

**EFFECT OF STRATEGIC PLANNING ON SUSTAINABLE  
DEVELOPMENT WITHIN THE HOTEL INDUSTRY IN NAIROBI  
KENYA**

**BY  
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## DECLARATION

I Ted Zico Ayaya, hereby declare that this MBA project paper titled “Effect of Strategic Planning on Sustainability within the Hotel Industry in Nairobi, Kenya”, is my own conceptualization and has never been submitted to any other university, or institution of higher learning for any academic award.

Signature.....  ..... Date...25/11/2022.....

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## SUPERVISOR’S APPROVAL

This research project prepared by Ted Zico Ayaya titled “Effect of Strategic Planning on Sustainability within the Hotel Industry in Nairobi, Kenya”, has been handed in for assessment with my endorsement as the appointed University Supervisor.



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## **DEDICATION**

I wish to dedicate this thesis work in memory of my parents, Phillip and Margaret Ayaya. Although they inspired me to pursue my master's degree, they were unable to witness my graduation. They unconditionally loved me, moulded me and taught me to work even harder for the things that I desire to achieve. I also dedicated this work to my spouse, Jackline Zico and my two children Rey and Rico who have always offered support and encouragement when I encounter challenges of graduate school and life matters. I am truly grateful for being part of my life.

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## ABBREVIATIONS

<b>CEO</b>	Chief Executive Officer
<b>COVID-19</b>	Corona Virus Diseases of 2019
<b>CSR</b>	Corporate Social Responsibility
<b>CV</b>	Co-efficient of variation
<b>FSSD</b>	Framework for Strategic Sustainable Development
<b>KIPPRA</b>	The Kenya Institute for Public Policy Research and Analysis
<b>GDP</b>	Gross Domestic Product
<b>NGO</b>	Non-Governmental Organization
<b>OLS</b>	Ordinary Least Squares
<b>SD</b>	Strategic Development
<b>SSD</b>	Strategic Sustainable Development
<b>STD DEV</b>	Standard Deviation
<b>USD</b>	United States Dollar
<b>VRIO</b>	Value, Rarity, Imitability and Organization

## ABSTRACT

Strategic planning is a critical area that influences sustainable development of a firm by ensuring proper allocation of the available resources in accordance with the achievement of the objective. This effect also depends on the policy adopted from one hotel to the other. When firms proactively formulate sound and well-planned strategies, they increase their capability of tackling challenges such as the advancement of technology, globalization, emergence of new markets and deregulation which influences the sustainability of development project. However, when the hotel fails to incorporate strategic planning in their development projects challenges such as insufficient funds, lack of proper order of procedures and activities, unprecedented occurrences and other emerging factors may cripple down the project leading to its termination. Therefore, a sustainable development requires a strategic plan which is lucrative in sustaining the development and achieving the targeted goals. The study sought to examine the effect of strategic planning on sustainable development within the hotel industry in Nairobi Kenya. The study targeted hotels that are within Nairobi in Kenya since they are easily accessible. The study used factors of sustainable development which are strategic planning, social sustainability, economic factors and environmental factors as independent variables of the study. The study identified 105 hotels across Nairobi County and was able to collect primary data through questionnaires which were issued via online survey whose link was sent to all the hotel managers. The study therefore obtained 105 responses which were found adequate for data analysis. This study undertook descriptive statistics that described the data collected for each variable in form of mean, Std. deviation and also Coefficient of variation. In summary the performance of sustainable development of hotels was found to be good as it recorded a mean of 16.77. The hotels highly incorporated strategic planning in their developments as indicated by a high mean of 26.53. Although the hotels adopted social sustainability and improved economic and environmental factors to enhance sustainability of their development the hotels put more effort in social and economic improvement than in environmental improvement when doing so as indicated by the means of 14.87, 15.85 and 13.16 respectively. The correlation that was undertaken indicated that all the independent variables had significant effect on sustainable development. The regression analysis was employed in determining the significance of the effect of strategic planning on sustainable development of hotels in Nairobi County. The regression model adopted by the model was only able to describe 50.5%. The adjusted R square on the other hand was smaller than R square that indicates that there were some elements in the model that did not help to improve the model. The study found that strategic planning has a significant impact on the sustainable development of hotel industry within Nairobi in Kenya. The p-value of the F-test was less than 0.05 and therefore the study found statistically significant effect of strategic planning on sustainable development of hotel industry within Nairobi in Kenya. The regression coefficients indicated that strategic planning social sustainable and economic factors had positive significant effect on sustainable development while environmental factors had a positive insignificant impact on sustainable development.

# CHAPTER ONE: INTRODUCTION

## 1.1 Background of Study

Strategic planning has been embraced widely by many small, medium and large enterprises due to its alleged influence on performance of the organization (Aldehyyat et al., 2011). The private and public sector have endeavoured to make strategic planning a critical tool. It assists in focusing effort and promotes coordination when undertaking development activities that would enhance performance (Aldehyyat et al., 2011). Strategic planning has greatly assisted organization to allocate resources strategically and concentrate effort for optimal production and realization of organization goals and objectives. Strategic planning is therefore an important tool in formulation and realization of sustainable development goals.

This study is underpinned on several theories: - The strategic fit theory was first introduced by Chandler (1962). This theory explains the magnitude in which an organization matches its resources and capabilities with the opportunity of the prevailing conditions of the external environment. Strategic fit assesses the present strategic situation of a firm and the opportunities a firm has in terms of mergers, acquisitions and divestitures. The dynamic capability view theory was introduced by Teece (1997), as a framework that analyses wealth creation sources and methods by enterprises which operate in a potent technological environment. A firm's competitive edge rests on distinctive processes such as coordination and combination. These are aligned by the specific position of the firm's assets such as complementary assets, and the evolution path that it inherits. Resource based theory explains that it is valuable to possess resources which are scarce, hard to imitate and substitute. Firms should try to establish sources of competitive advantage through the use of their resources. When a company increases its volume of sales and is able to

retain an increasing number of customers compared to its rivals, it is thought to have a competitive advantage which results from a firm's resources (Barney, 1991).

The Hotel industry is an income generating sector relied upon as a resource mobilizer by many developing nations. In Kenya, hotel industry has acquired a wide range of markets both locally and foreign resulting in a significant aspect of tourism. It has also contributed to poverty alleviation by encouraging farming and creating employment opportunities (Mutindi, Namusonge & Obwogi, 2013). The dynamic change in technological environment has brought the need to create sustainable development which will enhance performance without being affected by the change. Strategic planning is required for proper allocation of the resources and the efforts available for the achievement of the goals.

### **1.1.1 Strategic Planning**

Strategic planning is an organizational management operation of identifying goals, establishing and documenting strategies and direction toward the pursuit of those goals as well as the performance of the internal management system that monitors and evaluates progress (Almansoori, Al-Tahitah & Battour, 2021). Bryson (2011) defines strategic planning as the formulation of decisions and actions founded on discipline that controls an organization in terms of its operation. Strategic planning's definition can be stated as a method in which organizations evaluate and formulate different strategy options within a comprehensive plan.

The main driver of adopting strategic planning in making sustainable development by hotel industry is environmental dynamics and uncertainties, advent of new technology, globalization and business ownership motivations. According to Meers and Robertson (2007), advancement of technology, globalization, emergence of new markets and deregulation are amongst the challenges

that firms are currently facing. They suggest that a firm need to proactively formulate sound and well-planned strategies to tackle such challenges.

Al Gamdi (2005) supported that advancement of technology, globalization, emergence of industries deregulation, new markets and economic reforms are factors propelling firms to engage in strategic planning for sustainable development. This allows allocation of the resources available in a strategic and efficient way which will not lead to exhaustion.

Strategic planning in sustainable development is measured by budgets, resources, timelines, deliverables, accountability structures that have been put aside for the development (George, Walker & Monster, 2019).

### **1.1.2 Sustainable Development**

Sustainability is the characteristic of a system to be dynamic but with time manage to maintain or sustain itself. Development on the other hand is a continuous change in growth or evolution of different aspects in human society. Sustainable development is the fulfilment of the current requirements without compromising the efficacy of succeeding generations to fulfil their own interests (Emas, 2015).

According to Cerin (2006) and Alshuwaikhat (2017) sustainable development is one of the concepts within global development agenda and policy where the society can collaborate with the ecosystem without the risk of damaging the future. It aims at improving the standards of the current generation in a healthy natural environment without jeopardizing the ecosystems or causing negative effects to the environment which will lead to a threat in future such as deforestation and

pollution. These bring negative effects such as climate change, extinction of some species and health problems in future generation (Browning & Rigolon, 2019).

Evers et al. (2017) discusses sustainable development as the organizing principle that promotes human development goals and equally maintain its systems naturally to continuously provide natural resources and maintain the ecosystem in a way that the society and the economy will continue depending on it. The aim of sustainable development is to ensure there is progress in social and also economic growth as well as maintaining environmental equilibrium (Zhai & Chang, 2019). Sustainable development discourages social-economic activities that are harmful and advocate for activities that are friendly to the environment which will lead to positive social and economic outcomes.

### **1.1.3 Hotel Industry in Kenya**

Hotel industry is a sub-sector in tourism sector, one of the drivers of Kenya's economy. In the vision 2030 the sector was envisioned to deliver ten percent annual economic growth as projected. For the past ten years the industry has been contributing an average of one percent to the GDP. The hotel industry has managed to employ 82,900 people. Indirectly, the industry together with trade engaged 9 million people in 2019 before the outbreak of COVID-19.

At disaggregated level, in 2017 the industry contributed over 10% to Gross County Products for a number of counties which include Kwale, Mombasa and Nairobi (KIPPRA, 2021). KIPPRA (2013) reported that Kenya had at least 17.4 million bed-night capacity where only 40.3 of this capacity is utilized. This was below optimal level suggesting that for ideal profitability rate to be achieved much effort is required (Al-Saleem and Al-Juboori, 2013). Lack of inadequate hotel occupancy led to the decline of the performance of the hotels due to the underutilization of

resources. This in turn would trigger the laying off of staff and loss of revenue. The decline of hotel bed-night occupancy extends its effect on food and beverage which are also essential in generating revenue although with low profit margin.

Upon realizing the decline of bed-night occupancy, hotels' management endeavoured to put more focus on food, beverage and other metrics to uplift the sinking performance. Despite the low profit margins of food and beverage, they have the capability of drawing in more customers and lodgers (Payne, 2014) therefore, should be treated as an asset which is deemed profitable. Continuous improvement of quality and investing in futuristic practices can be factored in as a tool that enhances performance. The industry needs to focus more on strategic planning, research and innovation, thorough training of its employees, marketing strategies and customer focus in order to achieve growth and sustain profitability (Shikuri and Chepkwony, 2013)

## **1.2 Research Problem**

The hotel industry has been marred by one disruption after another, more so after Covid-19 disruptions that saw restriction in movement of people across the world, closure of businesses, maintenance of social distance among other interventions by the ministry of health (Yacoub & Elhajjar, 2021). Hotels also face seasonal challenges where during low seasons, they are likely to lose strategic suppliers, and other partners that enhance them. With the current growth rate in the industry and the increased market competition, it has become crucial for the investors in the sector as well as the hoteliers and the stakeholders to formulate appropriate sustainable strategies that will gain them a competitive advantage (Almansoori et al, 2021). This may be done through leveraging the organizations individual competitive advantages and using those advantages towards retention and growth of their market share (Cain, 2012). Strategic planning is required to



derive full utility of the available scarce resources for optimum production thus yielding high revenue to ensure growth and stability. Through strategic planning hotels in Kenya can be able to envision the future and formulate the necessary plans, strategies, operations and procedures that leads to achievement of that future. Properly managed implementation is there necessary to guarantee sustainable development within the hotel (Taiwo & Idunnu, 2007).

The hotel industry plays an important role in developing countries especially its contribution toward economic growth (World Travel and Tourism Council, 2017). This estimation arose from the strategic plans made in the industry for growth by expanding the accommodation sector into aesthetically appealing ones thus attracting more customers and tourists. Similarly, low-cost chains and major international chains are trying to research on any available chance of expansion in order to expand outside of the capital (Schulz & Omweri, 2012). Strategic planning and sustainable development has drawn in many researchers in previously due to its influence on business performance. There are several remarkable studies brought to light by other researchers directly linking strategic planning and sustainable development. Most of these studies alludes that strategic planning has a beneficial impact on firm performance as it helps in tactical allocation of business resources for profit and sustainability realization.

The studies considered showed conceptual gaps as they focused on slightly different concepts from those that were focused in this study. Huong (2014) focused on sustainable development plans whereas the current research focused on association between strategic planning and sustainable development. The other study that depicted contextual gap include Ronoh (2020) who undertook a study on civic engagement for sustainability growth, Almansoori (2021) also concentrated on impact of strategic planning on performance of economic government organization. Other studies had contextual gaps that were conducted in different contexts and in different regions. Colldahl et

al. (2013) focused on strategic sustainable development for smart cities in the urban world. Mazein (2021) studied the inputs of sustainability goals on strategic planning of Russian region. The study also incorporated different methodology where case study was undertaken as the research design. This study hence pursues to provide answer to the question, what is the effect of strategic planning on sustainable development within the hotel industry in Nairobi Kenya?

### **1.3 Research Objective**

The aim was find out the effect of strategic planning on sustainable development of hotel industry in Nairobi Kenya.

### **1.4 Value of the Study**

The study contributed to literature on adoption of strategic planning to sustainable development. It demonstrates on ways of having strategic plans on available resources to create utility for the current and future generations. As part of the literature the study is relevant to scholars and researchers who would wish to dig deep into similar research area. Researchers can refer to this study when establishing research gaps and compare the research methods and findings achieved in this study with theirs. The study also provides an empirical proof to the theories pinning this study which will either support or criticise them.

The hotel industry should also make use of the discoveries made on this study to apprehend the importance of adopting strategic planning when making sustainable development to ensure proper allocation of resources in a way that will not be depleted or cause harm to the environment. Hotel industry could possibly understand the importance of sustainable development and therefore

engage in activities that ensure sustainability of resources such as use of renewable sources of energy like solar.

The study gives relevance to the government, regulatory authorities and policy makers who formulate and implement policies which guard environmental resources, in order for their preservation for current and future generations. They could possibly identify the importance of protecting these environmental resources for their utilities to be enjoyed by the future generation. They could therefore enforce laws and policies that ensure protection of the exhaustible resources and create awareness of their protection.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

In this chapter, the theoretical review was expounded. The chapter studied the independent factors that affect strategic planning that influence sustainable development within the hotel industry. The empirical studies done by various scholars relating to the area of this study were discussed. The chapter was concluded by the conceptual framework and the synopsis of literature review.

### **2.2 Theoretical Foundation**

This section discusses theories relevant to the current study which include strategic fit theory, dynamic capability view theory and also resource-based theory.

#### **2.2.1 Strategic Fit Theory**

Venkatraman and Presscott (1990) define the strategic fit as an approach which considers a core position in strategic management and organizational studies. The strategic fit theory which is also known as the strategic decision theory or the strategic management theory describes the prescription of the strategic management practices which are not universal. The context of the business, culture and business strategy determines the application of the strategic management practices. Proper integration of the strategic management practices (SMP) with the understanding of the specific organization and business environment can be more effective (Snell, Shadur and Wright 2005). This theory therefore, explains the significance of strategic management practices that take into consideration the factors that affect the business such as operational processes, culture and the external conditions. The SMP practices also consider some specific requirements of both the business and the stakeholders. The theory assists businesses to align organizational

resources with environmental opportunities and threats. It explains how strategic management practices identifies the market, corporate competences as well as resources, individual values and aspirations and acknowledged duties to some society segments other than stockholder (Chandler, 1962).

Strategic fit theory as the structural contingency theory explains that there exists no specific approach to organization management but rather the organization should develop managerial strategy that considers the conditions and situation experienced by the organization (Luo & Donaldson, 2013). An organization develops efficiency and innovation in its operation in order to survive and thrive amid the environmental requirements and changes. The firm therefore develops strategies that reflect the environment as well as fulfil the firm's objectives (Little and Tuten, 2006).

### **2.2.2 Dynamic Capabilities Theory**

Dynamic capabilities theory was first initiated by Teece and Pisano (1994), although in Teece (1990) had written a working paper that may have contributed to the development of the theory. It was then advanced by Teece, Pisano and Shuen (1997) who posited that the competitive advantage in turbulent environment is a dynamic capabilities' function and not industrial conflict nor competitive positioning. Dynamic capability organization's capacity to adapt the resource base of an organization with a purpose. It involves integration, building and configuring both intrinsic and extrinsic proficiency to address a dynamic environment. It involves multiple capabilities to combine in order to have the capacity to react timely and adequately to rapid external changes. This theory affirms the resource-based view that to attain and sustain competitive advantage, firms

must react flexibly, responsively and rapidly to the dynamics of the market environment (Teece 2017).

Dynamic capabilities theory advocates for the adaption of radical contingency change while on the other hand maintaining minimum capability standards for competitive survival, as a development strategy toward successful organization. Firms can ensure long-term survival by managing competitive threats through resources redeployment (Teece, 2010). The theory explains that the performance of the firm lies with the proper positioning of the resources and the evolution path followed by the firm. A firm can perform during a period of dynamic change if it has the ability to coordinate its organizational, managerial and technological processes Gathungu & Mwangi, 2012).

This study is underpinned to this theory as it borrows from the theory on how hotel industries in Kenya can strategically plan their dynamic capabilities in order to perform even when faced with dynamic environmental challenges. Hotel organizations can strategize on how to utilize dynamic capabilities in reconfiguring resources accordingly to suite markets emergency, depletion or mutation (Teece, Pisano & Shuen, 1997). Dynamic capabilities can be categorized in to levels which include the first order capabilities that are the existing resource base of a firm and are used by the firm to generate revenue directly and the second order capabilities which allow creation of new capabilities (Danneels, 2002).

The major criticism of the theory is that dynamic capabilities are underlying operant processes which cannot be measured empirically. The correlation of dynamic capabilities and the performance of a firm can therefore not be established. Measuring routine or idiosyncratic processes to the firm poses another challenge. This theory also assumes that an organization should

use its basic competencies to create short-term competitive positions which with time can develop into long-term competitive advantage Gathungu & Mwangi, 2012).

### **2.2.3 Resource Based Theory**

This theory explains that an organization has a better chance to build on its competitive advantage if it possesses strategic resources (Freeman et al., 2010). The theory assesses the resources required by the firm to dispose in order to become competitive. A firm is required to use its unique resources to capabilities and competencies for efficient performance in a competitive business environment to reduce threats and meet customer satisfactions. Competitive advantages are determined by how efficient a firm can marshal and invest its available resources efficiently.

Firm's resources can either be tangible or personnel- based. Tangible resources are physical and financial reserves while personnel resources are values such as expertise, loyalty and commitment. According to Freeman et al. (2010), to sustain competitive advantage resources that need to be accumulated and retained should be valuable, attractive, rare, unique and hard to copy and they should not be substituted. According to Sweeney (2009) employees are the valuable asset of a firm. Employees ought to relate well with customers for a business to remain competitive

The two categories of resources of a firm should work together in one accord for a positive result. This theory serves as strategic management enforcement. It affirms the stakeholder theory that coordination of both stakeholder relations and organizational resources is necessary for effective and efficient competition (Freeman et al., 2010).

The major criticism of the theory is that many firms lack adequate strategic assets which are capable, unique and hard to copy (Al-Ansari, 2014). This theory portrays a weakness in that

companies that have more resources that are unique and hard to copy have an advantage to compete effectively in the economy. Assumption is made where firms that adopt this theory often misallocate and redistribute resources to individual who are in powerful positions (Conner, 1991). Possessing hard to imitate slack resources can be seen as CSR role model and a way of mitigating the potential backlash of charging high prices than the normal economical prices. A company that gains the competitive advantage over its competitors may increase prices of their products thereby earning abnormal profits. This is a nefarious behaviour which uses exorbitant prices to extract wealth from customers (Conner, 1991).

### **2.3 Strategic Planning and Sustainable Development**

Strategic planning assists in the implementation of actions supporting the sustainable development by giving a strategic framework which incorporates the SD in policies, programmes and plans. In order to allocate the available resources in an efficient manner which will not lead to exhaustion, a strategic plan is required. An organization that is growing and intends to continuously sustain its growth requires setting strategies that guide its program development. It is required to have a strategic plan that builds a strong foundation of finance enabling it to be ready for future challenges. This strategic plan, the vision of the organization, is required to have goals and objectives, metrics for measuring the progress, timelines, desired outcomes and the budgets (George, Walker & Monster, 2019).

Natural resources can be exhausted thus it's important to emphasize on market capacity to efficiently allocate resources for economic growth (Du & Kang, 2016). Unfortunately, research has shown that natural resources are limited with time and some of them cannot be renewed. The natural resource base has been overstretched by the increased production process to boost the



economy, which has posed a great threat that requires solutions such as strategic planning (Du & Kang, 2016). Businesses should adopt new ways of controlling the consumption in order to slow down the depletion rate. According to Dernbach (1993) at economies market, transitions are evaluated following the guiding frameworks for decisions to be made regarding sustainable economic activities. Environmentally tenable system ought to maintain a secure resource base, absconding over-harvesting of renewable resource systems. It should maintain its productivity, adaptability and capability for renewal which can only be attained through strategic planning.

## **2.4 Empirical Studies and Research Gaps**

Colldahl et al. (2013) researched on strategic sustainable development for an urban world in Smart Cities. The thesis aim was to investigate the aspect of smart cities as a impending urban construct tool that can assist in addressing the challenges that the society faces on social and ecological sustainability. The study utilized structured interviews with smart city practitioners and sustainability experts to collect primary data. The study identified and organized strengths and weaknesses of smart cities concept through the structure for strategic sustainable development (SSD). The study as well adopted strategic sustainable development (SSD) approach as a maximization method on benefits of the concept as well to cub the limitations identified. Smart cities were recommended to prepare a planning guide informed by an SSD approach to achieve their vision and achieve sustainability. More study is required to identify to which extent strategic planning affects sustainable development.

Almansoori et al., (2021) conducted research on the impact of strategic planning on performance of financial corporations while considering the moderating role of organizational leadership and sustainability. The study researched on the impacts of strategic planning in financial resources,

managerial skills, information systems, innovation and organizational culture as well as the link between sustainability and entrepreneurship as well as between Strategic planning and organizations output. The study utilized smart PLS to identify the relationships between the variables and revealed that strategic planning had a favourable impact on the organizational performance. It also revealed that a positive relationship existed between entrepreneurship and sustainability and strategic planning and organization performance. There exists a research gap between strategic planning and sustainable development.

Huong (2014) did a study on sustainable development plan in hospitality a case of Muong Thanh Vinh Hotel. The study aimed at developing a sustainable plan for Muong Thanh Vinh hotel. The study used deductive approach and qualitative research methods. Secondary data was from books, articles, journals, previous literature and internet sources. Primary data was gathered via in-depth interviews of the company's staff. The study used a theoretical model of SOSTAC. Internal and external resources and surrounding business environment were identified empirically. The study came up with a new three-year development plan from the data analysis. More research is required to identify the connection between strategic planning and sustainable development.

Mazein (2021) did a study on impacts of sustainability goals on strategic planning in the Russian Region. The study's purpose was to determine regional regulation for the incorporation of ideas on sustainability. The study utilized analysis methods such as generalization, synthesis and system structured technique. The findings revealed that the governance of sustainable development was primarily reflected in documents of strategic planning. About 88% of references to sustainable development were found in the documents. It then concluded that there exist various perspectives to the progress of strategic planning documents and the documents are used by contrasting bodies for different periods. The study also concluded that the disparity in approaches was permissible

and in various documents of the same level, the intersection of strategic measures should be timely excluded. There exists a knowledge gap thus more studies need to be done in different contexts.

Ronoh (2020) conducted a study on civic engagement for sustainability growth in a devolved form of governance within Kenya and concentrated at exploring the effect of public engagement on sustainability in devolved system of governance in Kenya as well as the challenges of public participation. The study applied concurrent triangulation research design and pragmatism philosophical paradigm. The study was done on a population of 807,372 where a sample of 383 was selected through multistage cluster as well as simple random sampling techniques. Collection of data involved questionnaires and interviews. Thematic analysis was applied on qualitative data while inferential and descriptive analysis was applied to quantitative data. Findings revealed a notable connection between the demographic attributes and civic participation process. The findings from descriptive statistics revealed that public participation is minimal in county governments and assemblies. This study concentrates more on public participation on sustainable development. There is little knowledge on how strategic planning affects sustainable development giving room for more studies.

Juma (2017) carried out research on perceived effect of strategic planning and strategy execution on performance of Kenyan NGOs. It's technique was a descriptive cross-sectional survey done on a population of 102 NGOs in Kenya. The study employed census survey where to gather both primary data as well as secondary data. Questionnaires were preferred in obtaining data. Descriptive statistics was then applied on the data for analysis. Discoveries made from the study revealed that NGOs utilize methods such as improved operations management, improved corporate image, business excellence, performance management and quality administration to aid strategic planning. The existence of strategic plan embodies helped the organizations perform well

as they gave values and norms. The study identified strategic planning to be very crucial to strategy implementation. More research is required to clarify perceived effect of strategic planning on sustainable development.

Kipchumba (2020) studied the influence of organizational features on enactment of strategic plans within self-governing regulatory parastatals in Kenya. Researcher determined factors that affects the execution of strategic plan of some Kenyan-based parastatals. Its findings revealed that sufficient financial resources, time and manpower allocation was done prior for efficient enactment of strategic plans by the self-governing regulatory parastatals. The outcome from Pearson correlation indicated a positive link between independent variables in the study and the dependent variable. The study concluded that resources cause an effect to the execution of strategic plans in self-governing regulatory parastatals. More research is required to further explain the effect that is caused by strategic planning on Sustainable development in different sectors in Kenya and other countries.

**Table 2.1: Summary of the Empirical Studies and the Research Gaps**

Study	Methodology	Key Results	Research Gap	Current Study
Strategic sustainable development for an urban world in Smart Cities (Colldahl et al., 2013)	Exploratory research design was employed	Identified and organized strengths and weaknesses of smart cities concept through the framework of strategic sustainable development (FSSD).	The study did not use any statistical methods for data analysis that failed to consider effect strategic planning on sustainable development	Ongoing study will use descriptive and inferential statistics for data analysis
The influence of strategic planning on the performance of economic governmental organizations: the moderating role of organizational leadership and sustainability (Almansoori et al., 2021).	Applied smart PLS to identify the relationships between the variables	Strategic planning had a beneficial impact on organizational performance and a positive relationship between entrepreneurship and sustainability and also between strategic planning and organizational performance	The study covered the economic governmental organizations and failed to consider effect strategic planning has on sustainable development	Will cover the hotel industry within Nairobi county
Sustainable development plan in hospitality a case of Muong Thanh Vinh Hotel (Huong, 2014).	The study used deductive approach as well as qualitative research methods.	Developed a new three-year development plan from the data analysis	The study was about formulation of a sustainable development plan. It failed to identify the association between sustainable development and strategic planning.	Current study focused on identifying the link that exist between strategic planning and sustainable development
Impacts of sustainable development goals on strategic planning in Russian Region (Mazein, 2021).	Synthesis, Generalization and system structured methods were used for analysis	The guideline of sustainable development was primarily reported in documents of strategic planning. About 88% of references to sustainable development were found in the documents.	The study was done in the Russian Region which is a developed economy we would like to see if the same applies to developing economies	This study is done in Nairobi, Kenya.
Public participation for sustainable development in a devolved system of governance in Kenya (Ronoh, 2020).	Applied pragmatism philosophical research design.	A significant relationship between the demographic characteristics and public participation	The study established the correspondence between public participation and sustainable	Current study established the association between

		process. The impact of public participation had a statistical significance on development.	development which failed to identify the connection between strategic planning & sustainable development	strategic planning & sustainable development
The perceived influence of strategic planning and strategy implementation on performance of environmental non-governmental organizations in Kenya (Juma, 2017).	Descriptive cross-sectional survey was employed.	The existence of strategic plans helped the organizations perform well as they gave values and norms. The Strategic plans helped the organizations perform. the study identified strategic planning to be very crucial to strategy enactment.	The study targeted the effect of strategic planning on strategy implementation, which failed to identify the link between strategic planning & sustainable development	Current study established the link between strategic planning & sustainable development
Influence of organizational factors on implementation of strategic plans among independent regulatory parastatals in Kenya (Kipchumba, 2020)	Descriptive research design was applied	The findings of the study indicated that sufficient financial resources, time and manpower allocation was done prior for efficient execution of strategic plans.	It targeted the influence of organizational factors on implementation of strategic plan and failed to consider effect strategic planning has on sustainable development	Current study established the influence of strategic planning on sustainable development .

Source: Researcher (2022)

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

In this chapter, research design to be employed is briefly described and its relevance to the study. The targeted population was discussed, sample design, technique of collecting data and also data analysis method.

### **3.2 Research Design**

Research design entails a conceptual structure that outlines the way research is undertaken. This study embraced descriptive survey design, that is preferred in theory-based design method. Data collected was analysed and presented accordingly to describe study variables (Lavrakas, 2008). The method has been adopted to explain the relationship existing between the independent variable, strategic planning and the dependent variables which is sustainable development in this study. Since descriptive survey design uses both quantitative and also qualitative research methodologies, it is therefore appropriate in explaining the characteristics of variables being studied as well as the cause and effect of more than one variable in the study (Serkan 2003).

### **3.3 Population**

Population is a group such as individuals or objects possessing common features under study. Population of the study included all 5-star, 4-Star & 3-Star hotels operating within Nairobi County. The study targets the top managers as they are deemed to understand issues pertaining to Strategy adopted by the company.

### **3.4 Sampling**

Sampling is a subset of the population that is used by the study as its sometimes not possible to study the whole population due to different limiting factors. The attributes and properties of population are deemed to be properties and attributes of the population. The study used purposive sampling, where it targeted respondents who understood the study and were able to respond effectively to the questionnaire. The study therefore targeted a top line manager in each 3,4 and 5-star hotels in Nairobi County.

### **3.5 Data Collection**

Primary data was applied to gather data required for this study. Primary data was obtained by sending structured questionnaires in form of survey to one top line manager of different hotels within Nairobi County. The study undertook to collect cross-sectional data of the prevailing situation of the sustainable development that has been made by different hotels within Nairobi County.



**Table 3.1:Operationalization of Research Variables**

<b>Variable</b>	<b>Operational indicators</b>	<b>Measurement</b>	<b>Measurement scale</b>	<b>Data collection tool</b>	<b>Data analysis</b>
<b>Sustainable development</b>	Development of crisis management of hotel enterprises. Visitors' fulfilment Use of renewable energy and heat Proper management of Waste and water	Likert scale	Interval	Questionnaire	Descriptive statistics Correlation analysis Regression analysis
<b>Strategic Planning</b>	Strategic Objectives Developing a strategic plan for development projects Introduction of ICT for effective control and management of the hotel enterprises	Likert scale	Interval	Questionnaire	Descriptive statistics Correlation analysis Regression analysis

Source: Researcher (2022)

### **3.6 Data Analysis**

The study analysed data collected by measures of central tendencies that described the variables.

The study used Ordinal Least Squares (OLS) method to find out the relationship between strategic planning and sustainable development. OLS method seeks to identify a line of best fit that would best describe the data and therefore determine the relationship between the study variables.

Correlation analysis was undertaken to determine correlation between the study variables.

## **CHAPTER FOUR: DANALYSIS, RESULTS AND DISCUSSION**

### **4.1 Introduction**

The study discusses the analysis of data obtained in this chapter. The analysis included descriptive statistics which was undertaken to describe the variables in terms of central tendencies. The chapter also entails the diagnostic test of the regression model which were carried out to reveal the strength of the model before conducting correlation and regression analysis which showed the relationship between the study variables. Finally, it concludes with summary of the interpretation of the findings.

### **4.2 Response Rate**

The study targeted to gather data from top line managers from 3-, 4- and 5-star hotels in Nairobi County. The target respondents were 120 respondents, but the study was able to collect data from 105 top line managers from these hotels. The response rate of the study was therefore 87.5% which Mugenda and Mugenda (2003) suggest that a response rate above 60% is considered adequate and effective in carrying out research.

### **4.3 Descriptive Statistics**

Descriptive statistics elaborate the characteristics of variables in terms of mean, Std Dev. and CV. They indicate how data of every variable is frequently distributed. The data used by the study was obtained from hotels within Nairobi County by administering questionnaires to the selected managers of the hotels. The study collected 105 responses.

**Table 4.1: Descriptive Statistics**

		<b>Statistics</b>				
		Y= Sustainable development	X1= Strategic Planning	X2= Social sustainability	X3= Economic factors	X4= Environmental factors
N	Valid	105	105	105	105	105
	Missing	0	0	0	0	0
Mean		16.77	26.53	14.87	15.85	13.16
Standard Dev		2.06	2.31	2.37	2.03	2.69
Variation (CV)		4.26	5.35	5.60	4.13	7.21

Source: Researcher, (2022)

Table 4.1 shows Sustainable development as the dependent variable which has an overall mean, Std dev and variance of 16.77, 2.06 and 4.26 respectively. Comparing with the total score which is 20, it implies that sustainable development is highly practiced by hotels within Nairobi County. Strategic planning is the first independent variable of the study which indicates an overall mean of 26.53, Standard deviation of 2.31 and variance of 5.35. The total score being 30, it therefore, suggests that strategic planning is highly adopted by hotels in Kenya. Social sustainability is an indicator variable with an overall mean of 14.87, Std deviation of 2.37 and variance of 5.60. Out of the total score which is 20, it indicates that social sustainability is practiced by hotels in Kenya. Economic factors is the second indicator variable with overall mean, Std deviation and variation of 15.85, 2.03 and 4.13 respectively. In comparison to the total 20 scores, indicates that hotels in Kenya considers economic factors in relation to sustainable development. Lastly, environmental factors is the last indicator variable with overall mean, Std deviation and variation of 13.16, 2.69 and 7.21 respectively. Out of the total 20 scores, it indicates that hotels averagely consider the environmental factors when implementing their developments.

### 4.3.1 Sustainable Development

**Table 4.2:Sustainable Development Frequency Table**

	N		Mean	STD Dev	CV
	Valid	Missing			
The CEO, chairman of the board, and senior management teams show public an unwavering support for sustainability development	105	0	4.29	0.60	0.36
Sustainable development is central to the company's competitive strategy	105	0	4.26	0.68	0.46
The company's structure, systems, processes, and culture are aligned around sustainability	105	0	4.15	0.69	0.72
Various aspects of sustainable development are viewed holistically and integrated across the functions that I have responsibility for them	105	0	4.08	0.72	0.51

Source: Researcher, (2022)

Table 4.2 shows the highest rated question on sustainable development being, that CEO, chairman of the board, and also senior management teams offer public full support for sustainability development,” which had a mean of 4.29, Std deviation and Variance of 0.6 and 0.36 respectively indicating that most respondents agreed with the statement, with just a small deviation from the mean. The statement, “various aspects of sustainable development are taken holistically and put across functions that I am responsible for them,” had the least rating indicated by the least mean of 4.08, a low Std deviation and Variance of 0.72 and 0.51 respectively implying that despite being the least rated many respondents agreed with the statement.

### 4.3.2 Strategic Planning

**Table 4.3:Strategic Planning Frequency Table**

	N		Mean	STD Dev	CV
	Valid	Missing			
Setting performance targets and the preceding process of strategic planning is an important aspect of sustainable development for our hotel	105	0	4.62	0.51	0.26
Strategic planning and target setting allows me to translate our hotel vision and strategy into strategic objectives that are associated with medium to long-term goals	105	0	4.44	0.50	0.25
While setting targets, I combine human expertise and organizational resources to implement my value-creating organizational strategies	105	0	4.45	0.57	0.33
Target setting allows us to reconfigure our existing business capabilities and also build new capabilities	105	0	4.41	0.57	0.32
We have a feedback system in place that influences the development of new capabilities and organizational learning	105	0	4.16	0.68	0.46
The feedback given by our customers helps our business to reinforce its operational systems and subsequently turns out to be more focused	105	0	4.46	0.56	0.31

Source: Researcher, (2022)

Table 4.3 presents the highest rated question in strategic planning the statement that had a high rating indicated by a high mean of 4.62 a Standard deviation & Variance of 0.51 and 0.26 respectively was: “Setting up performance targets and also preceding process of strategic planning is a crucial aspect of sustainable development for our hotel.” This indicated that most respondents strongly agreed with the statement. The statement on target setting allowing to reconfigure our existing business capabilities as well as build other new capabilities” was rated the least indicated by the lowest mean of 4.41, while both Std deviation and Variance were 0.57 and 0.32 respectively, implying that fewer respondents agreed with the statement and a good number had different opinion of the same.

### 4.3.2.1 Social Sustainability

**Table 4.4: Social Sustainability Frequency Table**

	N		Mean	STD Dev	CV
	Valid	Missing			
Environmental training for employees is done regularly	105	0	3.33	0.86	0.74
Employee incentive programs for environmental suggestions are in place	105	0	3.45	1.01	1.02
Environmental standards for suppliers are set	105	0	3.74	0.90	0.81
We use communication as a fundamental determinant of customer dedication and Satisfaction strategy	105	0	4.34	0.68	0.46

Source: Researcher, (2022)

Table 4.4 presents the highest rated question in social sustainability was, “we use communication as a fundamental determinant of customer dedication and satisfaction strategy,” which had a mean of 4.34, Std Deviation of 0.68 and Variance of 0.46 inferring that majority of responses were in agreement with this statement in the section. However, the statement that had the least rating is “Environmental training for employees is done regularly,” suggested by the least mean of 3.33 with Std Deviation of 0.86 and Variance of 0.74 suggested that quite a number of responses picked neutral responses in this statement indicating that environmental training for employee is averagely done.

### 4.3.2.2 Economic Factors

**Table 4.5: Economic Factors Frequency Table**

	N		Mean	STD Dev	CV
	Valid	Missing			
Our business has loyal customers facilitating our ability to work easily and achieve our objectives and outperform our set targets	105	0	4.26	0.69	0.48
The pursuit of personal non-economic goals is something we are willing to sacrifice for the prospect of achieving greater financial rewards	105	0	3.67	1.00	0.99
Enhancing current customer Satisfaction and loyalty through sustainability initiatives	105	0	4.12	0.68	0.46
We normally grant rewards to our employees to influence their behaviour	105	0	3.80	0.79	0.62

Source: Researcher, (2022)

Table 4.5 presents the highest rated question in economic factors being: “Our business has loyal clients enabling us to work with ease to achieve our objectives as well as outperform our set targets,” with a mean of 4.26, a Std. Deviation of 0.69 and a Variance of 0.48 inferring that majority of responses were in agreement with the statement and there was less variation in response criterion. On the other hand, the statement with the least rating is: “The search for personal non-economic goals is one of the things we are willing to sacrifice for the prospect of attaining greater financial rewards,” which had the least mean of 3.67 with a Std Dev of 1.00 and a CV of 0.99. This implied that a good number of respondents disagreed by picking differing response criterion which lowered the mean to 3.67.

### 4.3.2.3 Environmental Factors

**Table 4.6:Environmental Factors Frequency Table**

	N		Mean	STD Dev	CV
	Valid	Missin g			
The organization has hired a designated environmental manager	105	0	2.89	1.08	1.16
Research and development is continuous on environmental issues	105	0	3.55	0.96	0.92
Pollution prevention plans are in place	105	0	3.68	0.89	0.80
Environmental audit is done regularly	105	0	3.05	0.97	0.93

Source: Researcher,

(2022)

Table 4.6 presents the highest rated question under environmental factors is: “Pollution prevention plans are in place,” which was denoted by a mean of 3.68 with a Std Dev of 0.89 and a Variance of 0.80. It implies the majority of respondents chose relatively same response criterion. The statement, “the organization has hired a designated environmental manager,” had the least rating implied by a low mean of 2.89 which was the least, the Std Dev was 1.08 indicating high varying responses and the CV was 1.16 also indicating that the majority of those who participated disagreed with the statement. A mean of 2.89 indicate disagreement with the statement.

### 4.4 Correlation Analysis

The correlation analysis determined the correlation between the independent variable and dependent variable. Researcher decided to use Spearman's correlation because it is a non-parametric test. On a scale of 0 to 1, perfect correlation is indicated as 1 and no correlation as 0 respectively.



**Table 4.7: Correlational Analysis Table**

Correlations						
		Y= Sustainable development	X1= Strategic Planning	X2= Social sustainability	X3= Economic factors	X4= Environmental factors
Y= Sustainable development	Pearson Correlation	1				
X1= Strategic Planning	Pearson Correlation	.641**	1			
X2= Social sustainability	Pearson Correlation	.561**	.518**	1		
X3= Economic factors	Pearson Correlation	.581**	.599**	.592**	1	
X4= Environmental factors	Pearson Correlation	.350**	.300**	.600**	.440**	1
**. Correlation is significant at the 0.01 level (2-tailed).						

Source: Researcher, (2022)

Table 4,7 presents the correlation between the independent and dependent variable. All the independent variables were discovered to have a significant and positive correlation with the sustainable development. Strategic planning, social sustainability and economic factors were found to have a strong correlation with the sustainable development of 0.64, 0.56 and 0.58 respectively. However, environmental factor which is an independent variable was found to have a weak correlation of 0.35 with sustainable development.

#### 4.5 Regression Analysis

The association between strategic planning and sustainable development is investigated using regression analysis. It is used to examine whether the study variables are significantly related or not. Therefore, multiple linear regression was considered in the investigation, and the significance was assessed using the F test.

#### 4.5.1 Regression Summary of the Model

Summary of the regression model displays the findings that demonstrate the strength of the model as measured by R squared. It provides the coefficient of determination, which illustrates how effectively the model selected for the study can explain variations in the dependent variable. The model as well indicates the change on the statistics which are altered by adjusting R squared in accordance with the number of independent variables in the model.

**Table 4.8: Model Summary**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	.710 <sup>a</sup>	.505	.485	1.480
a. Predictors: (Constant), X1= Strategic, X2= Social sustainability, X3= Economic factors, X4= Environmental factors				

Source: Researcher, (2022)

Table 4.8 presents the regression results on the model summary table indicate that the independent variables of the study may account for variations in sustainable development which is the dependent variable (Y) of the study to the tune of 50.5% indicated by the R square value of 0.505 which is the coefficient of determination. This implies that other variables that are not addressed by the model explain the other 49.5% of the change in the dependent variable. The adjusted determination of coefficient which takes into account the number of variables in a data set, according to the study is 0.485 which is slightly below  $R^2$ .

#### 4.5.2 Analysis of Variance

This reveals the relationship existing between the independent and dependent variables. The p-value for significance is compared to an alpha value of 0.05 when doing this using the F test. If  $p < 0.05$ , the null hypothesis is rejected and study concludes that the independent and dependent

variables are statistically related. If  $p > 0.05$ , however, the study fails to reject the null hypothesis and thus finds that the independent and dependent variables are not significantly related.

**Table 4.9:ANOVA TABLE**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	223.370	4	55.843	25.482	.000 <sup>b</sup>
	Residual	219.144	100	2.191		
	Total	442.514	104			
a. Dependent Variable: Y= Sustainable development						
b. Predictors: (Constant), X4= Environmental factors, X1= Strategic Planning, X3= Economic factors, X2= Social sustainability						

Source: Researcher, (2022)

This study rejects the null hypothesis and comes to the conclusion that strategic planning has a significant impact on the sustainable development of hotel industry within Nairobi in Kenya, since the ANOVA table indicate a p-value less than 0.05.

#### 4.5.3 Regression Coefficient

This determines the likelihood of the change on the dependent variable caused by changes in one of the independent while all other variables are held constant.

**Table 4.10:Regression Coefficients Table**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients Beta	T	Sig.
		B	Std. Error			
1	(Constant)	1.047	1.693		.618	.538
	X1= Strategic Planning	.354	.081	.397	4.354	.000
	X2= Social sustainability	.204	.089	.234	2.289	.024
	X3= Economic factors	.208	.099	.205	2.100	.038
	X4= Environmental factors	.001	.068	.001	.009	.993

a. Dependent Variable: Y= Sustainable development
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Source: Researcher, (2022)

Table 4.10 presents the regression coefficients indicate that increasing strategic planning by one unit while maintaining all other factors constant would result in a significant increase in sustainable development by 0.354%, whereas increasing social sustainability by one unity holding other factors constant could result in a marginal improvement in sustainable development by 0.204%. Letting all other variables be constant, an increase in economic factors by a unit could result in a 0.208% increment in sustainable development. Similar to how increasing environmental factors by one unit while keeping all other factors the same could result in a notable increment in sustainable development of 0.001%. Strategic planning, social sustainability and economic factors have a positive significant effect on sustainable development indicated by a p-value of less than 0.05 apart from environmental factors whose p- value is above 0.05.

#### **4.6 Discussion of Results**

From the analysis, several findings were set out which are outlined and interpreted in this section. Descriptive statistics were employed in this study to give description on the data gathered for each variable in terms of mean, standard deviation and co-variance. The findings indicated that sustainable development which was the dependent variable of the study had a mean of 16.77. This implies that more than half of the hotels within Nairobi understand the importance of engaging in sustainable development in order to continue reaping benefits from the development for a longer period. Strategic planning as an independent variable indicated a mean of 26.53 which implies that most hotels within Nairobi have invested heavily on strategic planning for sustainable development. The study also identifies social sustainability as a factor affecting sustainable development which indicated a mean of 14.87. This implies that social sustainability is practiced

by hotels in Nairobi. Economic factors on the other hand had a mean of 15.85 indicating that more than half of the hotels in Nairobi have put forward strategies to enhance their economic status. Very little has been done on environmental factors by hotels within Nairobi as indicated by the lowest mean of 13.16. Hotels have done little to enhance environmental factors that would enhance sustainable development.

Correlation analysis also performed by the study to establish the association between the independent variables and the dependent variable. From the analysis all the independent variables which include strategic planning, social sustainability, economic factors and environmental factors were discovered to have a significant and positive correlation with the sustainable development. Strategic planning, social sustainability and economic factors were found to have a strong correlation with the sustainable development of 0.64, 0.56 and 0.58 respectively. However, environmental factor which is an independent variable was found to have a weak correlation of 0.35 with sustainable development.

The study as well undertook regression analysis using a regression model to establish the variation on the dependent variable that caused by changes on the independent variable. The regression results indicate that the independent variables of the study may account for variations in sustainable development (variable Y) of the study to the tune of 50.5% indicated by R square value of 0.505 which is the coefficient of determination. This implies that other variables that are not addressed by the model explain the other 49.5% of the change in the dependent variable. The adjusted determination of coefficient which takes into account the number of variables in a data set, according to the study is 0.485 which is slightly below  $R^2$ . Study also rejects the null hypothesis and concluded that strategic planning has a significant impact on the sustainable development of hotel industry within Nairobi in Kenya after the ANOVA analysis revealed a p-

value that is less than 0.05. The study also found that all the regression coefficients were positive suggesting that all independent variables of the study have a positive significant impact on sustainable development apart from environmental factors whose effect on sustainable development is insignificant.

The study findings accorded the study that was done by Colldahl et al. (2013) who established that planning has a positive impact on sustainability recommended smart cities to prepare a planning guide informed by an SSD approach to achieve their vision and achieve sustainability. Moreover, study findings are concurring to those of Almansoori et al., (2021) who established a positive effect of strategic planning on the organizational performance and a positive relationship between entrepreneurship and sustainability. Similar findings were indicated by Huong (2014) as well as Mazein (2021) who established a positive impact of sustainability goals on strategic planning in the Russian Region.

Similar findings were indicated by Ronoh (2020) which revealed a significant relationship between public participation and sustainable development. Juma (2017) as well unveiled a positive link between strategic planning and strategy implementation. Kipchumba (2020) also identified a positive influence of organization resources on implementation of strategic plans which concurs with findings of this current study.

Study results that indicated that environmental factors had weak correlation with sustainable development from responses received around hiring of environmental manager and environmental audits frequency were however contrary to findings by Huong (2014) who despite undertaking a study in the hospitality industry found that environmental factors had key and positive effect on sustainable development.

The study findings were totally in support of the proposition of the strategic fit theory, that indicates that organizations align their strategies to available resources and opportunities to enhance development. Findings indicated that strategic planning as a way of aligning itself contributed significantly towards sustainable development of hotels in Nairobi. The theory is keen to ensure that strategies are well aligned to available resources and therefore the study had similar findings supporting the theory. Similarly, the dynamic capability theory was also found to have a common denominator, where the theory stipulates that firms were able to get competitive value if they used distinctive processes in value addition. The analysis of the data collected indicated that distinctive processes such as social sustainability processes had positive and significant effect on sustainable development indicating support of the theory.

The resource-based view equally has also been supported by the study. Strategic planning seeks to incorporate available resources into proper use to ensure the objectives have been met. It is in this regard that the study findings support the resource-based view that is focused on effective use of available resources to achieve objectives. However, the study falls short on environmental factors that are part of resources available for the organisation. Issues on climate change would have devastating effects on the organisation if proper care is not undertaken for these natural resources.

#### **4.7 Summary of the Chapter**

The study sought to find out the effect of strategic planning on sustainable development of hotel industry in Nairobi Kenya. It targeted hotel industry in Nairobi Kenya since they were easier to access for data collection. Therefore, the study targeted 105 hotels within Nairobi County. The study established significant independent variables which is strategic planning whereas social sustainability, economic factors and environmental factors were used as indicators of the variables.

Due to the number of the hotels in Nairobi the study was only able to collect one response from every hotel summing up to 105 responses which were collected. The chapter therefore entails the procedure of the data analysis which include the descriptive, correlation and regression analysis. The study established positive and significant relationship existed between strategic planning and sustainable development as well as between all the independent variable which include social sustainability, economic factors and environmental factors and sustainable development.



## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter covers a summary of the study findings, the conclusion arrived at by the study as well as recommendations. The limitations encountered by the study are also highlighted while areas suggested for future studies are elaborated.

### **5.2 Summary of the Study**

The study was undertaken in that strategic planning is one critical area that influences sustainable development of a firm by ensuring proper allocation of the available resources in accordance with the achievement of the objective. This effect also depends on the policy adopted from one hotel to the other. When firms proactively formulate sound and well-planned strategies, they increase their capability of tackling challenges such as the advancement of technology, globalization, emergence of new markets and deregulation which influences the sustainability of development project. However, when the hotels fail to incorporate strategic planning in their development projects challenges such as insufficient funds, lack of proper order of procedures and activities, unprecedented occurrences and other emerging factors may cripple down the project leading to its termination. Therefore, a sustainable development requires a strategic plan which is lucrative in sustaining the development and achieving the targeted goals.

The study sought to examine the effect of strategic planning on sustainable development within hotel industry in Nairobi Kenya. The study targeted hotels that are within Nairobi in Kenya since they are easily accessible. The study used factors of sustainable development which include; strategic planning, social sustainability, economic factors and environmental factors as independent variables of the study. The study identified 105 hotels across Nairobi County and was able to gather primary data through questionnaires which were distributed by online survey whose link was sent to all the hotel managers. The study therefore obtained 105 responses which were found adequate for data analysis.

The study undertook descriptive statistics that described the data collected for each variable in form of mean std deviation, minimum as well as maximum, skewness and kurtosis. In summary the performance of sustainable development of hotels was found to be slightly above average as it recorded a mean of 16.77. The hotels highly incorporated strategic planning in their developments as indicated by a high mean of 26.53. Although the hotels adopted social sustainability and enhance economic and environmental factors to enhance sustainability of their development the hotels put more effort in social and economic factors than in environmental factors when doing so as indicated by the means of 14.87, 15.85 and 13.16 respectively. The correlation that was undertaken indicated that all the independent variables had significant effect on sustainable development.

The regression analysis was employed in determining the significance of the effect of strategic planning on sustainable development of hotels in Nairobi County. The regression model adopted by the model was only able to describe 50.5%. The adjusted R square on the other hand was smaller than R square that indicates that there were some elements in the model that did not help to improve the model. The study found that strategic planning has a significant impact on the sustainable development of hotel industry within Nairobi in Kenya. The p-value of the F-test was less than

0.05 and therefore the study found statistically significant effect of strategic planning on sustainable development of hotel industry within Nairobi in Kenya. The regression coefficients indicated that strategic planning social sustainable and economic factors had positive significant effect on sustainable development apart from environmental factors whose effect on sustainable development is insignificant.

### **5.3 Conclusion**

Study findings undertakes different conclusion which may be classified per each study variable.

#### **5.3.1 Strategic Planning**

Strategic planning was noted as an important factor that can be used by a hotel management to enhance sustainable development. Strategic planning ensures that ensures that budgets, resources, timelines, deliverables, accountability structures are put in place for the development. It therefore ensures that the process of development implementation is smooth and is not affected by factors such as insufficient funds shortage of resources and is completed in a specific time period. Strategic planning also ensures that accountability is maintained throughout the process which minimizes waste and fraudulent cases by enhancing efficiency thus achieving the objectives. Findings indicated a strong significant and positive correlation of strategic planning with the sustainable development of 0.64. Similarly, the regression analysis indicated a positive effect of strategic planning on sustainable development that is statistically significant and thus the study concludes that hotel industry should continue adopting it to ensure sustainable development.

### **5.3.2 Social Sustainability**

Social sustainability of the hotel evaluates the way the hotel interacts with its personnel, clients, vendors, and the local community. It involves activities such as conducting training to the hotel stakeholders, engaging in corporate social responsibilities, among others to foster a good relationship with the stakeholders in order to create a conducive working environment. It addresses community impact, diversity and inclusion, health, and human rights. Results indicated a strong, significant and positive indication relationship between social sustainability and sustainable development. Therefore, the study concludes that hotels in Kenya need to work together to enhance their social sustainability which will lead to a positive impact on sustainable development. However, inattention to social sustainability has the potential of harming corporate brands, destroying reputations of the organization and resulting in fines charged from the law and other authorities.

### **5.3.3 Economic Factors**

Economic factors take into account the amount of financial resources used in procuring energy, water, waste, materials as well as compensating for the negative externalities such as noise, air quality, emissions, and potentially harmful chemicals used or produced during hotel operation. A hotel structure built in accordance with sustainability principles needs to function at optimal operational efficiency. The study has established that economic factors have a positive statistical significant impact on sustainable development which indicates that it is a crucial factor in establishing sustainability in development.

### **5.3.4 Environmental Factors**

The impact of environmental factors on sustainable development is insignificantly positive as indicated by the regression analysis that there exists a positive relationship between environmental

factors and sustainable development. Therefore, hotels in Kenya need to enhance environmental sustainability for other benefits other than to enhance sustainable development. The hotel industry needs to ensure protection and restoration of natural resources, habitats and ecosystems. It is required to prevent green-house effect by enhancing carbon- free emissions as well as contributing green finance to mitigate and prevent the harmful effect of the negative externalities of the industry to build their reputation.

## **5.4 Recommendations**

From the study conclusion, there are different recommendations that are undertaken. The recommendations are either on practice or policy recommendations. They are therefore as follows;

### **5.4.1 Strategic Planning**

The first recommendation would be to the hotel industry which should ensure that all members adopt strategic planning before implementation to formulate, evaluate and execute achievable and sustainable development projects. This study made conclusion that strategic planning had significant effect on sustainable development. The recommendation therefore requires hotels to ensure that they undertake strategic planning, as it was effective in enhancing sustainable developments.

### **5.4.2 Social Responsibility**

The conclusion made by the study on social responsibility is that it had a significant effect on sustainable development. This study thus gives recommendation that the body responsible for hotels should ensure that policies are put in place, that would require each hotel to be socially responsible. This means that the hotel should be alive to the immediate needs of the society by

undertaking issues on CSR, as well as engaging on factors that would promote social well-being such as ensuring that a certain percentage of the local population is employed in the hotel among others. The study as well recommend the hotel industry in Kenya to be socially responsible by engaging in activities that fosters good relationship with its stakeholders to enhance its reputation thus attracting more clients and providing peaceful co-existence with the local community.

### **5.4.3 Environmental Factors**

On economic and environmental factors, the study recommends the hotel industry to enhance reduced consumption of goods and services to avoid unnecessary cost and ensure equitable and fair distribution of economic resources. The hotel industry should also be careful to ensure that they reduce carbon emission by initiating targets of going green, as well as support initiatives that reduce pollution and enhance the environment such as planting trees and protecting water catchment areas.

The hotel industry should also take a centre stage on providing possible solutions for climate change. It is recommended further that the regulator ought to ensure that each hotel contributes a certain amount that would be utilised towards afforestation exercises, protection of water catchment areas, among other initiatives that fight against effects of climate change.

### **5.5 Implications of the Study**

The study implications may be on different fronts. In the first instance the study provides for the importance of sustainable development, that would be desired by each hotel. Sustainability implies that the hotel would be able to meet its operational costs, as well as provide the necessary returns to the shareholders. However, the hotel industry is known to be affected by minor disruptions in the economy together with seasonal variations due to peak and off-peak seasons. The study

therefore implies that the hotel requires to understand its patterns way in advance and enhance strategic planning, that would put into consideration such unexpected disruptions together with the consideration of seasonal variations. The use of strategic planning would enhance sustainable development for these hotels.

## **5.6 Limitations of the Study**

This investigation was undertaken satisfactorily, although not without certain restrictions. A significant drawback was on the considerable time and cost needed for appropriate data collection and data cleaning. The researcher found it extremely difficult to persuade the respondents to take part in the survey. The majority of respondents were hesitant to answer the questionnaire out of fear that their competitors may learn the answers and steal their market share. Participants required the researcher to guarantee that the information would only be used for academic reasons and never disclosed to any other parties. The project's completion deadline which was set by the university calendar was inadequate, which presented another difficulty during the research. It was really difficult to thoroughly cover all the topics needed for the research assignment in the allocated period.

The fact that the study variables could only accurately reflect changes in sustainable development to the tune of 50.5% limits the study's scope. Therefore, other factors that were not taken into account by the study can explain 49.5% of the changes in sustainable development. This severely restricts how much leeway the variables have to forecast changes in sustainable development. The study might include extra variables if they have a big influence on refining the model and raising the coefficient of determination.

Additionally, only hotels that are within Nairobi County were included in the analysis. This was due to the fact that the firms near proximity making it simpler to facilitate data collection. All hotels in Kenya should be included in the study, and the effects of their participation in strategic planning on sustainable development should be carefully studied. A study of this kind would shed additional light on how the sustainable development of the hotel industry in Kenya is impacted by strategic planning as well as social, economic and environmental factors.

### **5.7 Areas Suggested for Further Research**

The study also recommends the undertaking of a similar study where secondary data is considered. Secondary data will address the inadequacies of primary data and the findings of such a study should be compared to findings obtained from this study. Moreover, a similar study needs to be carryout out using different methodology to establish whether there is any difference in findings by comparisons the study findings with those of the current study.

The study specifically was done in the context of Nairobi County in Kenya. Thus, the researcher recommends the need for a more generalized study to find out the effect of strategic planning on sustainable development of hotel industry in Kenya. The researcher also recommends other approaches of primary data collection technique such as face to face interviews.

Furthermore, future studies should consider involving a comparative study to help determine the comparison of the effects of strategic planning on sustainable development of hotel industry in two or more countries. The researcher as well recommends more studies that can establish other critical factors of sustainable development in the hotel industry.





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## APPENDICES

### Appendix I: Questionnaire

#### 1 QUESTIONNAIRE

##### SECTION A: General Profile

1. Give the name of the hotel \_\_\_\_\_
2. What is your gender? Male ( ) Female ( )
3. What is your age group?  
20 – 30 years ( ) 31 – 40 years ( ) 41 – 50 years ( ) 51 – 60 years ( )  
Over 61 years
4. What is your highest academic qualification?  
O-level ( ) Diploma ( ) Bachelors ( ) Masters ( ) PhD ( ) Others ( )
5. How long have you worked in the hotel?  
Below 5 years  
5 – 10 years  
11 – 15 years  
15 – 20 years  
Above 20 years
6. How big is the hotel in terms of bed capacity?  
Under 100 ( ) 100-150 ( ) 151-200 ( ) 201-250 ( ) Over 250 ( )
7. How old is the hotel?  
Less than two years ( ) 2-3 years ( ) between 4- 10 years ( ) Over 10 years ( )
8. What type of services does the hotel major in?  
Accommodation ( ) Food and beverage ( ) Conference facilities ( ) recreation ( )
9. How many workers do you have in the hotel now?  
Less than 50 ( ) 50-100 ( ) 100- 150 ( ) Over 150 ( )

## SECTION B: STRATEGIC PLANNING

To what extent would you rate the following statements with regards to influence of strategic planning practices on Firm performance? Use the scale: SD-Strongly Disagree; D-Disagree; N-Neutral; A-Agree; and SA-Strongly Agree.

Statement	SA	A	N	D	SD
Setting performance targets and the preceding process of strategic planning is an important aspect of sustainable development for our hotel					
Strategic planning and target setting allows me to translate our hotel vision and strategy into strategic objectives that are associated with medium to long-term goals					
While setting targets, I combine human expertise and organizational resources to implement my value-creating organizational strategies					
Target setting allows us to reconfigure our existing business capabilities and also build new capabilities					
We normally grant rewards to our employees to influence their behavior					
We have a feedback system in place that influences the development of new capabilities and organizational learning					
Our business has loyal customers facilitating our ability to work easily and achieve our objectives and outperform our set targets					
We use communication as an essential determinant of customer dedication and satisfaction strategy					
The feedback given by our customers helps our business to reinforce its operational systems and subsequently turns out to be more focused					
The pursuit of personal non-economic goals is something we are willing to sacrifice for the prospect of achieving greater financial rewards					

## SECTION C: SUSTAINABLE DEVELOPMENT

To what extent would you rate the following statements with regards to influence of strategic planning practices on Firm performance? Use the scale: SD-Strongly Disagree; D-Disagree; N-Neutral; A-Agree; and SA-Strongly Agree.

Statement	SA	A	N	D	SD
The CEO, the chairman of the board, and senior management teams show public and unwavering support for sustainability development					
Sustainable development is central to the company's competitive strategy.					
The company's structure, systems, processes, and culture are aligned around sustainability					
Various aspects of sustainable development are viewed holistically and integrated across the functions that I have responsibility for them					
Enhancing current customer satisfaction and loyalty through sustainability initiatives					
Environmental audit is done regularly					
Pollution prevention plans are in place					
Environmental training for employees is done regularly					
The organization has hired a designated environmental manager					
Research and development is continuous on environmental issues					
Environmental standards for suppliers are set					
Employee incentive programs for environmental suggestions are in place					



## Appendix II: List of Hotels In Nairobi County

The Monarch Hotel  
Best western  
Blossom Spa  
County retreat hotel  
Somerset Westview  
Sankara  
Avis - Westlands Villa Rosa  
Methodist Resort  
After 40 hotel  
Sarova Stanley  
Azure Pride Inn  
Ole Sereni  
Tamarind Hotel  
Hotel Troy  
Hadassah hotel  
Hotel Green Court  
Hotel Tobriana  
Stedmark Gardens  
Kenya Comfort suites  
Kingfisher Nest  
Ibis Styles Nairobi  
The Crossroads  
Saab Royale  
Hill Park  
Fahari Triple  
Hotel Emerald  
Norfolk hotel  
Marble arch  
Hotel Ambassadeur  
Sunstar Hotel  
Winstonia  
Serena Hotel  
Magna Hotel  
Marsh park hotel  
TRIBE  
Four Points Sheraton  
Trademark  
Safari Park  
Best Western Plus  
Glam

Kipepeo  
Kivi Milimani  
Kima Hills Hotel  
Oakwood  
Delta  
La Maison Royale  
Jacaranda hotel  
Crowne Plaza  
Boma Inn hotel  
Lagos hotel  
Hotel Rio  
Hotel River view  
Urban point hotel  
Gracia Gardens  
Capital heights  
Panari  
Nairobi airport hotel  
The Concord Hotel  
Palacina the residence  
The Boma  
Jewel Stones  
Paris Hotel  
Crown Plaza Nairobi Airport  
DoubleTree  
Park Inn  
Westwood Hotel  
Fairview Hotel  
The Clarion  
Hotel Boulevard  
Fahari Gardens  
Melili Hotel  
Sunrise  
Pride Inn  
Emara ole sereni  
Gem Suites Hotel  
Taarifa Suites  
Zehneria Suites Hotel  
sentrim boulevard hotel  
Jewel Stone  
Landmark suites  
Radisson Blu  
Radisson Blu Hotel & Residence  
Silver Springs

Southern Sun Mayfair  
City Lodge 2river  
Sarova Panafric  
Eastland Hotel  
Nairobi Upperhill Hotel  
The Heron Portico  
Glam Hotel Nairobi  
Nairobi Pacific  
Wida Resort  
China Garden Hotel  
Urban View  
Giraffe Manor  
La Belle Villa  
Swiss Lenana Mount Hotel  
Gem Suites  
Laico Regency  
Tara Suites  
Maa Hotel & Suites  
Kahama hotels  
Harlequin Suites Hotel  
Kahama Hotel  
Yaya Hotel & Apartments

## Appendix III: Turnitin Report



21<sup>ST</sup> NOVEMBER 2022

EFFECT OF STRATEGIC PLANNING ON SUSTAINABLE  
DEVELOPMENT WITHIN THE HOTEL INDUSTRY IN NAIROBI  
KENYA by TED ZICO AYAYA D61/84250/2015

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## Appendix IV: Data Collection Letter



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**OFFICE OF THE DEAN**

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Our Ref: D61/84250/2015

October 19, 2022

### TO WHOM IT MAY CONCERN

**RE: INTRODUCTION LETTER: TED AYAYA**

The above named is a registered Master of Business Administration Student at the Faculty of Business and Management Sciences, University of Nairobi. He is conducting research on "Effect of strategic planning on sustainable development within the Hotel industry in Nairobi, Kenya."

The purpose of this letter is to kindly request you to assist and facilitate the student with necessary data which forms an integral part of the Project.

The information and data required is needed for academic purposes only and will be treated in **Strict-Confidence**.

Your co-operation will be highly appreciated.

A handwritten signature in black ink, appearing to read 'Philip Mukola'.

**PHILIP MUKOLA (MR.)**  
**FOR: ASSOCIATE DEAN, GBS & R**  
**FACULTY OF BUSINESS AND MANAGEMENT SCIENCES**

PM/tnv