

**STRATEGIC MANAGEMENT PRACTICES AND COMPETITIVE
ADVANTAGE OF INTERNATIONAL HOTELS IN NAIROBI
CITY, KENYA**

**BY
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DECLARATION

I Kinyanjui Ceciliah Njambi do state that this is my original work.

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This research project has been presented for assessment with my approval.

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I acknowledge the effort of my supervisor Prof. Kinoti, thank you for the endless guidance.

I appreciate my parents, sisters and brothers for the support they have accorded to me throughout the course of my studies.

I am finally grateful to the ALMIGHTY GOD for the knowledge, wisdom, understating and excellence, let your name be glorified forever.

DEDICATION

I dedicate this project to my family for their understanding and the support that they accorded me during the study period.

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ABSTRACT

Companies today are not only looking at the short-term framework of their businesses but are looking at lasting and planned outcomes. Strategic management leads to vision and foresight hence unity of purpose, direction, commitment and logical choice of actions. Managers who are mainly used in managing daily routine issues find it a major challenge to apply strategic management practice as a means of managing the enterprise. The hospitality industry in Kenya faces numerous strategic challenges emanating from the political, social, economic, legal and technological environment. Frequent changes in the environment affects the international hotels among other related hospitality institutions. The general objective of the study will be to investigate the strategic management practices that influence competitive advantage of International hotel in Nairobi city Kenya. The study was guided by following theories environment dependency theory, institutional theory and competitive advantage theory. This study used the descriptive research design. Primary data was collected by use of a questionnaire which was semi-structured. The questionnaire was both open and close ended questions. The strategic management practices have positive influence on the competitive advantage. The multiple linear regressions revealed that strategic management practices are significant predictor of competitive advantage of international hotels in Nairobi City. The study recommends that there is need for Hotel management to provide necessary tools that are need for effective regular evaluation and control of strategy.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Organizations exist to achieve the purpose or objectives that they were set for. They are formed with the sole purpose of achieving both short and long-term objectives of their stakeholders (Bradmore 2014). These organizations are complex, making their management even more complicated. Companies today are not only looking at the short-term framework of their businesses but are looking at lasting and planned outcomes. Market demand, taste variations, technology changes and need for survival that have led to the adoption of strategic management practices by firms (Levitt, 2013). Strategic planning is structured to assist businesses, public and non-profit enterprises (and communities) to effectively respond to new prevailing occurrences.

The study was guided by following theories environment dependency theory, institutional theory and competitive advantage theory. The study tried to understand the management practices adopted by various international hotels to competitive advantage. Environmental dependence theory depicts that organizations are open systems where its internal environment will continuously interact with the surrounding environment (Kirui, 2014) and therefore, this will have an overall influence on for the business to remain competitive in the environment. According to Meyers and Rowan (1977), institutional theory stipulates that organization decisions are driven by both efficiency goals and social cultural factors and concerns for legitimacy. Competitive advantage theory on the other hand presupposes that for an organization to have sustainable competitive advantage, it must have an edge over rivals in attracting customer's (porter 1985).

Hospitality industry which is part of tourism industry is greatly influenced by the external environmental factors. However, the strategic responses adopted by firms in the sector have enabled it to become the second highest foreign exchange earner in Kenya. This has made the government of Kenya to make tourism sector part of the economic pillar of vision 2030. Businesses in Kenya are faced with similar challenges in their operations and strive to come up with the best strategies which may improve their performance (Muli 2013).

1.1.1 Strategic Management Practices

Bryson (2014) defines it as a plan that is designed to achieve a specified objective. Kavale (2015) strategic management practice is a planning structure that transcends the borders of an organization and involves the making of strategic choices about the resources of a firm and its customers in view of the future. Rumelt (2013) strategic management practice is a process of planning that provokes the planner to look for business opportunities .From various definitions strategic management practice is system of organizations principles that strengthens the commitment of managers to the strategy of the firm.

According to Johnson and Scholes (2014), these four elements of strategic management practices must be followed to eventually achieve that goal which the management seeks to achieve. According to Pearce and Robinson (2013), strategy formulation enables the management of an organization to define its overall goals and objectives and the way to accomplish these goals. Therefore, strategy formulation merges the future outlook with the firm's operating environment. Strategy formulation begins with deciding which business to pursue, the company's vision and mission. Vision is more of how

and where the company would like to be in the future while the mission is a firm's intent of existence and its objectives or goal to all stakeholders involved be it the investor, the customer, the employees, the suppliers among others.

Strategy implementation is about putting the strategies into action. It requires firms to devise objectives, motivate employees, establish policies, and efficiently allocate its existing resources to execute formulated strategies. Bakar et al., (2011) state that strategic evaluation and control is about ensuring that the strategy is going as planned and if there are any unexpected plans, the same is managed accordingly. It is a phase that requires information on performance so as to adjust activities as well as goals accordingly.

1.1.2 Competitive Advantage

According to Eden & Ackermann, (2013), competitive advantage takes place when an organization develops attributes that allow it better output performance than the competitor. The attributes can include highly trained and skilled manpower, natural resources and new technologies. According to Porter (2014) defined competitive advantage is what makes a product, service or organization superior in the market hence customers choice it. On the other hand, Moses (2014), defined competitive advantage has a condition that allows companies or countries to produce products and services at a lower cost of equal value. According to Magretta, (2015) measurement of competitive advantage can be analyzed using past performance indicators. For instance, the market share, product cost, gross margin, financial performance (profit, sales growth and return of investment).

Non-financial performance can be level of customer satisfaction and employee growth. Competitive advantage can translate and organization to have high performance compared to their competitors. Most organization do performance evaluation to understand about their organization. Yasar (2015) for improvement of firm performance and attainment of competitive advantage there should be resolute use and implementation of competitive strategies, that is, cost and differentiation. Financial performance measures the firm's efficiency in utilizing its resources. Financial performance measures the overall financial health of a firm over time and can be used to make comparisons between the firm and those in the same industry or in different sectors in totality. The firm's objective is to attain sustainable superior performance which puts the firm at the apex in industry as its performance will be higher than the average performance across the board (Arend, 2014). Product cost is an important element in measuring competitive advantage. Product cost is the total costs of creating product, factor in the success of any business.

1.1.3 The Hospitality Industry in Kenya

Hospitality industry is a subset of tourism industry. Tourism sector is currently the second largest contributor to the Kenyan economy after agriculture. Due to its importance, the government came up with sessional paper No. 8 of 1969 on its growth which defined the targets to be achieved and outlined the areas where the government and private investors would participate in the hospitality industry in Kenya comprises of hotels, resorts, catering, lodges, tourism among other services. The hospitality industry as well as other industries in the global arena has had its share of environmental turbulence with issues such as stiff competition, technological changes, political interferences, economic melt downs, rise of a well-informed consumer and social

cultural challenges affecting its stability. Sustainability and environmental management are most critical strategic and management issues facing firms in the hospitality industry (Kamalul Ariffin, Khalid & Wahid, 2013).

The hotel industry provides accommodation, food, drinks, recreational and other business facilities for travelers (Barbara, 2005). Hotels are categorized into town hotels, vocational hotels, lodges and tented camps. Town hotels are located in towns and mostly cater for business travelers while vocational hotels, lodges and tented camps are located along coastal beaches, in National parks and game reserves respectively and mainly cater for leisure travelers or tourists. Kenyan hotels have lately been negatively affected by terrorist attacks such as bombing of the Paradise beach hotel in Mombasa, the Westgate attack in Nairobi, and the frequent grenade attacks as well as tribal clashes within tourist circuit areas which lead to travel advisories by western countries.

The Hospitality industry in Kenya contributes immensely to overall GDP making the industry a key factor in improving the Kenyan economy. Most importantly, the hospitality industry is a key pillar of Economic progress in Kenya's Vision 2030 which aims at achieving 10% p.a. economic growth rate until the year 2030 (Mwamba, 2013). In the past few years, the hospitality industry in Kenya and other counterparts in Africa such as Nigeria, has experienced major growth of the hospitality industry. The Kenyan market is increasingly witnessing an increase in international hotels either opening subsidiaries and/or setting up operations in the country.

1.1.4 The International Hotels in Nairobi

In Kenya between the years 2013 and 2014, KNBS 2015 reported that tourism earnings rose from over Kshs. 73 Billion to Over Kshs. 97 Billion. This general growth of the tourism industry earnings has led to expansion and new investments in hotels in Kenya. There are new international hotels that are emerging in the Kenyan market majority of which are in Nairobi city. Nairobi is the capital city of Kenya. The city has a rich history in tourism industry. After Kenya's independence, international hotel chains began to open subsidiaries in Nairobi and tourism became one of the pillars for economic growth. Since then the international hotels have increased Kenya's economy today. Due to its location and airport, Nairobi has distinct competitive advantage in east and central Africa. However, the city faces competition in the tourism industry due to high volatility of demand as a result of frequent terror attacks (Worsley 2014).

According to The Hotels and Restaurants Authority report (2016) there are 35 international hotels in Nairobi Kenya which are based on set standards (See Appendix III). There are new hotels that are venturing in the Kenyan market. Hotels such as Hemingway's, Kempinski, Four Points by Sheraton hotel, Tribe hotel, Radisson blu, Sankara among others are hotels that have recently opened and are thriving in the turbulent environment notwithstanding the five-star ratings which is a show of growth and positive development. It is this emergence of new hotels that are thriving in the Kenyan market amidst the volatile external environment that triggered the need to study the opportune strategies to assess the strategic responses required by new and emerging hotels.

1.2 Research Problem

Strategic management is a key component of an organization. Strategic management leads to vision and foresight hence unity of purpose, direction, commitment and logical choice of actions. Managers who are mainly used in managing daily routine issues find it a major challenge to apply strategic management practice as a means of managing the enterprise. The major question surrounding strategic management practices is to offer an explanation on why organizations differ in their output to achieve competitive advantage while operating in the same business environment. An organization should be familiar with internal resources, the expectations and influence of stakeholders, competences and external environment for the strategic management practices to be successful.

The hospitality industry in Kenya faces numerous strategic challenges emanating from the political, social, economic, legal and technological environment. Frequent changes in the environment, affects the international hotels among other related hospitality institutions. Most of these hotels either merge or are acquired by others after operating for a short period or do not depict any observable growth after operating for a long duration (Yin 2013). This is despite observable opportunities and sometimes threatening situations in the environment. There have been major changes in the environment ranging from political instabilities, inflation, terrorism, demand/market shifts and social cultural dynamics which have taken place, but some international hotels have either remained the same in size, services and facilities, or new ones have come into the market. However, none of the international hotels has closed down due to environmental challenges and yet a number of local hotels have either closed down or have been sold out due to challenges in the industry (Lawal2013).

Several studies have been done on the area of strategic management practices internationally; Theresia & Ludwig (2015) argue that strategic management has great impact on organization when all the necessary resources are available to the company. Whetten (2014) states that employment of strategic management practices like product differentiation and delegation of duties. On the contrary Zendehe (2013) analyzed the competitive strategies and the firm performance among Beijing carpeting industries. The researcher annulled any association existing between competitive strategy and performance of the carpeting business due to transient management theory.

Local studies have been undertaken on this major topic of strategic management practices, these include; Kakunu (2006) strategic management influence the operation of most commercial banks in Kenya. Nzyoki & Laaria (2015) resource allocation, implementation and culture of organization have positive contribution to the organization. Wachira (2015) also established that construction firms which have employed strategic management practices have increased performance in terms of profit and service delivery. On the contrary Opano (2016) established that leadership styles, communication styles and employee training were not common strategic management practices employed to influence change implementation in the ministries.

There are also methodological gaps. Opano (2014) and Wachira (2014) used secondary data on performance of these organizations. Conversely, Semmar (2013) did a longitudinal study for the period between 1980s and 2011 in Morocco while Behn and Kant (1999) carried out a longitudinal study between 1990s and 2010 in USA. The study by Whetten (2014) was a critical literature review on the influence of performance

contracting on performance. The current study will employ descriptive research design and collect primary data to establish the study variables. The empirical evidence in Kenyan context is scanty. Further, strategic management practices and competitive advantage contracting is yet to receive empirical attention. This study is an attempt to address the gaps demonstrated along theoretical, conceptual, contextual and methodological fronts by establishing strategic management practice and competitive advantage performance contracting in International hotel in Kenya. The study will attempt to answer the research question; to what extent does strategic management practices influence competitive advantage of International hotel in Nairobi city Kenya?

1.3 Research Objective

The general objective of the study will be to investigate the strategic management practices that influence competitive advantage of International hotel in Nairobi city Kenya.

1.4 Value of the Study

This study will benefit the international hotels and all other related industries to understand the strategies being employed in the Kenyan hotel industry and how the same hotels can better their performance through employment of such strategies. This study will be of value to the management of international hotels as the study will be a source of information on the different strategies that have been employed by other Kenyan hotels in changing their fortunes in a turbulent environment. From the study, the management of the hotels will be able to identify their appropriate strategies to be adopted and ways in which to customize the strategies to their individual hotel situation.

The legislative part of the Government of Kenya under Tourism Regulatory Authority and the Kenya Association of Hotel keepers and caterers will gain immense benefit in that it will help them to come up with better policies governing the hotel industry as a significant part of the drive towards achieving Vision 2030. The study will facilitate formulation of appropriate strategic framework to assist organizations in their survival and wealth creation. Further, the research will be used to develop new models for implementing strategies where organizations are operating in new and foreign markets. It will also be of value to academicians and researchers, hotels, policy makers, investors and the government.

To the researchers and academicians, the research will provide more insight into the implication of strategies on organizational performance and build their body of knowledge for more expounded research which they will use as a reference for future studies.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The chapter covers theoretical and empirical review of literature on strategic management practices. The chapter begins by discussing the theories underpinning these concepts, strategic management practices in International hotel, and finally a review of empirical literature on the concepts showing similarities and contradictions and the research gaps.

2.2 Theoretical Foundation

The following section will describe and discuss different theories such as environmental dependency theory, institutional theory and competitive theory.

2.2.1 Institutional Theory

The theory of institution was first proposed by William Richard Scott in 1995 from the institutional school of thought. According to Scott (1995) for organizations to survive they must conform to the rules and belief systems of the environment. This theory borrows ideas from various fields such as sociology, economics, history and political science. This theory focuses on establishing a sociological view of institutions. It explains how institutions changes behave within a given context. The pressure from the belief systems and rules of Peer Organizations, Government, Investors, Donors and Customers fundamentally influences the organization's strategy. Some scholars believe that institution theory is important for organizations, as it assist firms in developing organization structures for legitimization.

Some scholars critique the above theory by arguing that private companies and markets were overlooked making private firms to be too passive. So, the theory was insufficient to explain the social phenomena. Some of the development of institution theory is that there has been a process of deinstitutionalization and there has been change in values and structure that characterizes an institution (Di Maggio,1988). Mostly the institutionalized processes that occur through change of incentives are being offered to have an impact on individual's interaction with the organization.

2.2.2 Environment Dependency Theory

According to Aldrich & Pfeffer (1976) every organization is established with specific goals and objectives in mind. For business organization, three economic goals guide their strategic direction, whether they are explicitly stated in their mission statement or not. These are survival, growth and profitability. Pearce and Robinson (2003) were able to support the theory by arguing that organizations operate in a dynamic environment and they need to adapt and respond appropriately. On the other hand, there has being critique about the theory from Frank (1969) and Brett (1974) which has led to the development of new theoretical framework that examine the theory. They argue that the theory does not assume society or nation; it assumes that political and economic environment of a nation are the same in which it is not the case.

Ansoff and McDonnell (1990) argue that environmental dependency theory assumes that organizations have open system in which internal environment is heavily influenced by the changes taking place in the external environment in which not all organizations have open system. The theory is important for the above study because for organizations to achieve competitive advantage, it is important to monitor any

external environmental changes and develop strategies of achieving a competitive edge. The existence of any firm depends on how well it can relate and competitively position itself in the environment.

2.2.3 Competitive Advantage Theory

This was proposed by Porter (1980) and it deals with the forming of a competitive strategy in relation to the firm's environment i.e. the environment is considered when forming a strategy to enable the company to compete in the industry. It states that the environment in which the firm operates is the industry in which it contests. The configuration of an industry influences to a very large extent what strategies a firm can employ as well as the dynamics in the industry. The potential for profit in an industry is dictated by five forces in the industry namely rivalry among existing industry players, the suppliers' bargaining power, the buyers' bargaining power, barriers to entry into the industry and the threat of substitution.

Several authors have criticized and supported Porter's work. Kippenberger (1997), emphasized the richness of porter work in which many undermine arguing that the model works in a dynamic environment. Several criticisms for Porter's framework have been put forth. Coyne and Subramaniam (1996) assert that there are several uncertain assumptions that lie beneath this framework. The first is that the players are not related and do not encounter each other i.e. the suppliers, purchasers and rivals do not connive. A second assumption is that there is low uncertainty in the industry's landscape giving room for the players to react to variations in the industry and thus plan accordingly. The final assumption is that barriers to entry are created because structural advantage is the foundation of value. Another criticism comes from Wernerfelt (1984) who states that

one cannot find out how attractive an industry is without the resources a business brings in to the industry and argues that competitive advantage theory should be combined with the Resource-Based View.

2.3 Strategic Management Practices

There are several strategic management practices employed by firms and these are: setting of a mission and vision, environmental scanning, formulation of strategy, implementation of strategy and finally evaluation and control. These are in discussed in detail below.

2.3.1 Setting of a Mission and Vision

A mission and vision statement express the *raison d'être* of an organization, its values, goods it will offer, to which customers it will offer these goods or services to, the markets it will deal in and the organization's philosophy in use of technology. It should be direct and to the point overlooking some businesses but at the same time allowing for growth. It is ideal that it differentiates a firm, acts as a guide for assessing the present and prospective dealings as well as be clear enough to be comprehended without the organization (Stead, 2013).

2.3.2 Environmental Scanning

According to Teece and Pisano (2014) environmental scanning is getting information from the internal and external environments through monitoring and evaluation and giving this information to strategy formulators in the firm. It considers small and large factors in the external environment which have an effect on the firm. Some of these

factors include political, economic, social, technological, geographical and legal considerations. According to Thompson and Strickerland (2015) it assists managers get and utilize facts about occasions, developments and associations in the firm's external environment which will assist them plan what to do in the future.

Pearce and Robinson (2017) states that information provided by scanning the environment is important and it is done in four forms of analyses; industry, competitor, customer and internal analysis. In industry analysis, the main purpose is to identify threats and opportunities brought about by the industry's condition in order match strategy with industry conditions. Competitor analysis is done for a firm to understand their competitors so as to have competitive advantage over them and to identify opportunities and threats that need strategic attention in relation to the competition. Customer analysis aims at trying to understand the customer so that the firm can develop appropriate strategies to attract and retain the customers. Internal analysis considers the firm's internal strength and weakness so as to exploit opportunities and deal with threats.

2.3.3 Strategy Formulation

According to Ngile (2015), the formulation stage aims at the organization achieving their objectives. The decision of which business to be engaged in, resource allocation, the market area to enter, development of mission statement, SWOT analysis and choice of strategies are done.

Johnson and Scholes, K. (2013), state that strategy formulation involves several steps; setting objectives, environmental evaluation, setting of targets, units working to achieve targets, performance analysis and finally choice of strategy. First, organizations' objectives are set since the primary objective of a strategic plan is the future state of firm. The second step is evaluation of the firm's environment by assessing the overall trade and financial surrounding where the firm carries out its business. The third step is setting measurable goals for specific organizational objectives. Departments aiming to achieve these set goals in context with the divisional plans now work to achieve the set targets. This is the fourth step. In this step, strategic planning is done for each subunit after the contributions made by each subunit is identified. Analysis of performance is the fifth step, and this involves discovering as well as analyzing the deviation of the planned from the expected outcome. After all the above processes are done, the final step is choosing the strategy that will fit the firm after considering the goals of the firm, its strengths, abilities, weaknesses, opportunities in the external environment and barriers.

2.3.4 Strategy Implementation

According to David (2013) this involves the assigning of fitting resources to ensure the chosen strategies are appropriately accomplished. It is described by Thompson (2017), as the action phase, actualization phase or execution phase. It follows strategy formulation whereby the firm states its mission, goals or objectives and an organization must implement its strategies effectively so as to achieve its objectives. Mintzberg (2013) states that implementation is usually linked to goal setting practices and it transforms the set plans to things that can be done therefore making sure that these deliverables are carried out in a way that brings about success.

According to Hurbbad (2018) implementation can be done in five steps. The first step is the aligning of the initiatives throughout the firm to make certain that each action fits into the strategy. This is followed by the aligning of financial budgets and performance and here each division allocates and manages the budgets, followed by the placement of measures of performance against the set goals that have been strategically formulated throughout the organization. Following is the third step which is ensuring that the firm's structure follows strategy. Here, the structure of the organization is aligned so as to permit the strategy to trickle from top to bottom of the organization meaningfully and efficiently so as to deliver the strategy. The fourth step is to engage the staff so that all the organization's staff get behind the strategy. This is to make the staff and stakeholders understand the strategy and get behind it. This is done through communication and clarification. The last step is to monitor and adjust and this is done by making sure that the strategy is documented, and that the strategy is flexible and can adopt change.

2.3.5 Evaluation and Control

The final phase of strategic management is evaluation and control whereby the data acquired on performance of the strategy is compared with the expected set standards. David (2013) states that there arise several problems when an organization becomes successful one of them being complacency which may lead to the death of the firm. This necessitates evaluation of strategy by reviewing the strategies in use, measuring their effectiveness and taking action to correct where necessary. Rossi *et al.*, (2014) explain that evaluation and control is a methodical, demanding and thorough employment of empirical means to review the plan, implement and improve strategy results. It requires a lot of resources, skill, labour, time and a substantial financial

resource. Lodato (2014), states that the process of evaluation involves two levels, tactical and strategic evaluation. Tactical evaluation compares performance against the plans set and detects changes that should be made to the implementation or the strategy.

2.4 Empirical Review

Ansoff (2014) asserts that strategic planning is only important when it supports strategic thinking and results to strategic management; the foundation for an efficient organization. Strategic thinking means posing the question “are we doing the right thing” more specifically it implies making the assessment by using three important requirements about having a precise purpose in mind, strategically thinking; and an understanding of the prevailing environment and specifically with the factors that usually affect or obstruct the achievement of the goal; and creating effective responses to those factors. It is the process through which an organization analyses the strengths of its positioning by understanding the internal and external factors that have an influence on this position (Wood 2013).

A significant advantage of the strategic planning process is that it brings together all stakeholders, is highly noticeable and it can quickly be performed. The major benefit of the planning phase is that it drives all the participants to visualize what will the real strategic impact on the organization look like (Ryals& Rogers, 2014). The benefit of strategic planning discipline is that it provides appropriate decision making process, Ideal tactical options choices and it drives to higher probability in the attainment of the owners’ and stakeholders’ goals, aims and objectives (Mintzberg& Quinn, 1999).

Opano (2016) leadership styles, communication styles and employee training are not common strategic management practices employed to influence change implementation in the ministries. According to Muogbo (2013), most manufacturing firms fail to apply strategic management, that the firms competitiveness are significantly influenced by strategic management, that performance of the employees was affected by strategic management, that organizational productivity of the firms had increased magnificently due to strategic management and that manufacturing firms structural development has been improved by strategic management.

Macharia (2015) there is need to involve all stakeholders, budgeting and procurement lead times that need to be accommodated within the programming cycle dictated by the UNHCR, donor priorities, composition of beneficiaries, government policies and the changing political environment are some of the challenges encountered by UNHCR during the strategic planning process. Strategic choice involves the listing of all possible strategic actions that can be pursued by an organization, considering environmental constraints, with a view to achieving its goals. Each possible strategic action is evaluated against the organization's goals, mission, capacities, experiences, objectives and values (Muogbo, 2013). Strategy implementation involves putting the strategy into action and continuously managing the changes required to keep the organization aligned to the realization of its long-term goals (Johnson & Scholes, 2016). It starts with planning whereby the strategy is broken down into shorter term objectives, actions and outputs that jointly lead to the achievement of the long-term goal (Brinkshroder, 2014).

From the literature reviewed, majority of the empirical works seem to support that fact that in general, strategic management practice influences competitive advantage positively. From the summary of empirical works although in general, strategic practices positively influences competitive advantage of an organization a number of gaps emanates from the reviewed literature. First, most studies on strategic management practice concentrated in developed countries and yet the level of strategic management is necessary in developing countries. Secondly, majority of the studies used secondary data yet secondary data is meant for other purposes different from what they are made to perform which has been the cause of mixed results on employee branding studies across the world. Hence this study will use primary firm level data to take care of this anomaly.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The chapter entails the style adopted in carrying out the study. A further detailed explanation of the data collection methods for gathering the primary data that was essential in executing the study successfully is discussed. The design and the study population are also explained in detail.

3.2 Research Design

According to Bryman, (2013) research design is a plan of settings and analysis of data in a way that it has brought importance in the research. Descriptive research design captures the objective of this research since it connects ideas and to understand cause and effect between the variables. According to Kothari (2014), research design should have supreme information that provides opportunity for consideration of different phases of problem. The research nature and context determined the appropriate research design for the study.

A cross-sectional survey was used to gather data on a population at a point in time .Mugenda and Mugenda (2013) depicts that, it is easy to obtain high reliability through presentation of all subjects with a standardized stimulus, which facilitates elimination of observer subjectivity. Thus, cross-sectional survey was considered to be ideal for collecting sufficient data on strategic responses and performance of international hotels.

3.3 Population of the Study

Kothari (2014) defines population as the total number of individuals or respondents in an environment that the researcher wants to study. Kenya Gazette (2017) indicates that

there are 20 International licensed to transact as hotels, registered under various different hotel star ratings ranging from 2star to 5star as shown on the appendix. The target population was the managers of those hotels. In this study, all the international hotels in Nairobi were targeted for making a census study.

3.4 Data Collection

Primary data was collected by use of a questionnaire which was semi-structured. The questionnaire was both open and close ended questions. It was structured to three parts; the first section was to hold the demographic information of the respondents while the second part was to give the strategic management practices and lastly section three was to address competitive advantage. The research used one questionnaire per hotel. The researcher personally delivered questionnaires to the respective respondents for them to fill and then pick the questionnaires later. The respondents in this study were the managers and the assistant managers who were best positioned to give necessary information on the strategic management practices as a source of competitive advantage for the hotel since they are involved in route to market strategies and decision making.

3.5 Data Analysis

Descriptive statistics such as mean scores, frequency distribution, and standard deviation were used to analyze the data while data presentations were done using frequency tables, bar charts, graphs, Percentages. Descriptive statistics is important for the above study since it is able to measure central tendency and dispersion hence resulting into meeting the objective of the study. The study used correlation analysis. Findings were described in details and observations discussed and interpreted accordingly. Presentations will be done by use of tabulation, tables and discussions.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION OF RESULTS

4.1 Introduction

This chapter presents the analysis of the data collected and discusses the research findings on the influence of strategic management practices on the competitive advantage of International hotel in Nairobi city Kenya.

4.2 Response Rate

The response rate of 90.0% was achieved as 18 out of 20 questionnaires were completed successfully and returned for data analysis. Babbie (2004) argue that 60% return rate is good and a 70% return rate is very good. Information from the questionnaires was adequate for analysis.

4.3 Background Information of the Organization

The research sought to identify background information of the various international Hotels, which included their subsidiaries in Kenya and subsidiaries in the rest of the world .The findings and interpretation is represented in the following subsections.

4.3.1 Subsidiaries in Kenya

The study found out that the number of subsidiaries in Kenya. The results revealed that majority of the hotels have less than 5 subsidiaries in Kenya as shown by 83.3% of the hotels while 16.7% had between 5 and 10 subsidiaries. Most of the international hotels in Nairobi have fewer branches due to stiff competition from other local hotels. This study is consistent to Worsley (2014) who argue that city faces competition in the

tourism industry due to high volatility of demand as a result of frequent terror attacks .The results are as shown in Table 4.1

Table 4.1 Subsidiaries in Kenya

	Frequency	Percentage
Less than 5	15	83.3
Between 5 and 10	3	16.7
Total	18	100

4.3.2 Subsidiaries in the Rest of World

The results revealed that 44.4% of the international hotel have between 10 and 20 subsidiaries, 33.3% have between 21 and 30 subsidiaries while 5.6% have less than 10 subsidiaries in the world. This shows that most international hotels are expanding to other markets in order to get more market share and acquire customers from other parts of the world. It agrees with Barbara (2015) who argues that most hotels are opening in other countries in order to provide accommodation, food, drinks, recreational and other business facilities for travelers. The results are as shown in Table 4.2

Table 4.2 Subsidiaries in the Rest of World

	Frequency	Percentage
Less than 10	1	5.6
Between 10 and 20	8	44.4
Between 21 and 30	6	33.3
Between 31 and 40	3	16.7
Total	18	100

4.4 Strategic Management Practices

The study sought to investigate the influence of strategic management practices on competitive advantage of International hotel in Nairobi city Kenya. A mean between 0-1.4 indicated not at all, 1.5 to 2.4 indicated small extent 2.5 to 3.4 moderate extent, 3.5 to 4.4 large extent and over 4.4 as very large extent. A standard deviation (Stdev) of 0.9 and above indicated a significant deviation from the mean.

4.4.1 Setting of Vision and Mission

The respondents were required to state the extent to which they set vision and mission by responding to seven observable indicators which was later used to compute mean scores. The results are as shown in Table 4.3.

Table 4.3 Setting of Mission and vision

Setting of Mission and vision	N	Min	Max	Mean	Stdev
Does the vision and mission define the reason for the hotel's existence?	18	4	5	4.72	.461
Does the vision and mission identify the customers of the hotel?	18	4	5	4.46	.401
Do they identify the products and services the hotel will be involved in.	18	4	5	4.44	.511
Do they identify the market of the hotel?	18	2	5	3.39	.916
Do they identify the values of the hotel?	18	3	5	4.22	.647
It is limited enough to ignore some businesses and sufficiently wide to permit for growth.	18	3	5	3.44	.616
Does the mission define what the hotel wants to be in the future?	18	3	5	3.78	.647
Overall				4.06	0.6

The results revealed that the mission and vision define the reason for the hotel's existence a mean of 4.71 with insignificant standard deviation of 0.461. The mission and vision identified the customers of the hotel a mean of 4.46 with minimal standard deviation of 0.401. The mission and vision also identified the products and services a mean of 4.44 with insignificant standard deviation of 0.511. The vision and mission also identify the values of the hotel a mean of 4.22 with insignificant S.D of 0.647. The mission defined what the hotel wants to be in the future to a mean of 3.78 with some S.D of 0.647. The Vision and mission to a moderate extent, was limited enough to ignore

some businesses and sufficiently wide to permit for growth as shown by a mean of 3.44 with some S.D of 0.616. On the other hand, the mission and vision of the hotel identify the market of the hotel a mean of 3.39 although there was significant S.D of 0.916.

Lastly, The overall mean indicated that setting of mission and vision was to a large extent in relation to competitive advantage .These implies that organizations should have mission and vision statement so that the stakeholders can understand what the organization is and what it aspires to be. It should be direct and to the point overlooking some businesses but at the same time allowing for growth. The finding agree with Stead (2013) who found that vision statement differentiates a firm, acts as a guide for assessing the present and prospective dealings as well as be clear enough to be comprehended without the organization.

4.4.2 Environmental Scanning

The respondents were required to state the extent of environmental scanning by responding to six observable indicators which was later used to compute mean of environmental scanning for inferential analysis. The results are as shown in Table 4.4.

Table 4.4: Environmental Scanning

Environmental Scanning	N	Min	Max	Mean	Stdev
Industry Analysis is done to identify threats and opportunities so as to match strategy with industry conditions.	18	3	5	4.00	.485
Competitor Analysis is done to understand the competitors.	18	3	5	3.94	.725
Customer Analysis is done so as to understand the customer.	18	3	5	4.11	.758
Internal Analysis is done so as to determine the company's internal strength and weakness so as to exploit opportunities and deal with threats	18	4	5	4.33	.485
Environmental assessment in the hotel	18	3	5	3.89	.583
Environmental scanning helps the hotel to assess their survival and growth.	18	3	5	3.39	.608
Overall				3.94	0.607

The results revealed that internal Analysis is done so as to determine the company's internal strength and weakness so as to exploit opportunities and deal with threats as shown by mean of 4.33 and S.D of 0.485. However customer Analysis is done so as to understand the customer was done a mean of 4.11 some S.D of 0.758. The results also revealed that industry analysis is done to identify threats and opportunities so as to match strategy with industry conditions with a mean of 4 with minimal S.D of 0.485, competitor Analysis is done to understand the competitor's a mean of 3.94 with some S.D 0.725. Environmental assessment with a mean of 3.89 with insignificant S.D

of 0.583. Lastly, environmental scanning helps the hotel to assess their survival and growth with a mean of 3.39 with some S.D of 0.608.) .Environmental scanning assists managers to get and utilize facts about occasions, developments and associations in the firm's external environment which will assist them plan what to do in the future. According to Teece and Pisano (2014) environmental scanning is getting information from the internal and external environments through monitoring and evaluation and giving this information to strategy formulators in the firm.

4.4.3 Strategy Formulation

The respondents were required to state the extent of strategy formulation in their organizations by responding to six observable indicators which was used to measure strategy formulation practices. The results are as shown in Table 4.5

Table 4.5: Strategy Formulation

Strategy Formulation	N	Min	Max	Mean	Stdev
Staff members are briefed and taken through the strategic management plan.	18	3	5	3.94	.725
Customers need and wants are considered during strategy formulation.	18	3	5	4.11	.758
The hotel consultant in the process of strategy formulation.	18	3	5	4.39	.608
Resource used up	18	3	5	4.17	.707
identifies competitors	18	3	5	4.22	.647
Analyzes done	18	3	5	3.72	.826
Overall				4.09	0.712

The results revealed that the hotel hires consultant a mean of 4.39 with some S.D of 0.608. In regard to strategy, similarly, the international hotels identified competitors a mean of 4.22 with some S.D of 0.647.

In regard to strategy formulation, assessments of all resources a mean of 4.17 with some S.D of 0.707. The results also revealed that customers need and wants are considered during strategy formulation with a mean of 4.11 with some S.D of 0.758. Staff members are briefed and taken through the strategic management plan with a mean of 3.94 with some S.D of 0.725. Lastly, a mean of 3.72 with a S.D of 0.826 revealed that international hotels analyzed / gathered information about its external environment to understand their implications to a large extent although there was significant variation. The overall mean of 4.09 implied that strategy formulation was practiced to a large

extent among international hotels in Kenya. Formulation stage aims at the organization achieving their objectives. The decision of which business to be engaged in, resource allocation, the market area to enter, development of mission statement, SWOT analysis and choice of strategies are done. Motaqi and Esfahani (2011) managers in companies can now scan the environment and anticipate new opportunities as well as planning for conditions or events that threaten their organizations survival.

4.4.4 Strategy Implementation

The respondents were required to state the extent of strategy implementation in their organizations by responding to six measurable indicators which was used to measure strategy implementation practices. The results are as shown in Table 4.6

Table 4.6: Strategy Implementation

Strategy Implementation	N	Min	Max	Mean	Stdev
There is a procedure of implementing strategies at the hotel that are followed.	18	3	5	4.06	.539
The strategy is usually communicated to employees.	18	3	5	3.78	.548
Adequate resources are allocated to strategy implementation.	18	2	5	3.44	.984
The strategic plan is available to the public.	18	2	5	3.30	.916
The hotel usually reviews the implementation plan annually.	18	3	4	3.67	.485
Motivation	18	3	5	3.89	.583
Overall				3.69	0.676

The results revealed that procedure of implementing strategies at the hotel that are a mean of 4.06 with a small S.D of 0.539. Similarly, there are motivation in place to with mean of 3.89 and standard deviation of 0.583. The strategy is usually communicated to employees with mean of 3.78 with insignificant S.D of 0.548. Similarly, a mean of 3.44 revealed that adequate resources are allocated to strategy implementation to a moderate extent although there was significant variation with S.D 0.984. Lastly, a mean of 3.30 indicated that the strategic plan is available to the public to a although variation of 916. An overall mean of 3.69 indicated that strategy implementation is practiced to a large extent with some S.D of 0.676. Strategy implementation involves assigning of fitting resources to ensure the chosen strategies are appropriately accomplished. This study is consistent with Thompson (2017), who argues that strategy formulation is where the firm states its mission, goals or objectives and an organization must implement its strategies effectively so as to achieve its objectives.

4.4.5 Evaluation and Control

The respondents were required to state the extent of Evaluation and Control in their organizations by responding to six measurable indicators which was used to measure Evaluation and Control practices. The results are as shown in Table 4.7.

Table 4.7: Evaluation and Control

Evaluation and Control	N	Min	Max	Mean	Stdev
The review of strategic plan is done quarterly after every financial year.	18	2	5	3.47	.934
The top and senior managers are involved in strategy evaluation.	18	4	5	4.56	.405
There is always control of the success of the strategy.	18	2	5	3.94	.873
There are challenges that face strategy evaluation.	18	3	5	4.50	.707
Employees are empowered to take corrective actions towards strategy implementation.	18	2	5	3.49	.917
The hotel is involved in continuous review of its strategic plan.	18	3	5	3.94	.539
Overall				3.98	0.729

The results indicated that top and senior managers are involved in strategy evaluation a mean of 4.56 with insignificant S.D of 0.405. On the other hand, international hotels are involved in continuous review of their strategic plan to a large extent as shown by a mean of 3.94 with insignificant standard deviation of 0.539. However, employees are empowered to take corrective actions towards strategy implementation to a mean of 3.49 with significant S.D of 0.917. This implies that not all hotels empowered their employees to take corrective actions towards strategy implementation. Lastly, strategic plan is done quarterly after every financial year a mean of 3.47 with significant standard deviation of 0.934. The control of the success of the strategy with a mean of 0.873 and

S.D 0.873. The overall mean indicated that evaluation and control is practiced with S.D 0.729. When an organization becomes successful one of them being complacency which may lead to the death of the firm. This necessitates evaluation of strategy by reviewing the strategies in use, measuring their effectiveness and taking action to correct where necessary. This is consistent with the finding of Lodato (2014), who states that the process of evaluation involves two levels, tactical and strategic evaluation. Tactical evaluation compares performance against the plans set and detects changes that should be made to the implementation of the strategy.

4.5 Competitive Advantage

The study sought to determine competitive advantage through observable indicators such as market share, profitability, customer satisfaction index and improvement in financial performance.

4.5.1. Market Share

The respondents were asked to approximate their market share compared to their competitors. The results are as shown in Table 4.8.

Table 4.8 Market Share

Market Share	Frequency	Percent
21%- 30%	9	50.0
31%- 40%	5	27.8
11% - 20%	3	16.7
40% -50 %	1	5.6
Total	18	100.0

From Table 4.8, 50% of them have between 21 and 30% of market share, 27.8% had between 31 and 40% of market share, 16.7% of the international hotels had between 11 and 20% of market share while between 40 and 50% market share was 5.6%.. Product cost is an important element in measuring competitive advantage.

4.5.2. Profitability

The study further sought to establish the approximate profitability in the last financial year. The results are as shown in Table 4.9

Table 4.9 Profitability

Profitability	Frequency	Percent
50 million to 100 million	12	66.7
100 million to 200 million	3	16.7
10 million to 49 million	3	16.7
Total	18	100.0

The results revealed that 66.7% made a profit between Ksh. 50 and 100 million while 16.7% made a profit between Ksh. 10 and 49.9 million while 16.7% made a profit between Ksh. 100 and 200 million. None of the international hotels made less than Ksh. 10 million and above KSh. 200 millions. This implies that most international hotels are operating at a break-even point. The firm's objective is to attain sustainable superior performance which puts the firm at the apex in industry as its performance will be higher than the average performance across the board (Arend, 2014).

4.5.3. Customer Satisfaction

The respondents were further asked to approximate customer satisfaction index of their organization. The results are presented in Table 4.10

Table 4.10 Customer Satisfaction

Customer Satisfaction Index	Frequency	Percent
71%-80%	7	38.9
81%- 90%	6	33.3
91%- 100%	3	16.7
61%- 70%	2	11.1
Total	18	100.0

The satisfaction index as shown in Table 4.10 was above 60%. The results revealed that between 71 and 80% customer satisfaction were 38.9%, between 81 and 90% customer satisfaction were 33.3% of the hotels, between 91 and 100% were 16.7% of the hotels and between 61 and 70% were 11.1% of the international hotels in this study. This implies that customer satisfaction is one of the core pillars in the hospitality industry and thus it has to be a continuous improvement agenda.

4.5.4. Financial Improvement

The study also sought to assess the extent of financial improvement of international hotels in Nairobi. The results are as shown in Table 4.11

Table 4.11 Financial Improvement

Financial Improvement	Frequency	Percent
31% - 40%	9	50.0
21% - 30%	6	33.3
40% -50 %	3	16.7
Total	18	100.0

The results in Table 4.11 indicated that half of them realized a financial improvement of between 31 and 40%, while 33.3% of the international hotels in Nairobi realized financial improvement of between 21 and 30%, between 40 and 50% financial improvement were 16.7% of the international hotel in Nairobi. This implies that most international hotels entering the Kenyan market can still improve their financial performance.

4.6 Correlation analysis between Strategic Management Practices and Competitive Advantage

A correlation analysis was conducted. The study was interested in establishing the R at 5% significance level. The results of the correlation between strategic management practices and competitive advantage pertinent results are summarized in Table 4.12

Table 4.12 Correction Analysis

		SMV	E&C	SF	SI	ES	CA
SMV- Setting of Mission and Vision	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	18					
E&C- Evaluation and Control	Pearson Correlation	.304	1				
	Sig. (2-tailed)	.220					
	N	18	18				
SF-Strategy Formulation	Pearson Correlation	.088	-.284	1			
	Sig. (2-tailed)	.728	.254				
	N	18	18	18			
SI-Strategy Implementation	Pearson Correlation	.342	-.001	.347	1		
	Sig. (2-tailed)	.164	.996	.158			
	N	18	18	18	18		
ES-Environmental Scanning	Pearson Correlation	.310	.354	.151	.187	1	
	Sig. (2-tailed)	.211	.149	.551	.458		
	N	18	18	18	18	18	
CA-Competitive advantage	Pearson Correlation	.369*	.166	.495*	.571*	.562*	
	Sig. (2-tailed)	.042	.509	.037	.013	.015	
	N	18	18	18	18	18	18
*. Correlation is significant at the 0.05 level (2-tailed).							

The results indicated that the setting of mission and vision has a positive and significant effect on the competitive advantage of international hotels in Nairobi County ($r = .369$, $P=0.042$). This implies proper setting of vision and mission would results to increase in competitive advantage. Strategy formulation had a positive and significant effect on the competitive advantage of international hotels in Nairobi County ($r = .495$, $P=0.037$).

This implies strategy formulation has resulted to increase in competitive advantage. The results also revealed that strategy implementation has significant effect on the competitive advantage of international hotels ($r=0.571$, $P=0.013$). This implies that strategy implementation has resulted to increase in competitive advantage of these hotels. Environmental scanning was also found to have significant effect on competitive advantage ($r=0.562$, $P=0.015$). This implied that environmental scanning has resulted to significant increase in competitive advantage of international hotels. Evaluation and control had a positive and insignificant effect on the competitive advantage of international hotels in Nairobi County ($r = .166$, $P=0.509$). This implies that evaluation and control practices have not resulted to significant increase in competitive advantage. Strategic management Practice has an effect on competitive advantage.

4.7 Regression analysis between Strategic Management Practice and Competitive Advantage

Multiple Linear Regression analysis was conducted for strategic management practices on competitive advantage was done so as to find out joint effect of these practices on the competitive advantage of international hotels through R square which is coefficient of determination. The results are as shown in Table 4.13.

Table 4.13 Regression Analysis

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.794 ^a	.630	.476	.27921		
a. Predictors: (Constant), E&C, SF, SMV, SI, ES						
ANOVA^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.596	5	.319	4.094	.021 ^b
	Residual	.936	12	.078		
	Total	2.531	17			
a. Dependent Variable: Competitive Advantage						
b. Predictors: (Constant), E&C, SF, SMV, SI, ES						

In Table 4.13, Setting of Mission and Vision, Evaluation and Control, Strategy Formulation, Strategy Implementation and Environmental Scanning positive and significant. The coefficient of correlation was 0.794, ($r=0.794$). The coefficient of determination (r^2) was 0.630, and this shows that 63.0% of the variations in the competitive advantage can be explained by the five predictor variables in the study and the remaining 37.0% of the variations in competitive advantage is explained by other factors not captured in the model.

4.7.1 Model Regression Coefficients

The presented in Table 4.14 shows unstandardized coefficients, standardized coefficients, t statistic and significant values.

Table 4.14: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-4.126	.519		-7.955	.000
Setting of vision and mission	.188	.108	.100	1.742	.000
Environmental Scanning	1.516	.114	.915	13.337	.000
Strategy Formulation	.208	.051	.265	4.108	.000
Strategy implementation	-.184	.051	-.238	-3.602	.001
Evaluation and control	.486	.082	.351	5.908	.000

a. Dependent Variable: Competitive advantage

From Table 4.14, all the variables carried positive predictive power although there was variation in significance level. The results also show that setting of mission and vision had a positive and significant effect on competitive advantage ($\beta = 0.188$, $p=0.000$). From above equation it meant that when other variables are controlled, units change in the result to competitive advantage change significantly by 0.188 units in the same direction. However, environmental scanning had a positive and significant effect on competitive advantage ($\beta = 1.516$, $p=0.000$). From regression equation it implied that when other variables are controlled, a unit change in the environmental scanning would result to competitive advantage change significantly by 0.034 units in the same direction. Similarly, strategy formulation had a positive and significant effect on competitive advantage ($\beta = 0.208$, $p=0.000$). From regression equation it implied that when other variables are controlled, a unit change in strategy formulation would result to competitive advantage change significantly by 0.208 units in the same direction. Strategy implementation had a negative and significant effect on competitive advantage ($\beta = -0.184$, $p=0.001$). From regression equation it means that when other variables are

controlled, a unit change in the trust would result to competitive advantage change significantly by 0.486 units. The regression equation was as follows:

$$Y = -4.126 + 0.188X_1 + 1.516X_2 + 0.208X_3 + -0.184X_4 + 0.486X_5$$

Where:

Y =Competitive advantage

B0 = model's constant

B₁ to B₄ =regression coefficients

X₁=Setting of vision and Mission

X₂= Environmental scanning

X₃= Strategy Formulation

X₄ =Strategy implementation

X₅= Evaluation and Control

The overall model show that strategic management practices influence competitive advantage with a p-value of 0.001 and each variable positive predicated competitive advantage. However, only setting of vision and mission, environmental scanning and strategy formulation were significant in predicting competitive advantage.

4.7 Discussions of the Findings

Setting of mission and vision were practiced to a large extent as shown by a mean of 4.06. The correlation analysis revealed that there is significant positive influence of mission and vision on competitive advantage of international hotels in Nairobi. This was largely as a results of define what the hotel wants to be in the future (mean=3.79), identify the products and services the hotel will be involved in (Mean=4.46) and

identifying the customers of the hotel through mission and vision (Mean=4.46). From correlation results, improvement in setting of mission and vision practices would result to increase in competitive advantage of international hotels in Nairobi ($R=0.369$, $P=0.042$). These findings are in line with various previous studies. Sholihin et al. (2011) found that setting of mission and vision is positively associated with organizational performance. Mwakidimi (2010) also established that the element of participation in the input while setting mission and vision having challenging and specific goals had a positive correlation with performance.

Environmental scanning was practiced to a large extent as indicated by overall mean of 3.94. The results revealed that internal Analysis is done so as to determine the company's internal strength and weakness so as to exploit opportunities and deal with threats as shown by a mean 4.33 and customer analysis is done so as to understand the customer to a large extent as shown by a mean of 4.11. However, environmental scanning helps the hotel to assess their survival and growth to a moderate extent as indicated by a mean of 3.39. Therefore, from correlation analysis, there was significant positive relationship between environments scanning and competitive advantage. This implies, as the environmental scanning practices improve, they would gain more competitive edge in the market. According to Oghojafor, Olamitunji and Sulaimon (2011), environmental scanning insignificantly related to the success of the firm's performance. Vudzijena(2015) concluded that environmental scanning is positively related to business performance of firms operating within the Retail sector in Harare. This means that Retail SMEs should conduct a thorough analysis of the operating environment which they are exposed to in order to survive the harsh operating environment prevailing in Harare

Strategy formulation was practiced to a large extent by the international hotels in Nairobi City as shown by the mean of 4.09. Specifically, the hotels hired the services of a consultant in the process of strategy formulation as shown by a mean of 4.39 and the hotels competitors a mean of 4.22. The hotels also considered the need and wants of the customers during strategy formulation to a large extent. This results to increase in competitive advantage as shown by Pearson Correlation (r) of 0.495, $P=0.037$. Okoth (2016) concluded that there was an above average stakeholder involvement in strategy formulation among the tea warehousing firms in Mombasa County and this impacted on organizational performance.

The finding revealed that strategy implementation is undertaken to a mean of 3.69. Procedures of implementing strategies at the hotel are followed to a mean of 4.06. Similarly, motivational systems in place to ensure success of strategy implementation are to a large extent as shown by a mean of 3.89. However, the strategic plan is available to the public to a moderate extent. Similarly, adequate resources are allocated to strategy implementation to a moderate extent as indicated by a mean of 3.44. These practices to a moderate extent results to significant positive influence on competitive advantage of international hotels in Nairobi City as indicated by Correlation coefficient of 0.571, $P=0.013$. The finding of this study agrees with various previous studies. Joanna (2014) found that there is relationship between managerial competence and strategy implementation.

The results were also supported by Murugi and Mugambi(2014) who found out that relationship among different units/departments influenced implementation of strategy. Evaluation and control was practiced by international hotels in Nairobi to a large extent as indicated by a mean of 3.98. The top and senior managers are involved in strategy evaluation a mean of 4.56 and strategy evaluation faced some challenges as shown by a mean of 4.50. On the other hand, the review of strategic plan is done quarterly after every financial year with a mean of 3.47. Similarly, employees were empowered to take corrective actions towards strategy implementation to a moderate extent as indicated by a mean of 3.49. In some organization, the employees were empowered to a small extent while in others to a very large extent, hence a standard deviation of 0.917. However, these practices did not yield significant influence on the competitive advantage of international hotels in Nairobi City. Muiruri (2010) indicated that various tools are used during evaluation of strategy. He indicated that Performance appraisals were able to determine the best performing department.

Mbugguss (2010) concluded that the NGOs in Nairobi use management by objective and continuous improvement or just in time strategy approaches in strategy evaluation. Kinuthia (2012) found out that formative evaluations strengthen or improve the strategy being evaluated. Nyariki (2016) also concluded that the strategy evaluation practices identified at KCB bank to include bench marking, internal audits, balanced score card, performance appraisals, accreditations and certifications, customer satisfaction surveys and the use of information technology programs.

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the research findings, draws conclusions and makes recommendations.

5.2 Summary of the Finding

The objective of the study was to investigate the influence of strategic management practices on competitive advantage of International hotel in Nairobi city Kenya. Data was successfully collected from international hotels in Nairobi. Majority of the hotels were found to have at most five subsidiaries in the country and more than ten subsidiaries worldwide. Most international hotels are expanding to other markets in order to get more market share and acquire customers from other parts of the world. It agrees with Barbara (2015) who argues that most hotels are opening in other countries in order to provide services. Setting of mission and vision were practiced to a large extent .However, the individual practices imply that some practices were to a very large extent and on the other hand some practices were to a moderate extent. Some practices of mission and vision were practiced to a very large extent such as the mission and vision define the reason for the hotel's existence while the mission and vision identify the market of the hotel to a moderate extent .and it was limited enough to ignore some businesses and sufficiently wide to permit for growth to a moderate extent.

Environmental scanning was practiced to a large extent implying that it was a crucial practice while some of the environmental scanning practices were practiced to a moderate extent. The results revealed that internal Analysis is done so as to determine the company's internal strength and weakness so as to exploit opportunities and deal with threats as shown by large extent and customer analysis is done so as to understand the customer to a large extent. However, environmental scanning helps the hotel to assess their survival and growth to a moderate extent .There was significant positive relationship between environmental scanning and competitive advantage.

Strategy formulation was practiced to a large extent by the international hotels in Nairobi City implying the variation from the mean was insignificant for all six statements. The hotels also considered the need and wants of the customers during strategy formulation to a large extent. This resulted to increase in competitive advantage.

The finding revealed that strategy implementation is undertaken to a large extent. Procedures of implementing strategies at the hotel are followed to a large extent .Similarly, motivational systems in place to ensure success of strategy implementation to a large extent .However; the strategic plan is available to the public to a moderate extent. The responses range from 2(small extent) to 5 (very large extent) implying that there was significant .Similarly, adequate resources are allocated to strategy implementation to a moderate extent .The responses ranged from 2(small extent) to 5 (very large extent) implying that there was significant standard deviation (0.984). Therefore, there was significant positive relationship between strategy implementation and competitive advantage .Evaluation and control was practiced by international

hotels in Nairobi to a large extent. The top and senior managers are involved in strategy evaluation to a very large extent .and strategy evaluation faced some challenges .On the other hand, the review of strategic plan is done quarterly after every financial year was to a moderate extent . Similarly, Employees were empowered to take corrective actions towards strategy implementation to a moderate extent as indicated by a mean of 3.49. In some organization, the employees were empowered to small extent while in others to a very large extent.

All the strategic management practices had positive influence on the competitive advantage. The correlation analysis revealed that there is significant positive influence of vision and mission on competitive advantage of international hotels in Nairobi .This was largely as a results of definition of what the hotel wants to be in the future, identifying the products and services the hotel will be involved in and identifying the customers of the hotel through vision and mission..

The multiple linear regressions revealed that strategic management practices are significant predicator of competitive advantage of international hotels in Nairobi City. They significantly accounts up to 63.0% variation in competitive advantage.

5.3 Conclusion of the Study

The strategic management practices were practiced to a large extent thereby having positive influence on the competitive advantage of international hotels in Nairobi. The study concluded that the mission and vision defined the reason for existence of the hotel plus it customer, products and services. Thereby, the mission and vision has been utilized to define the future of the hotels. This has seen some hotels registering

improvement in financial performance over the years. However, some hotels vision and mission are silent on market and they are limited in scope to permit growth. Environmental scanning has allowed the international hotels to understand their internal and external environment. Internal analysis have assisted the organization to determine the company's internal strength and weakness so as to exploit opportunities and deal with threats and external analysis have assisted the hotels to identify threats and opportunities so as to match strategy with industry conditions. This has resulted to some of the hotels controlling sizeable market share.

Strategy formulation in the international hotels has influenced competitive advantage largely due to involvement of the staff members and other resources. Availability of such resources makes it possible for implementation and evaluation of strategy. Hiring of consultants gives international hotels in Nairobi City better understanding of their customers and competitors who are at varied from one country to another. Implementation of strategy is crucial strategy management practices. During strategy implementation, procedure of implementing strategies was followed and the strategy was communicated to the employees. There was a motivational system in place to ensure success of strategy implementation. The evaluation and control practices did not yield to significant competitive advantage. Few companies' reviewed their strategic plan quarterly after every financial year and employees were not empowered to take corrective actions towards strategy implementation. On the flipside, top management were involved in strategy evaluation and hotel is involved in continuous review of its strategic plan albeit the challenges that they face during strategy evaluation.

5.4 Recommendation from the Study

The study indicated that setting of has significant influence on the competitive advantage. The study recommended that during setting of mission and vision, the management should consider the market of the hotel so as to not to ignore some business which are instrumental for its growth. This would ensure that the mission and vision are not narrow but are wide to allow future growth.

Environmental scanning was practiced to a large extent implying that none of the practiced was to a very large extent while some of the environmental scanning practices were practiced to a moderate extent. Environmental scanning is significant practices during strategy management. To realize benefit of environmental scanning, the hotel should consider both internal and external environment and how they affect the survival and growth of organization. This can be achieved by use of various internal tools such as SWOT, Four corner Analysis and external tools such as PESTEL and Porter's Five Forces Analysis.

Strategy formulation was practiced to a large extent by the international hotels in Nairobi City implying the variation from the mean was insignificant for all six statements. The management of the hotels should include all stakeholders during strategy formulation. During strategy formulation, the management should consider all the resources that are available and where there is shortage, proper arrangement should be considered such as outsourcing or leasing.

The finding revealed that strategy implementation is undertaken to a large extent. Procedures of implementing strategies at the hotel are followed to a large extent. The study recommended that Hotel management should ensure that procedures of strategy implementation are followed. This can be achieved by breaking down the strategies in to various manageable parts and each part is assigned to competent supervisors to oversee the implementation. Also the study recommended that members who meet their targets should be rewarded so as to encourage implementation of organization strategy.

Therefore, there is need for Hotel management to provide necessary tools that are need for effective regular evaluation and control of strategy. The feedback mechanisms should be enhanced and real time so that improvement in the strategy performance is enhanced. This can be achieved by empowering employees to take corrective actions towards strategy implementation.

5.5 Limitations of the Study

Empirical and theoretical literature on strategic management is intense. However, empirical literature on the relationship between strategic management practices and competitive advantage is limited both internationally and in Kenya. Therefore, this study was limited by inadequate literature in generation of study variables for comparison. The study was also limited by the fact that it was sensitive to the respondents' feelings and some responses could not be verified. However the questions were designed to minimize the risk by ensuring that the questions were not leading and adoption of likert scale. Data collection was also a key limitation since the studied firms were private companies and obtaining information was not easy. However, the purpose of the study thoroughly explained and confidentiality assured.

5.6 Recommendations for Further Research

Different variables could be used as control variables with different measures of strategic management practices. The inclusion of more variables and application of more robust set of statistical tools apart from those used in this study could increase the robustness of study models and hence the validity of the results. Finally, the study was based on international hotels in Kenya and this limited the generalizability of the results to hospitality industry. Therefore, further studies should be conducted by including both international and local hotels in Nairobi City.

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APPENDICES

Appendix II: Questionnaire

Section One: Background Information

1. What is the name of your Hotel?

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2. State the country of origin of the hotel?

.....

3. How many subsidiaries of Hotel do you have in Kenya?

Less than 5 [] 5-10 [] 11- 15 [] 16-20 [] More than 21 []

4. How many subsidiaries of hotel do you have in the rest of the world?

Less than 10 [] 10-20 [] 21- 30 [] 31-40 [] 41-50 [] More than 51 []

Section Two: Strategic Management Practices

5. The following are statements about strategic management setting mission and vision.

Setting of Mission and vision		Respondents				
1.	Does the mission and vision define the reason for the hotels 's existence.	1	2	3	4	5
2.	Does the mission and vision identify the customers of the hotel.	1	2	3	4	5
3.	Do they identify the products and services the hotel will be involved in.	1	2	3	4	5
4.	Do they identify the market of the hotel.	1	2	3	4	5
5.	Do they identify the values of the hotel.	1	2	3	4	5
6.	It is limited enough to ignore some businesses and sufficiently wide to permit for growth.	1	2	3	4	5
7.	Does the mission define what the hotel wants to be in the future.	1	2	3	4	5

Environmental scanning		Respondents				
8.	Industry Analysis is done to identify threats and opportunities so as to match strategy with industry conditions.	1	2	3	4	5
9.	Competitor Analysis is done to understand the competitors.	1	2	3	4	5
10.	Customer Analysis is done so as to understand the customer.	1	2	3	4	5
11.	Internal Analysis is done so as to determine the company's internal strength and weakness so as to exploit opportunities and deal with threats	1	2	3	4	5
12.	Proper environmental assessment helps the hotel to make optimum utilization of scare human, natural and capital resources.	1	2	3	4	5

13.	Environmental scanning helps the hotel to assess their survival and growth.	1	2	3	4	5
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Strategy Formulation		Respondents				
14.	Staff members are briefed and taken through the strategic management plan.	1	2	3	4	5
15.	Customers need and wants are considered during strategy formulation.	1	2	3	4	5
16.	Hire a consultant.	1	2	3	4	5
17.	Resources considered	1	2	3	4	5
18.	Your hotel identifies competitors and determines the reasons for success of competitors and considers this in strategy formulation.	1	2	3	4	5
19.	The hotel analyzes / gathers information about its external environment to understand their implications.	1	2	3	4	5

Strategic implementation

20. Who does strategy implementation in your organization?

Owner / Directors [] Top Management [] Junior staff [] All levels of staff []

21. Who owns implementation and outcome of organization strategy in your firm?

Directors/Owner [] Top managers [] All levels staff []

Strategy Implementation		Respondents				
22.	There is a procedure of implementing strategies at the hotel that are followed.	1	2	3	4	5
23.	The strategy is usually communicated to employees.	1	2	3	4	5
24.	Adequate resources are allocated to strategy implementation.	1	2	3	4	5
25.	The strategic plan is available to the public.	1	2	3	4	5
26.	The hotel usually reviews the implementation plan annually.	1	2	3	4	5
27.	Motivation	1	2	3	4	5
Strategy Evaluation		Respondents				
28.	The review of strategic plan is done quarterly after every financial year.	1	2	3	4	5
29.	The top and senior managers are involved in strategy evaluation.	1	2	3	4	5

30.	There is always control of the success of the strategy.	1	2	3	4	5
31.	There are challenges that face strategy evaluation.	1	2	3	4	5
32.	Employees are empowered to take corrective actions towards strategy implementation.	1	2	3	4	5
33.	The hotel is involved in continuous review of its strategic plan.	1	2	3	4	5

Section Three; Competitive advantage

34. Approximately what is your market share compared to your competitors

1%- 10% [] 11% - 20% [] 21%- 30% [] 31% - 40% [] 40% - 50 % []

35. Approximately what is your profitability for your hotel for the last financial year.

Under shillings 10 million [] 10 million to shillings 49.9 million [] 50 million to 100 million [] 100 million to 200 million [] 200 million and above []

36. Approximately what is your customer satisfaction index.

1%- 10% [] 11% - 20% [] 21%- 30% [] 31% - 40% [] 41% - 50 % [] 61%-70% [] 71%-80% [] 81%- 90% [] 91%- 100% []

37. To what extent has your financial performance improved.

1%- 10% [] 11% - 20% [] 21%- 30% [] 31% - 40% [] 40% - 50 % []

Thank you for your time

Appendix III: List of International Hotels in Nairobi

1. Hilton Nairobi Limited CBD
2. Nairobi Serena Hotel Uhuru park
3. Movenpick Hotel
4. Hemmingways Nairobi Karen
5. Tribe Hotel Gigiri
6. Sankara Hotel Westlands
7. Villa Rosa Kempinski Westlands
8. Dusit D 2 Hotel Westlands
9. Fair View hotel Community
10. Intercontinental Nairobi CBD
11. Crowne Plaza Hotel Upperhill
12. Radisson Blu Hotel Upperhill
13. Holiday inn Westlands
14. Karen Blixen Coffee Garden & Cottage
15. Jacaranda Hotel Nairobi
16. Hillpark Hotel
17. Sarova Panafric
18. The Panari Hotel
19. Park Villa Hotel
20. Blue Bay Village

Source: The Kenya Gazette (2017)