

**MANAGERIAL PERCEPTION ON STRATEGIC RESPONSES ADOPTED BY
STAR RATED HOTELS TO DEAL WITH ENVIRONMENTAL TURBULENCE**

BY

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF
BUSINESS ADMINISTRATION SCHOOL OF BUSINESS, UNIVERSITY OF
NAIROBI**

DECEMBER, 2017

DECLARATION

This research project is my original work and has not been presented for a degree in any other university.

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This research project has been submitted for examination with my approval as a University Supervisor.

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DEDICATION

This project is dedicated to my spouse and children who have been very supportive and understanding to accommodate my long hours over the last 24 months.

ACKNOWLEDGEMENT

First and foremost, I would like to thank to almighty God for providing me with the strength and inspiration to implement this research project. His mercies and grace have accompanied me every step of the way.

I wish to also acknowledge the pivotal role played by my supervisor Dr. Joseph Owino who has always availed himself to review the research project and guide me on various technical aspects of it.

Last but not least, I would like to appreciate my family particularly for being there for me and providing me with much needed support as I spent many hours working on this research study.

May God bless you all.

LIST OF ABBREVIATIONS AND ACRONYMS

BPR	Business Process Reengineering
PC	personal computer
PEST	Political, Economic, Sociocultural and Technical
SPSS	Statistical Package for Social Sciences

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ABSTRACT

Organizations exist in an environment of interdependence. This environment provides a context through which various decisions are weighed in relevance to prevailing competition, changing consumer demands and advancements in technology. In order for organizations to remain relevant in a fast changing environment there is need for the adoption of strategic responses. Firms that ignore the need to align their operations in order to survive in competitive environments run the risk of losing out to ones that invest in formulating survival strategies. The city of Nairobi is home to a wide variety of hotels some of which are ranked among the top worldwide. These hotels can be divided into two categories namely star rated and unrated. The star rated caliber of hotels comprises of the luxurious, top-end facilities that offer high quality services ranging from transportation, art rooms, and large pools to leafy gardens. Given the dynamic nature of the hotel industry in Kenya and the world at large, the objective of this study was to understand the ability of these institutions to respond to various aspects of change in the form of environmental turbulence. The research design used was a survey design because the researcher was interested in describing the existing phenomenon without any manipulation. In order to accomplish this objective, the researcher developed self-administered questionnaires which were then issued to key members of staff within hotel institutions including the general manager, front office manager, operations manager, food and beverage manager, procurement manager executive housekeeper, and marketing manager in the star rated hotels. Descriptive statistics (measures of central tendency and measures of variations) and inferential statistic tools were identified as the method of data analysis since the data collected will be quantitative in nature. Once an analysis was done, the final report was created clearly highlighting and providing an in-depth look at the summary of key findings. The study found out that the size of the firm is a key determinant in assessing the success of the capital restructuring and that there is adequate cooperation from the other branches in regards to the capital restructuring. Additionally, the study found out that hotels provide sales management planning and control systems, to helps them find customers, they use their marketing research information effectively, and they have the ability to develop new products. The study concluded that restructuring of the hotel influences the strategic responses. The study also concluded that marketing practices have a strong positive association with the strategic responses of the hotels. This is due to the fact that customer needs and preferences keep on changing in order to adapt to the changes. Finally, hotels should make sure that corporate strategic direction is determined, effective organizational culture is emphasized, ethical practices are emphasized and balanced organizational controls are emphasized. The study recommended that hotels should invest in new systems and processes such as inventory management systems in order to benefit from such technologies. The study recommended that organizations should embark on serious and strategic marketing with different strategies which can enable them to outperform their competitors and maintain their market share as well as their competitive edge.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Every organization in the world exists within an environment which provides inputs from which the organization obtains outputs through the utilization of internal processes such that the outputs end up back in the environment (Hamel and Prahalad, 2013). In order to maximize on chances of success within an industry, it is imperative for organizations to adopt a mode of strategic behavior in response to existing opportunities and threats. This mode should match with the existing levels of environmental turbulence and complement the existing modules in regards to enhancing resource capability (O'Reagan, Sims and Gallear, 2008). Kotler (2007) observed the existence of turbulence in business environment can orchestrate a situation where businesses that were of repute in yesteryears lose their relevance today. Mason (2007) stated that organizations are heavily dependent on their environment and, therefore, their interaction with their surroundings is a key factor determining their ability to survive.

A key factor affecting organizational performance in the RBV model is resources. Resources can be sub-categorized into tangible and intangible. In that regard, Chaos theory provides a study of nonlinear dynamics of an organization through which events that appear random are analyzed through simple deterministic equations. As its name suggests, Chaos theory borrows heavily from the kind of disorder that characterizes the random and unpredictable nature of non-linear systems. Therefore, the Chaos theory attempts to shed light on underlying trends affecting the order of random events or data.

The hospitality industry in Kenya is no different from any other business environment in the world. It exists within the context of an ever-evolving environment and stakeholders, therefore, have to appreciate dynamism posed by continuous changes within the environment. That highlights the need for industry players to appreciate the need to keep their operations up to date in order to remain in a good position to respond to environmental changes or else be prepared to be elbowed out of business (Phatcharee, 2012).

Environmental influences come in different forms and structures. One of the most common environmental influences in any industry is competition. Indeed, it is imperative for organizations to remain in a position to operate sustainably while appreciate the impact of new entrants and innovations affecting the vast industry. An increase in competition poses a threat to traditional industries and shrinks the profitability of stakeholders (Hamel and Prahalad, 2014). In order to ensure long-term success, organizations need to appreciate the fact that they have to compete effectively and strive to remain ahead of their rivals in an otherwise dynamic environment.

In order for this objective to be accomplished, organizations need to focus on value creation in order to appeal to their customers' evolving needs. This strategy provides a window of opportunity for organizations to retain their market share or even to grow it against continuous pressure from competing firms. The key to surviving any threat of competition is to innovate and respond accordingly. This entails identifying potential areas of weakness and striving to implement change for a stronger market presence. Constant analysis of strengths in a firm's strategy provides a much needed opportunity to

understand areas of improvement in order to maintain an edge over the competition and maintain a competitive advantage (Hamel and Prahalad, 2014). According to Johnson and Scholes (2012), core strengths are unique to each and every organization and are, therefore, difficult for any competitor out there to imitate.

The Kenyan hospitality industry is a potential victim of environmental changes as well. One important fact for stakeholders to appreciate is that in order to survive, it is imperative to adopt a proactive role rather than a reactive one in response to environmental changes. It is not up to the environment to change in favor of the industry but for the industry to adapt to various environmental changes or otherwise risk losing out its market grip (Eisenhardt and Brown, 2014). A look at the Nairobi star rated hotel's response strategies will therefore be a major input in developing strategic insights to the players in the hospitality industry in order to satisfy any existing and future demand.

1.1.1 Strategic Responses

Strategic responses are a collective term that refers to an organization's undertakings in order to remain aligned with ongoing changes within an environment (Ketchen *et al.*, 2013). Firms that choose to remain rigid risk being pushed out of the market. As Pettigrew and Whipp (2012) contend, an increase in competition almost always yields an increase in competition and, therefore, organizations need to arm themselves with the ability to execute strategic responses in order to survive. These changes entail a complete overhaul of a firm's routine behaviors in order to remain responsive. Tregoe (2001) defined strategy as a system that presents an organization with an opportunity to review

its choices about the nature and course it wishes to take. In that regard, organizations need to be aware of the boundaries or parameters within which to operate in order to align the scope of the organization with the diverse aspects of changing organizational strategy.

Organizations need to focus on implementing changes that touch on aspects such as the kind of products or services to offer, which markets to target, what key strengths to leverage on and most importantly what resources are needed to optimize the products' market presence. In other words, response strategies are particularly focused on the nature of decisions and undertakings meant to catapult an organization towards the full realization of its key objectives. Pearce and Robinson (2007) defined response strategies as a series of decisions and undertaking which eventually result in a radical transformation and implementation of plans in order to give a firm an opportunity to realize its core objectives.

Some of the strategies adopted by various firms, as shown in other studies are; Chepkwony (2011) studied response strategies implemented by petroleum firms operating in Kenya in response to increasing levels of competition and entry of new industry players. Chepkwony (2011) observed that crucial adjustments had been carried out in order to enhance compliance with strategic variables such as social responsibility, product promotion, research and development.

Isaboke (2011) conducted investigation on the nature of responses employed by Kenyan-based oil companies in response to emerging threats. He observed that a number of oil companies resorted to utilizing a blend of strategies such as cost leadership, segmentation, development of new markets and market focus in order to increase their survival chances. In addition, the leading oil suppliers use competitive strategies among them the integration of restaurant franchise models and convenient stores to tap into a wide market base particularly in up-market localities. Thiga (2012) established that firms drawn from the aviation sector embraced the idea of formation of alliances in order to increase their influence on global routes in order to secure a competitive advantage. The airlines surveyed by Sharma (2012) appeared to have embarked on this move in order to ward off competition and retain a grip of the market in the wake of fast changing environmental conditions.

1.1.2 Environmental Turbulence

The existence of turbulence in any business environment creates an increase in uncertainty making it increasingly difficult to predict the repercussions of one's actions (Deloitte, 2010). As Brown and Eisenhardt (2008) observed, the unpredictable nature of the business environment provides a situation where one has to always be concerned about the continuous and substantial changes and how such changes can impact an organization's survival chances. One aspect of environmental turbulence is difficulties in analysis and prediction of likely outcomes and this necessitates for establishment of flexible organizational approaches in order to enhance competitiveness. Turbulence and quick change are however different in various ways (Mohamed, 2008). While quick

change can be predicted and its repercussions estimated, turbulence remains hostile and unpredictable (Noor, 2012). According Kim, Cameron and Whetten (2007) turbulence is characterized by major, rapid and often discontinuous actions and reactions. As such, these changes are not necessarily incremental in nature.

Sharma (2015) highlighted the important roles played by factors such as innovation, technology, internationalization and globalization in influencing the events taking place in different business environments. Johnson and Scholes (2012) attribute the constant push and pull in different business environments to four key changes in the Political, Economic, Sociocultural and Technical facets, in short referred to as the PEST.

Since hotel managers cope with complexities the same way as other individuals; they tend to ignore the bigger picture of change and instead limit their focus to the few aspects of the environment that bear historical significant to them. However, Noor (2012) warns against adopting this kind of approach in understanding various aspects of change occurring in a dynamic industry. It is therefore important that star rated hotels analyze their external environment from time to time to determine political, economic, social and technological (PEST) factors that affect its working environment and come up with strategic responses towards the turbulent operating environment to ensure that it remains competitive hence survive.

1.1.3 Hospitality Industry in Kenya

Historically, the Kenyan hospitality industry owes its roots to the coastal strip as an impact of frequent visitations by Arab traders who docked in order to engage in business long before the arrival of British Settlers. The arrival of British Settlers and the

commencement of construction of the Kenya Uganda railway further played a major role in the expansion of the budding hospitality sector. The presence of foreign workers, traders and settlers further created the need for the industry to expand its scope of operation in order to cater to different tastes. This necessitated the establishment of the Grand Hotel of Mombasa which stood at the present-day site of the Manor Hotel. An increase in trade activities and the expansion of Kenya's economy under the colonial rule create a further demand for hospitality services in the country's hinterland. This saw the introduction of the Norfolk Hotel which grew consistently to achieve 5 star ratings by 1960. However, the industry suffered massive shortages of skilled staff and, therefore, the establishment of the Kenya Utalii College in 1975, though plagued with limited capacity Mayaka (2005) played a major role in the industry's transformation.

The growing awareness on the need for additional skills and capacity building within this sector further led to establishment and proliferation of public and private colleges that offered varying curricula (Waudu, 2012). To-date, the country boasts close to 500 registered hotels which meet international standards. Besides, the country has expanded its capacity in response to emerging needs to offer a diverse range of services. The typical elegance, class and ambience of Kenya's hotels and lodges remain a key feature of this development, catapulting the country to international heights of competitiveness (Kenya Space, 2008). Indeed, Kenyan-based hotels are highly rated through an internationally accredited star classification methodology. These hotels range from small restaurants operating out of some of the countries upcoming town centers to five star, urban hotels.

A unique aspect of Kenya's game lodges is that they retain a luxurious and classy appeal. Some of them are located deep in Kenya's rural areas but interestingly still retain the standards that have increasingly become symbolic of the country's scenic splendor. It is worth noting that the hotel industry in Kenya remains one of the fastest growing aspects of the vast economy. The sector contributes billions of dollars to the economy, and its very existence supports a myriad of other support industries. At the heart of these trends, however, is the need handling and processing of foreign exchange flows (Ministry of Tourism, 2012).

The role of upholding these high standards rests squarely on the shoulders of The Hotels & Restaurants Authority (HRA) which is coordinated by the Government of Kenya through the Ministry of Tourism. The HRA is charged with the responsibility of classifying hotels. This is in response to the fact that classification of hotels is fast becoming an important aspect of the global tourism sphere. Besides that, classification provides a watchdog mechanism through which hotels are held accountable for upholding high standards of service. The classification can be broken down into 5-Star, 4-Star and 3-Star ratings. Each level of ratings represents a set of factors ranging from quality of service and track record among others.

1.1.4 Star Rated Hotels in Nairobi County

Nairobi boasts of very beautiful hotels that are ranked worldwide. The star rated hotels are the most luxurious ones in the market of hotel industry in Nairobi, Kenya and have state of the art rooms, transportation, leafy gardens, and large pools. Some of these hotels are even located by the game park such as the Ole Sereni. Some of the services that star rated hotels provide for their customers are full-service meals and drinks at any hour and entertainments (Wakanini, 2014).

Points that differentiate star rated hotels are: hours of operation of reception facilities, existence of a multilingual staff, size and spaciousness of reception halls, doorman services, and beverage services, personalization of greetings, room service, internet services, shoe polish services and ironing services. Hotels that operate out of the star-rated system are characterized with aspects such as limited reception hours of operation, lack of basic services such as shoe polish, ironing, internet and personalized greetings (Waudu, 2012).

Despite the good facilities and high quality competition has become very high of late especially with the reduction of tourist arrivals in the country due to increase in terroristic attacks. Tourists normally go to affect the performance of this star rated hotels because most of the visitors of these hotels are foreign visitors. They are normally quite expensive and thus average Kenyans cannot afford to wine and dine at these luxury hotels (Noor, 2012). Due to this reduction in clientele they have been forced to resort to aggressive competitive advantage strategies.

1.2 Research Problem

Environmental turbulence is likely to create pressure for strategic responses in an organization. Specific factors in the business environment will likely affect different organizations in different ways, favoring others while posing a threat to others. It is important for organizations to continuously study the environment and respond to its instability and uncertainty if they are to retain their competitive advantage.

Strategic response is important in dealing with environmental changes because if a firm wants to succeed in the long run it has to make every effort to make sure it is not adversely affected by the environmental changes. The star rated hotels in Kenya face numerous strategic challenges emanating from the political, social, economic and technological environments. Most of the two and three star rated hotels easily close down or diversify after operating for a short period or does not depict any observable growth to be graduated to higher ratings even after operating for a long duration (Muthike, 2009).

The four and five rated star hotels are operating in a highly competitive environment coupled by numerous influences in the form of inflation, terrorism, demand/market shifts and social cultural dynamics which have taken place and which can potentially have a negative or positive impact on the Hotels. Internationally, Bufton (2011) identified the need for diversification of strategies as one of the response measures employed to counter an economic meltdown in New Zealand. Sharma (2015), on the other hand, contends that lowering of cost, product differentiation and implementation of both focused and unfocused strategies played a major role in providing a recovery recipe for the ailing hospitality industry in India.

Sharma (2015) placed emphasis on the role of deregulation in India and found out that by reducing cost, embarking on product differentiation and the implementation of a multi-pronged approach provided much-needed dynamism in aiding the recovery process. The study further established that hotels exist in a highly competitive environment where dynamism remains a key element of survival. Koutroumanis, (2011) studied on the impact of technology in hotel and restaurant management. The scholar argued that effective implementation of technology plays a major role in helping hospitality industry service provides to establish a competitive edge, something that can actually contribute to helping in sustainability even in the wake of emerging competition pressure.

Locally, Kombo (2016) did a study on the role of strategic responses in helping motor vehicle franchise holders retain a competitive edge and thrive in an environment posing new threats and challenges. Njoroge (2015) in his study observed that the Sarova Group of Hotels in Kenya employed robust measures in response to the need to remain competitive. These measures included outsourcing of newer innovations and skills in addition to embracing of aggressive diversification strategies. Gathigia (2013), on the other hand, observed that the CIC Insurance Group of Kenya move gradually towards the micro-insurance industry in the country as a diversification strategy in the wake of intensive competition within the industry. Abdirahman (2014) highlighted the importance of adoption of forward-looking response strategies among oil marketers in Kenya through the implementation of strategies such as cost leadership, corporate social responsibility and focus market. On his part, Thurair (2012) found out that Kenyan commercial banks responded to changes within the sector by employing strategies such emanating from changes in portfolio and financing conditions on the market.

While these studies have revealed that different organizations encounter a myriad of challenges in the quest for survival, organizations still enjoy the opportunity to try out different strategies in response. Therefore, it is not possible to generalize the findings across different facets of the industry. Consequently, no known study has looked at response strategies adapted by the star rated hotels in Nairobi County in an attempt to understand the manner in which such hotels respond to changes in their business environment. This study aims to seal this gap by answering the following question: What response strategies have been adopted by star rated hotels in Nairobi County to deal with the environmental changes?

1.3 Research Objective

The objective of the study was to investigate the managerial perception on strategic responses adopted by star rated hotels to deal with environmental turbulence.

1.4 Value of the Study

Findings made through this study would play a pivotal role in helping stakeholders understand various aspect of industrial-level changes. First and foremost, this study provides an avenue for management and shareholders of Kenya's start rated hotels to understand the nature of changes occurring within this diverse industry.

Using information shared in this study, the stakeholders will be in a position to make subtle changes and formulate proper responses that will enable them to compete effectively.

Secondly, this study would be of value to organizations operating in other industries as well to understand the concept of environmental change and how to mitigate such changes through effective appropriate strategies.

This study would also be of immense importance to policy makers on a quest to understand the place of the hospitality industry and how it thrives with the existing policies in addition to understand how such policies can be shaped to increase the countries competitiveness in an international context.

Other scholars would also found the information contained herein of great importance as a reference point for future studies or research efforts. The observations made out of this study can be run against other strategic responses observed in this or other sectors in order to draw comparisons and help in crafting suitable responses to changing factors in the environment. The study would also be of benefit to consultants who may want to provide support to affected industries in order to enable them respond accordingly to the impact of change at various points of time. Finally, this study provides a rich source of information for academicians upon which a strong foundation for other studies can be based upon.

CHAPTER TWO: LITERATURE RIVIEW

2.1 Introduction

Every organization, irrespective of its industry, nature of business or ownership, is located within the context of an environment. With each environment are numerous happenings due to various changes taking place. The presence of clients, suppliers and competitors provides a platform of interactions where the impact of one party delivers an impact to the organization in general. In addition, the environment is influenced by micro and macroeconomic changes ranging from technological to ethical and legal developments. The constant demand for efficient operation and the demand for wider profit margins in response to increasing cost of operation call for the implementation of diverse strategies for survival. Indeed, all operations of an organization are, in one way or another, related to the aspects of interdependence with the environment.

Because of the fact that firms exists within an environment, strategies remains a key area of concern for organizations that thrive to respond appropriately to external and internal circumstances. Porter (2011) stated that strategy is directly tied to the position of an enterprise particularly in regards to its ability to reap maximum value and survival mechanisms that distinguish the firm from the rest of its competitors. Indeed, Porters (2015) underscores the important role played by strategy in helping businesses retain a competitive edge by formulating strategies that entail working towards long term success while appreciating the dangers posed by the immediate environment towards the business's immediate survival needs.

Arriving at a final applicable strategy for any firm entails developing an in-depth understanding of a firm's immediate environment. For starters, it is important to note that any operating environment consists of factors that directly or indirectly influence a firm's survival chances. These factors comprise, but not limited to, the competitive situation, customer habits, and competitive position, metamorphosing labor market, nature of creditors and nature of suppliers.

Factors that directly affect a firm's prospects emanate from the environment in which it operates as well. These may include entry barriers, presence of substitute to goods or services offered nature of competition in terms of levels of rivalry and above all, a firm's ability to retain its bargaining power over its suppliers and buyers alike. It is worth appreciating the fact that each operating environment provides a number of challenges which any firm needs to overcome through constant and consistent utilization of resources within its disposal in order to operate profitably and grow over time (Pearce and Robinson, 2015).

This chapter focuses on the very foundation of organizational challenges and explores various strategies that can be harnessed in order to maximize organizations changes of survival in a competitive marketplace. Strategy is a product of an efficient match of organizational resources as well as skills in the context of prevailing environmental conditions and the purpose of a company's existence (Hofer and Schendel, 1978).

2.2 Theoretical Foundation

According to the Structural Contingency Theory in the Burns and Stalker (2011) studies, Lawrence and Lorsch (2009) arrived to a conclusion that while different environments exists, each subunit involved is forced to re-align its organizational structures in order to correspond to the emerging needs of the environment. A successful firm in that regard, therefore, is one that is capable of differentiating itself and devising new ways to integrate with various elements of change. This theory has created interventions for assessing an organizations reaction to the external environment and making changes in the organization if the need arises.

In 1978, Pfeffer and Salancik engineered the Resource Dependence Theory which views organizations as arrangements that evolve constantly in response to various economic needs and consistent competition over scarce resources. In that regard, environmental scanning provides a major aspect of surveillance and self-analysis particularly for organizations faced with constant changes in their operational environment.

According to the Population Ecology Theory by Hannan and Freeman in 1978 and 1989 respectively, it remains upon the environment to select organizations that are fit enough to survive and rejects ones that prove rigid and unresponsive to change. Organization responses to the environment more often than not involve change. In order to maximize chances of survival, it is imperative for organizations to adapt newer strategies and embrace new operational perspectives.

This emphasizes the critical role of continued research in the quest to embrace strategic changes within organization's detailed plans in addition to the identification of critical factors for success through core processes and day-to-day communication (Johnson and Scholes, 2003).

2.3 Environmental Turbulence

Johnson and Scholes (2002) point out three factors as critical to understanding the nature of environment and demand for change. The first and probably most important factor is diversity. Appreciating the important role played by a changing environment in influencing change is not only useful for understanding the immediate moves to take but also in putting in place long term measures.

The speed of change is yet another crucial factor affecting organizational survival in a dynamic marketplace. Indeed, most managers find it difficult to keep up with the pace of change in a global setting. The third problem identified by Johnson and Scholes (2002) is the challenge of complexity. Modern-day managers are faced with numerous complexities and in trying to simplify these changes they tend to miss out on the bigger picture of change by merely relying on historical data. It is imperative to steer clear from such way of thinking in order to ensure an organization does not miss out of a much needed process due to rigidity and underestimation of current factors influencing change within an industry.

In order for any aspect of change to emerge as successful, it is imperative for it resonate with the strategic and operational dynamics of an organization. This, therefore, highlights the need for the translation of strategic changes into the formulation of detailed resource plans as well as the identification of critical success factors key to the realization of an organization's progress (Johnson and Scholes, 2003).

Johnson and Scholes (2003), demonstrate that three factors make it extremely difficult to deal with the environment. The first one of these factors is the diversity posed by different factors leading to environmental influences. The second factor is the pace of change as managers typically feel that the speed of change (particularly technological change) is a little too fast beyond what organizations would ordinarily be prepared to respond to. The third area of concern is complexity, as organizational management grapples with simplifying the occurrences taking place in a vast environment based on a historical understanding of change and trends of change.

2.4 Strategic Response to Changes in the Environment

Ansoff and McDonnell in 1990 observed that organizations are environment dependent and serving. They also noted that strategic responses involve changes to organization's strategy behavior to assume success in transforming future environment. Johnson, (2008) indicated a good organizational strategy is one that provides a bridge connecting the existing resources of a firm, its opportunities and risks existing within its environment. It incorporates the competitive moves and approaches to deliver the best performance and satisfaction to all stakeholders.

Li and Rwegasira (2008) found out that the choice of the responses depends on the speed with which a particular treat or opportunity develops in the environment. In that regard, the quality of strategic responses remains a formidable avenue for firms seeking to claim their rightful position in the competition. Some of the appropriate responses in the wake of change may include the creation of new products, exploration of new market possibilities, and identification of new and more effective processing, complete restructuring or even a complete change in leadership (Li and Rwegasira, 2008).

Business process reengineering popularized by consultants Hammer in 1996 is one popular method within a business structure that remains critical to the welfare of a business particular with the implementation of a business strategy. Elsa, et al (2010), argue that reengineering of business process is central to the success or regularization of any firm that seeks to maximize its value perspective to customers. This entails a complete rethinking of existing process and re-evaluation of the same in the wake of emerging needs for change.

Noor (2012) indicated that downsizing is reducing the population of employee's particularly middle level management. It results to increased self-management, larger span control and more work for those that remain. Outsourcing refers to obtaining skills and resources from external provides instead of merely relying on in-house, full-time employees. It is a source of competitive advantage. Activities that can be outsourced include; information processing, various personnel activities, security among others.

According to Rugman and Verbeke (2010) restructuring also entails removal of structural barriers and creation of learning organizations capable of continued production of advanced knowledge and understanding of emerging culture in the course of which mutual questioning is encouraged as a method of harnessing a shared vision.

Stacey, (2009) noted marketing plays a key role as a societal process that organizations can obtain new ideas and market cues so they can move into offering products that offer real value to their customers. Kottler, (2010) also appreciated that marketing is not merely an activity meant to sell goods but also a process that can be utilized to obtain new intelligence especially in regard to creating changes that satisfy market and organizational targets.

Koutroumanis, (2011) argued a company's assets cannot thrive on their own if there are not customers to justify their existence. An organization's role should, therefore, always be based on developing a superior offerings aimed to maximizing client satisfaction. Organizations therefore need to embrace marketing concepts that rest on five pillars namely; marketing focus, integrated/coordinate marketing, profits, products and competition (Mintzberg *et al.*, 2010).

The company must define the boundaries of its markets. It should know those customers that are members of their market. This can be done through a process known as segmentation. The company should determine the needs and wants of the customers from the customers' point of view but not the company's (Kottler, 2010).

Jennings (2010) indicated that rapid changes occurring the information communication sector remain a key aspect in business transformation. Automation of business processes has led to a drastic improvement in productivity and reduction in costs while Telecommunications has improved the speed with which information is transmitted thus facilitating speedy decision making. IT has become indispensable ingredient in organizations in several strategic to meet challenges of change they include internet, intranets that support business operations and using it in Business Process Reengineering (BPR). Technology also plays a pivotal role in the creation of new products and services alongside streamlining day-to-day processes especially in the wake of emerging competition within an industry (O'Brian, 2012).

Gary and Prahalad (2013) indicated that the potential of changing the culture of a government is influenced by the beliefs of strategic leaders and the extent of strategic need. According to Kottler (2011), leadership is about coping with change. Leadership has become very important in recent years due to businesses becoming more competitive and volatile. Pearce and Robinson (2012), acknowledge that leadership within organizations retains a key role in providing guiding principle that determines an organization's course of action over time. As such, insightful leaders retain a key role in creating strategies that maintain their organization at a leading position in order to continuously drive the achievement of better quality of service and improved efficiency.

The common set of beliefs among organizations is the beliefs in offering superior products and value, belief in the ability to deliver strong contribution and the ability to execute important strategies that uphold the supremacy of the customer (Pearce & Robinson, 2012).

2.5 Empirical Studies and Knowledge Gap

Waruingi (2012) conducted a study that provided an assessment to the nature of strategic responses adopted by the Serena Group of Hotels in response to changing business environment dynamics throughout East Africa. This study highlighted the fact that Serena Hotels have retained an admirable ability to respond to emerging threats within their environment through changes in leadership, cost leadership, product innovation, and integration of modern technology to basic processes, outsourcing and restructuring. On the other hand, a study by Koutroumanis, (2011) revealed the effects of modern technology on the vast hospitality industry and in particular, the manner in which this technology can provide a competitive advantage to a service provider.

Njogore (2015) identified that indeed, the Sarova Hotels Limited was actively involved in appreciating change within its processes. These findings appreciated the fact that the company maximized on its competitive advantage in employing various response strategies that enhance survival chances in a liberalized marketplace. These changes included outsourcing, differentiation and diversification. In a separate study, Martin and Isozaki (2012) appreciate the role played by path analysis in strategic decision-making within organization developed mainly through unstructured decision-making models that provide a blue-print for understanding existing problems and propose alternative developments to counter such challenges.

Zech (2016) also carried out a study attempting to understanding the role of crisis management within the hospitality industry. The researcher contended that each crisis in a corporate setting has an impact on different kinds of stakeholders but in varying extents. It is therefore upon stakeholders to decide on whether they want to influence change or be forced to conform. Yunus, Ercan, & Mehmet (2015) conducted another study on the Turkish hotel industry environment. The findings of this study emphasized that hotels exist in a dynamic space which is often faced by challenges of diversity and complexity.

In the Kenyan context, researchers such as Ayele (2012) and Richard (2013) have taken an incisive look on various kinds of strategies utilized in the gaining a competitive edge. At an international level, various research studies have been carried out concerning the role of strategy as a determinant in industrial-level competition Enz (2011). While the three scholars have identified various strategies in organizational survival kit, none of them focuses on highlighting the existing relationship that organizations share with their external business environment. Therefore, this study delves deeper into the nature of this interdependence and in particular compares and contrasts various strategies employed by different organizations to boost their survival and enhance success.

The purpose of this study is to establish strategic responses adopted by the star rated hotels in Nairobi County to help them deal with environmental turbulences and how it has adjusted and amended these strategies in response to the existing possibilities and challenges present within this dynamic business environment. The chapter looked at the

empirical studies and knowledge gaps relating to turbulent environment in which star rated hotels operates in. This chapter then opens up gaps for further studies specifically on strategies adopted by star rated hotels to the turbulent operating environment considering that there is no known study on this.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter aimed at breaking down the stages and phases that make up this study in its entirety. It entailed formulation of a blueprint for collecting measuring and analyzing data. The objective of this study was to understanding different managerial perceptions in regards to formulation of change response strategies among start-rated hotels located within Nairobi County.

3.2 Research Design

The survey design aimed at providing a description to the phenomenon of change without any kind of manipulation. Therefore, the study was designed to understand subtle aspects of change and provide a framework for these findings to be generalized to cover the entire population. According to Bryman and Bell (2007) a survey research is the mechanism through which cross-sectional design is adopted in relation to the kind of data availed through self-completion questionnaire or through structured interviews in the accumulation of both quantitative and qualitative data.

A survey research design was adopted as it was low in cost and information can be easily accessed. A standardized questionnaire was administered to the selected sample, to facilitate the description of characteristics observed within the population. This involved the selection of variables and construction of instruments to measure them.

3.3 Study Population

Mugenda and Mugenda (2011) asserted that a population is a suitable defined set comprising of target individuals, objects, events, elements or group of things that are subject to investigation. In this research, the study population included the general manager, front office manager, operations manager, food and beverage manager, procurement manager executive housekeeper, and marketing manager in the star rated hotels.

3.4 Data Collection

The study is entirely based on the quality of primary data which was collected through self-administered questionnaires. The questionnaires comprised of two kinds of questions namely closed-ended and open-ended questions. All questions were designed to attract specific responses which could assist in formulation of qualitative and quantitative data in order to formulate an analysis. Questionnaires provide a broad-base avenue of collection of crucial data based on respondent feedback. In order to maximize on responses and to ensure that those who took part in the survey provided unbiased responses, the process was administered through a “drop and pick later” approach. Each respondent was expected to provide meaningful insights to specific strategies utilized in providing a strategic response to changes within an organization’s ecosystem.

3.5 Data Analysis

The data attained from the administered questionnaire provided a means to conduct an analysis through the use of inferential statistic tools as well as descriptive statistics. In order to increase the quality of analysis, the study employed the Pearson's correlation coefficient (r) as a tool for measuring the strength of association between different variables. Further, the study employed the ANOVA to examine the levels of significance of different variables in relation to a 95 percent level of significance. In addition, figures, charts and tables were used to present the data in order to enable easy understanding of various relations and correlations from observations made. Finally, a report was prepared providing a summary of findings.

The regression line presented below was used for purposes of this study.

The regression equation ($Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$):

Whereby Y = Strategic response to changes in the environment

ϵ = Constant (Co-efficient of intercept)

X_1 = Restructuring

X_2 = Marketing

X_3 = Information technology

X_4 = Leadership and culture

ϵ =represents the error term. B_1

B_5 = Regression co-efficient of four variables.

This chapter sought to form the basis of the research design, data collection and data analysis. Because the researcher was interested in providing a vivid description of existing phenomenon without manipulation, the study used a survey design as its research design.

Self-administered questionnaires were issued to general managers, front office manager, operations managers, food and beverages managers, procurement managers, executive housekeepers, marketing managers and procurement managers of different hotels. This chapter also looked at the data analysis method. Descriptive statistics (measures of central tendency and measures of variations) and inferential statistic tools were identified as the method of data analysis since the data collected will be quantitative in nature. Once the analysis and interpretation of raw data was done, a final report was compiled in order to summarize the findings.

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION OF FINDINGS

4.1 Introduction

This chapter covers the scope of interpretation and presentation of the study's findings. The aim of this study was to provide a thorough understanding of various response efforts made by star rated hotels located in Nairobi County in response to environmental turbulence. Data collected was then presented through frequency tables and figures. The objective behind the collection of these findings was to provide an answer to the research questions raised by this study. Presentation of data and its interpretation was done in the form of tables and figures while qualitative analysis was done in prose.

4.2 Response Rate

The survey covered a target of 45 respondents drawn from various hotels located within the city. Out of the 45 questionnaire documents issued out, 42 were completely filled in and re-submitted to the researcher. That represents a 93.3 percent response rate which is above the threshold required for generalization of data. Mugenda and Mugenda (2003) recommend a response rate of 50 percent and above as adequate for carrying out analysis of a subject with any percentage above 70 percent representing an excellent response rate. That said, 17 percent of the target respondents were reluctant to provide responses to the questionnaire. This was attributed to the fact that some of the respondents were held up in their on-job responsibilities and were not in a position to find time to respond accordingly. This remained the case despite persistent follow ups. However, the response rate observed in this study still represents a demonstration of enthusiasm of majority of the respondents to provide useful data in the context of this study.

Table 4.1 Response Rate

Response	Frequency	Percentage (%)
Filled in questionnaires	42	93.3
Un returned questionnaires	3	6.7
Total	160	100

4.3 Background information of the Hotels

The study sought to establish the background information of the star rated hotels. This was vital as it would reflect on the reliability of information based on information given by the respondents from these Hotels. As part of the general information, the researcher requested the respondents to indicate the category of the hotel, type of ownership, period of the hotel strategic plan and how hotel gets information about their competitors in Nairobi.

4.3.1 Category of the hotel

The researcher was inquisitive to determine the hotel categories of the individual hotels around Nairobi that responded to the questionnaires. Figure 4.1 shows the findings of the result, many (38%) of the respondents were from 5 star hotels, 30% of the respondents were from 4 star hotels, 21% of the respondents were from 2 star hotels while the rest (11%) were from the 3 star hotel. This depicts that most of the respondents were from the 4 star and 5 star hotels and hence they were liable of answering the questions on the strategic responses adopted by star rated hotels in Nairobi County to deal with environmental turbulence.

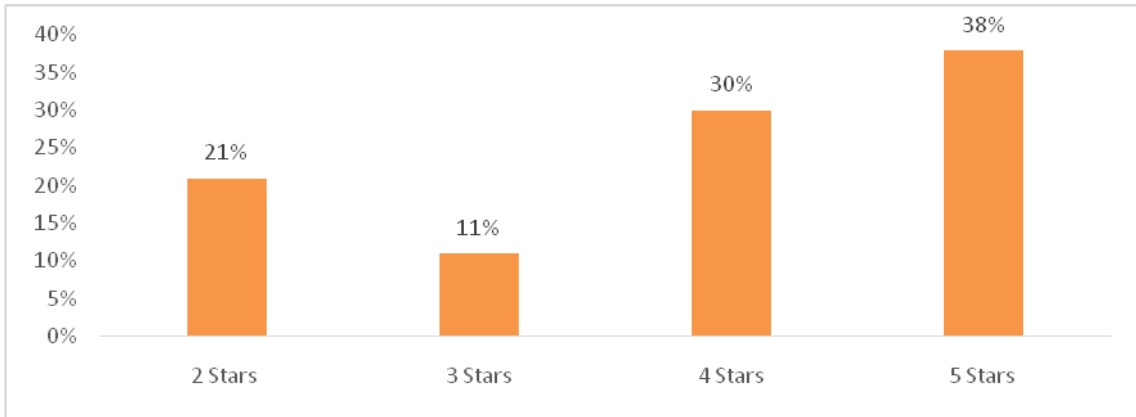


Figure 4.1Hotel category

4.3.2 Year of establishment

Figure 4.2 illustrates existence duration of the hotels, from the findings majority (57%) of the hotels were established between the year 1950 and 2000, 26% were established between the years 2000 up to date while the rest (17%) were established between the years 1900 to 1950. This indicates that the hotels covered in this study have been in operation for extended periods of time and, therefore, were well versed with various facts and figures needed to conduct this research study.

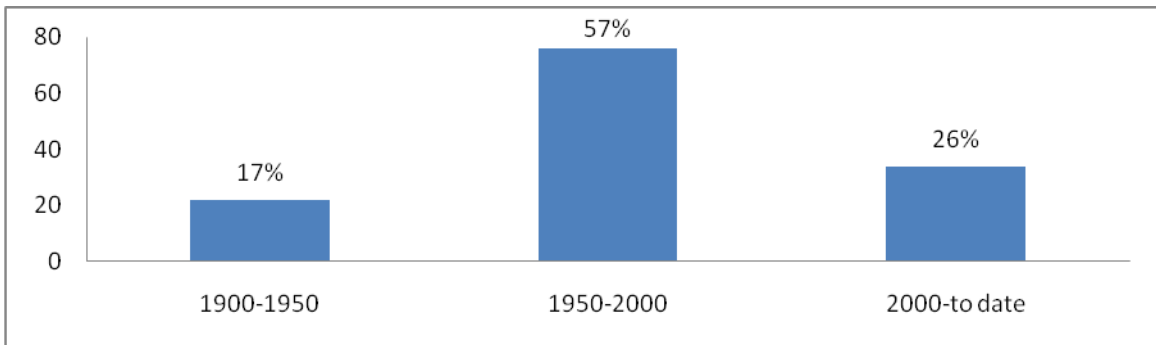


Figure 4.2Year of establishment

4.3.3 Type of ownership

The researcher was inquisitive to determine the type of ownership of the individual hotels around Nairobi that responded to the questionnaires. Figure 4.3 shows the findings of the result, majority (53%) of the hotels were under private ownership, 15% were members of the chain, 12% were under public ownership, and another 12% were Franchise businesses while the rest (8%) were members of consortium. This depicts that majority of the hotels in Nairobi are privately owned.

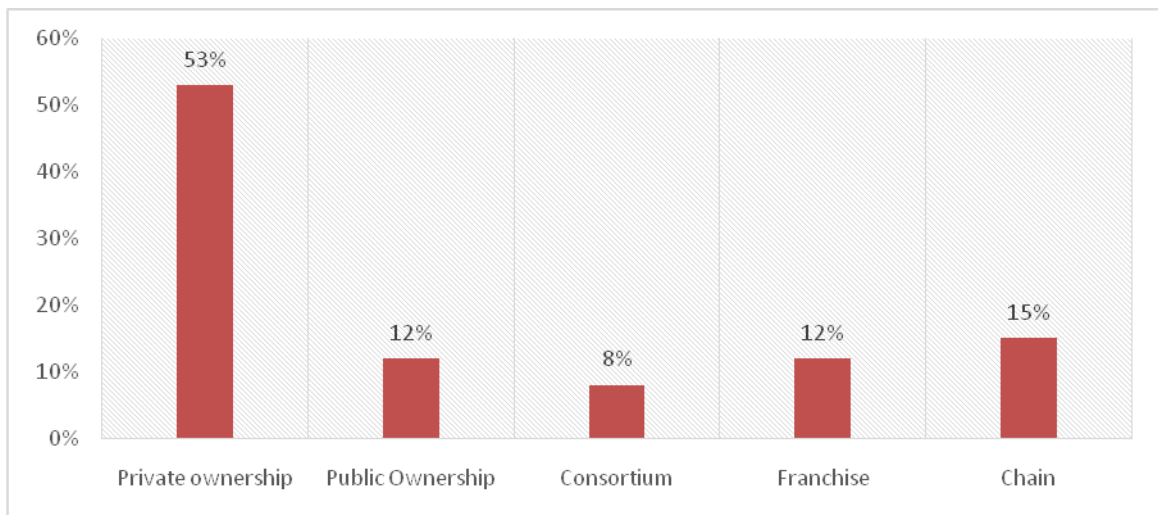


Figure 4.3Type of ownership

4.3.4 Period of the strategic plan

Figure 4.4 illustrates period of the strategic plan of the hotels, from the findings majority (52%) of the hotels had a strategic plan of 1 to 5 years, 29% had a plan of 1 to 3 years, 12% had a plan of 1 to 10 years while the rest (7%) had no strategic plan. This implies that majority of the hotels of this study had a strategic plan thus they were conversant with the information that the study sought pertaining to the hotel industry.

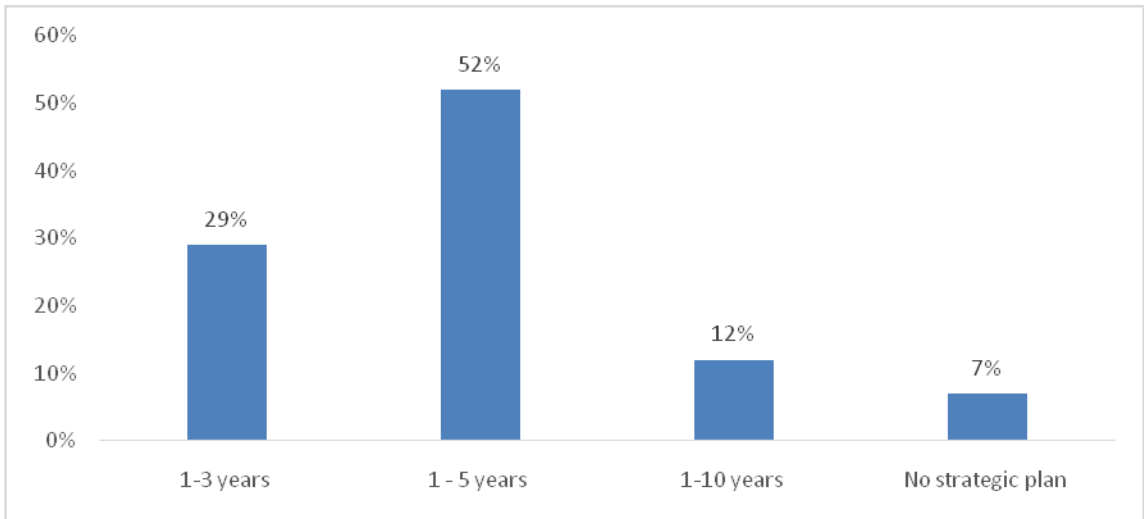


Figure 4.4 Period of the strategic plan

4.3.5 Information about Competitors

Figure 4.5 illustrates how hotels get information about competitors, from the findings majority (50%) of the hotels get information about competitors through competitor friendly forum, 24% through Kenya National Bureau of Statistics, 20% through magazines, reports and journals while the rest (6%) through heresy.

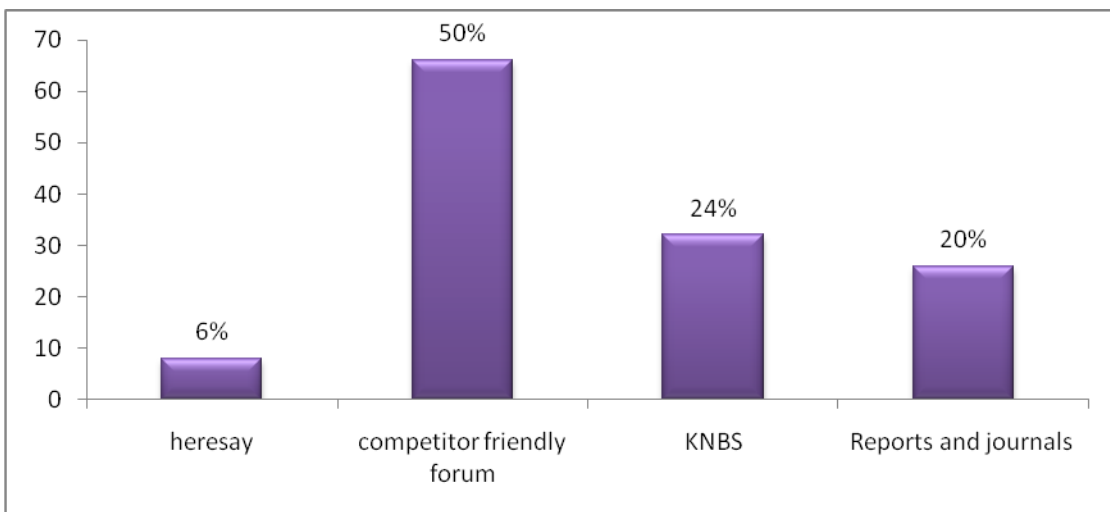


Figure 4.5 Information about Competitors

4.4 Restructuring

The study sought to establish information on restructuring of the Hotels. This was vital as it would reflect on the effect of restructuring as a strategic response to changes in the environment of the hotel industry

4.4.1 Standard Operating Procedure Manual

The findings of this study indicate that 91% of hotels have standard operating procedure manual while only 9% of the hotels had no standard operating procedure manual.

4.4.2 Duration of Revising the Manual

From the findings, most 45% of the hotels revised their manual annually, 25% never revised their manual, 14% revised their manual after every 6 months, and 9% of the hotels revised their manual after every three months while 8% of the hotels revised their manual monthly.

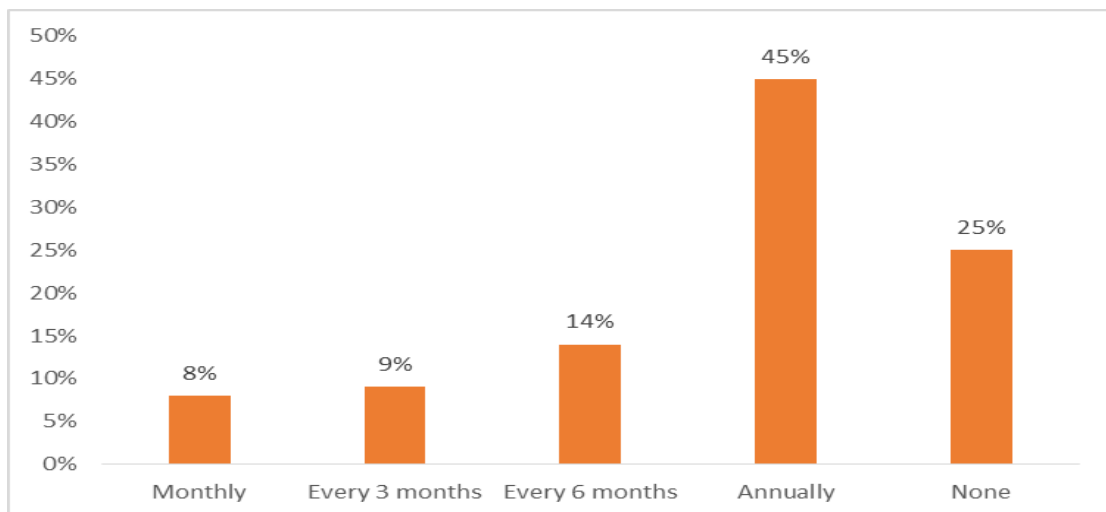


Figure 4.6 Duration of Revising the Manual

4.4.3 Restructuring in the Hotels

According to the results in table 4.2, the respondents strongly agreed that the size of the firm is a key determinant in assessing the success of the capital restructuring and that there is adequate cooperation from the other branches in regards to the capital restructuring as indicated by the mean scores of 4.45 respectively. According to the respondents, Senior management play a big role in ensuring improved financial performance on the restructuring program; the size of the firm will make an impact on the capital restructuring financial performance and employees understand how their jobs contribute to achievement of the strategies hence success of capital restructuring as shown by the mean scores of 4.40 and 4.27 respectively. They further held that strategies put in place contribute to high profitability on the capital restructuring of the company as indicated by the mean scores of 4.17.

On the other hand, most of the respondents seemed to be neutral that feedback from other branches take too long to be shared and senior management do not trickle down information to the employees in regards to the capital restructuring as shown by the mean scores of 3.86 and 3.54 respectively.

Table 4.2 Restructuring

	Mean	SD
The size of the firm is a key determinant in assessing the success of the capital restructuring	4.45	0.721
There is adequate cooperation from the other branches in regards to the capital restructuring	4.45	0.611
Feedback from other branches take too long to be shared	3.86	0.606
The size of the firm will make an impact on the capital restructuring financial performance	4.27	0.772
Employees understand how their jobs contribute to achievement of the strategies hence success of capital restructuring	4.27	0.991
Strategies put in place contribute to high profitability on the capital restructuring of the company	4.17	0.970
Senior management play a big role in ensuring improved financial performance on the restructuring programme	4.40	1.281
Senior management do not trickle down information to the employees in regards to the capital restructuring	3.54	1.364

4.5 Marketing Practices

4.5.1 Business Related Research

The study sought to establish whether the hotel conducted business related Research. The findings are presented in the figure below. From the study findings, slightly more than half (57%) of the hotels conducted business related Research while 43% did not conducted business related Research.

4.5.2 Marketing Practices

This section discusses the findings on the market practices of the hotel industry in Nairobi. The information was collected on five-point likert scale. The data was analyzed through mean and standard deviation using a 5-point likert scale which are shown in table 4.3

Table 4.3 Marketing Practices

statements	Mean	SD
We have the ability to develop new products	4.37	0.7
We develop new products to exploit research and development	4.29	0.7
We use pricing skills and systems to respond quickly to market changes	4.21	0.7
We do an effective job of pricing our products	4.20	0.8
We have a strong working relationship with our distributors	4.16	0.9
We provide high levels of service support to our distributors	4.04	0.9
Our advertising programs are well developed and executed	4.15	1.0
We provide sales management planning and control systems	4.90	0.9
Our marketing research abilities helps us to find customers	4.40	1.3
Our marketing research skills helps us to develop effective marketing programs	4.32	0.6
We use our marketing research information effectively	4.45	0.8

According to the results in table 4.3, the respondents strongly agreed that they provide sales management planning and control systems, marketing research abilities helps them to find customers, they use their marketing research information effectively, they have the ability to develop new products, and marketing research skills helps them to develop effective marketing programs as shown by the mean scores of 4.90, 4.45, 4.40, 4.37, and 4.32 respectively. Further, the respondents strongly agreed that their marketing research skills helps them to develop effective marketing programs, they use pricing skills and

systems to respond quickly to market changes and they do an effective job of pricing our products industry as shown by the mean scores of 4.29, 4.21 and 4.20 respectively.

On the other hand, most of the respondents agreed that they have a strong working relationship with their distributors, their advertising programs are well developed and executed and they provide high levels of service support to their distributors as shown by the mean scores of 4.16, 4.15 and 4.04 respectively.

4.6 Information Communication Technology (ICT)

4.6.1 Systems computerization in all departments

The study sought to establish whether the hotel systems were computerized in all departments. The findings are presented in the figure below. From the study findings, almost all (87%) of the hotels had their systems computerized in all departments while 13% did not.

4.6.2 Factors that have led to the use of IT at the hotel

This section discusses the findings on Information Communication Technology especially the factors that have led to the use of IT at the hotel. The information was collected on five-point likert scale. The data was analyzed through mean and standard deviation using a 5-point likert scale which are shown in table 4.4

Table 4.4 Factors that have led to the use of IT

	Mean	SD
Competition	4.75	0.8
Convenience	4.86	0.9
Better decision making Process	4.94	1.0
Easy to use applications	4.83	0.7
Website with comprehensive information	4.90	0.6
Safety and Security	4.87	0.7
Accuracy in information provided	4.75	0.9
Improve turnaround times to customer queries	4.64	0.8

According to the results in table 4.4, the respondents strongly agreed that better decision making Process, website with comprehensive information, safety and security and convenience are the factors that have led to the use of IT at the hotel as shown by the means 4.94, 4.90, 4.87, and 4.86 respectively.

On the other hand, most of the respondents agreed that easy to use applications, accuracy in information provided, competition and improve turnaround times to customer queries are the factors that have led to the use of IT at the hotel as shown by the means 4.83, 4.75, 4.75, and 4.64 respectively.

4.6.3 Information Communication Technology

Table 4.5Information Communication Technology (ICT)

	Mean	SD
The organization implements a management information system that is user-friendly	4.75	0.8
The organization has invested in a system that helps in minimization of various administrative costs	4.79	1.0
The organizations management system is compatible with other systems.	4.81	0.6
The management information system is flexible enough to support the growth of the firm	4.74	0.7
The management information system of the firm has provided a new avenue for provision of better customer service.	4.92	0.9
ICT systems adopted are able to reduce costs of production and subsequently lower prices of services.	4.87	0.8

According to the results in table 4.5, the respondents strongly agreed that the management information system of the firm has provided a new avenue for provision of better customer service., ICT systems adopted are able to reduce costs of production and subsequently lower prices of services and the organizations management information system is compatible with other systems as shown by the means 4.92, 4.87, and 4.81 respectively.

On the other hand, most of the respondents agreed that the organization has invested in a system that helps in minimization of various administrative costs, the organization implements a management information system that is user-friendly and the management information system is flexible enough to support the growth of the firm as shown by the means 4.79, 4.75 and 4.74 respectively.

4.7 Leadership and Culture

4.7.1 Strength of leaders towards improving the hotels performance

The study sought to establish whether the hotel systems were computerized in all departments. The findings are presented in the figure below. From the study findings, majority (64%) of the respondents indicated that their leaders were strong towards improving the hotels performance and 28% indicated that the leaders were too strong while 13% indicated that their leaders were fairly strong towards improving the hotels performance.

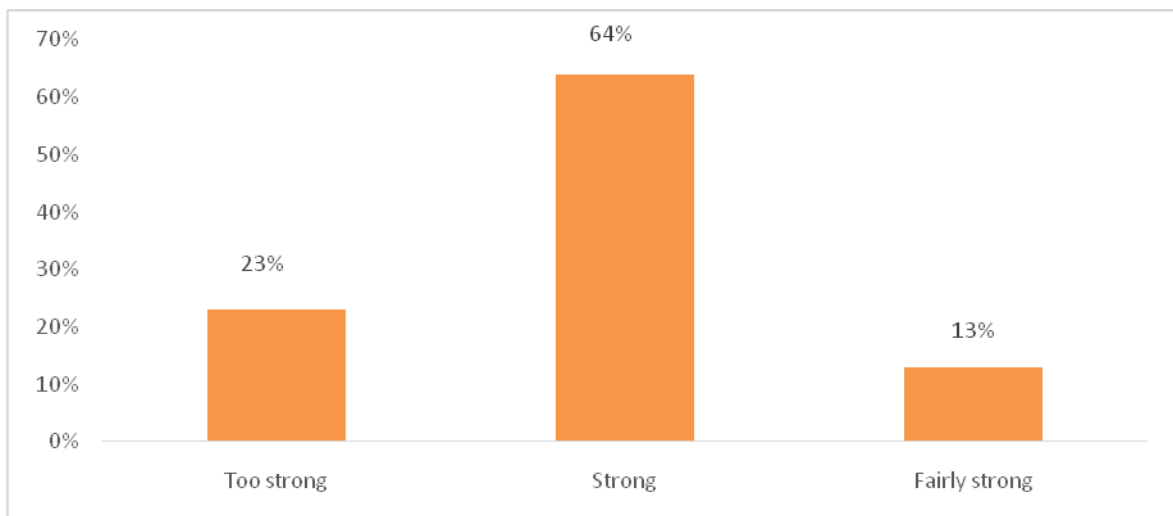


Figure 7 Strength of leaders towards improving the hotels performance

Table 4.6: Most Practiced Value in this Hotel

Most Practiced Value in this Hotel		
Diligent	72.6	27.4
Honesty	84.0	16.0
Professionalism	91.3	8.7
Teamwork	75.4	24.6
Openness & transparency	89.0	11.0

From the study findings, professionalism was the most practiced value in this hotel as indicated by 91.3%, followed by openness & transparency at 89%, then honesty at 84% while team work and diligent were rated the least practiced value in this hotel as indicated by 75.4% and 72.6% respectively.

4.7.2 Statements on Leadership and Culture

This section discusses the findings on leadership and culture at the hotel. The information was collected on five-point likert scale. The data was analyzed through mean and standard deviation using a 5-point likert scale which are shown in table 4.6

Table 4.7 Leadership and Culture

	Mean	SD
Corporate resource portfolio is effectively managed (financial capital, human capital, social capital and organizational culture)	4.45	1.02
Effective organizational culture is emphasized (core values, symbols and ideologies shared and that influence how business is conducted)	4.56	0.8
Ethical practices are emphasized (acting ethically when doing what is necessary to implement the corporation strategies)	4.35	0.9
Balanced organizational controls are emphasized (strategic and financial controls)	4.09	0.7
Corporate strategic direction is determined (developing long term vision of the corporate intent)	4.74	0.6

According to the results in table 4.6, the respondents strongly agreed that the corporate strategic direction is determined (developing long term vision of the corporate intent) and Effective organizational culture is emphasized (core values, symbols and ideologies shared and that influence how business is conducted) as shown by the means 4.74, and 4.56 respectively.

On the other hand, most of the respondents agreed that corporate resource portfolio is effectively managed (financial capital, human capital, social capital and organizational culture), ethical practices are emphasized (acting ethically when doing what is necessary to implement the corporation strategies) and balanced organizational controls are emphasized (strategic and financial controls) as shown by the means 4.79, 4.75 and 4.74 respectively.

4.8 Multiple Regression Analyses

The researcher carried out multiple regression analyses in order to analyze the underlying managerial perceptions in regard to strategic responses adopted by star rated hotels in Nairobi County to deal with environmental turbulence. The researcher made use of statistical package for social sciences (SPSS) to acquire and analyze various measures on the basis of observation drawn from the multiple regressions utilized in this study.

The coefficient of determination, in particular provides an explanation about the nature in which changes took place and how that change can be attributed to changes in percentages of variation and independent variables obtained through dependent variables of the regression analysis method (restructuring, marketing practices, information, communication and technology and leadership and culture).

Through the four independent variables studied, one can explain 83.4% of strategic responses used by star rated hotels represented by the adjusted R^2 . With that in mind, 16.6% of other factors were not studied in understanding strategic responses implemented by different hotels. Further research still needs to be conducted in order to account for the remaining 16.6% of strategic responses.

At 5% level of significance and 95% confidence level, ICT had a significance level of 0.0202; Leadership and culture had a significance level of 0.0249, Restructuring had a 0.0276 significance level while Marketing practices had a 0.0285 significant level. This implies that information, communication and technology was the most significant strategic responses adopted by star rated hotels in Nairobi County

Table 4.6 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.913	0.834	0.751	0.4538

ANOVA

Table 4.7 ANOVA (Analysis of Variance)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.424	3	.208	3.23	.002 ^a
	Residual	5.375	42	.232		
	Total	6.799	45			

Analysis of Variance (ANOVA) comprises different computations which provide analysis on different levels of variability exhibited on a regression model. This provides a basis on which to formulate test of significance. The “F” column on the other hand provides a basis for testing the hypotheses that all $\beta \neq 0$ against the null hypothesis that $\beta = 0$ (Weisberg, 2015).

According to findings made from this study, the significance value is .002 which is below .05 meaning that the model is statistically significant in the prediction of strategic responses adopted by various star rated hotels operating within Nairobi County in regards to the existence of environmental turbulence. The F critical at 5% level of significance was 3.23. This means that the level of F calculated exceeds the level of F critical (value = 2.21), implying that the overall model was significant.

Table 4.8 Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	1.308	1.342		1.623	0.357
Restructuring	0.558	0.310	0.172	4.342	.0276
Marketing practices	0.731	0.156	0.210	3.532	.0285
Information communications	0.785	0.322	0.067	3.542	.0202
Leadership and culture	0.620	0.245	0.148	3.458	.0249

Multiple regression analysis was undertaken in order to understand the relationship existing between dependent and independent variables. Therefore, according to the SPSS data created and demonstrated on table 4.12, the equation

($Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$) becomes:

$$Y = 1.308 + 0.558X_1 + 0.731X_2 + 0.620X_3 + 0.785X_4$$

By feeding the information computed from the SPSS into the regression equation listed above, it was possible to establish that when all factors are taken into account (restructuring, marketing practices, information communications and leadership and culture) constant at zero, strategic response adoption will be 1.308. According to the findings obtained and presented, when all other independent variables are taken at zero, a single unit increment in restructuring would lead to a corresponding increment of 0.558 in strategic response adoption. Likewise, a single unit increment in marketing practices would yield a 0.558 increment in strategic response adoption; a unit increase in marketing practices will lead to a 0.731 increase of strategic response adoption; a unit increase in information communications will lead to a 0.785 increase in strategic response adoption and a unit increase in leadership and culture will lead to a 0.620 increase in strategic response adoption. This infers that increase in information communications contributes the most to strategic response adoption followed by marketing practices then leadership and culture while restructuring contributed the least to strategic response adoption.

4.9 Discussions of the Findings

According to the results, the study found out that the size of the firm is a key determinant in assessing the success of the capital restructuring and that there is adequate cooperation from the other branches in regards to the capital restructuring, senior management play a big role in ensuring improved financial performance on the restructuring program; the size of the firm will make an impact on the capital restructuring financial performance and employees understand how their jobs contribute to achievement of the strategies hence success of capital restructuring. They study further holds that strategies put in place contribute to high profitability on the capital restructuring of the company.

On the other hand, the also found there was neutral agreement that feedback from other branches take too long to be shared and senior management do not trickle down information to the employees in regards to the capital restructuring. These statements are in agreement with Hammer, (1996) that business process reengineering popularized by consultants is one popular method within a business value chain that is more critical to the success of the business strategy than others. According to Elsas, et al (2010), business process reengineering intends to regularize a company in such a manner that it can deliver optimal value to its customers through elimination of barriers that cause a divide between employees and customers.

According to the study, hotels provide sales management planning and control systems, marketing research abilities helps them to find customers, they use their marketing research information effectively, they have the ability to develop new products, and marketing research skills helps them to develop effective marketing programs. Further, hotels' marketing research skills helps them to develop effective marketing programs, use pricing skills and systems to respond quickly to market changes and they do an effective job of pricing their products industry. On the other hand, they have a strong working relationship with their distributors, their advertising programs are well developed and executed and they provide high levels of service support to their distributors. Rosli et al.,(2013) stated that market innovation is the utilization of a variety market possibilities with the aim of responding to dynamic customer preferences. The study found that sound marketing practices were essential to the Hotel business operations.

The business operators acknowledged that the needs and preferences of the customers kept on changing and they kept identifying new businesses opportunities to exploit. According to Rodrigues-Cano et al. (2004), marketing practices enables the organization to respond to the market opportunities that the organization should exploit and at the same time meet the customers' needs. Stacey, (2009) noted marketing remains a key societal process through which organizational needs are met through the creation, availing and exchanging for key goods and services and the transfer of value that takes place in that process.

According to the study, the management information system of the firm has been crucial in delivering innovative customer services, ICT systems adopted are able to reduce costs of production and subsequently lower prices of services and the organizations management information system is compatible with other systems. On the other hand, the organization has invested in a management information system which has enabled the minimization of administrative costs, the organization has invested in a management information system which is easy to use and the management information system is flexible enough to support the growth of the firm. Cadogan et.al (2002) emphasizes that the external environmental such as market changes, technology, customer demands and competition have significant influence on the strategic response. According to Isik, et al., (2010), managing both the positive and negative effects of external factors can remodel corporate wide features.

This study confirmed that the direction of strategic responses is shaped by an organization's culture, resource portfolio, ethical practices and the need to achieve internal balance within organizations. Organizational culture is associated with core values, ideologies and symbols associated with the manner in which a business conducts itself. The corporate resource portfolio, on its part, entails the aspects of financial capital, social capital and human capital. Ethical practices include the need for individuals working within the organization to carry themselves ethically and professionally. Lastly, the need for balance is emphasized through an organization's strategic and financial controls.

This complies with the guidelines of Pearce and Robinson (2012) who indicated that the leadership within an organization is held accountable for providing guiding principles especially in events where change is required or where clarifications are vital in shaping the future of an organization. Indeed, the character of an organization is similar to the attributes of an individual. Even though such attributes are intangible, they still affect the course of action that such an individual takes in their lives. Likewise, organizational leaders need to understand that the responsibility of shaping an organization's culture rests solely with them.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND ECOMMENDATIONS

5.1 Introduction

This chapter is a continuation of chapter four on data analysis. The chapter presents the summary of all the findings, discussion of the findings, conclusion and recommendations of the study.

5.2 Summary of the Findings

The study found out that the size of the firm is a key determinant in assessing the success of the capital restructuring and that there is adequate cooperation from the other branches in regards to the capital restructuring, senior management play a big role in ensuring improved financial performance on the restructuring program; the size of the firm will make an impact on the capital restructuring financial performance and employees understand how their jobs contribute to achievement of the strategies hence success of capital restructuring. They study further holds that strategies put in place contribute to high profitability on the capital restructuring of the company

Additionally, the study found out that hotels provide sales management planning and control systems, marketing research abilities helps them to find customers, they use their marketing research information effectively, they have the ability to develop new products, and marketing research skills helps them to develop effective marketing programs. Further, hotels' marketing research skills helps them to develop effective marketing programs, use pricing skills and systems to respond quickly to market changes and they do an effective job of pricing their products industry.

On the other hand, they have a strong working relationship with their distributors, their advertising programs are well developed and executed and they provide high levels of service support to their distributors. This study observed that, the management information system still plays a crucial role in the provision of customer support services and that ICT systems adopted by different hotels helped them cut cost of operation. This further translated to lower prices of services. Given that most of the organizations agree to the fact that their systems are compatible with other systems that represents a major milestone in ensuring Nairobi County hotels are dynamic and adaptive. On the other hand, this study observed that the star rated hotels remained keen on investing in new management information systems provided such systems helped minimize administrative costs, and offer user-friendly, easy-to-apply features that by and large support the firms' growth.

Finally, the study observed that most hotels adopt a strategic response that is closely linked to the organizational vision and corporate intent. Besides, since culture is a core aspect of the hospitality industry. Some hotels remained keen on adopting changes that complement efforts to emphasize effective organizational culture. The need to better manage the corporate resource portfolio and enhance the levels of ethical standards upheld at the workplace remained key attributes of organizations in the path of change.

5.3 Conclusions

The study concluded that restructuring of the hotel influences the strategic responses. Restructuring seems an effective strategy response in hotels as some factors determine restructuring such as size of the firm.

The size of the firm can be reduced to a simple and manageable size as a form of response to the environment turbulences. Size of the firm is a key determinant in assessing the success of the capital restructuring. Cooperation with other branches is also necessary in restructuring. Finally the management plays a vital role in this restructuring. All these will contribute to high profitability on the capital restructuring of the hotel industry

The study also concluded that marketing practices have a strong positive association with the strategic responses of the hotels. This is due to the fact that customer needs and preferences keep on changing in order to adapt to the changes. The study notes that businesses invent new markets practices: such as hotels provide sales management planning and control systems, marketing research abilities helps them to find customers, they use their marketing research information effectively, they have the ability to develop new products, and marketing research skills helps them to develop effective marketing programs among other marketing activities. Some have used pricing strategies in their marketing to compete with their rivals in the market.

Use of information communications improved staff to customer relations and this further worked in favor of improving customer satisfaction. Delivery of innovative customer service made it possible for customers to enjoy a sense of quality. Further, the utilization of technological innovations enhanced profitability by reducing cost of operation and enabling firms to lower their product prices.

Finally, hotels make sure corporate strategic direction is determined, effective organizational culture is emphasized, corporate resource portfolio is effectively managed, ethical practices are emphasized, and balanced organizational controls are emphasized. In addition, undermining the role of an employee at any level within the hotel industry can demoralize such members of staff. On the contrary, promoting these individuals personal development and partnering with them in growth enhances their ability to provide better output.

5.4 Recommendations

As part of product innovation strategy, some hotels have incorporated employee motivation and reward for any product innovation idea they develop. However, other businesses have not adopted employee participation in their product development. It is recommended that management of hotels align employee participation in their product development strategies to ensure all staff members take part in product development.

The study found that hotels had not begun using new inventory management systems such as just in time systems which enabled other businesses to make a lot of savings. It is recommended that hotels should invest in new systems and processes such as inventory management systems to benefit the advantages associated with such technologies.

The study found that some businesses did business researches on the need of the customers and other engaged on pricing strategies which substantially improved their overall performance. However, some businesses did not do market research or do any strategic pricing in marketing. It is thus recommended that organizations should embark on serious and strategic marketing with different strategies which can enable them to outperform their competitors and maintain their market share as well as their competitive edge.

The study also recommends that firms should focus on remaining adaptive to emerging forms of technology in order to keep up with the pace of technological advancement. Indeed, modern technology makes it easier to convey information and enhance delivery of services to the end user. However, for efficient utilization of technology to take place, there is a need for proper infrastructure and financial resources to be set aside. Embracing an innovative roadmap, facilitating the establishment of revolutionary processes, aligning the organizations innovation agenda with the overall objective, securing the support of top-level managerial personnel and incentivizing employees to be part of the change are critical aspects of enhancing the impact of such changes.

Leading companies make innovation strategy a CEO imperative and manage it with discipline. The study further recommends that Hotels in Nairobi County need to pay close attention to innovation strategies that play a role in streamlining operations, promoting access to new markets in order to set their brands apart in order to remain responsive in an otherwise highly competitive field.

5.5 Suggestions for Future Research

Firstly, the study was limited to Hotels in Nairobi only. The researcher thus recommends for further study in the topic of effectiveness of strategic responses adopted by hotels in the Country. Secondly, sample size of the study can be increased to incorporate views from more number of Quality Management Professionals. Lastly, the study can be conducted with respect to different industries instead of only one industry (hotels) as implementation of strategic quality management differs in different industries.

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Others

Part B: Restructuring

Does the hotel have a standard operating procedure manual?

Yes [] No []

After how long is the manual revised, {please tick where appropriate)

Monthly [] after every 3 months []

After every 6 months [] annually []

None of the above []

To what extent do you agree with the following statement regarding restructuring in your organization?Where: SA- Strongly Agree; A- Agree; N-Neutral; D- Disagree; SD- Strongly Disagree) respond to the following statements

Restructuring	SA	A	N	D	SD
The size of the firm is a key determinant in assessing the success of the capital restructuring					
There is adequate cooperation from the other branches in regards to the capital restructuring					
Feedback from other branches take too long to be shared					
The size of the firm will make an impact on the capital restructuring financial performance					
Employees understand how their jobs contribute to achievement of the strategies hence success of capital restructuring					

Strategies put in place contribute to high profitability on the capital restructuring of the company					
Senior management play a big role in ensuring improved financial performance on the restructuring programme					
Senior management do not trickle down information to the employees in regards to the capital restructuring					

Part C: Marketing

Does your hotel conduct business related Research?

Yes No

Please indicate with a tick (√) the extent to which your firm responds to the following marketing practices: Where: 1- Not at all; 2- To a small extent; 3- To a moderate extent; 4- To a large extent; 5- To a very large extent) respond to the following statements

Marketing Practices	1	2	3	4	5
We have the ability to develop new products					
We develop new products to exploit research and development					
We use pricing skills and systems to respond quickly to market changes					
We do an effective job of pricing our products					
We have a strong working relationship with our distributors					
We provide high levels of service support to our distributors					

Our advertising programs are well developed and executed					
We provide sales management planning and control systems					
Our marketing research abilities help us to find customers					
Our marketing research skills help us to develop effective marketing programs					
We use our marketing research information effectively					

Part D: Information Communication Technology (ICT)

Are your systems in all departments computerized?

Yes No

To What extent do you agree with the factors below that have led to the use of IT at the hotel? On a scale of 1 to 5, where 5=strongly agree, 4= Agree, 3= Neutral, 2= Disagree, 1= Strongly Disagree.

Information Communication Technology (ICT)	1	2	3	4	5
Competition					
Convenience					
Better decision making Process					
Easy to use applications					
Website with comprehensive information					
Safety and Security					
Accuracy in information provided					

Improve turnaroundtimes to customerqueries					
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Please mark (x) in the box which best describes your agreement or disagreement. Where 5=strongly agree, 4= Agree, 3= Neutral, 2= Disagree, 1= Strongly Disagree.

Information Communication Technology (ICT)	1	2	3	4	5
The organization has invested in a management information system which is easy to use					
The organization has invested in a management information system which has enabled the minimization of administrative costs					
The organizations management information system is compatible with other systems					
The management information system is flexible enough to support the growth of the firm					
The management information system of the firm has been crucial in delivering innovative customer services					
ICT systems adopted are able to reduce costsof production and subsequently lower prices ofservices.					

Part E: Leadership and Culture

How would you rate the strength of your leaders towards improving the hotels performance?

Too strong [] Strong []

Fairly strong [] Not strong []

Which is the most practiced value in this hotel?

Diligent [] Honest []

Professionalism [] Teamwork []

Openness & transparency []

Please tick (√) in the chosen box. The ratings are: Very strongly agree = 5; Strongly Agree = 4; Agree = 3; moderately agree = 2; and slightly agree = 1

Leadership and Culture	1	2	3	4	5
Corporate resource portfolio is effectively managed (financial capital, human capital, social capital and organizational culture)					
Effective organizational culture is emphasized (core values, symbols and ideologies shared and that influence how business is conducted)					
Ethical practices are emphasized (acting ethically when doing what is necessary to implement the corporation strategies)					
Balanced organizational controls are emphasized (strategic and financial controls)					
Corporate strategic direction is determined (developing long term vision of the corporate intent)					

THANK YOU FOR YOUR TIME!!!!!!!!!!!!!!!!!!!!

Appendix III: List of hotels in Nairobi to be sampled as per star classification.

5 Star hotels	4 Star hotels	3 Star hotels	2 Star hotels
Nairobi Serena Hotel	Laico Regency Hotel.	Oryx Hotel Nairobi.	Sentrim Boulevard.
The Boma Nairobi.	Hilton Nairobi.	The Heron Portic.	Blue Hut Hotel.
The Sarova Stanley.	Ole Sereni hotel.	Sarova Panafric.	Hotel Ambassadeur.
Fairmont the Norfolk	Crowne Plaza Hotel Nairobi.	Meridian Hotel.	Sirona Hotel.
Intercontinental Hotel.	Eka Hotel Nairobi.	Jacaranda Hotel Nairobi.	Mvuli House B & B.
Windsor Gold Hotel & Country Club.	Prideinn Lantana Suites Hotel & Conferencing.	Nairobi Transit Hotel.	Khweza Bed & Breakfast.
Nairobi Safari Club.	The Headquarters Inn.	Comfort Gardens-guest House.	Accacia Gardens.
Villa Rosa Kempinsk	Lavington Hill House.	Eden Gardens Hotel Nairobi.	Hartebeest Camp-Hostel.
Tribe Hotel.	Sovereign Suites.	Kivi Milimani Hotel.	Lukenya Gateway.
	Nomad Palace Hotel.	Silvers Springs Hotel.	Hotel La Mada.
	Wasini Luxury Suites & Hotels	Boma inn Nairobi.	Hotel Kipepeo.
		Delta Hotel.	Hotel Pearl Palace
		Sentrim 680 Hotel.	
		Pride Inn Hotel Westlands.	
		Prideinn Rhapta Road.	
		The Strand Hotel.	
		Paris Hotel.	
		Hennesis Hotel.	
		La Jardine Hotel.	
		West Breeze Hotel.	
		Fahari Guest House.	
		Nairobi Tented Camp.	
		Daisy Home.	
		Safari Park Hotel and Casino.	
		Mokoyeti Resort.	

Source: Tourism Regulatory Authority (TRA), 2016