas at port of entry for South Africans
Bilateral Agreement
*** Visa fees charged on reciprocity basis.

Appendix 2

Cover letter & Questionnaires
Dear Respondent

RE: Thesis Questionnaire

I am a DPhil student at the University of Zimbabwe and am conducting a research on “the critical analysis on the ‘fit’ between strategy and structure as a determinant of economic performance in tourism and hospitality industry” in emerging economies with special reference to Zimbabwe. The purpose of the study is to come up with a theory/model on strategy and organisational architecture that is suitable for Zimbabwean companies, in particular, and emerging nations in general.

Based on the experiences that your company has gone through since 1980, I have identified your company as one of the 10 that may contribute significantly to this study. The study involves collecting data through interviews, focus group discussions, observation, and from company documentation as well as media reports.

May you kindly fill in the attached questionnaire? All records relating to your company will be strictly confidential.

At the end of the study, I will present the findings and recommendations to your leadership team and provide them with a copy of the findings and recommendations.

Your assistance is greatly appreciated in advance.

Yours faithfully

___________________
Gladys Ruvimbo Ndoda
Student Number: R013498A.
Appendix 3

Questionnaire 1: Organisation Analysis

Questionnaire 1
Organization Analysis

Below you will find 30 statements. If you are a guest please answer questions: 2; 8; 14; 20; and 26. Employees of the organization should answer the whole questionnaire. Please score each one once using the scale on the right side of the page. The score reflects how true the statement is of the organization as it is now.

<table>
<thead>
<tr>
<th>SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
</tr>
<tr>
<td>0.5</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>1.5</td>
</tr>
<tr>
<td>2</td>
</tr>
</tbody>
</table>

1. The firm has just the right number of workers
2. The needs of our clients/guests are very well understood.
3. Creativity does flourish in the climate of the organization.
4. People really enjoy coming to work.
5. Best practice is quickly transferred from one part of the organization to another.
6. Learning is highly valued.
7. Costs are well controlled.
8. There is a very strong focus on customer service.
9. The organization’s reputation is such that it attracts highly creative people.
10. The workforce is highly committed to achieving organizational goals.
11. A great deal of the work is done in teams.
12. Our firm always expands its business & is built to last.
13. The organization has good systems for measuring performance.
14. Customer satisfaction levels are closely monitored.
15. New ideas are always welcome.
16. Our company has created an environment in which we all work together to a predetermined level of performance outcome.

17. Our organisation views its staff as an investment whom it needs to optimise by transforming their performance.

18. Knowledge is freely shared across organization.

19. Our organisation has a flatter structure and there is very little waste.

20. It is fair to say that the great majority of our clients/guests are delighted with our service.

21. The country’s perceived negative image has contributed to our performance.

22. Our management system is modernised.

23. The economic environment has impacted negatively on tourism performance.

24. Loss of bread basket status for the region, poor health care and infrastructure have contributed to poor tourism performance.

25. Sanctions enforced on Zimbabwe have a direct relationship to tourism performance.

26. We have a good relationship with our customers.

27. The organization changes its structure to suit strategy.

28. Our African historical origins influence how our organisation is built and how it functions.

29. Work flows smoothly through the different parts of the organization.

30. The standard of training is very high.
Appendix 4

Questionnaire 2: Determinants of Economic Performance in the Organization
This questionnaire has 25 statements. Please score each one once on the right page. The score measures the correlation of strategy, structure and significant other performance drivers to economic performance of your organization.

**MARK AWARDED**

<table>
<thead>
<tr>
<th></th>
<th>0</th>
<th>0.5</th>
<th>1</th>
<th>1.5</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1). The current organization structure is as a result of the current strategy.

2). Our current strategy influences staff to work in groups and/teams as collective effort delivers a preferred outcome.

3). Information and vertical decision process allocate the scarce resources of funds and talents.

4). Horizontal and lateral process are designed around the workflow.

5). The reward system is congruent with the structure and process to influence strategic direction.

6). Strategic Behaviour has given our organization a competitive advantage.

7). The market growth-share of our organization can be attributable to Strategic Behaviour.

8). Use of viable strategies enables the organisation to reduce costs and optimise the economic performance through Strategic Behaviour.

9). Our product is good that sells itself.

10). Our performance is attributable to the current environment.

11). Our organization learns only through individuals who learn.

12). People share mental models about economic performance in our organization.

13). Shared vision (destiny, cause and calling) is vital in our organization because it provides focus and energy for
the learning organization.

14). Systems thinking is practised in our organization in relation to structure, strategy, significant other performance drivers and economic performance.

15). The positive economic performance is attributable to practice, principles and essence of leadership.

16). There is re-engineering of the leader each time strategy changes.

17). Our organization is totally focused on achieving long-term success by building a visionary organization.

18). Success of our organization is owed as much to superior philosophies as to superior strategies.

19). There is collective knowledge in achieving ‘hard results’.

20). Communication is a tool used to achieve extraordinary performance.

21). Socio-political factors have contributed significantly to our performance.

22). Market targeting has not been enhanced by prevailing socio-political factors.

23). Situation analysis indicates that customer loyalty is negative due to current socio-political environment.

24). Our profits projections have taken into consideration that the socio-political factors may change.

25). There is a positive correlation between socio-political environment and our firm’s performance.
Appendix 5

Semi-structured Interview and Focus Group Discussion Guide

Semi-structured Interview Guide:
**Strategy:**

1. Describe the changes that have taken place in your company since 1980 to 2009.
2. What influenced the changes?
3. Who were the major players in those changes?
4. Does your company engage in strategy sessions? Who normally participates?
5. Did you receive any kind and quality of help that was needed for the strategic change?
6. Does your current strategy influences staff to work in groups and/teams?
7. How do you measure the implementation of your company’s strategy?
8. Has strategic planning given your company a competitive advantage?
9. Has usage of viable strategies enabled the organisation to reduce costs and optimise the economic performance?
10. Is your product good that sells itself?
11. Does your firm always expands its business & is it built to last?

**Structure:**

12. Is the current organization structure as a result of the current strategy?
13. Do the information and vertical decision processes allocate the scarce resources of funds and talents?
14. Are horizontal and lateral process are designed around the workflow?
15. Is the reward system is congruent with the structure and process to influence strategic direction?
16. Does your firm have just the right number of workers?
17. Does creativity flourish in the climate of the organization?
18. Do people really enjoy coming to work?
19. Are best practices quickly transferred from one part of the organization to another?
20. Is the organization’s reputation such that it attracts highly creative people?
21. Is the workforce highly committed to achieving organizational goals?
22. Is a great deal of the work done in teams?
23. Are new ideas always welcome?
24. Has your company created an environment in which you all work together to a predetermined level of performance outcome?
25. Do you think that our African historical origins influence how your organisation is built and how it functions?
26. Describe how your progress was assessed.

**Significant Other Performance Divers**

27. Highlight the factors that you think have affected tourism performance.
28. Are the needs of your clients well understood by everyone?
29. How does your organisation deal with your learning and growth?
30. What would you consider to be the pillars to your organisation’s performance?
31. Describe if, at all how the political and the economic environment has affected your own organisation’s performance.
32. Do you think that loss of bread basket status for the region, poor health-care, sanctions and infrastructure have contributed to poor tourism performance?

**Human Factor Competencies**

33. Comment on the leadership’s preparedness, readiness, awareness, willingness, abilities and capacity to deal with strategic issues and structure of your organisation.
34. Comment on aspects related to capability, honesty, fear of God and issue of bribes related to fellow workers and leadership.
35. What would be your comment on management with regards to servant leadership (blameless, integrity and staying away from evil)
Appendix 6

Questionnaire 3: Human Factor Competencies
This questionnaire is being used in a study to make an assessment of the strength, weaknesses, opportunities and challenges that your organization has at the moment. Below you will find 20 questions. Please answer them all. Where possible tick the correct answer.

1). The organization has a dynamic, experienced and dedicated staff.

………………………………………………………………………………………………………………

………………………………………………………………………………………………………………

2). Explain briefly your own assessment of your performance record.

………………………………………………………………………………………………………………

………………………………………………………………………………………………………………

3). On a scale of 1-100%, what is your relationship with the hospitality industry?

………………………………………………………………………………………………………………

………………………………………………………………………………………………………………

4). Relevant information is passed at the right time to all people concerned.

Yes ☐ No ☐

5). How motivated are you in discharging your duties?


6). Are the hotel room rates being charge realistic?

Yes. ☐ No. ☐

7). Are you adequately supported by the Government’s tourism strategy and structure?
8). Is the information and technology in use in tandem with industry trends?

9). Are the facilities being fully utilized?

10). Do you have adequate funds to purchase required equipment and commodities?

11). How often do you upgrade your staff’s skills?

12). Does your organisation attract and retain qualified staff? If so how?

13). Are there any initiatives and activities driven by staff? Explain.

14). Which goods and services do you provide and who consume them?

15). Are you able to plough back any income that you make?
16). Who are your major stakeholders?

………………………………………………………………………………………………………

17). Are you able to meet their demands?

………………………………………………………………………………………………………

18). Is change readily accepted by people in your organization?

………………………………………………………………………………………………………

19). Out of a score of 1-100%, how do you rate your strategy and structure relationship, what other factors are contributing to your performance?

………………………………………………………………………………………………………

20). Is your organization’s structure matching with the strategies that you have?

………………………………………………………………………………………………………

………………………………………………………………………………………………………
Appendix 7

Request to Study a Company
Faculty of Commerce
Graduate School of Management
P O Box MP 167
Mount Pleasant
Harare

11th November 2009

The Honourable Minister
Ministry of Environment and Natural Resources
The Government of Zimbabwe
Kaguvi Building
Harare

Dear Honourable Minister F. Nhema

**RE: Request to study the Ministry of Environment and Natural Resources**

I am a student at the University of Zimbabwe and am conducting a research on “the critical analysis on the ‘fit’ between strategy and structure as a determinant of economic performance in tourism and hospitality industry” in emerging economies with special reference to Zimbabwe. The purpose of the study is to come up with a theory/model on strategy and organisational architecture that is suitable for Zimbabwean companies, in particular, and emerging nations in general.

Based on the experiences that your company has gone through since 1980, I have identified your company as one of the 10 that may contribute significantly to this study. The study involves collecting data through interviews, focus group discussions, observation, and from company documentation as well as media reports. All records relating to your company will be strictly confidential.

At the end of the study, I will present the findings and recommendations to your leadership team and provide you with a copy of these findings and recommendations.

Your assistance is greatly appreciated in advance.

Yours faithfully

___________________
Gladys Ruvimbo Ndoda
Student Number: R013498A.

University of Zimbabwe
Faculty of Commerce  
Graduate School of Management  
P O Box MP 167  
Mount Pleasant  
Harare  

11th November 2009  

The Honourable Minister  
Ministry of Tourism and Hospitality Industry  
The Government of Zimbabwe  
Monomotapa Building  
Samora Machel Avenue/2nd Street  
Harare  

Dear Honourable Minister Muzembi  

RE: Request to study the Ministry of Tourism and Hospitality Industry  

I am a student at the University of Zimbabwe and am conducting a research on “the critical analysis on the ‘fit’ between strategy and structure as a determinant of economic performance in tourism and hospitality industry” in emerging economies with special reference to Zimbabwe. The purpose of the study is to come up with a theory/model on strategy and organisational architecture that is suitable for Zimbabwean companies, in particular, and emerging nations in general.  

Based on the experiences that your company has gone through since 1980, I have identified your company as one of the 10 that may contribute significantly to this study. The study involves collecting data through interviews, focus group discussions, observation, and from company documentation as well as media reports. All records relating to your company will be strictly confidential.  

At the end of the study, I will present the findings and recommendations to your leadership team and provide you with a copy of these findings and recommendations.  

Your assistance is greatly appreciated in advance.  

Yours faithfully  

Gladys Ruvimbo Ndoda  
Student Number: R013498A.  
University of Zimbabwe
Faculty of Commerce
Graduate School of Management
P O Box MP 167
Mount Pleasant
Harare

11th November 2009

The Chief Executive Officer
Zimbabwe Tourism Authority
The Government of Zimbabwe
Monomotapa Building
Samora Machel Avenue/2nd Street
Harare

Dear Mr K. Kaseke

**RE: Request to study Zimbabwe Tourism Authority**

I am a student at the University of Zimbabwe and am conducting a research on “the critical analysis on the ‘fit’ between strategy and structure as a determinant of economic performance in tourism and hospitality industry” in emerging economies with special reference to Zimbabwe. The purpose of the study is to come up with a theory/model on strategy and organisational architecture that is suitable for Zimbabwean companies, in particular, and emerging nations in general.

Based on the experiences that your company has gone through since 1980, I have identified your company as one of the 10 that may contribute significantly to this study. The study involves collecting data through interviews, focus group discussions, observation, and from company documentation as well as media reports. All records relating to your company will be strictly confidential.

At the end of the study, I will present the findings and recommendations to your leadership team and provide you with a copy of these findings and recommendations.

Your assistance is greatly appreciated in advance.

Yours faithfully

___________________
Gladys Ruvimbo Ndoda
Student Number: R013498A.
University of Zimbabwe
Faculty of Commerce  
Graduate School of Management  
P O Box MP 167  
Mount Pleasant  
Harare  

11th November 2009  

The Administrator  
Zimbabwe Council for Tourism  
Travel Centre  
Harare  

Dear Madam  

RE: Request to study Zimbabwe Council for Tourism  

I am a student at the University of Zimbabwe and am conducting a research on “the critical analysis on the ‘fit’ between strategy and structure as a determinant of economic performance in tourism and hospitality industry” in emerging economies with special reference to Zimbabwe. The purpose of the study is to come up with a theory/model on strategy and organisational architecture that is suitable for Zimbabwean companies, in particular, and emerging nations in general.  

Based on the experiences that your company has gone through since 1980, I have identified your company as one of the 10 that may contribute significantly to this study. The study involves collecting data through interviews, focus group discussions, observation, and from company documentation as well as media reports. All records relating to your company will be strictly confidential.  

At the end of the study, I will present the findings and recommendations to your leadership team and provide you with a copy of these findings and recommendations.  

Your assistance is greatly appreciated in advance.  

Yours faithfully  

___________________  
Gladys Ruvimbo Ndoda  
Student Number: R013498A.  

University of Zimbabwe
Faculty of Commerce
Graduate School of Management
P O Box MP 167
Mount Pleasant
Harare

11th November 2009

The Chief Executive Officer
African Sun Limited
Crowne Plaza Monomotapa Hotel
54 Parklane
Harare

Dear Mr S. Munyeza

**RE: Request to study African Sun Limited**

I am a student at the University of Zimbabwe and am conducting a research on “the critical analysis on the ‘fit’ between strategy and structure as a determinant of economic performance in tourism and hospitality industry” in emerging economies with special reference to Zimbabwe. The purpose of the study is to come up with a theory/model on strategy and organisational architecture that is suitable for Zimbabwean companies, in particular, and emerging nations in general.

Based on the experiences that your company has gone through since 1980, I have identified your company as one of the 10 that may contribute significantly to this study. The study involves collecting data through interviews, focus group discussions, observation, and from company documentation as well as media reports. All records relating to your company will be strictly confidential.

At the end of the study, I will present the findings and recommendations to your leadership team and provide you with a copy of these findings and recommendations.

Your assistance is greatly appreciated in advance.

Yours faithfully

___________________

Gladys Ruvimbo Ndoda
Student Number: R013498A.
Appendix 8

The “Case Method” Research Project
Interview/Focus Group Discussion Consent Form

University of Zimbabwe
Interview/Focus Group Discussion Consent Form

I am a DPhil student at the above mentioned University and am conducting a research on “the critical analysis on the ‘fit’ between strategy and structure as a determinant of economic performance in tourism and hospitality industry in Zimbabwe.” It is important to listen to employees’ thoughts and feelings pertaining to changes that have taken place in their companies.

Based on your invaluable experiences in your company, I have identified you as an individual who can add value to this study. I am inviting you to participate in a one-on-one interview or focus group discussion that I will conduct.

The interview or discussion should take approximately two hours and will be scheduled at a place and time convenient to you this month.

Your decision to participate is completely voluntary.

All the records relating to the interview/discussion will be strictly confidential. Even though I am requesting that I tape-record the sessions, participants will be referred to by pseudonyms. I will hold all the raw data (tapes and transcripts) and will not distribute that data to any unauthorised person(s).

Further information on this study is obtainable from me on:

Mobile number: +263 914 346 178/11 917 010.

__________________________________________  _______________________________________
Researcher’s signature                              Participant’s signature

Date: ______________________  Date: ______________________
Appendix 9

Request to be a Research Assistant
University of Zimbabwe
Faculty of Commerce
Graduate School of Management

Request to be a Research Assistant

I am a DPhil student at the above mentioned University and am conducting a research on “the critical analysis on the ‘fit’ between strategy and structure as a determinant of economic performance in tourism and hospitality industry” in emerging economies with special reference to Zimbabwe. The purpose of the research is to come up with a theory/model on strategy and organisational architecture that is suitable for Zimbabwean companies, in particular, and emerging nations in general.

The study involves collecting data through interviews, focus group discussions, observations, and from company documentation as well as media reports.

All records relating to the ten companies will be strictly confidential. All participants and the company will be referred to by pseudonyms.

At the end of the study, I will present the relevant findings and recommendations to the leadership team of each company and provide them with a copy of these findings and recommendations.

Based on your experiences and your objectivity, I am requesting that you contribute significantly to this study as a research assistant.

Your role will be to bring a very different and possibly more objective eye to the evidence.

Your contribution will be acknowledged in the final document.

Looking forward to your support

Yours sincerely

___________________
Gladys Ruvimbo Ndoda
Student Number: R013498A.
Appendix 10

Schools of Strategic Thought
<table>
<thead>
<tr>
<th>School of Thought</th>
<th>Grouping</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. <strong>The Design School</strong></td>
<td><strong>The Objective Group</strong></td>
</tr>
<tr>
<td><em>Strategy formation as a process of conception</em></td>
<td></td>
</tr>
<tr>
<td>2. <strong>The Planning School</strong></td>
<td></td>
</tr>
<tr>
<td><em>Strategy formation as a formal process</em></td>
<td></td>
</tr>
<tr>
<td>3. <strong>The Position School</strong></td>
<td></td>
</tr>
<tr>
<td><em>Strategy formation as an analytical process</em></td>
<td></td>
</tr>
<tr>
<td>4. <strong>Entrepreneurial School</strong></td>
<td></td>
</tr>
<tr>
<td><em>Strategy formation as a visionary process</em></td>
<td></td>
</tr>
<tr>
<td>5. <strong>The Cognitive School</strong></td>
<td></td>
</tr>
<tr>
<td><em>Strategy formation as a mental process</em></td>
<td></td>
</tr>
<tr>
<td>6. <strong>The Learning School</strong></td>
<td></td>
</tr>
<tr>
<td><em>Strategy formation as an emergent process</em></td>
<td></td>
</tr>
<tr>
<td>7. <strong>The Cultural School</strong></td>
<td><strong>The Subjective Group</strong></td>
</tr>
<tr>
<td><em>Strategy formation as a collective process</em></td>
<td></td>
</tr>
<tr>
<td>8. <strong>The Power School</strong></td>
<td></td>
</tr>
<tr>
<td><em>Strategy formation as a process of negotiation</em></td>
<td></td>
</tr>
<tr>
<td>9. <strong>The Environmental School</strong></td>
<td></td>
</tr>
<tr>
<td><em>Strategy formation as a reactive process</em></td>
<td></td>
</tr>
<tr>
<td>10. <strong>The Configuration School</strong></td>
<td></td>
</tr>
<tr>
<td><em>Strategy formation as a process of transformation</em></td>
<td></td>
</tr>
</tbody>
</table>