

Influence of Strategic Human Capital Development on the Performance of Tourism Organizations in Tanzania

Gervas Abel Mweta¹, Mwirigi Kiula² & Susan Naikuru³

^{1,3}Department of Entrepreneurship, Technology, Leadership and Management, Jomo Kenyatta University of Agriculture and Technology, Kenya

²Kenyatta University Teaching, Referral & Research Hospital (KUTRRH), Kenya
Corresponding email: gmweta@gmail.com

How to Cite: Mweta, G. A., Kiula, M., & Naikuru, S. (2024). Influence of Strategic Human Capital Development on the Performance of Tourism Organizations in Tanzania. *Journal of Human Resource & Leadership*, 4(3), 1-18.

Abstract

Purpose: The study aimed to determine the influence of strategic human capital development on the performance of tourism organizations in Tanzania.

Methodology: The study employed cross-sectional survey design to achieve the objective. The target population of this study included private and public tourism-related organizations with their umbrella organizations such as Government boards, Authorities, and Associations. A total number of registered and licensed tourism organizations that had more than 10 years was 1005. The researcher sampled 280 respondents from 140 organizations that included all categories established in this study. Data was collected using both primary and secondary procedures which were analyzed by statistical tools aided by the SPSS program. Reliability of the questions was done by use of Cronbach's alpha where the adequate threshold was considered. A normality test was done for dependent variable to aid subsequent analysis. Factor analysis was also done to reduce the qualitative data to a meaningful size. Logit model analysis was used to understand the relationship between the independent variables and dependent variables.

Results: Logistic regression model was statistically significant, $\chi^2(1) = .747$, $p < .05$. Results revealed that strategic human capital plays a sensitive role in influencing the tourism performance in organizations.

Conclusion: The study concluded that human capital plays a contributory role in the performance of tourism in the country. It was expected that strategic human capital will play a unique role in growth of revenue in the organization hence return on investment is realized. Therefore, the results marked a strong relationship that exists between strategic human capital and the performance of tourism in Tanzania.

Keywords: Human Capital development, Performance, Tourism Industry in Tanzania

Received: 9th August 2024

Revised: 28th August 2024

Published: 17th September 2024

1.0 Introduction

A strategic leader possesses critical characteristics which include but are not limited to future orientation, cognitive ability, ability to focus on the big picture, interpersonal relations, propensity to act, and risk-taking. Likewise, from empirical studies on strategic leadership practices, these practices are identified as involving determining strategic direction, exploring and maintaining unique core competencies, developing human capital, sustaining an effective

organizational culture, emphasizing ethical practices, and establishing balanced strategic controls (Fourie, 2010).

The interest of this study was to investigate the influence of strategic human capital development on tourism organizational performance. In view of this, strategic leadership practices have been found to have a positive effect on the organizational performance of not-for-profit organizations despite the lack of studies on this subject (Phipps & Burbach, 2010). Petrescu (2013) explored leadership challenges facing organizations and established diverse challenges that require strategic leadership practices. From this, it can be said that organizations need effective strategic leadership practices to effectively achieve their mission and vision objectives.

Ijeoma and Oghoghomeh (2014) recommended that directors and managers should effectively discharge their fiduciary responsibilities and expeditiously increase their commitment, disclosure, and transparency, improve professionalism, and shun all forms of fraudulent and corrupt practices. Lastly, it also recommends that should an ethics unit be established in organizations to curb the ills and excesses and introduce principle-based policies on good governance and ethics, constraints to good corporate governance would have been reduced to a highest level and relevant control measures to promote good corporate governance will ensure the highest standards of transparency, accountability and attain stellar performance (Ijeoma & Oghoghomeh, 2014).

Tanzania at the national level, government agencies such as Tourism Division in the Ministry of Natural Resources and Tourism, Tanzania Tourism Board (TTB), Tanzania National Parks (TANAPA), Ngorongoro Conservation Area Authority (NCAA), and Tanzania Wildlife Authority (TAWA) are the institutions responsible for the leadership of tourism industry, natural and cultural resources protection and conservation in the country under the Ministry of Natural Resources and Tourism of United Republic of Tanzania. However, strategic leadership is one of the most critical issues facing organizations today including tourism sectors in the study area (T. O'Shannassy, 2021). The goal of any organization is not only to survive but also to sustain its existence by improving performance. Tourism industry in Tanzania is led by tourism policy of 1999 in whose overall objective is to assist to promote economy and livelihood of the people, essentially poverty alleviation, through encouraging the development of sustainable and quality tourism that is culturally and socially acceptable, ecologically friendly, environmentally sustainable and economically viable". Furthermore, an institution such as TANAPA has the goal which is conservation for sustainable development. In reviewing the influence of strategic leadership on organization performance no research has been done in relation to organizations and companies in the tourism industry. Prior literature suggests that role of leadership is critically important for achieving the performance of organizations (Boal & Hooijberg, 2000; Peterson *et al.*, 2003).

Some studies suggest that the practice of leadership is critically important for an organization to achieve a high level of performance (Cakir & Adiguzel, 2020). However, some other studies suggest that role of leadership is not so important in achieving the organizational performance (Karamat, 2013). The practice of strategic leadership looks like a new style of leadership that needs training and experience in some organizations. It is easier for companies to run their activities the way they see themselves better than start thinking about the application of strategic leadership, something new to apply in their experiences.

1.1 Problem Statement

Tourism in Tanzania plays a vital role in the country's economic development. It is one of the major sources of foreign exchange. The industry is also credited for being one that offers employment opportunities both directly and indirectly through its multiplier effect (Mwakalobo *et al.*, 2016). The country is endowed with various natural and cultural heritage resources that form a mainstay of tourist attractions; almost a large track of the land area is allocated as natural parks, game reserves, game-controlled areas, forest reserves, marine parks, and cultural sites. Tourism generates some other economic benefits, including income, employment, and tax revenue, within the sector and through linkages with other sectors (Kweka *et al.*, 2013). In 2015 number of arrivals in Tanzania was 1,104,000 tourists with total revenue reaching US\$ 2.1 Million contributing to the national income. In real sense what Tanzania is earning is generally low compared to all the attractive sites that are naturally implanted in comparison to other African countries. According, to the (UNWTO, 2018) the number of foreign tourists will be 1.5 billion by 2020. The expenditure annually in the tourism sector will be US\$ 5 billion per day, by 2020. However, the industry has witnessed severe fluctuating tendencies owing to the recession, variations in the price of oil in the international markets, political uncertainty, and terrorism (Ghosh, 2018).

Tanzania is not doing well in terms of number of arrivals and revenue compared to some neighboring countries. Comparatively, South Africa leads in the whole of Sub-Saharan Africa in terms of several arrivals, followed by Botswana and Kenya; interchangeably (WTTC, 2021). Before its economic crisis, Zimbabwe had been second, next to South Africa, followed by Botswana and Kenya (WTTC, 2009). Tanzania has always been behind Kenya, both in terms of number of arrivals and revenue. According to the Travel and Tourism Competitiveness Report 2015, Tanzania ranked 93rd out of 141 countries in travel and tourism in the world (Msuya, 2015).

Strategic leadership practices and good governance that encourage a leader to emphasize accountability, moral behavior, envisioning, human capitalization, political stability, and lack of violence among others very crucial for better performance of tourism and conservation industry in the country. Organizational growth, performance, and success depend on who is the leader including those CEOs, conservators, directors, managers, and officers who hold different positions in the tourism sectors in the country. Strategic leadership and good governance view organizations as key vessels in achieving their overall objectives through the effective application of the following strategic components among others: determination of strategic direction, developing strategic human capital, putting emphasis on moral practices, and balancing strategic control (Covin & Slevin, 2019).

In addition to that, the sectors are facing several challenges including elements of corruption, inadequate resources (human, financial, and physical), inadequate business skills among communities (TANAPA, 2013) pollution of national parks due to tourist activities, such as the wastes discharged from hotels, air pollution from vehicles carrying the tourists and land degradation (Kazuzuru, 2014). Therefore, referring to the highlighted trends above the situation on the ground of the factors hindering the performance of tourism industry in Tanzania, there is a limited understanding of the concepts of strategic leadership and governance on the performance of tourism organization including both government tourism agencies (TANAPA, NCAA, and TTB) and private based tourism companies such as tours operators. Therefore, this is what has motivated the researcher to carry out the study that will focus on the influence of strategic Leadership practices and governance on tourism organizations' performance in

Tanzania. Therefore, the purpose of this study was to investigate the influence of strategic human capital development on the performance of tourism organizations in Tanzania.

1.2 Research Hypothesis

- *H₀: Strategic human capital development has no significant influence on the performance of tourism organizations in Tanzania.*

2.0 Literature Review

2.1 Theoretical Review

Stewardship theory argue that the managers or executives of a company are stewards of the owners, and both groups share common goals(Davis *et al.*, 1997). Therefore, the board should not be too controlling, as agency theories would suggest. The board should play a supportive role by empowering executives and, in turn, increasing the potential for higher performance (Hendry, 2005; Shen, 2003). Stewardship theories argue for relationships between board and executives that involve training, mentoring, and shared decision making (Shen, 2003; Sundaramurthy & Lewis, 2003). Stewardship theory is a framework which argues that people are intrinsically motivated to work for others or for organizations to accomplish the tasks and responsibilities with which they have been entrusted. It argues that people are collective minded and pro-organizational rather than individualistic and therefore work toward the attainment of organizational, group, or societal goals because doing so gives them a higher level of satisfaction. Stewardship theory therefore provides one framework for characterizing the motivations of managerial behavior in various types of organizations. A steward takes on the responsibility of caring for something on behalf of another person or group of people. Therefore, stewards do not have ownership of what they have responsibility to take care of, but must, nevertheless, carry out their duties conscientiously since they have to render account of what they have done to the firm owner. Good governance practice embraces stewardship theory in a way that a leader who practices good governance must be answerable to the followers which is to be steward.

Stewardship theory is also about the employment relationship between two parties, the principal (owner) and the steward (manager; (Davis *et al.*, 1997; Donaldson & Davis, 1991). It too examines this relationship from a behavioral and a structural perspective. Theory suggests that stewards will behave in a pro-social manner, behavior which is aimed at the interest of the principal and thus the organization (Davis *et al.*, 1997; Zahra *et al.*, 2009). This behavior is fostered by the quality of the relationship between the principal and steward and the environment and ideals of the organization (Davis *et al.*, 1997; Zahra *et al.*, 2009). Maximum firm performance, such as sales growth or profitability, is the desired outcome of a stewardship perspective (Davis *et al.*, 1997; Tosi *et al.*, 2003). Theory suggests this outcome is achieved when both the principal and the manager in the employment relationship select to behave as stewards (Davis *et al.*, 1997). At the heart of stewardship theory is the assumption that the principal-steward relationship is based on a choice. When both parties choose to behave as stewards and place the principal's interest first, theory suggests a positive impact on performance because both parties are working toward the same goal(Davis *et al.*, 1997; Eddleston & Kellermanns, 2007).

The choice of stewardship behavior is impacted by both psychological and situational factors (Vallejo, 2009). Psychological factors such as intrinsic motivation, high identification, and personal power can steer the behavioral choice to stewardship (Zahra *et al.*, 2009). Intrinsic motivation exists within individuals and provides satisfaction in and of itself (Ryan & Deci, 2000) it is a psychological attribute of stewardship theory because steward managers are

motivated by intangible, higher-order rewards (Davis *et al.*, 1997; Lee & O’Neill, 2014). Individuals who have high levels of identification with their organization are more likely to choose stewardship because they feel a strong sense of membership with their organization (Vallejo, 2009). Stewardship theory applies a personal power perspective, describing power based on interpersonal relationships that develop over time which in turn influence and empower steward managers. These psychological factors facilitate the choice of stewardship, which ultimately has a positive impact on organizational performance.

2.2 Conceptual Framework

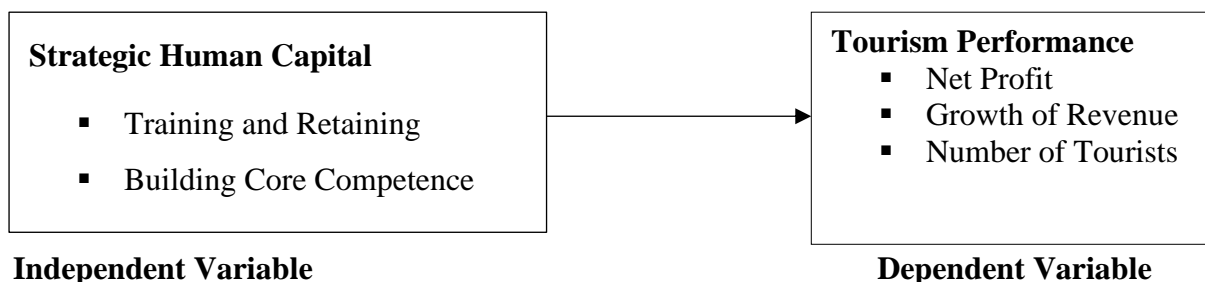


Figure 1: Conceptual Frame Work

Training and Retaining employees

Another important strategic leadership practice variable is developing human capital. It is acknowledged that no firm or organization, whether for-profit or not-for-profit can perform its activities successfully without attracting and retaining talented employees with suitable knowledge, attitudes, and skills. According to Pasban and Nojehdeh, (2016) developing human capital is key to improving a firm’s productivity and competitive advantage. Kitonga, (2017); Pasban and Nojehdeh, (2016); and Schaedler *et al.* (2022) describe human capital as the knowledge and skills of the firm’s entire workforce. Further, Hussain *et al.* (2017) noted that organization with better-skilled and creative employees always work to improve efficiency and organizational performance.

Norris-Tirrell *et al.* (2020) noted that the importance of human capital cuts across all sectors of organizations and human capital refers to the collection of skills, knowledge, competencies, and personal attributes that create value in the workforce. Not-for-profit leaders must think about the future from the perspective of the skills, knowledge, and competencies inherent in the human capital for success in the complex competitive 21st-century environment. Developing human capital variable was measured by assessing the opinion of the respondents on training and development of human capital.

Training and retraining are important when organizations require different skills, competitive capabilities, and operating methods. Training is strategically important in organizational efforts to build skills-based competencies (Geir, 2015). Training was viewed as an indicator of superior skills, knowledge, and capabilities of the employees that result in effective performance. Training provides employees with necessary job-specific skills to enhance their performance. It covers essential work-related skills, techniques, and knowledge in employees (Sendawula *et al.*, 2018). Imran and Tanveer (2015) aver that training is an organized increase in the know-how skills and sensations needed for staff members to execute efficiently their work in the organization.

Choudhury and Latif, (2019) argue that training is an active means to enable an employee to make use of his/her capability and potential effectively for the good of the organization. Minbaeva and Shell (2017) found that successful organizations knew that developing human

capital gave them an organizational edge in this competitive world. Again, training improves an organization's profitability, effectiveness, productivity, and revenue base hence it is important for not-for-profit organizations too. It can therefore be concluded that without planning for proper training of the staff, the organization may not be able to achieve its mission, vision and objectives (Osborne & Hammoud, 2017).

Development of human capital is a value addition activity for the employee as well as for the organization. Human capital development encompasses investing in the employees in education, training, health, and other related aspects to increase each employee's productivity. Human capital development in organizations should not under any circumstance be viewed as an expenditure but rather as an investment for the good of the organization (Gruzina *et al.*, 2021). Batti (2014) defines human capital development as the process of helping staff acquire the necessary expertise with a view to enhancing the organization's effectiveness. This is so because as Josan (2013) argues, human capital is a resource that contributes to the competitiveness and high productivity of the organization.

Likewise, Choudhury and Latif, (2019) observe that human capital development is concerned with developing the knowledge and skills of employees. This kind of human capital development is needed in all types of organizations. However, it is needed mostly in not-for-profit organizations where they depend heavily on volunteers and contract staff to perform some specialized services in which in real sense most of them have no total commitment or sense of ownership hence failure to achieve the laid down mission and vision. Lear (2012) observed that many organizations were embracing the notion that proper human capital adds a competitive advantage to the organization which in turn translates to enhanced organizational performance. According to Kitonga (2017) developing human capital is concerned with the realization of a person's ability through conscious or unconscious learning and must be sought by all types of organizations if they are to achieve their objectives.

Building Core Competencies

African organizations face great challenges in trusting who should be employed in what capacity. Most posts are influenced by tribalism, favouritism, and nepotism depending on the potential and the stake available at hand. Competence in organizations can be either acquired or purchased depending on the type of position and the responsibility therein. Core competence can be described as the resources and capabilities of a firm that serve as a source of competitive advantage over its rivals; they are those things the firm has or does that allow it to set itself apart from competitors (Hecklau *et al.*, 2016). Senior management must ensure that the firm's core competencies are maintained, invested in, and developed over time to ensure they remain relevant. Relatedness, senior management needs to ensure the firm's competencies are part of the building blocks of the competitive strategy of the firm and that they are leveraged effectively in implementing that strategy (Osagie *et al.*, 2014). Organizations should create pillars to hold organizations in terms of competent workers by developing their skills and knowledge and retaining them by motivating them within the organization.

Teamwork Development

Teamwork development is often misinterpreted as referring to as the simple notion of "working in groups" in an organizational setting. To better understand the vision of teamwork development of employers. Teamwork can be defined as a process "where two or more employees interact interdependently toward a common and valued goal or objective, and who have each been assigned specific roles or functions to perform" (Volkov & Volkov, 2015). Conceptually, the purpose of teamwork development should be to create synergy and work

towards achieving a common objective. Teamwork development in every organization, regardless of the nature of the business, serves the same purpose of motivating employees and improving organizational competency

According to Ibrahim, C., S. Costello, and S. Wilkinson, (2011), the main objective of working in teams should be to achieve the synergy effect, which is the ability to deliver greater results by working in a team, as compared to working individually. Azmy (2012) also defines teamwork development as a cooperative process through which “ordinary people” can achieve “extraordinary results”. Ibrahim, C., S. Costello, and S. Wilkinson, (2011) also state that working in teams can help members to develop mutual and effective relationships for achieving team goals and delivering benefits to overall organization

Numerous benefits can result from building teams at the workplace. It has become important in today’s business environment as teamwork results in gaining problem-solving synergy, as multiple minds work on one solution (Casper, 2017). When an individual works on resolving any specific organizational issue that employee puts in his knowledge and experience to seek for solution. However, using teamwork can help in determining multiple solutions as team members pool their collective ideas to address the issue. Every institution finds teamwork beneficial as the advantages of teamwork in terms of synergies help them to manage their resources effectively (Herdman, Yang, & Arthur., 2017). Liff and Wikström (2015) pointed out effective leadership and management of teams as a major challenge in creating effective working teams. They recommended that there is a need to have an effective leadership strategy that emphasizes developing strong relationships among team members by carefully assigning tasks and avoiding compartmentalization that results in a decline in team creativity and efficiency. Additionally, management should consider it as their responsibility to encourage development leaders that focus on teamwork. Leaders should ensure to provide a sense of purpose and direction to the team so they must monitor team’s performance and support them when required. Another major challenge highlighted by Yusuf and Anuar (2014) is managing conflict in teamwork. They opine that in any organization while working in teams, employees and employers work in harmony to achieve organizational goals. However, in doing so they are likely to face some conflicts and therefore, they need to work collaboratively to address the conflicts. If managed efficiently, conflicts can be constructive for teamwork (Roli, 2013). It is important for maximizing creativity and synergy in teams; being unable to manage conflicts however, can be very disruptive and devastating to individual team members (Roli, 2013). Teamwork is important for improving creativity and innovation, it is essential for making quality decisions, each team member has greater commitment to the assigned tasks and teamwork helps organizations increase the level of motivation of their employees. Members:

Many organizations work with both informal and formal groups and in most cases formal small groups are called teams. Teamwork development is very important in workplace. According to Abdulmajeed Alghamdi and Christian Bash (2018), there are a good number of benefits and challenges of team development in organizations. According to Lemons (2016), teamwork is one such activity that cannot be avoided by any organization. Contemporary firms consider teamwork as an essential feature of a successful business. It is believed that teamwork helps to utilize workers’ skills in an attempt to gain competitive advantage. Organizations that are focused on developing teamwork are likely to experience numerous benefits including better and improved decision-making, flexibility amongst workforce, and focus on achieving organizational goals with a highly motivated workforce and synergy among team members. A team may also fail to perform well if team members are dissatisfied with reward system or with too much control over their actions Therefore, there is a need to develop teamwork that is

fostered by factors such as trust among members and a climate of participation. It will help teams to remain successful and productive. team members have a certain level of independence with efficient leadership to utilize their skills to the maximum (Hu & Liden., 2015). Furthermore, building and promoting teamwork in workplace is challenging without open communication and adequate delegation of power (Ryan, 2017).

Therefore, Hypotheses developed were as follows:

Null Hypothesis: *H₀: Strategic human capital development has no significant positive influence on the performance of tourism organizations in Tanzania.*

Performance of Tourism Organizations

Organizational performance is a key concern for business executives (Lear, 2012). According to Chen (2002), as cited by Karamat, (2013), organizational performance means the “transformation of inputs into outputs for achieving certain outcomes. With regard to its content, performance informs about the relation between minimal and effective cost (economy), between effective cost and realized output (efficiency), and between output and achieved outcome (effectiveness)”. However, there are various ways to determine performance of an organization but in this thesis performance of the tourism industry can be described by the growth trend of tourism organizations in terms of tourist arrivals and receipts; generation of revenues that include municipal tax revenue and diversification of local tax base; length of tourist’s stays in the destination; diversification of tourism products and activities, development of many tourism programs and market penetration. Organizational performance can be measured in various methods and techniques one is to compare expected outcomes to actual outcomes, exploring deviations from what was planned and comparing with the actual results David (2009). He also asserted that organizational monitoring and evaluation is vital to its well-being and involve three essential tasks; determining the established bases of an organization's strategy, comparing expected outcomes with actual outcomes, and taking corrective actions to ensure that performance goes in line with the plans. Studies have shown that perceived measures of performance can be a reasonable substitute for objective measures of performance (Wan-Jing & Tung, 2005) and have a significant correlation with objective measures of financial performance. The findings have multiple items to evaluate the performance of the organizations that were studied. These items are related to organization's growth rate, quality of service delivery, number of tourist arrivals, and the number of employees. Measuring and analysis of organizational performance has become widely popular and plays a very important role in the success of the organization. A lot of work has been done on this. According to Miriam and Wario (2014), performance of an organization can be measured using various approaches. Such an approach includes a financial perspective, customer perspective, internal business perspective, and innovation and learning perspective (Kaplan & Norton, 1992). The financial perspective identifies the key financial drivers of enhancing performance which are profit margin, asset turnover, leverage, cash flow, and working capital (Odhuno & Wadongo, 2010). Organizational performance depends on leadership roles (Harrison, 2011). Performance is multidimensional and is related to the subject of interest (Li & Simerly, 1998). Traditionally, a firm’s performance is measured by financial success and profitability as well as key variables such as return on assets (ROA), return on equity (ROE), return on sales (ROS), and return on investment (ROI) (Li & Simerly, 1998). Most organizations may appear to perform well in the short term due to favorable market conditions but in the long run they seriously need strategic direction from a leader. The customer focus describes performance in terms of brand image, customer satisfaction, customer retention, and customer profitability. Internal processes

involve the efficiency of all the systems in the organization while innovativeness is concerned with the ease with which a firm can adapt to changing conditions.

Tanzania is not doing well in terms of number of arrivals and tourism revenue compared with some neighboring countries. Comparatively, South Africa leads in the whole of Sub-Saharan Africa in terms of a number of arrivals, followed by Botswana and Kenya; interchangeably (WTTC, 2009). Before its economic crisis, Zimbabwe had been second, next to South Africa, followed by Botswana and Kenya (WTTC, 2009). Tanzania has always been behind Kenya, both in terms of number of arrivals and revenue. It was proposed by Lamb (2009) that strategic leadership adds value to improved performance as it changes organizations and operations to be effective in terms of having long-term growth and survival and at the same time short-term efficiency. Strategically organizations balance between short-term success and long-term sustainability.

2.3 Empirical Review

Over the years, leadership has been mainly studied in terms of supervisory leadership emphasizing the leader-follower relationship. However, in recent years, the attention of leadership scholars has shifted to top executives who are in a position to exert a strong influence on the strategy and performance of organizations (Jung *et al.*, 2005). As Crossan *et al.* (2008) noted, it is only in the last 20 years that strategic leadership has become a specific domain of research. According to Boal and Hooijberg (2000); and House and Aditya (1997), strategic leadership can be defined in multiple ways. However, it has always emphasized two dimensions: the capacity of top managers to make strategic decisions and to drive the organization toward success. All these reflect on the strategic intent and depend on the overall objective of the concerned organization.

The phrase “strategic leadership” emerged from work on strategic management and involves the following: (1) determining strategic direction; (2) exploring and maintaining unique core competencies; (3) developing human capital; (4) sustaining an effective organizational culture; (5) emphasizing ethical practices; and (6) establishing balanced organizational controls (Covin & Slevin, 2019; Fourie, 2010; Mahdi & Almsafir, 2014). According to Jung *et al.*, (2005) outstanding strategic leaders are those executives who display key behaviors that enable the organization to execute its strategy effectively. In essence, they are “strategy-focused leaders”. This concept varies from one organization to another depending on human capital development in that context. Strategic human capital development enforces continuous training and building core competent workers while retaining and maintain their benefits and values.

3.0 Methodology

The researcher adopted an epistemology philosophical positivism in nature. The study adopted cross-sectional survey research design which involved drawing a sample of respondents from the population of interest at different points from different respondents. In this case, the study used both quantitative and qualitative research approaches to examine the influence of human capital development on the performance of tourism organizations in Tanzania. The respondents for this study included leaders working in tourism organizations that were registered and licensed and had at least ten years working in Tanzania since licensed. At most two respondents were leaders of the same organization. The respondents therefore included conservators, tourism directors, managers, and non-managers from different categories of operations found in the study regions as key informants. The sampling frame for this study was all 465 registered and licensed tour organizations that have at least ten years since licensed in Kilimanjaro and Arusha regions where the sample was selected.

This study used a questionnaire as main tool for collecting data. The selection of this tool is because of the nature of data to be collected and the research design (both qualitative and quantitative data). The study generated quantitative data. Collected quantitative data were processed and analyzed using the aid of the SPSS Package for inferential statistical tools to analyze quantitative data. The analysis revealed descriptive statistics including frequencies, percentages, means, and standard deviation which were presented in a form of figures, tables, graphs, and pie charts for easy understanding. In addition, descriptive statistics were used to present the demographic characteristics of the sample of the study. Furthermore, correlation (bivariate correlations) was computed, and a t-test analysis to determine whether the results and hypothesis were significant or not. For the internal consistency of the scales, reliability analysis was performed and coefficient alphas were taken into account. Inferential analysis was conducted using Logit model.

4.0 Results and Discussion

4.1 Descriptive Statistics

4.1.1 Strategic Human Capital

Another independent variable used in the study was strategic human capital. The mean of the scores for different statements related to strategic human capital were used to determine the variable values. The descriptive statistics were then computed. The values were determined to have a mean of 3.5, standard deviation of .557, and the skewness of -.106 (Table 1). The histogram (Figure 2) shows that the distribution was almost normal. There were no outliers, and the variable values were evenly spread close to the mean and median for the study. Table 1 also shows various statistics for various responses of questions in the variable “strategic human capital.” While the variances and the means were almost equal, the skewness were positive except for the question that asked whether core competencies were built and developed.

Table 1: Descriptive Statistics on Strategic Human Capital Variable

	Mean	Std. Deviation	Variance	Skewness	Kurtosis
Strategic Human Capital	3.5	.557	.310	-.106	-.342
1. <i>Human Capital is trained and retained</i>	3.5	1.133	1.283	.012	-1.392
2. <i>Core competencies are built and developed</i>	3.5	1.127	1.271	-.025	-1.379
3. <i>Teamwork is developed in the company</i>	3.5	1.107	1.225	.098	-1.323
4. <i>Human capital is well-motivated.</i>	3.5	1.167	1.361	.061	-1.465

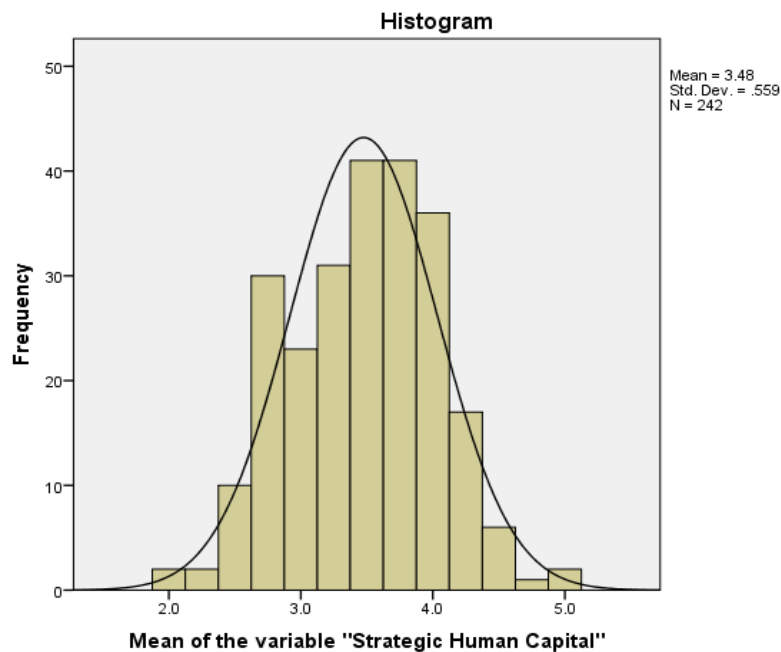


Figure 2: “Strategic Human Capital” Distribution

The study wished to check the perception of the respondents on strategic human capital development and how strategic leadership is achieved through strategic human capital. The responses were varied and some looked at strategic leadership as the human resources and skills needed to allow an organization to achieve its goals, and that strategic leadership is achieved through recruitment and training of workers (36% of all respondents). It was noted from the respondents that in most organizations, strategic human capital was developed through hiring, education, career development, evaluation (assessing), and remuneration (27% of all respondents). These allowed the organization to determine whether its goals have been attained. It was also observed that by allowing individuals to participate in decision-making and instilling confidence in the team in the company's leadership and policies, strategic leadership is achieved (9% of all respondents).

It was also learned that strategic human capital was achieved through motivation, strong policy, mentorship, and coaching of subordinates, as well as a good succession plan (This was 18% of the respondents). A motivated staff produces more for the company. It was observed that teamwork and respect were the main strategies to achieve achievement in the organization (9% of all respondents). The summary of all respondents who commented on the achievement of strategic leadership through strategic human capital can be seen from the following Figure 3:

This vindicated the constructs that were employed to investigate the strategic human capital, namely, human capital training and retaining, building and developing the core competencies teamwork development in the company, and human capital motivation. Generally, the question was set to assess organizations whether they apply strategic leadership by ensuring the practice of strategic human capital within their environment.

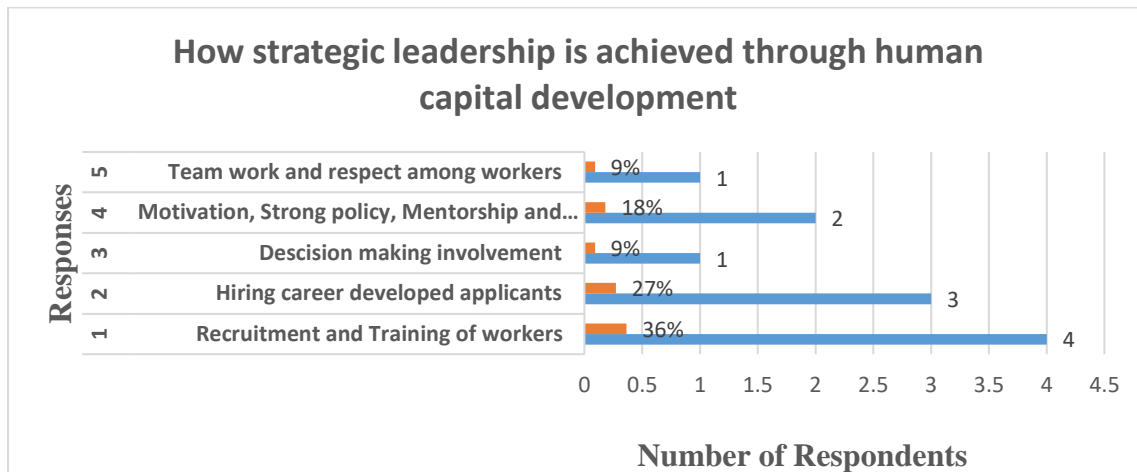


Figure 3.: Respondent comments on how SL is achieved through SHC.

4.2 Logistic Regression Analysis

Logistic regression analysis was done to test the hypothesis that strategic human capital development significantly influences the performance of tourism organizations in Tanzania.

The log of the independent variable (SHC) was computed by transformation. Then regression analysis was done of the log of performance of tourism organization (PTO) on the independent variable (SHC). The overall test was indicated in the model table 1 and the coefficients and odds ratios table 2.

Table 2: Omnibus Tests of Model Coefficients

		Chi-square	Df	Sig.
Step 1	Step	1.747	1	.018
	Block	1.747	1	.018
	Model	1.747	1	.018

The overall model is statistically significant, $\chi^2(1) = 1.747, p < .05$.

The Wald test is used to determine the statistical significance of each independent variable Table 3. The "Sig." Value ($p < .05$) indicates the test's statistical significance.

Table 3: Variables in the Equation

		B	S.E.	Wald	Df	Sig.	Exp(B)
Step 1 ^a	SHC	.351	.267	1.736	1	.018	1.421
	Constant	-.087	.925	.009	1	.009	.916

a. Variable(s) entered on step 1: SHC.

Both the Cox & Snell R Square and the Nagelkerke R Square values, which are used to calculate the explained variation, are shown in Table 4. These pseudo-R² values have lower values than in normal linear regression.

Table 4: Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	275.515 ^a	.271	.310

a. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

The Cox & Snell R² or Nagelkerke R², which are similar to the correlation coefficient of determination, give the explained variance in the dependent variable. Based on our model, they vary from 27.1% to 31.0%, respectively.

The Hosmer-Lemeshow test in Table 5 examines the null hypothesis that the model's predictions match the observed group memberships exactly. A Chi-square statistic is computed by contrasting the observed frequencies with those predicted by the linear model. A nonsignificant Chi-square (sig = .881) means that the data were well-fitted to the model.

Table 5: Hosmer-Lemeshow Test

Step	Chi-square	Df	Sig.
1	2.364	6	.881

The model's predicted values are shown in Table 6. The positive predictive value is the percentage of positive predictive values that match the actual values as compared to all the cases that were properly predicted to have the feature.

The positive predictive value is $100 \times (188 \div (61 + 188))$ which is 75.5%. That is, in all situations in the test where strategic human capital development was predicted as contributing to the performance of tourism organizations, 75.5% were correctly predicted.

Table 6: Classification Table^a

		Predicted			Percentage Correct
		If PTO>2.5; 1			
Observed		Disagree	Agree		
Step 1	If PTO>2.5; 1	Disagree	0	61	.0
		Agree	0	188	100.0
Overall Percentage					75.5

a. The cut value is 2.5

In all situations in the test, the negative predictive value (where strategic direction was predicted as not contributing to the performance of tourism organizations) was zero.

In summary, after the logistic regression analysis to ascertain the effects of strategic human capital development on the likelihood that the performance of tourism organizations is improved, the logistic regression model was statistically significant, $\chi^2(1) = .747$, $p < .05$. The model explained 31.0% (Nagelkerke R²) of the variance in performance of tourism organization and correctly classified 75.5% of cases.

The study wished to check the perception of the respondents on strategic human capital development and how strategic leadership is achieved through strategic human capital. The responses were varied and some looked at strategic leadership as the human resources and skills needed to allow an organization to achieve its goals, and that strategic leadership is achieved through recruitment and training of workers. It was noted from the respondents that in most organizations, strategic human capital was developed through hiring, education, career development, evaluation (assessing), and remuneration. These allowed the organization to determine whether its goals have been attained. It was also observed that by allowing individuals to participate in decision-making and instilling confidence in the team in the company's leadership and policies, strategic leadership is achieved. A motivated staff produces more for the company.

It was also learned that strategic human capital was achieved through motivation, strong policy, mentorship, and coaching of subordinates, as well as a good succession plan. Some commented that teamwork and respect were the main strategies to achieve achievement in the organization. This indicated that the constructs that were used in the tested variable were correct. These constructs were whether the human capital was trained and retained, whether core competencies were built and developed, whether teamwork was developed in the company, and whether human capital was well motivated.

5.0 Conclusion

The variable in this study was human capital which refers to competent personnel who are well trained and retained to work in teams and produce profit for the organizations. These are the embodiment resource that influences performance. Having competent personnel who are committed to the organization they serve is a great achievement that organizations seek over time. Results revealed that strategic human capital plays a sensitive role in influencing the tourism performance in organizations. This result is supported by Kitonga (2017) who asserted that developing human capital is key to improving a firm's productivity and competitive advantage. Further, Sherwani and Mohammed (2016) noted that organization with better-skilled and creative employees always work to improve efficiency and organizational performance. The intention was not to employ professional personnel but the ability of the organization to train and retain competencies, and build and develop teams for better performance in Tourism organizations.

It is a fact that human capital contributes to performance of tourism in the country. Strategic human capital development comprises training and retaining employees, building core competencies among employees, and teamwork development. This part of resources is serious to handle and requires a very careful plan to handle; they are delicate in comparison with other organization resources. No remarkable performance without competent staff and no value addition without working in a team for maximum benefits within the organization. It was expected that strategic human capital will play a unique role in growth of revenue in the organization hence return on investment is realized. Therefore, the results mark a strong relationship that exists between strategic human capital and the performance of tourism in Tanzania.

6.0 Recommendations

Based on the conclusion above, researcher recommended that tour companies must develop their strategic human capital. Make them competent, and build teams to train and retain all staff well. Policymakers and regulatory authorities should rethink revising and reviewing existing policies while coming up with new policies. Any registered and licensed tour operator must

provide in advance documents that indicate their plans, Strategic Plan Document. When these areas become policies and regulations will enforce a kind of culture that the practice that will influence professional employees and competent human capital in place for the success of the organization.

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