EFFECT OF STRATEGIC ORIENTATION ON THE ORGANIZATIONAL PERFORMANCE OF THREE- STAR RATED HOTELS IN NAIROBI COUNTY, KENYA

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DECLARATION

This dissertation is my original work and has not been submitted for degree in any other university

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And have certified that all revisions that the dissertation panel and examiners recommended have been adequately addressed.

Dr. Caroline Ntara
(Dissertation Supervisor)

DEDICATION

I offer this dissertation in honor of my family and friends, thank you for your patience and support throughout my academic journey.

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In the name of Allah, the Most Gracious, the Most Merciful, I express my deepest gratitude to God for the strength, patience, and wisdom bestowed upon me throughout this research journey.

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ABSTRACT

The tourism and hospitality sectors are recognized as among the most vital and swiftly expanding economic segments on a global scale. Within the current dynamic landscape, hotels encounter numerous challenges in their operations. These challenges encompass technological advancements, the frequent evolution of customer preferences, and crises such as pandemics, all of which pose substantial threats to the industry's sustenance. The ramifications of these challenges include diminished revenues, decreased customer demand, job cuts, escalated operational expenses, and even closures of businesses within the hotel industry. A pivotal capability that holds significant promise in enhancing performance for hotels is strategic orientation. This capability not only guides and influences a firm's activities but also shapes the behaviors necessary to ensure the firm's viability and survival. The study specifically examined into the influence of strategic orientations such as entrepreneurial, market, and technological aspects on the performance of these three star-rated hotels within Nairobi County, Kenya. The theoretical framework for this study is grounded in dynamic capability, and contingency theories. Employing a descriptive research design, the study intends to involve a target population of 320 top, mid, and low-level managers drawn from 40 three-star rated hotels in Nairobi County, Kenya. The research employed a stratified random sampling approach, ensuring comprehensive representation across all management tiers among the respondents. The determination of the sample size, comprising 178 respondents, adopted the Yamane formula. To gather primary data for the study, a structured questionnaire was utilized. The research adopted both descriptive and inferential. Descriptive statistics, such as mean, frequencies, and standard deviations, was employed to analyze quantitative data. The findings was presented through tables and figures. Furthermore, inferential statistics was employed, specifically regression analysis, to ascertain the effect of entrepreneurial, market, and technology orientations on performance outcomes. To conduct these analyses, the research used the SPSS (Statistical Package for the Social Sciences) software. The findings indicated entrepreneurial orientation (β= 0.347, p=000), market orientation (β = .290, p=000), and technology orientation (β = 0.476, p=000). The results indicate that all three strategic orientation variables; entrepreneurial orientation, market orientation, and technology orientation have positive and statistically significant relationships with organizational performance. The study concluded that fostering entrepreneurial qualities, prioritizing market orientation, and embracing technology-oriented practices are all significant factors positively impacting the organizational performance of three-star-rated hotels. The recommendations for three-star-rated hotels in Nairobi County based on the research findings include prioritizing the cultivation of an entrepreneurial mindset and culture among staff, emphasizing market orientation through customer-centric practices and adaptive strategies, and placing a strong focus on technology adoption and integration into their operations to enhance overall performance and competitiveness.

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DEFINITION OF TERMS

Entrepreneurial

Orientation:

This is about how willing the hotel is to innovate, take risks, and seize market opportunities. A hotel with a strong entrepreneurial orientation would be one that is always looking for new ways to grow and be better (Bouhalleb & Tapinos, 2023).

Market Orientation:

This is the focus a hotel has on understanding what customers need and want, and then tailoring services to meet those needs (Lestari et al., 2020). A hotel with strong market orientation would be one that is very good at listening to customers and adapting as needed.

Organizational

Performance:

This is a measure of how well a hotel or business is doing. It could be looked at in many ways, such as how much money it's making, how satisfied the customers are, or how well it's achieving its goals (Kurdi et al., 2020).

Strategic Orientation:

This refers to the way a hotel or any business plans and applies its strategies to meet goals and be successful. It is the general approach the management takes to balance resources, adapt to the market, and get ahead of competitors (Hutahayan, 2021).

Technology Orientation:

This describes how much focus and investment a hotel puts into using technology to improve its services or operations. For example, it might use a highly advanced booking system to make reservations easier for guests, or use tech to streamline behind-the-scenes operations (Lianto, et al. 2022).

LIST OF ABBREVIATIONS AND ACRONYMS

GDP Gross Domestic Product

OTA Online Travel Agencies

R&D Research And Development

SERVQUAL Service Quality

SME Small And Medium-Sized Enterprises

TRA Tourism Regulatory Authority

VIF Variable Inflation Factors

VRIN Valuable, Rare, Inimitable, And Non-Substitutable

CHAPTER ONE

INTRODUCTION

1.1 Background Information

Today, organizations face enormous challenges from globalization, competitive rivalry, government regulations, rising customer demands, and substitute services (Alaali et al., 2021; Alzoubi et al., 2021; Nuseir et al., 2021). The challenges are also evident in hotels as they operate within an intensely competitive environment fueled by the rise of Online Travel Agencies (OTAs), alternative accommodations such as Airbnb, changing customer preferences, technological advancements, changing regulatory environments, global events, and travel restrictions. Consequently, businesses are actively seeking ways to redefine their strategies and adjust to changes occurring outside of an organization in order to attain a competitive advantage and enhance their performance (Akter et al., 2021; Chevrollier et al., 2020).

It is crucial to have the capacity to adjust to the surroundings in the current dynamic and complex business environment. Strategy serves as a crucial cornerstone with a significant impact on an organization's structure, activities, financial commitments, market connections, and overall performance. It pertains to how an organization reacts to its outside environment (Ibarra-Cisneros et al., 2021; Obel & Gurkov, 2021). More precisely, it denotes an organization's adaptation to its surroundings in order to enhance its performance and attain a competitive advantage.

The concept of strategic orientation, which encompasses its entire focus and direction, has become an essential factor influencing hotel performance. In hotels, there is a need to

develop and implement effective strategies that align with organizational goals and market conditions to improve performance and maintain a competitive advantage.

Strategic orientation can serve as a framework for navigating the complexities of the hospitality industry, facilitating goal setting, decision-making, and adaptation to changing market conditions, ultimately leading to increased competitiveness, customer satisfaction, and financial success. According to He et al. (2020), the strategic decisions made by a business and their alignment with the surrounding environment are also assessed from the perspective of strategic orientation. Hence, this research aims to explore how strategic orientation impacts the organizational performance of three-star-rated hotels located in Nairobi County, Kenya.

1.1.1 Strategic Orientation

The endeavor to achieve the best possible organizational performance is a journey that demands careful planning and the guidance of a company's business activities toward a defined objective, which is commonly known as a strategy. According to Wang et al. (2020), a strategy is fundamental to building a competitive advantage and ensuring the firm's performance. At the same time, strategic orientation can help achieve higher profits. Akilo and Olaosebikan (2021), define strategic orientation as a strategic choice, tendency, push, or alignment.

Three streams in the study of strategic orientation and business performance align with strategic concepts and perspectives. The first stream is based on Miles and Snow's (1978) classification of strategic orientations, categorizing strategies as defender, prospector, reactor, and analyzer in response to environmental changes. The reactor and defender approaches prioritize operational efficiency in production (Anwar et al., 2021). Reactor and defender firms respond passively to market opportunities, often preferring to participate in a stable market

(Chereau & Meschi, 2019; Grimmer et al., 2017). On the other hand, prospector and analyzer approaches revolve around innovative product development (Daft et al., 2020).

The second stream focuses on Porter's (1980) fundamental strategies of cost leadership, differentiation, and focus strategies to improve organizational performance. A cost leadership strategy entails being the sector's lowest-cost seller or producer, while a differentiation strategy encourages creating or marketing unique products or services. The focus strategy centers on a specific market group. These generic strategies are essential in defining the behavior of a firm towards competitors in a particular industry (Ali & Anwar, 2021).

The third stream, established by Hakala (2011) and Venkatraman (1989), explores strategic orientations as a combination of market, entrepreneurial, learning, and technological orientations. This stream investigates these orientations' synergistic and combined effects on organizational performance. This study employed Hakala's third stream of strategic orientation (2011).

Strategic orientation is widely recognized as a crucial organizational asset that enhances performance. It pertains to the course of action an organization adopts to ensure that its activities are aligned for superior performance (Hutahayan, 2021). Furthermore, Hutahayan (2021) asserts that strategic orientation promotes innovation within a business and marketing success, serving as a collection of guiding principles that the organization can rely on in adverse circumstances. Moreover, Strategic orientation guides an organization in attaining exceptional performance through deliberate techniques. It serves as a central driver for acquiring strategic advantages rooted in firm resources that are scarce, valuable, and difficult to imitate. These designed orientations include market, technological, learning, and entrepreneurial orientations. Market orientation emphasizes putting the customers' needs and wants first in operational process and

strategy planning, representing unique and valuable resources that cannot be easily copied (Mostafiz et al., 2021).

Technology orientation is essential for increasing earnings and enhancing the effectiveness of managing operations of a business division (Idrus et al., 2020). Organizational learning measures the extent to which a business learns and shares knowledge about market changes, consumer demands, competitive behavior, and the development of latest technologies to create superior products or services than its competitors (Ferreira et al., 2021). Entrepreneurial orientation encompasses dimensions like innovation, willingness to take risks, and proactive behavior (Bapoo et al., 2022). Nonetheless, two more traits were added to the entrepreneurial orientation: autonomy and aggressiveness, which collectively manifest an entrepreneurial orientation. In this study, three distinct strategic orientations was further examined: entrepreneurial, market, and technology. These orientations are vital in understanding their impact on organizational performance.

1.1.2 Organizational Performance

Performance is a critical aspect of organizational processes and activities that significantly impacts an organization's longevity. However, performance is a relative notion often used to characterize how actions achieve their goals (Sawaean & Ali, 2020; Syahdan et al., 2020).

Organizational performance is associated with effectiveness and is considered one of its dimensions (Hamann & Schiemann, 2021; Xanthopoulou, 2021; Xanthopoulou & Sahinidis, 2022). Alternatively, organizational performance can be defined by comparing it to a benchmarked alternative or standard or by providing an unbiased description of the circumstances (Camilleri, 2021). Performance measurement is a systematic process for determining how effectively and efficiently individuals behave to operate at their optimal

potential. Performance measurement methods may influence the implementing of strategy by monitoring performance, enabling businesses to fulfil strategic objectives and gathering helpful information to enhance performance (Owais & Kiss, 2020; Pekovic & Vogt, 2021). Failure to analyze performance measurements can weaken the organization and lead to wasted organizational efforts (Alosani et al., 2020).

Organizational performance can be assessed through financial and non-financial metrics. Financial performance metrics, such as revenue, profitability, and return on investment (ROI), are significant in determining a hotel's success. Additionally, non-financial metrics, including occupancy rates, average daily rates (ADR), and customer satisfaction levels, provide valuable insights into the hotel's performance, industry position, and reputation.

According to Fida, Ahmed, and Al-Balushi (2020), enhanced performance indicates customer satisfaction in the service industry, such as the hospitality industry. Customers whose expectations have been exceeded contribute favorably to improved performance. Despite efforts to continuously enhance organizational performance, practitioners still have disagreements and debates regarding the terminology and theoretical foundations used to measure organizational performance (Sarraf & Nejad, 2020).

1.1.3 Hotel Industry

The tourism industry stands as one of the world's largest sectors, making a 10% contribution to the gross domestic product (GDP) and accounting for 25% of recently created jobs before the pandemic (World Travel and Tourism Council, 2022). Its contribution can be attributed to the complexity of the tourism and travel business, as it is a vast sector interconnected with various other industries. The other sectors that play complementary roles in tourism include the hotel

industry, community-level operation, education, finance, agriculture, healthcare, travel, transport, construction, real estate, and retail.

According to Onditi et al. (2020), Kenyan tourism ranks among the top travel and tourism destinations in Sub-Saharan Africa, alongside South Africa and Nigeria. Tarigan et al. (2020) emphasize that the hotel sector is a crucial component in fostering the expansion of tourism and is considered one of the major segments of the industry. This sector has experienced significant growth due to the increasing rates of globalization and urbanization worldwide (Prakash et al., 2023).

Hotels are known for their diverse operations, including accommodation, food, and beverage services. Their class, style, ambience, and quality management are notable distinguishing characteristics. The Tourism Regulatory Authority (TRA, 2023) estimates that there are about 215 classified hotels in the hospitality industry, ranging from one to five stars. In the hospitality industry, hotel star ratings provide a reliable and consistent assessment of a hotel's amenities, ambience, level of service, and pricing (Hlee, 2021). These star ratings allow customers to have an understanding of the quality and standards of a hotel.

In recent years, global discussions and economies have focused on tourism and COVID-19 (Sigala, 2020). The impact of COVID-19 has been immense on a global scale, leading to a reduction of \$1.2 trillion in tourism export earnings and the loss of 120 million jobs, marking the most significant decline in history (UNWTO, 2020). The impact of the COVID-19 pandemic on Kenya's hotel industry has been highly challenging. In 2020, the sector experienced a significant decline, with earnings decreasing by 43.9% and new arrivals from the global market declining by 17.5% (Kenya News Agency, 2022). The decline also led to a substantial drop in bed occupancy rates, with a 58% decline due to reduced arrivals, resulting in high unemployment rates among

hotel workers. Notably, several four and five-star hotels in Kenya temporarily closed between 2019 and 2021 (Wachira & Kandie, 2021; observations).

However, with the easing of COVID-19 restrictions, Africa has witnessed a gradual recovery in its tourism sector. The resumption of airline services, the establishment of new routes, increased airline frequencies, and the reopening of international hotel chains facilitate the recovery. As a result, Kenya's tourism industry experienced an improvement in 2022. International arrivals increased by 70.45% between 2021 and 2022, from 870,465 to 1,483,752. Additionally, inbound receipts rose by 83% from Kshs. 146.51 billion in 2021 to Kshs. 268.09 billion (Annual Tourism Sector Performance Report 2022 – 22/02/2023).

1.2 Statement of the Problem

While concerns about the pandemic's impact on the hotel industry are declining (as per the Annual Tourism Sector Performance Report 2022, dated 22/02/2023), the industry continues to face risks to its growth and performance. In Kenya, hotel operators face an evolving environment of intense competition for resources and market share. The industry's inability to address these rapidly changing trends undermines overall sector performance by reducing patronage (Seidu et al., 2022). According to Lodging Econometrics (2023), Kenya had 2,844 rooms across 19 projects in the pipeline in 2022. From 2022 to 2023, Kenya has seen the opening of several hotels, including Arizona Comfort Hotel, Glee Hotel, Kwetu Nairobi a Curio Collection by Hilton, Dusit Princess Hotel Residences Nairobi, Angama Amboseli Curio Collection by Hilton outpost in East Africa, and JW Marriott Nairobi Hotel, an international hotel chain set to open at the end of 2023.

Undoubtedly, strategic orientation is fundamental to both the success and sustainability of the hospitality sector. It encompasses a business's long-term strategic direction and its corresponding strategies (Chakraborty, Ghosh, Sarker, & Chakraborty, 2020). The performance of organizations is substantially impacted by the dynamic and uncertain environments in which they operate. For establishing an appropriate strategic orientation, it is crucial to consider external business environments like the level of competition and the uncertainty in the market. Therefore, regular evaluations of both internal and external factors, along with a keen observation of changing needs of customers and other stakeholders, become imperative.

Several studies related to strategic orientation and performance have been carried out. Superior organizational performance has been attributed to strategic orientation (Avung'ana & Atikiya, 2023; Kimani, 2022; Mwaniki, 2022). Conversely, studies by Mwangi and Kaluyu (2023) and Muriithi, Mwangi, and Ngari (2023) attributed strategic orientation to sustained competitive advantage. Nevertheless, most of these studies focused on one strategic orientation, such as technology, learning, or entrepreneurial orientation, and its influence on organizational performance or sustained competitive advantage. However, they needed to explore the interrelatedness of two or more strategic orientations because exploring various strategic orientations simultaneously, can help capture the synergistic effects and complexities that may arise when multiple strategies are implemented concurrently and account for a considerable portion of the differences observed in performance results (Wales et al., 2020).

Another limitation in the existing literature is that studies investigating the effect of strategic orientation and performance in Kenya mainly focused on other industries like telecommunication firms, reinsurance firms, and banks, and very few focused on hotels. While most scholars tend to concentrate on higher-rated four- and five-star establishments within the hotel industry, three-star hotels have received relatively little attention in academic research. However, given the impending transformation in the travel and hospitality sector, there is a

promising opportunity for mid-priced hotels. This shift is anticipated because a significant number of corporate travelers, who previously favored more expensive accommodations, are expected to redirect their preferences toward mid-range lodging options (Lijee, 2020).

Therefore, this study focused on three-star rated hotels as they are particularly relevant in the current context. This study sought to fill the theoretical and contextual gaps by investigating the correlation between strategic orientations like entrepreneurial, market, and technology orientation with various organizational performance metrics, including financial and non-financial.

1.3 Purpose of the Study

The purpose of the study was to determine the effect of strategic orientation on the organizational performance of three-star-rated hotels in Nairobi County, Kenya.

1.3.1 Objectives of the Study

The specific objectives of the study consist as follows

- i. To determine the effect of entrepreneurial orientation on the organizational performance of three-star-rated hotels in Nairobi County, Kenya.
- To establish the effect of market orientation on the organizational performance of three-star-rated hotels in Nairobi County, Kenya.
- iii. To evaluate the effect of technology orientation on the organizational performance of three-star-rated hotels in Nairobi County, Kenya.

1.4 Research questions

- i. What is the impact of entrepreneurial orientation on the organizational performance of three-star-rated hotels in Nairobi County, Kenya?
- ii. What is the influence of market orientation on the organizational performance of three-star-rated hotels in Nairobi County, Kenya?
- iii. How does technology orientation impact the organizational performance of threestar- rated hotels in Nairobi County, Kenya?

1.5 Significance of the Study

Management

The outcomes will give Kenyan hotel managers insightful information. They can utilize the study's findings to determine strategic orientation's effect on performance and make well-informed decisions about the hotel's strategic direction. It can assist businesses in determining the most effective strategic orientations that align with market dynamics and expectations of customers, resulting in performance that is more outstanding, higher competitiveness, and increased profitability.

Policy Makers

The research findings was necessary for government agencies and policymakers responsible for formulating policies for the hotel and tourism industries. The study's findings can guide the development of policies that favor Kenya's hotel industry. Policies that encourage investment foster sustainable development and raise the general level of competition in the hotel sector.

Entrepreneurs

The research findings was helpful to entrepreneurs or any individual considering entering Kenya's hotel industry. Entrepreneurs can create or expand new hotels by recognizing the relationship between strategic orientation and hotel performance. The findings can help them develop effective strategies that fit the market and increase their chances of succeeding in a competitive environment.

Researchers

The study's findings will contribute to academic knowledge on strategic orientation and its influence on hotel performance. The findings can be used as a guide for future research aimed at further enriching the fields of strategic management, hospitality, and tourism. Additionally, it can be used as a benchmark for comparative studies in various regions or countries, promoting cross-cultural analysis and generating further insights.

1.6 Scope of the Study

The study aimed to examine the effect of strategic orientation on the organizational performance of three-star-rated hotels in Nairobi County, Kenya. Conceptually, the research centered on entrepreneurial, market, and technology orientations and their influence on organizational performance. The theoretical framework of the study encompassed the dynamic capability theory, configuration theory, and contingency theory. Geographically, the study concentrated on three-star-rated hotels in Nairobi County, Kenya. The population of the study was narrowed down to top, mid, and low-level managers from 40 three-star-rated hotels in Nairobi County, Kenya. For the research methodology, a descriptive research approach was employed.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviewed previous research on organizational performance and its strategic orientation. The areas examined included the study's theoretical review, discussions of the two strategic orientation dimensions' effect on organizational performance, and empirical evidence regarding the correlation between strategic orientation and organizational performance.

2.2 Theoretical Review

Two theories, including the dynamic capability theory, and contingency theory, were used to analyze the discussions around strategic orientation and organizational performance.

2.2.1 Dynamic Capability Theory

Teece et al. (1997) first established this theory as an expansion upon the resource-based theory due to academic criticism that the resource-based theory could only explain firms' competitive advantage in a static environment on to its emphasis on the firm's resources. The Resource-Based Theory (RBT) developed by Barney (1991) claimed that firms with resources that are VRIN (valuable, rare, inimitable, and non-substitutable) would outperform their rivals in the market. Teece et al. (1997) expanded upon the resource-based theory to address dynamic business environments and offers insight into how companies can potentially secure a competitive advantage amidst evolving circumstances (Michaelis et al., 2020).

Teece et al. (1997) proposed the dynamic capabilities theory, defining it as the company's capacity to integrate, build, and reconfigure its internal and external capabilities in response to a swiftly evolving environment. Teece (2007) identified three distinct categories of dynamic

capabilities for analytical purposes: (1) the capacity to detect and influence opportunities and threats, (2) the capacity to capitalize on opportunities, and (3) the capacity to sustain competitiveness by enhancing, integrating, safeguarding, and, when needed, reconfiguring tangible and intangible organizational assets. As described by Teece (2012), dynamic capabilities consist of a range of abilities, encompassing sensing, seizing, and transforming. However, the most recent contribution by Teece et al. (2020) divided seizing into two distinct categories of capabilities, orchestrating and value capture, leading to the identification of four sets of dynamic capabilities: sensing, orchestrating, value capture, and transforming. In this research, we use Teece et al. (2020)'s latest classification of dynamic capabilities since it enables more systematic operationalization and measurement of organizations' dynamic capabilities.

Sensing is a dynamic capability's primary mechanism for identifying growth opportunities before they become readily apparent (Hussain & Malik, 2022). Sensing involves environment scanning and opportunity selection. Environment scanning identifies, systematically gathers, combines, analyses, and shares data from multiple sources to monitor a firm's surrounding external and internal context (Teece, 2020). Additionally, sensing capabilities enable the recognition and evaluation of market opportunities and risks by enabling organizational management to systematically monitor the business landscape for shifts in customer preferences and factors such as competitor strategies. Opportunity selection identifies, develops, and calibrates opportunities to needs of internal and external customer, as well as the strategic challenges of the organization.

At all organizational levels, it is imperative for management to contemplate the future trajectory of the company. They must engage in the formulation and experimentation of

hypotheses related to potential consumer demand that has yet to surface, prospective technological advancements, and other influential factors (Teece, 2020).

Seizing the second dynamic capability generic process involves using resources to exploit opportunities and mitigate threats (Hussain & Malik, 2022). As was indicated before, in this classification, Teece et al. (2020) proposed categorizing seizing capabilities into orchestrating and value capture capabilities to more accurately represent the two distinct approaches and cognitive capacities. Orchestrating capabilities encompass the integration and reconfiguration of pertinent assets and the encouragement of employee involvement in innovation processes, whereas value capture capabilities revolve around innovating business models and deriving financial and non-financial gains from innovation, essentially turning innovation into commercial success (Teece et al., 2020).

Transformation is the capability to realize the opportunities created (Hussain & Malik, 2022). One of management's responsibilities is finding new, value-enhancing combinations within the firm as well as across and among firms. Organizational learning, unlearning, and knowledge integration facilitate organizational transformation.

Dynamic capabilities demonstrates how companies can employ their internal resources and skills to achieve a competitive advantage within an ever-evolving business environment (Akenroye et al., 2020). Companies must be dynamic with their resources and capabilities in a market environment characterized by new technological complexity and global competition to find and exploit opportunities (Shamim et al., 2020).

Previous conceptual studies have demonstrated a favorable and correlation between dynamic capabilities and firm performance. According to Khalil and Belitski (2020), the performance of small and medium-sized enterprises (SMEs) directly relates to their dynamic

capabilities. Similarly, Ferreira and Coelho (2020) established a correlation between dynamic capabilities and firm performance. Despite these results, the specific impacts of dynamic capabilities on firm performance have not received extensive attention in the literature, with the exception of the latest study by Hernández-Linares et al. (2021), which revealed that the dynamic capabilities (sensing, seizing, and transforming) each impact firm performance.

Conversely, an organization's strategic orientation evaluates its approach to obtaining, utilizing, and allocating resources to cultivate dynamic capabilities (Puspaningrum, 2020). Both strategic orientation and dynamic capabilities have a crucial impact to an organizations success. However, scholars have seldom taken a comprehensive approach to incorporating these elements. For instance, in certain research studies, the connection between strategies and capabilities has been disregarded, which in turn hinders the ability to discern the intricate mechanisms of their interactions. Studies by Teece et al. (1997) and Dias, Dos Santos, and Pereira (2020) have demonstrated that alterations in strategic orientation play a vital role in a company's capacity to integrate, merge, and develop both internal and external resources.

This theory is pertinent to the current study because it fills the gap left by resource based theory. It endeavors to meet the requirements of firms that aim to employ an inside-outside approach when adapting to their external environment. Moreover, the collective ability of sensing, integration, and transformation capacities enables three-star hotels to more effectively adapt to evolving customer needs and technological demands compared to their rivals.

2.2.2 Contingency Theory

This theory was first established by Fiedler (1964) suggesting that a company's actions and results are shaped by both its internal and external environments. It acknowledges that internal organization receives excessive attention in the bureaucratic theory of Max Weber and the

scientific management theory of Frederick Taylor (Pheng & Shang, 2011). Contingency theory therefore emphasizes that best practices depend on situational contingencies.

According to this theory, a crucial factor in determining firm performance is the external environment, as the business environment influences organizations. This theory mainly focuses on whether and under what circumstances contingency variables affect organizational performance. Thus, organizations need to improve their capability to deal with environmental turbulence, acquire, and develop resources. When a company adapts to a new business environment, it is considered a contingency-based organization.

Moreover, the contingency theory proposed that internal and external environmental factors shape optimal organizational decisions and actions. These factors contribute to the decision-making of leaders who adapt based on the situation. Internal factors are intrinsic to the organization (such as resources and experience), while external factors originate outside the organization's boundaries (e.g., political, economic, social, and technological). Likewise, Asamoah et al. (2022) state that contingency theory facilitates a structured exploration of how both internal organizational factors and external environmental factors shape the behavior of an organization. According to contingency theory, the primary internal organizational factors that affect organizational behavior are organizational support, organizational culture, and mechanistic organizational structure. The primary external environmental factors that need to be considered can be further classified as either market instability or technological turbulence, depending on the subject under study (Aremu et al., 2021; Chatterjee et al., 2022; Wang et al., 2022).

Contingency theory stated that strategy, environmental factors, workforce, and technology influenced organizational design. It had to align with environmental factors and overcome obstacles to reduce uncertainty (Alnoor et al., 2022a). In contingency theory, the

technical requirements placed on organizational activities promote formulating organizational strategies for regulating and harmonizing internal performance assessment (Modell, 2022). Organizations assess the appropriateness of a specific strategy by considering its operational context, requiring a specific strategy to be chosen for emergency scenarios. To perform better, companies must also examine how environmental barriers affect their strategic competitive goals (Alnoor et al., 2022b).

Conversely, Hakala (2011) studies on orientation configuration can be conducted in universal and contingency-dependent ways. For example, when a company views strategic orientations as alternatives to choose, it implies that the company believes there is an optimal orientation based on the contingency (competitive intensity, technology turbulence, demand uncertainty). Hakala (2011) proposed three approaches - market, entrepreneurial, and technology - to understand the relationship between different strategic orientations. By building an evidence base beyond the scope of a single study, it aims to identify significant scientific contributions.

The theoretical model in this study is explained by contingency theory as it challenges conventional wisdom and provides a more systematic explanation of cause and effect. The theory accounts for the alignment of numerous factors beyond a simple causal correlation between two variables. Although the contingency approach is the key to success, there's no one-size-fits-all way to manage or organize a business.

Moreover, this theory holds significant importance in the study because it recognizes that the effectiveness of various strategic orientations adopted by a particular company relies on both the organizational context and the surrounding environmental factors. Moreover, its underlying principle, which emphasizes that organizations should continually evaluate their environments to develop appropriate strategies, plays a crucial role in comprehending dynamic capabilities and

achieving a competitive advantage (Pratono, 2022). However, Csaszar and Ostler (2020) have criticized the theory for its rigidity and failure to accommodate the diverse nature of organizations. It's worth noting that contingency theory has faced substantial criticism for its inability to offer specific managerial guidance in dealing with environmental uncertainties. Managers may find that the chosen course of action could result in failure, or the returns might be lower compared to competitors who did not incur costs associated with changing their approach.

According to this theory, the outcomes of strategies on an organization's performance differ among different organizations. As a result, three-star hotels should assess their internal attributes before adopting a particular strategic approach to achieve sustainable performance improvements. The theory underscores the necessity for a well-balanced alignment between contextual elements and organizational attributes to exert a positive influence on organizational performance.

2.3 Empirical Review

This section provided an empirical analysis of research that explores the connections between different aspects of strategic orientation and how they impact organizational performance. It examined various empirical studies conducted in diverse contexts, focusing on the relationships between entrepreneurial orientation, market orientation, technology orientation, and their effects on performance.

2.3.1 Entrepreneurial Orientation and Organizational Performance

Entrepreneurial orientation pertains to a company's tendency to embrace strategies involving innovation, taking risks, and being proactive (Bouhalleb & Tapinos, 2023; Simpson & Sariol,

2022). The "risk-taking" dimension denotes the capability to take bold actions in uncertain circumstances, while the dimension of "innovation" pertains to the capacity to put into practice new and inventive concepts. The "proactivity" dimension involves identifying opportunities (Tangör & Özgen, 2022). The central focus of entrepreneurial orientation research is primarily on the correlation between entrepreneurial orientation and firm performance (Khan et al., 2021). It is a significant factor in determining how well different organizations perform (Abu-Rumman et al., 2021; Donbesuur et al., 2020). Businesses with a strong entrepreneurial orientation are usually able to change their operational conditions in order to discover opportunities for growth and strengthen their position in the market (Clarysse et al., 2023; Mozumdar & Islam, 2022).

The study conducted by Ślogar and Bezić (2020) highlights the crucial benefits of entrepreneurial orientation on innovativeness, which can significantly increase the worth of a business. Innovation is significant in creating new products and processes that satisfy customer expectations (Ghantous & Alnawas, 2020; Wang et al., 2020). To sustain innovation, organizations must generate fresh ideas, enhance existing ones, and stay attentive to emerging business prospects (Mathafena & Msimango-Galawe, 2022). It involves engaging in innovation and research activities, such as creative work and research and development (R&D) (Nawaz & Guribie, 2022; Sandra Marcelline et al., 2022).

Amarteifio and Agbeblewu (2020) defined proactiveness as the inclination of businesses to assume a leadership role by actively pursuing fresh opportunities, introducing inventive products, and harnessing operational technologies. Proactive organizations are skilled at identifying opportunities, taking the initiative to seize them, and taking more action in their environment (Wang & Lei, 2021). Innovativeness and proactiveness are unquestionably desired characteristics of organizational activity in today's global and intensely dynamic business

environments. Adapting to uncertain and turbulent economic circumstances, such as the COVID-19 pandemic, necessitates the discovery of novel avenues for generating value through the implementation of novel products, managerial principles, and business frameworks (Azazz & Elshaer, 2022; Elshaer, 2022; Jialu et al., 2021; Liu et al., 2022).

The term "risk sharing" pertains to the inclination to use new approaches to complete activities or diverge from established norms to achieve unforeseen outcomes (Denuit et al., 2022). A risk-taking mindset describes the willingness of managers to utilize company resources for projects with uncertain outcomes and potentially high failure costs (Basco et al., 2020). A different study carried out by Asbari et al. (2020) discovered that an individual's inclination to distribute risks is a highly dependable indicator of entrepreneurial behavior and is directly linked to competencies.

Numerous studies examining the relationship between entrepreneurial orientation and organizational success have revealed significant findings regarding business growth and performance (Adam et al., 2022; Aftab et al., 2022; Clement et al., 2021; Dessì et al., 2022; Gloria et al., 2022; Kivuitu & Karugu, 2020; Mintah et al., 2022; Mwakio et al., 2022; & Vanacker et al., 2021). However, a study by Morić-Milovanović (2022) found a non-linear connection between entrepreneurial orientation and company performance.

Hence, entrepreneurial orientation can have a crucial effect on organizational performance.

Consequently, the research suggests the following:

H1: The presence of an entrepreneurial orientation significantly and positively impacts the organizational performance.

2.3.2 Market Orientation and Organizational Performance

The economy in emerging nations is rapidly changing, which affects how these nations perceive the market (Hamzah et al., 2020). Therefore, businesses must focus on competitiveness. The performance of businesses relies on strategies, knowledge-sharing capabilities, entrepreneurial skills, innovation, and market orientation (Lestari et al., 2020). Moreover, recent data has shown that global market disruptions, particularly in the hotel industry, forced businesses to implement strict measures due to sanitary constraints and innovations to counter the pandemic, leading to positive abnormal returns (Sharma et al., 2021).

Market orientation is a dedication to ongoing innovation in providing exceptional value to meet the evolving needs of customers and stay competitive on a global scale (Lestari et al., 2020). This dedication underscores the concept of market-oriented robust businesses fostering organizational performance by leveraging the benefits of adaptability and effectively utilizing information and knowledge as scarce and valuable strategic assets (Hossain et al., 2022).

Market orientation has three dimensions. The first is customer orientation, which focuses on directing the organization based on current and future customer wants and needs while adding value. Customer orientation efficiently uses customer information to meet their expectations without necessarily letting customers' preferences dictate the company's strategy for achieving sustainability (Serafim & Veríssimo, 2021). The second aspect is competitor orientation, which involves monitoring the competitive market, acting appropriately, and responding quickly to changes. Competitive intelligence equips companies with the necessary tools to make well-informed decisions, enabling them to maintain a competitive advantage and stay ahead of both their rivals and industry trends (Maune & Themalil, 2022). The third aspect is inter-function coordination, which concentrates on internal tactics to maintain the organization efficiency and

integration (Kazemian et al., 2021). Inter-functional orientation implies that all departments within the business must collaborate effectively in all aspects of the company's operations.

Market orientation and its various dimensions have been extensively studied with organizational performance in different industries. Qodriah et al. (2021) assert that market orientation is a fundamental aspect of strategic superiority that positively influences organizational performance. Okello and Luttah (2022) posit a noteworthy correlation between the three facets of market orientation – customer orientation, competitor orientation, and interfunctional coordination – and organizational performance. Gligor et al. (2021) discovered that the connection between adapting market orientation and performance might vary based on the industry in which a company functions. The effectiveness of market orientation may be context-specific and dependent on the specific characteristics of the industry.

Acikdilli et al. (2022) found that marketing capabilities and market orientation directly influence the export performance of small and medium-sized enterprises (SMEs) in Turkey. However, the strength of this correlation might be affected by the level of competition. Royovela et al. (2022) explored the relationship between market orientation and performance in several groups of related services. Despite the absence of a significant correlation amongst the variables, there was proof that better performance was linked to higher competition orientation.

Dabrowski et al. (2019) studied hotel performance in Poland and identified that only customer orientation had a favorable influence on hotels' financial performance through novelty and meaningfulness marketing initiatives, while competitor orientation and inter-function cooperation had limited effects. Kazemian et al. (2021) examined the impact of three aspects of market orientation on accountability and performance in Iran's hospitality industry. They found

that customer orientation and inter-function coordination significantly affected performance, while competition orientation did not affect social performance.

These studies indicated that market orientation plays a crucial role in influencing organizational performance. However, its effectiveness might vary based on industry, level of competition, and specific aspects of market orientation (customer vs. competitor). Additionally, other mediating factors like marketing capabilities and coordination within the organization play a part in influencing how market orientation affects performance. Following the preceding discussion, the below hypothesis has been formulated:

H2: Market orientation has a substantial and favorable influence on the organizational performance.

2.3.3 Technology Orientation and Organizational Performance

Technology orientation refers to adapting the most recent technology and its applications (Klein & Todesco, 2021; Lianto, et al. 2022). It is characterized by an organization's responsiveness to novel ideas and capacity to accept and integrate novel technologies into product development. Digital technologies, such as self-service options, robotics, blockchain technology, big data analytics, mobile applications, social media platforms, and information systems, possess the capacity to revolutionize how hotels oversee their operations and value chains (Anser et al., 2020; Choi et al., 2020; Mingotto et al., 2021). By leveraging these technologies, hotels can effectively manage service provision, streamline order processes, forecast demand, optimize capacity and resource allocation, enhance customer interactions, and strengthen supplier relationships. Consequently, this technological integration can lead to notable improvements in financial results, competitiveness, the quality of service, resource optimization, adaptability, and innovation (Ivanov et al., 2020; Lenuwat & Boon-itt, 2022).

Organizations with a technology orientation technology serve as the foundation, and innovation becomes the norm guiding their strategy and efforts in developing products (Ali et al., 2021). Business divisions with a technology orientation can gain advantage over its competitors by offering customers more innovative products incorporating the latest technology (Idrus et al., 2020). Similarly, Yousaf et al. (2020) argued that technology can effectively drive product innovation. By utilizing technology-driven applications, businesses can generate high-quality products that quickly meet customer demand, eventually enhancing organizational performance (Yousaf et al., 2020).

In the hospitality sector, a technology-oriented approach fosters technological capabilities, allowing organizations to leverage their knowledge resources to offer cutting-edge technological advancements and inventive product enhancements, leading to overall success (Hossain et al., 2022; Lin et al., 2020). Allioui and Mourdi (2023) asserted that a company's technological capability encompasses its capacity to effectively utilize digital infrastructure, embrace cutting-edge technology, and foster a culture of technological proficiency. Enterprises that take proactive measures in adopting technology can improve their product and service offerings, streamline their operations, and respond swiftly to changing customer needs. The company's ability to distinguish itself from rivals, enhance customer experiences, and attain efficiency improvements that lead to overall enhanced performance is greatly impacted by its technological capabilities. In addition to achieving operational efficiencies, companies with strong technological prowess establish themselves as leaders and top performers within their specific industries (Alabdullah & Zubon, 2023).

Numerous research investigations have demonstrated favorable correlations between a focus on technology and the performance of businesses. Nzisa et al. (2021) verified that the level

of preparedness for technology had a notable influence on the competitive achievements of classified hotels in Kenya. Similarly, Abdulrab et al. (2021) and Ali et al. (2020) reported similar findings, that technology orientation significantly improved the performance outcomes of firms. Contrary to the positive findings, some studies have indicated that there is an inverse correlation between a strong emphasis on technology adoption and the overall performance of an organization. In their research, Mehmood and Zafar (2019) discovered unfavorable correlation between business performance and technology orientation. Similarly, Serafim and Veríssimo (2021) reported that while technology orientation had a positive effect, the impact on innovation was statistically insignificant. Hence, the following hypothesis can be formulated:

H3: The adoption of a technology orientation has a notable and favorable effect on the organizational performance.

2.3.4 Organizational Performance

Organizational performance pertains to the achievements of a company in relation to its strategic objectives. It has also been defined as the measure of how efficiently and effectively actions are carried out (Sardi et al., 2020). Understanding why certain companies thrive while others falter involves examining their organizational performance as one of the key factors. Entrepreneurs or managers need to have a clear understanding of their businesses' performance levels to make well-informed decisions. This is a pivotal issue that necessitates thorough deliberation, as it directly impacts the organization's competitive position (Waal, 2021).

Most studies have mainly focused on financial performance. Non-financial performance indicators were brought to the forefront since it was later found that financial performance indicators did not provide information on the sustained performance of the organization (Raucci

et al., 2020). According to Hernández-Perlines et al. (2021), a blend of both monetary and non-monetary measures will accurately assess success in a business environment.

In previous research (Adamu et al., 2021; Kruja, 2020), combined financial and non-financial metrics were used to analyze performance of an organization. Financial metrics are associated to economic indicators like the growth in sales and profitability. In contrast, non-financial metrics are tied to operational achievement indicators like market share, development of new products, satisfaction, quality, and effectiveness of the market. Non-financial performance indicators concentrate on sustainable company's performance by assessing the effectiveness of internal business processes, corporate reputation, innovation, satisfaction for customer and employee, customer loyalty, and staff turnover (Kurdi et al., 2020). For this study, financial performance metrics such as profitability and non-financial metrics such as market share, service quality, and customer loyalty was used to evaluate organizational performance.

Market-based metrics, such as market share, are frequently used by businesses as key performance indicators (Bhattacharya et al., 2022). Such measures ensure continuous benchmarking against the actions of competitors, thereby assuring improved firm performance. Service quality is described as the anticipated level of excellence of products and services provided to consumers, as well as the extent of their contentment with those services. It is the result of how customers' expectations and perceptions of services interact and practical relationships between factors such as technical ability, product characteristics, and brand image (Uzir et al., 2021). In several works of literature, service quality (S.Q.) is evaluated through a model known as SERVQUAL which relies on five aspects: assurance, empathy, tangibility, reliability, and responsiveness. Its purpose is to assess and monitor service quality as perceived by customers (Uzir et al., 2021).

According to Sonatasia et al. (2020), generally, an individual's dedication to consistently using particular products be they goods or services can be defined as customer loyalty. Customer loyalty serves as an indicator of a customer's contentment with a company's offerings, as evidenced by their ongoing patronage of the business. This is in line with the study by Erawati (2020), which discovered that customer satisfaction simultaneously impacts loyalty. Therefore, organizational performance can be seen through both financial and non-financial dimensions.

2.3.5 Strategic Orientation and Organizational Performance

According to Uzoamaka et al. (2020), strategic orientation is the path a business should take to continually enhance performance and secure a competitive advantage over rivals. Researchers have found a relationship between an organization's performance and its implementation of strategic orientation. Dionysus and Arifin (2020) used the resource-based view theory to examine the impact of strategic orientation on performance. The results showed that while market orientation had a negligible effect on the performance of small and medium-sized enterprises (SMEs), entrepreneurial orientation had a substantial contribution. Similarly, Abdulrab et al. (2020) assessed the effect of strategic orientation on the financial and non-financial performance of small and medium-sized enterprises (SMEs). The findings showed that entrepreneurial, market, and technology orientation had a positive and significant influence on financial performance and a favorable and significant influence on non-financial performance. However, entrepreneurial orientation did not affect non-financial performance.

Serafim and Veríssimo (2021) examined the connection among strategic orientation, service innovation, and performance in Angolan hotels. Their research revealed that learning and entrepreneurial orientations influenced hotel innovation, and innovation, in turn, positively influenced performance. Similarly, Zhang, Wang, and Li (2021) examined how strategic

orientation affected manufacturing businesses' ability to facilitate servitization. The findings demonstrated a favorable correlation between market orientation, technology orientation in providing basic and advanced services. Market orientation was found to be more crucial than technological orientation for the provision of advanced services, although their effects on essential services were similar.

Mwaniki (2022) studied the influence of strategic orientation on the performance of reinsurance companies in Kenya. The findings demonstrated that strategic orientation affects the future success of reinsurance companies. In a study conducted by Avung'ana and Atikiya (2023), the focus was on examining how strategic orientation impacts the performance of commercial banks in Kenya. The study specifically aimed to evaluate the effects of market intelligence and innovation on the performance of these banks. The findings of the study indicate that both market intelligence and innovation exert a positive and significant influence on the performance of commercial banks in Kenya. Mwangi and Kaluyu (2023) studied the influence of learning strategic orientation on sustained competitive advantage in Kenya's four- and five-star hotels. The study involved 640 senior hotel managers from 80 hotels, and the findings showed that learning strategic orientation had a favorable and considerable effect on sustained competitive advantage in these hotels.

Similarly, Muriithi and Mwangi (2023) investigated the influence of technology orientation on sustained competitive advantage in Kenya's four- and five-star hotels. The study adopted a resource-based perspective and used a descriptive correlational research approach. The findings indicated that a focus on technology had a favorable and significant impact on maintaining a competitive advantage in the management of these hotels. The hypothesis is structured as follows:

H4: The strategic orientation of an organization has a favorable impact on its organizational performance.

2.4 Research Gaps

Most studies on strategic orientation focused on examining the individual direct effects of market orientation, entrepreneurial orientation, and technology orientation on organizational performance. When examined separately, these studies found favorable correlation between these orientations and performance. However, more research has yet to explored the interrelated perspective and joint effects of two or more orientations on performance. In alignment with the research conducted by Shah et al. (2020) and Wales et al. (2020), the combined effect of all these components formed a solid foundation for firms' sustained viability and effectiveness over the long term rather than concentrating on just one strategic orientation component.

Moreover, several studies solely focused on financial indicators. However, since performance in the hospitality industry is subjective, relying on customer focus, providing excellent service in response to customer needs, and creating greater customer value, there was a need to explore non-financial indicators such as market share, customer loyalty, and service quality.

Although numerous research studies have explored the impact of strategic orientation on the performance of organizations, most of these studies have focused on telecommunication firms, banks, reinsurance firms, and small and medium-sized enterprises (SMEs). Specifically, the context of lower-rated three-star hotels in developing countries like Kenya has received the least attention in the mentioned studies. These lower-rated hotels often face unique challenges

and opportunities, which may influence the correlation between strategic orientation and performance. Therefore, this study intended to fill the conceptual and contextual gaps mentioned.

2.5 Conceptual Framework

Figure 2.1 presented the conceptual framework adopted for the study, the independent variables include, entrepreneurial orientation, market orientation and technology orientation. The dependent variable is the organizational performance of hotels.

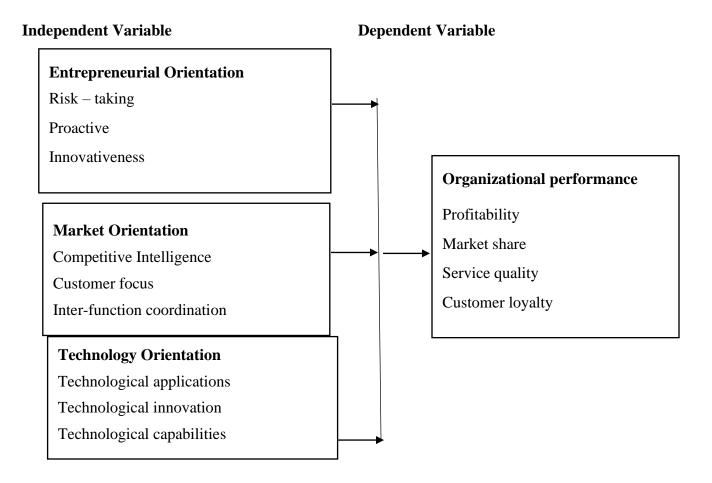


FIGURE 1
Conceptual Framework

2.6 Operationalization of Variables

TABLE 1
Operationalization of Variables

| Concept | Variable | Indicator | Specific Measure | Scale | Question in Questionnaire |
|-------------------------|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|---------|---------------------------|
| Independent Variable | Entrepreneurial Orientation | Risk-takingProactiveInnovativeness | Structured questionnaire; 5-point Likert scale | Ordinal | Section A: Qn 7-9b |
| | Market Orientation | Competitive Intelligence Customer focus Inter-function coordination | Structured questionnaire; 5-point Likert scale | Ordinal | Section B: Qn 10a-12 |
| | Technology Orientation | Technological applications Technological innovation Technological capabilities | Structured questionnaire; 5-point Likert scale | Ordinal | Section C: Qn 13a-15b |
| Dependent variable | Organizational Performance | Profitability Market share Service quality Customer loyalty | Structured questionnaire; 5-point Likert scale | Ordinal | Part C: Qn 16a-18b |

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The methodology that was used to carry out the study is discussed in this chapter. The chapter includes details on the research philosophy, design that was used, the study population, the sampling procedure, the data collection instruments, the validity and reliability of the instrument, and the data collection procedures. The chapter goes into further detail regarding the data analysis methods and how ethical concerns was addressed.

3.2 Research Design

This study was anchored on a quantitative research approach to assess the implications of strategic orientation on organizational performance. This approach was used to collect and analyze numerical data. It is used to identify trends, establish conclusions, and generalize the outcome of a phenomenon (Bhandari, 2021).

On the other hand, a descriptive type of research was used in the research design. The different variables under study was described using this research design. A descriptive research design can use various research methods to analyze one or more variables (McCombes, 2022). Additionally, it presents a suitable choice because it enables the researcher to extend the findings to a broader population. Mugenda and Mugenda (2003) describe descriptive research as a method that gathers information to address questions about the current condition of the subject under study. This method was used since it is relevant and accurate since the study's primary goal was to ascertain the effect of strategic orientation on the organizational performance of three-star-rated hotels in Nairobi County, Kenya.

3.3 Target Population

A population refers to a defined group comprising all the units to which the results of a study are intended to be generalized. In addition, a target population should be carefully defined to ensure complete exclusivity, preventing the inclusion of participants who may not accurately represent the study's requirements and the intended population (Casteel & Bridier, 2021).

The target population for this study comprised 320 top-, mid-, and low-level managers drawn from 40 three-star rated hotels in Nairobi, as listed by the Tourism Regulatory Authority in Kenya (2023) and TripAdvisor (2023, August 10). Managers was the target of observation because they are believed to possess the needed knowledge on strategic orientation and organizational performance for their hotels.

TABLE 2
Target Population and Sample Size

| Management Levels | Frequency | Percentage (%) | |
|-----------------------------------|-----------|----------------|--|
| Top Level | | | |
| General Manager | 36 | 20 | |
| Mid-level | | | |
| (Department Heads) | | | |
| Food and Beverage Manager | 18 | | |
| Front Office Manager | 18 | | |
| Housekeeping Manager | 18 | 50 | |
| Sales & Marketing Manager | 18 | | |
| Executive Chef | 17 | | |
| Low Level | | | |
| (Supervisors/ Assistant Managers) | | | |
| Restaurant Supervisor | 11 | | |
| Reservations | 11 | | |
| Laundry Supervisor | 11 | 30 | |
| Banqueting coordinator | 11 | | |
| Sous Chef | 9 | | |
| Total | 178 | 100 | |

3.4 Sampling Procedure

Sampling is a scientific approach used in systematic studies to choose subsets from a target population representing the total study population (Berndt, 2020). Researchers typically use sampling to estimate the attributes of the population by examining sample characteristics (Walters, 2021).

The sample size for the study was 178 respondents drawn from a target population of 320 top, mid, and low-level managers calculated using the Yamane (1967) formula. The sample frame for the study was drawn from the operating three-star rated hotels in Nairobi. Stratified random sampling was used to choose the respondents from 40 three-star hotels. The population was divided into three strata (top, mid, and low-level managers). Based on the sample size of 178 managers, a proportion of each stratum was calculated to determine the number of respondents for each stratum.

Yamane (1967) introduced the following formula for the determination of sample size:

$$n = \frac{N}{1 + N(e)^2}$$

Where: n = sample size

N = population size

e = confidence level (0.05)

The estimated sample size is:

$$n = \frac{320}{1+320 (0.05)^{2}}$$

$$n = \frac{320}{1+0.8}$$

$$n = 178 \text{ respondents}$$

3.5 Data Collection Instrument

Data can be classified into two categories: primary data and secondary data (Mwita, 2022). Primary data refers to information that a researcher collects firsthand from trustworthy sources using research techniques such as interviews, questionnaires, focus groups, and observations. However, secondary data is information that has already been gathered by others through document analysis and is readily available for researchers to utilize in their research. The study used primary data from top, mid, and low-level managers of three-star hotels in Nairobi.

3.5.1 Data Collection

The data for the study was collected using a structured five-point Likert scale questionnaire using the drop and pick approach. According to Pandey and Pandey (2021), a questionnaire is a compilation of questions or elements to gather information from respondents about their attitudes, experiences, or opinions. Large samples are best served by questionnaires since they make it easier to reach many people at once (König & Dreßler, 2021).

A Likert scale with a 1–5 rating was used to score responses to statements about strategic orientation and organizational performance (1 indicate "Strongly disagree" and 5 "Strongly agree"). According to Adeniran (2019), this methodology was deemed appropriate since the Likert scale is employed within the realm of social sciences to effectively capture accurate perceptions and attitudes.

3.6 Piloting of Research Instruments

The questionnaire was piloted and tested for reliability and validity. According to Kothari (2014), a pilot study involves a limited-scale introductory investigation conducted before the major investigation to evaluate the reliability and validity of the research instruments. According

to Groenland and Dana (2020), pilot testing aims to determine the accuracy and suitability of the research design and instruments. Mugenda and Mugenda (2008) proposed that if a pilot test involving 1% to 10% of the actual size proves effective, the study instruments were then subjected to a pilot test with a sample size of ten (10) participants, chosen randomly from the three-star hotels in Nairobi County.

3.6.1 Validity of Instruments

Quintão, Andrade, and Almeida (2020) assert that validity can be examined from various dimensions, including content and construct. In this study, particular attention was given to content validity, which examines how comprehensive and indicative the data collection instrument is in reflecting the breadth and inclusiveness of the intended data. Bundgaard and Brgger (2019) advocate for the involvement of professionals or research experts in evaluating content validity, along with input from supervisors. The validity of this study was established by seeking the insights of experts within the hospitality industry. These experts comprised a general manager from a three-star hotel and a hospitality lecturer. The feedback received from the experts was instrumental in refining the questionnaire.

3.6.2 Reliability of Instruments

Reliability pertains to the uniformity of research and the level to which findings can be duplicated (Bundgaard & Brgger, 2019). The assessment of internal consistency reliability stands as the most frequently utilized psychometric evaluation method for scrutinizing survey instruments and scales. Cronbach's alpha is widely recommended and employed to assess internal consistency, especially for instruments or tools employing Likert scales with ascending or descending values or categories (Echevarría-Guanilo et al., 2018). Cronbach's Alpha coefficients was calculated for each item in the questionnaire to assess the reliability of the

study's measures, and the resulting overall assessment helped draw inferences and make

interpretations. As a general guideline, a construct should have an alpha score of 0.7 or higher to

be considered dependable (Oluwatayo, 2012).

3.7 Data Analysis

Data analysis is collecting, modeling, analyzing, and interpreting data (Babbie et al., 2022). This

study employed both descriptive statistics and inferential statistics for data analysis. Descriptive

statistics, comprising mean scores, frequencies, and standard deviation, was used to describe the

characteristics of variables. Inferential statistics, such as regression analysis, was also utilized to

draw conclusions from the data. The Statistical Package for the Social Sciences (SPSS) was

utilized for the data analysis. The below multiple linear regression model was adopted:

 $Y = \beta\theta + \beta1X1 + \beta2X2 + \beta3X3 + \epsilon$

Where:

Y= Organizational performance

 $\mathbf{B}\mathbf{\theta} = \text{constant term}$

 β 1- β 3 are the coefficient function of the independent variables

X1= Entrepreneurial orientation

X2= Market orientation

X3= Technology orientation

ε= Error term

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3.8 Diagnostic Tests

Multiple diagnostic tests were carried out to verify adherence to regression assumptions and to confirm the suitability of the data for regression modeling. They encompassed tests of multicollinearity, heteroscedasticity, and normality.

3.8.1 Test for Multicollinearity

Multicollinearity arises when two or more independent variables have a high correlation. It can be tested using a variety of techniques. Variance inflation factors (VIF), the most often used measure, was the subject of this study, which was computed using SPSS. Many scholars (such as Ullah et al., 2021) prefer the VIF approach since it shows the correlation between a particular variable and a group of other variables. The variance inflation factor (VIF) is a useful tool for gauging the extent of multicollinearity in regression analysis. It measures the increase in variance of an estimated regression coefficient when independent variables are correlated. Conversely, the tolerance value, which is the reciprocal of the VIF, is also examined. A VIF value below five (VIF < 5) suggests an absence of multicollinearity issues within the data. Nevertheless, if the VIF exceeds 10 (VIF \ge 10), it signals the presence of a multicollinearity concern.

3.8.2 Test for Heteroscedasticity

Heteroscedasticity, also known as heteroskedasticity, is a phenomenon in regression analysis involving uneven dispersion of residuals or error terms where the error term's variability is inconsistent across a range of observed values. It can have implications for the reliability of regression results. The study employed the Breusch-Pagan / Cook-Weisberg test to examine the presence of correlation among error terms across observations in the cross-sectional data (Long & Ervin, 2000).

3.8.3 Test for Normality

Normality tests calculate the likelihood that a sample was drawn from a normal distribution. The Shapiro-Wilk test was used to assess the normality of the variables, since it is known to possess the best statistical power compared to other tests for normality.

3.9 Research Ethics

Various fundamental precautions was undertaken to guarantee the observance of ethical standards in the conduct of the research. Approval from the School of Graduate Studies was needed, and a letter acquired from the National Commission of Science Technology and Innovation (NACOSTI) ensured the research authorization.

Proper coding maintained participant confidentiality throughout the study, encouraging a higher response rate. A comprehensive acknowledgment of the books and journals used in the study were also made.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

The primary emphasis of this chapter was placed on the examination of data, the identification of results, and the subsequent interpretation of those findings. The findings were presented in tables and figures. The collected data was organized into thematic categories that aligned with the study goals.

4.2 Response Rate

The analysis of the response rate was conducted in order to demonstrate the representativeness of the sample size. The trustworthiness of study findings is heavily reliant on the response rate. A total of 178 questionnaires were distributed for the purpose of this research, with 146 questionnaires successfully completed and returned, as shown in Table 3.

TABLE 3
Response Rate

| Response | Frequency | Percent |
|------------|-----------|---------|
| Returned | 146 | 82.02% |
| Unreturned | 32 | 17.98% |
| Total | 178 | 100% |

Wu, Zhao and Fils-Aime (2022) depict that a response rate of 50% is deemed satisfactory for a descriptive research. According to Holtom, Baruch, Aguinis and Ballinger (2022) it has been argued that return rates over 50% might be considered acceptable, while a return rate of 60% is

seen as excellent, and a return rate of 70% is regarded as very good. The research had a commendable response rate of 82.02%, indicating a high level of participation.

4.3 Demographic Characteristics

This section consists of information that describes basic characteristics including gender, highest level of education and the duration of the respondents in the three-star rated hotels in Nairobi.

4.3.1 Gender

The respondents were asked to indicate their gender and the results are as shown in Table 4.

TABLE 4
Gender of Respondents

| | Frequency | Percent |
|--------|-----------|---------|
| Male | 97 | 66.4 |
| Female | 49 | 33.6 |
| Total | 146 | 100.0 |

Among these respondents, 97 were male, representing 66.4% of the total sample, while 49 were female, making up 33.6% of the total sample. This distribution highlights a slight majority of male respondents compared to female respondents. The gender distribution within the respondent group is a significant aspect to consider, as it can provide insights into potential gender-based differences or preferences when it comes to training and development opportunities, as well as their subsequent impact on employee performance. Setati, Zhuwao, Ngirande and Ndlovu (2019) supported the notion that gender diversity has a favorable impact on the performance of firms. The recognition of gender diversity within the workforce is crucial in fostering inclusion and upholding equitable opportunities for all workers.

4.3.3 Education Level

The respondents were asked to indicate their highest level of education and the results are as shown in the Table 5.

TABLE 5
Level of Education

| Level of Education | Frequency | Percent |
|---------------------------|-----------|---------|
| Diploma | 36 | 24.7 |
| Graduate degree | 52 | 35.6 |
| Master's degree | 34 | 23.3 |
| Doctorate level | 4 | 2.7 |
| On-job training | 20 | 13.7 |
| Total | 146 | 100.0 |

The largest group of respondents holds a graduate degree, making up 35.6% of the total. Those with a diploma at 24.7%, and then those with a master's degree at 23.3% follow this. A smaller number, only 2.7%, have reached a doctorate level, while 13.7% have received on-job training. These demographics suggest that the majority of employees in these hotels have formal education, with over half holding at least a graduate degree. This could imply that employees in this sector value higher education and that there may be a higher skill level present. However, the presence of a notable percentage with only on-job training (13.7%) suggests that there is stillroom for those without formal tertiary education, possibly in roles that are more skills-based or vocational. This mix of educational backgrounds could affect organizational performance in

various ways, such as problem-solving abilities, skills specialization, and adaptability to industry trends.

4.3.4 Duration

The respondents were asked to indicate how long they have been in hospitality sector and the results are as shown in the Table 6.

TABLE 6
Duration

| | Frequency | Percent |
|-------------------|-----------|---------|
| Less than 5 years | 9 | 6.2 |
| 6 – 10 years | 66 | 45.2 |
| 11 – 15 years | 58 | 39.7 |
| Over 16 years | 13 | 8.9 |
| Total | 146 | 100.0 |

The majority (45.2%) have been in the industry for 6-10 years, followed closely by those with 11-15 years of experience at 39.7%. Only a small percentage (6.2%) have less than 5 years of experience, and an even smaller group (8.9%) has been in the sector for over 16 years. These statistics suggest that most respondents are experienced, having worked in the hospitality industry for over 6 years. This could imply that the data gathered is more reliable as it comes from seasoned professionals who are familiar with the industry trends and practices. The relatively low percentage of those with less than 5 years or more than 16 years could indicate a mid-career concentration, perhaps reflecting industry stability or workforce retention in that experience range.

4.4 Reliability Test

According to Oluwatayo (2012), an alpha score of 0.7 or greater value of Cronbach's alpha coefficient indicates a stronger level of internal consistency dependability. The coefficient of 0.7 was used in accordance with the recommendation made by Cronbach (1951). The findings are shown in Table 7.

TABLE 7
Reliability Test

| Variables | Items | Cronbach Alpha |
|-----------------------------|-------|----------------|
| Entrepreneurial Orientation | 5 | 0.828 |
| Market Orientation | 5 | 0.721 |
| Technology Orientation | 6 | 0.775 |
| Organizational Performance | 8 | 0.844 |

The results indicated that the statements under entrepreneurial orientation, market orientation, technology orientation and organizational performance had a Cronbach alpha of above 0.7 and thus the statement were considered reliable.

4.5 Descriptive Statistics

This section presents the descriptive results on entrepreneurial orientation, market orientation, technology orientation and organizational performance. The Likert scale was strongly agree (5), agree (4), Neutral (3), disagree (2) and strongly disagree (1).

4.5.1 Entrepreneurial orientation

The first aim of this research was to determine the effect of entrepreneurial orientation on the organizational performance of three-star-rated hotels in Nairobi County, Kenya. The research assessed the degree of agreement among the participants on the claims pertaining to entrepreneurial orientation. The results are shown in Table 8.

TABLE 8

Outputs on entrepreneurial orientation

| Statements | Strongly disagree | Disagree | Neutral | Agree | Strongly Agree | Mean | S.D |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------|---------|-------|-------------------|------|------|
| We proactively engage in calculated risk-taking to identify potential market opportunities and then utilize these opportunities to develop and introduce new products to the market. | 8.9% | 8.9% | 7.5% | 37.7% | 37.0% | 3.85 | 1.26 |
| We promptly identify changes in our customers' expectations regarding products and services. | 7.5% | 6.8% | 7.5% | 39.0% | 39.0% | 3.95 | 1.19 |
| We are the pioneers in introducing "proactive" innovations, often outpacing our competitors in the process. | 4.8% | 10.3% | 11.6% | 32.2% | 41.1% | 3.95 | 1.17 |
| We prioritize capturing external opportunities and allocate resources to foster internal innovative behaviors. | 13.7% | 9.6% | 7.5% | 27.4% | 41.8% | 3.74 | 1.43 |
| We have introduced recent products and services to the market within the past 3 years. | 8.9% | 11.6% | 8.2% | 41.8% | 29.5% | 3.71 | 1.25 |
| Average | | | | | | 3.84 | 1.26 |

Under the first statement on whether they proactively engage in calculated risk-taking to identify potential market opportunities and then utilize these opportunities to develop and introduce new products to the market, a significant portion of respondents, constituting 37.7% Agree and 37.0% Strongly Agree, suggest that they engage in proactive calculated risk-taking. This implies a strong entrepreneurial spirit within these organizations. The mean score of 3.85

supports this, indicating that this is above the midpoint on the scale, signifying overall agreement. This implies that these hotels are willing to take calculated risks, which can be a crucial factor in staying competitive and improving organizational performance.

The respondents were asked if they promptly identify changes in our customers' expectations regarding products and services and 39.0% agreed and another 39.0% Strongly Agree that they quickly identify changes in customer expectations. The mean score of 3.95 is even higher than the first statement, indicating a strong focus on proactiveness. This is crucial for meeting customer demands effectively, which can translate into better performance and higher customer satisfaction rates.

The respondents were asked if they are the pioneers in introducing "proactive" innovations, often outpacing our competitors in the process and a total of 32.2% agreed and 41.1% strongly agreed with this statement. The mean of 3.95 suggests a strong inclination towards innovation and competition. Being first to market with new offerings could give these hotels a significant advantage over competitors, thereby enhancing their market position and performance.

When asked if they prioritize capturing external opportunities and allocate resources to foster internal innovative behaviors, 27.4% agreed and 41.8% strongly agreed while the mean score was slightly lower at 3.74. This suggests that while there is a focus on innovation and capturing opportunities, there is room for improvement. Boosting this aspect could lead to even better performance.

Lastly, the respondents were asked if they have introduced recent products and services to the market within the past 3 years and 41.8% agreeing and 29.5% strongly agreeing, this shows a continued commitment to product and service innovation. The mean score of 3.71, while

slightly lower, still indicates a general agreement with the statement. This suggests that these hotels are keeping their offerings up-to-date, a critical factor for customer retention and attracting new business.

The average mean score across all statements is 3.84, pointing to a generally high level of entrepreneurial orientation. However, the Standard Deviation of 1.26 indicates some variability, suggesting that there are differences in the extent to which these orientations are adopted. Overall, the high levels of agreement in these key aspects of entrepreneurial orientation are positive indicators for the organizational performance of three-star-rated hotels in Nairobi County.

4.5.2 Market Orientation

The second aim of this research was to determine the effect of market orientation on the organizational performance of three-star-rated hotels in Nairobi County, Kenya. The research assessed the degree of agreement among the participants on the claims pertaining to market orientation. The results are shown in Table 9.

TABLE 9
Outputs on Market Orientation

| Statements | Strongly | Disagree | Neutral | Agree | Strongly | Mean | S.D |
|------------------------------------------------|----------|----------|---------|--------------------|----------|-------|------|
| | disagree | | | | Agree | | |
| We continuously gather | 9.6% | 7.5% | 6.8% | 34.2% | 41.8% | 3.91 | 1.29 |
| information about our | | | | | | | |
| competitors' performance | | | | | | | |
| in terms of room | | | | | | | |
| occupancies, average daily | | | | | | | |
| rate, and number of | | | | | | | |
| conferences held. | | | | | | | |
| We have departmental | 4.8% | 8.9% | 6.2% | 41.8% | 38.4% | 4.00 | 1.11 |
| meetings to discuss the | | | | | | | |
| trends and development in | | | | | | | |
| the industry in order to | | | | | | | |
| serve the customers better. | | 0.004 | 44.004 | 2. 1. 0. 1. | 20.01 | • • • | 4.40 |
| Our hotel places a strong | 6.2% | 8.9% | 11.0% | 34.9% | 39.0% | 3.92 | 1.19 |
| emphasis on understanding | | | | | | | |
| and meeting customer | | | | | | | |
| needs and preferences that | | | | | | | |
| guide in developing | | | | | | | |
| products and services. | 2.40/ | 0.60/ | 0.20/ | 47.20/ | 21.50/ | 2.04 | 1.05 |
| Our hotel is proactive in | 3.4% | 9.6% | 8.2% | 47.3% | 31.5% | 3.94 | 1.05 |
| developing new services or amenities that meet | | | | | | | |
| | | | | | | | |
| changing guest demands. A strong degree of | 9.6% | 5.5% | 10.3% | 32.9% | 41.8% | 3.92 | 1.27 |
| coordination and | 9.0% | 3.370 | 10.5% | 32.970 | 41.070 | 3.92 | 1.4/ |
| collaboration exists | | | | | | | |
| between different | | | | | | | |
| departments or functions | | | | | | | |
| within the hotel to ensure a | | | | | | | |
| seamless guest experience. | | | | | | | |
| Average | | | | | | 3.94 | 1.18 |

The first statement focuses on whether the hotels continuously gather information about competitors' performance. With a mean score of 3.91 and a standard deviation of 1.29, it's evident that a majority agree or strongly agree (75.9%). This implies that most of the hotels in

this category are keen on monitoring their competitors. This strategy is crucial for keeping up with the industry standard and offers a competitive advantage, as it allows these hotels to adapt to market conditions.

The second statement pertains to departmental meetings about industry trends. With a high mean score of 4.00 and a standard deviation of 1.11, there is strong agreement among the hotels. 80.2% of the respondents agree or strongly agree that such meetings are common. The implication here is that internal communication and awareness of industry trends are vital for performance. It also suggests that a collective approach to decision-making may be more effective than isolated departmental actions.

The third statement is about understanding and meeting customer needs. The mean score of 3.92 and standard deviation of 1.19 suggest that many agree or strongly agree (73.9%). Hotels that understand and meet customer needs are likely to perform better in terms of customer satisfaction and, ultimately, revenue.

The fourth statement discusses proactivity in developing new services. With a mean score of 3.94 and a standard deviation of 1.05, most respondents (78.8% agree or strongly agree) think they are proactive. This means that adaptability and innovation are strong within these hotels. Being proactive in service development can lead to first-mover advantages and can attract a more extensive customer base.

The fifth statement is about coordination between different departments. With a mean score of 3.92 and a standard deviation of 1.27, it indicates that most hotels (74.7%) believe in the strong coordination among various departments. Effective coordination can result in a better customer experience, as it ensures that the entire process from check-in to check-out is smooth.

The overall average mean of 3.94 and standard deviation of 1.18 shows a strong inclination towards market orientation in these hotels. It suggests that paying close attention to market trends, customer needs, and internal coordination can substantially affect organizational performance in a positive way.

4.5.3 Technology Orientation

The third aim of this research was to determine the effect of technology orientation on the organizational performance of three-star-rated hotels in Nairobi County, Kenya. The research assessed the degree of agreement among the participants on the claims pertaining to Technology orientation. The results are shown in Table 10.

TABLE 10
Outputs on Market Orientation

| Statements | Strongly disagree | Disagree | Neutral | Agree | Strongly Agree | Mean | S.D |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------|---------|-------|-------------------|------|------|
| Our hotel effectively implements technology applications such as online guest feedback systems, online booking, and reservation systems, digital signage, or key card access control, to enhance guest experiences. | 8.2% | 6.8% | 7.5% | 32.2% | 45.2% | 3.99 | 1.25 |
| Technology solutions in our hotel contribute to streamlined operations and efficiency | 9.6% | 6.8% | 6.2% | 41.1% | 36.3% | 3.88 | 1.25 |
| Our hotel actively seeks and adopts new technological innovations in the hospitality industry to enhance guest services. | 7.5% | 8.2% | 9.6% | 41.1% | 33.6% | 3.85 | 1.19 |
| The variety of technological features available in our hotel sets it apart from other accommodations options. | 7.5% | 6.2% | 6.2% | 39.7% | 40.4% | 3.99 | 1.18 |
| Our hotel's technology infrastructure is reliable and upto-date, contributing to a seamless guest experience. | 8.2% | 6.8% | 11.0% | 39.7% | 34.2% | 3.85 | 1.21 |
| Employees are adequately trained to utilize technology tools for various tasks within the hotel. | 6.8% | 7.5% | 8.2% | 40.4% | 37.0% | 3.93 | 1.17 |
| Average | | | | | | 3.92 | 1.21 |

The descriptive statistics show that a significant proportion of respondents either "Agree" (32.2%) or "Strongly Agree" (45.2%) that their hotels effectively implement these technologies. The mean score of 3.99 on a scale from 1 to 5 is relatively high, further affirming the positive sentiment towards technology implementation in these hotels. This suggests that most three-star hotels in Nairobi are actively engaging with technology to enhance customer experience.

A majority of respondents from three-star rated hotels in Nairobi County, Kenya, agree that technology solutions contribute to streamlined operations and efficiency in their hotels. Specifically, 41.1% agree and 36.3% strongly agree, making up a combined 77.4% who are in favor. Conversely, a smaller proportion of respondents disagree (6.8%) or strongly disagree (9.6%), totaling 16.4%. The "Neutral" category comprises just 6.2% of the responses. The mean score is 3.88 on a scale of 1 to 5, which is relatively high, indicating a favorable view towards technology orientation. The standard deviation (S.D.) is 1.25, suggesting that the responses vary to some extent but are generally clustered around the mean.

The mean score of 3.85 on a 5-point scale suggests that most respondents lean towards agreeing or strongly agreeing that their hotels actively seek and adopt new technological innovations to improve guest services. The high percentage of respondents who agreed (41.1%) and strongly agreed (33.6%) indicates a generally favorable attitude towards technology adoption in these hotels. This could mean that technology is viewed as an essential component in enhancing organizational performance. The standard deviation of 1.19, however, does reveal some dispersion or variability in the responses, implying that not all hotels are uniformly committed to technological innovation.

The statistics about technology orientation indicate that the majority of respondents from three-star rated hotels in Nairobi County agree that the variety of technological features sets their hotel apart from other accommodations. Specifically, 39.7% agree and 40.4% strongly agree, resulting in a high mean score of 3.99 on a 5-point scale. The standard deviation of 1.18 suggests that while there is some variance in the responses, the majority still lean toward the higher end of the scale. This positive skew toward agreement implies that these hotels recognize the value and competitive advantage that technology offers in today's market. Given that Nairobi County is a

bustling urban area, this emphasis on technology could be a critical factor in attracting a techsavvy clientele and subsequently improving organizational performance. Hotels that neglect to innovate or invest in technology might find themselves at a disadvantage, failing to meet customer expectations and falling behind in an increasingly competitive environment.

Majority of respondents from three-star hotels in Nairobi County, Kenya, agree that their hotel's technology infrastructure is reliable and up-to-date, contributing to a seamless guest experience. Specifically, 39.7% agree, and 34.2% strongly agree, making up a combined 73.9% in favor. This results in a mean score of 3.85 on a 5-point scale, indicating a generally positive sentiment. The standard deviation (S.D) is 1.21, which suggests a moderate level of variance or spread around the mean. The presence of some level of disagreement, with 8.2% strongly disagreeing and 6.8% disagreeing, hints that there is room for improvement. The implications are clear: technology orientation is critical for organizational performance in the hospitality industry. Hotels that invest in up-to-date technology are more likely to satisfy their guests, which in turn can improve their overall performance. However, the fact that there are some respondents who disagree with the statement indicates that not all hotels are on par when it comes to technology orientation, which can be a competitive disadvantage.

The results 40.4% "agree" and 37.0% "strongly agree," making a combined total of 77.4% in favor of the statement "employees are adequately trained to utilize technology tools for various tasks within the hotel". On the other hand, a much smaller proportion of respondents, 6.8% and 7.5%, "strongly disagree" or "disagree" respectively. The "neutral" responses account for 8.2%. The mean score is 3.93 on a 5-point scale, and the standard deviation is 1.17, suggesting a relatively high average level of agreement but with some spread in the responses. The implications of this data could be quite impactful for the hotel industry in Nairobi County.

High levels of agreement suggest that technology orientation is likely a contributing factor to organizational performance in these hotels. With adequately trained staff, the hotels could offer better services, streamline operations, and ultimately improve customer satisfaction.

The overall average mean of 3.92 and standard deviation of 1.12 shows a strong inclination towards technology orientation in these hotels. This suggests that most hotels have a fairly high level of technology orientation, but there is also some variability, as indicated by the standard deviation. The high average score suggests that implementing technology is seen as important for organizational performance in this sector. However, the standard deviation shows that not all hotels are at the same level of technology adoption, meaning there's room for improvement.

4.5.4 Organizational Performance

The objective of the study was to assess the organizational performance of three-star-rated hotels in Nairobi County, Kenya, which served as the dependent variable. The research assessed the degree of agreement among the participants over the claims pertaining to organizational performance. The results are shown in Table 11.

TABLE 11
Outputs on Organizational performance

| Statements | Strongly disagree | Disagree | Neutral | Agree | Strongly Agree | Mean | S.D |
|-----------------------------------------------------------------------------------|-------------------|----------|---------|-------|-------------------|------|------|
| Our profitability has | 6.8% | 27.4% | 27.4% | 30.1% | 8.2% | 3.05 | 1.09 |
| increased for the past 3 | | | | | | | |
| years. | | | | | | | |
| Cost control measures are well implemented to enhance profitability. | 6.2% | 26.7% | 20.5% | 37.7% | 8.9% | 3.16 | 1.11 |
| Our market share has | 6.2% | 28.8% | 26.0% | 31.5% | 7.5% | 3.05 | 1.08 |
| grown for the past 3 years. | | | | | | | |
| Our hotel effectively captures a diverse range of | 6.8% | 30.8% | 29.5% | 26.0% | 6.8% | 2.95 | 1.06 |
| target customers | | | | | | | |
| Our hotel's facilities and rooms are well maintained and clean. | 10.3% | 29.5% | 27.4% | 27.4% | 5.5% | 2.88 | 1.09 |
| Guest feedback is actively sought and integrated into service improvements. | 4.1% | 28.1% | 26.0% | 30.8% | 11.0% | 3.16 | 1.08 |
| Our hotel has a strong base of loyal customers who regularly choose our services. | 6.2% | 24.0% | 28.8% | 34.2% | 6.8% | 3.12 | 1.05 |
| Our hotel has a loyalty program that effectively retains guests. | 7.5% | 27.4% | 31.5% | 28.1% | 5.5% | 2.97 | 1.04 |
| Average | | | | | | 3.04 | 1.07 |

The respondents were asked whether the profitability has increased for the past 3 years. 6.8% of respondents strongly disagree, 27.4% disagree, another 27.4% are neutral, 30.1% agree, and 8.2% strongly agree. The Mean score was 3.05, which is slightly above the Neutral point on a scale of 1 to 5, suggesting that the perception is somewhat positive but not overwhelmingly so. The Standard Deviation (S.D) is 1.09, which shows a moderate level of variation in the opinions.

When considering the implications of this data, it's evident that there is no strong consensus among the respondents about increased profitability. The largest group (30.1%) agrees that profitability has increased, but almost an equal proportion (27.4%) disagrees or strongly disagrees (6.8%). This mixed opinion could imply that while some areas within the organization may have experienced growth in profitability, others may not have fared as well, resulting in a divided perception.

The results indicated that's around 37.7% of respondents strongly agree that cost control measures are well implemented to enhance profitability, followed by 26.7% who agree. On the other hand, 20.5% remain neutral, while 6.2% disagree and a small proportion of 8.9% strongly disagree. The mean value of 3.16 suggests that the general perception leans more towards agreement that cost control measures are effective. The standard deviation of 1.11, however, indicates a moderate variation in the responses. The high percentage of strong agreement and agreement (64.4% combined) indicates that these hotels are on the right track in terms of implementing cost control measures for profitability.

The results indicate that 6.2% of respondents strongly disagreed that their market share has grown, while 28.8% disagreed. A significant portion, 26.0%, remained neutral, suggesting uncertainty or a lack of awareness about market share trends. 31.5% agreed and 7.5% strongly agreed that their market share has grown. The mean score is 3.05 with a standard deviation of 1.08. This mean score, slightly above the neutral value of 3, indicates a marginal leaning towards agreement on market share growth. The standard deviation suggests a fairly dispersed set of opinions, meaning that there isn't a strong consensus among respondents. The considerable percentage of respondents who disagreed or strongly disagreed suggests room for improvement in market share growth strategies for these hotels. The high percentage of neutral responses may

indicate a lack of effective communication within the organization regarding performance metrics.

The results indicate that the majority of respondents from three-star rated hotels in Nairobi County, Kenya, hold somewhat diverse opinions about their hotel's ability to effectively capture a diverse range of target customers. The results show that 6.8% strongly disagree, 30.8% disagree, 29.5% are neutral, 26% agree, and another 6.8% strongly agree. When these percentages are translated into a mean score, it comes out to be 2.95 with a standard deviation of 1.06. This mean score is closer to the "neutral" and "disagree" categories, suggesting that on average, respondents neither clearly agree nor disagree that their hotels effectively capture a diverse customer base. The standard deviation of 1.06 implies that the responses are somewhat spread out, indicating a degree of variation in perceptions. In terms of implications, the results suggest that there may be room for improvement in the strategic orientation related to customer targeting for better organizational performance.

According to the results, 10.3% of respondents strongly agreed that the facilities and rooms are well-maintained and clean, while 29.5% agreed. On the other side, 27.4% were neutral, another 27.4% disagreed, and 5.5% strongly disagreed. The mean (average) score is 2.88, and the standard deviation is 1.09. This suggests a wide range of opinions; the mean score below 3 indicates a generally less favorable view of the hotel's cleanliness and maintenance. A large portion of respondents (27.4%) were neutral, which shows room for improvement. The standard deviation of 1.09 indicates a moderate amount of variability in the responses, suggesting that guests do not uniformly feel one way or the other. The implications of these findings are significant: while a portion of guests find the hotel to be up to standard, a nearly equal portion doesn't, and a significant number are indifferent. This indicates that there's

considerable work to be done in the area of facility maintenance and cleanliness if the hotel aims to improve its overall organizational performance.

The majority of respondents, at 30.8%, gave a high rating (possibly agreeing strongly) to this statement, suggesting that a significant portion of guests believe that these three-star rated hotels in Nairobi County actively seek and integrate guest feedback into their service improvements. On the other hand, 26.0% of respondents fell in the middle of the scale, indicating a moderate level of agreement. This suggests that there is room for improvement in terms of how effectively these hotels gather and utilize guest feedback. Additionally, 28.1% of respondents provided a lower rating, possibly indicating some dissatisfaction with the hotels' efforts in this regard. The remaining 4.1% of respondents expressed strong disagreement. These statistics imply that while there are positive aspects in guest feedback integration, there is still a notable segment of guests who feel that improvements can be made in this area, which could ultimately impact the organizational performance of these three-star hotels

The item "Our hotel has a strong base of loyal customers who regularly choose our services show that 6.2% of respondents strongly disagreed, 24.0% disagreed, 28.8% were neutral, 34.2% agreed, and 6.8% strongly agreed with this statement. The mean score of 3.12 with a standard deviation of 1.05 suggests a moderately positive sentiment among respondents, but with some variability in their opinions. These statistics imply that the fact that 34.2% agreed and 6.8% strongly agreed indicates that a significant portion of respondents perceive a strong base of loyal customers, which can be considered a positive aspect of organizational performance. However, the presence of 6.2% who strongly disagreed and 24.0% who disagreed suggests that there is room for improvement in cultivating customer loyalty. The neutral responses (28.8%) could indicate uncertainty or a lack of awareness among respondents,

emphasizing the need for better communication or initiatives to highlight the hotel's loyal customer base. The standard deviation of 1.05 signifies some degree of dispersion in responses, indicating that opinions about customer loyalty vary among respondents

The results for the item that our hotel has a loyalty program that effectively retains guests" indicate that 7.5% strongly disagree, 27.4% disagree, 31.5% are neutral, 28.1% agree, and 5.5% strongly agree. The mean score is 2.97, with a standard deviation of 1.04. These percentages reflect the varying levels of agreement or disagreement among respondents regarding the effectiveness of the hotel's loyalty program in retaining guests. The high percentage of respondents in the neutral category (31.5%) suggests that a significant portion of participants neither strongly agree nor disagree, which could imply that the loyalty program's impact on guest retention may not be clearly communicated or understood by guests. The mean score of 2.97 indicates a slightly positive sentiment on average, but the relatively high standard deviation of 1.04 suggests that there is a notable dispersion in responses, indicating a lack of consensus among respondents.

4.6 Diagnostic Tests

The diagnostic tests conducted included Multicollinearity Test, Test for Heteroscedasticity and Normality Test.

4.6.1 Multicollinearity Test

A multicollinearity test was performed to assess the presence of strong correlation among two or more predictor variables in the regression model. The Variance Inflation Factor (VIF) was used to assess the presence of multicollinearity, with VIF values below 10 indicating acceptable levels. Variables with a Variance Inflation Factor (VIF) over 10 were considered to have a significant degree of collinearity.

TABLE 12

Multicollinearity Test Using Tolerance and VIF

| | Collinearity Sta | tistics |
|-----------------------------|------------------|---------|
| | Tolerance | VIF |
| Entrepreneurial Orientation | 0.698 | 1.433 |
| Market Orientation | 0.909 | 1.101 |
| Technology Orientation | 0.803 | 1.245 |

Based on the results shown in Table 12, it can be seen that all the variables examined in this study exhibited tolerance values more than 0.2 and VIF values below 10. This finding aligns with the assertion made by Salmeron et al (2020) that VIF values equal to or over 10 indicate the existence of multicollinearity. Consequently, it can be concluded that there was no evidence of multicollinearity among the independent variables in this study.

4.6.2 Test for Heteroscedasticity

Heteroscedasticity refers to the condition in which the dispersion of a variable is not uniform over the whole range of values of a second variable that serves as its predictor. Failing to account for heteroscedasticity while running a regression model may result in parameter estimates that are unbiased. A heteroscedasticity test was conducted using the Breusch-Pagan / Cook-Weisberg test to examine the presence of correlation among error terms across observations in the cross-sectional data (Khaled, Lin, Han, Zhao, & Hao, 2019). The theory proposed was that;

H₁: The data is Homoscedastic.

If the p-value is less than 0.05, the hypothesis is rejected.

The Breusch-Pagan results are presented in Table 13.

TABLE 13
Heteroscedasticity Results

Breusch-Pagan / Cook-Weisberg test for heteroscedasticity

Ho: Constant variance

Variables: fitted values of Organizational Performance

| chi2(1) | = | 72.14 |
|-------------|---|-------|
| Prob > chi2 | = | 0.061 |

Source: Field Survey Data (2022)

The findings shown in Table 13 indicate that the p-value exceeds the threshold of 5%. The hypothesis was not rejected at a crucial p-value of 0.05 due to the reported Chi2 (1) value of 72.14 and a p-value of 0.061, which above the significance threshold. Consequently, it can be concluded that the data did not exhibit heteroscedasticity.

4.6.3 Normality Test

The test for normality assesses the extent to which the data conforms to a normal distribution, which is characterized by linearity. The Shapiro-Wilk test was used to assess the normality of the variables, since it is known to possess the best statistical power compared to other tests for normality. The hypothesis was evaluated using a significance level of 0.05, according to the convention of rejecting the null hypothesis (H0) if the probability (P) value is less than 0.05, and retaining it otherwise. In order to meet the requirements of the multiple regression model, it is

necessary for the dependent variable to have a normal distribution. This condition is essential for the analysis of the research, as stated by Knief and Forstmeier (2021). The hypothesis was that;

 H_1 : The data is normal.

The results for normality are as shown in Table 14.

TABLE 14
Normality Outputs

| | Shapi | ro-Wilk | |
|--------------------------------------|-----------|---------|-------|
| | Statistic | df | Sig. |
| Entrepreneurial Orientation | 0.836 | 146 | 0.659 |
| Market Orientation | 0.724 | 146 | 0.073 |
| Technology Orientation | 0.862 | 146 | 0.055 |
| Organizational Performance | 0.925 | 146 | 0.071 |
| a Lilliefors Significance Correction | | | |

Source: Field Survey Data (2022)

The findings of this study suggest that, based on the application of the Shapiro-Wilk test of normality, the data exhibits normal distribution. This conclusion is supported by the fact that all variables have p-values greater than 0.05, leading to the acceptance of the null hypothesis (H0) and the rejection of the alternative hypothesis (H1). Hence, it can be inferred that the variables pertaining to entrepreneurial orientation, market orientation, technology orientation and organizational performance exhibit a normal distribution. Consequently, additional analysis may be conducted on these variables.

4.7 Correlation Analysis

A correlation study was performed to determine the relationship between the independent and dependent variables. The correlation study examines the associations between entrepreneurial

orientation, market orientation, technology orientation on organizational performance. Correlation coefficients, denoted as "r," are used in quantifying the magnitude and orientation of these associations. The correlation coefficient is a statistical measure that varies between -1 and 1. Positive numbers signify a positive association, negative values indicate a negative relationship, and values closer to 0 suggest a weaker relationship. Table 15 displays the correlation matrix.

TABLE 15
Correlation Matrix

| | Organizational | Entrepreneurial | Market | Technology |
|--------------------|----------------|-----------------|-------------|-------------|
| | Performance | Orientation | Orientation | Orientation |
| Organizational | 1.000 | | | |
| Performance | | | | |
| Entrepreneurial | .796** | 1.000 | | |
| Orientation | | | | |
| | 0.000 | | | |
| Market Orientation | .757** | .465** | 1.000 | |
| | 0.000 | 0.000 | | |
| Technology | .855** | .458** | .415** | 1.000 |
| Orientation | | | | |
| | 0.000 | 0.000 | 0.000 | |

The correlation results indicate that there is a positive correlation coefficient of 0.796** between organizational performance and entrepreneurial orientation which is statistically significant (p=0.000) at the 0.05 level. This implies that as the entrepreneurial orientation of these hotels increases, their organizational performance tends to improve. In practical terms, this suggests

that hotels that exhibit characteristics associated with entrepreneurial orientation, such as innovation and risk-taking, are more likely to have better organizational performance.

Further, the correlation coefficient of 0.757** between organizational performance and market orientation is also statistically significant (p=0.000) at the 0.05 level. This indicates a positive relationship between these variables. In simpler terms, as hotels in Nairobi County become more market-oriented, their organizational performance tends to improve. This suggests that paying close attention to customer needs, market trends, and competitors can have a favorable impact on a hotel's overall performance. Hotels that prioritize market orientation are more likely to adapt to changing market conditions and meet guest expectations effectively.

Lastly, the correlation coefficient of 0.855** between organizational performance and technology orientation is statistically significant (p=0.000) at the 0.05 level. This strong positive correlation suggests that as hotels in Nairobi County embrace and invest in technology-oriented practices, their organizational performance is likely to significantly increase. These findings underscore the importance of technology in the hospitality industry and its potential to drive improvements in organizational performance. The correlation results indicate that all three strategic orientations - entrepreneurial, market, and technology - are positively and statistically significantly related to organizational performance in three-star rated hotels in Nairobi County, Kenya.

4.8 Regression Analysis

The research conducted a regression analysis in order to determine the statistical significance of the connection between the independent and dependent variables. The fitness of the regression model in describing the studied phenomena is shown in Table 16.

TABLE 16
Model Fitness

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .935 ^a | .875 | .872 | 20.855 |

The coefficient of determination, R Square, is 0.875, indicating that approximately 87.5% of the variance in organizational performance can be explained by the independent variables included in the model. This suggests a reasonably strong relationship between the variables. The Analysis of Variance (ANOVA) results are shown in Table 17.

TABLE 17
Analysis of Variance

| | Sum of Squares | df | Mean Square | F | Sig. |
|------------|----------------|-----|-------------|---------|-------------------|
| Regression | 431415.305 | 3 | 143805.102 | 330.628 | .000 ^b |
| Residual | 61762.236 | 142 | 434.945 | | |
| Total | 493177.541 | 145 | | | |

The results provide further evidence supporting the significance of the regression model, as shown by the F-statistic of 330.628 (p<0.000). This is reinforced by the fact that the p-value was 0.000, which is below the conventional significance level of 0.05. The research used a regression coefficient analysis to determine the statistical significance of the connection between the independent factors and the dependent variable. The results of the regression coefficients are shown in Table 18.

TABLE 18
Regression of Coefficients

| | Unstandard Coefficients | | Standardized Coefficients | t | Sig. |
|-----------------------------|----------------------------|------------|------------------------------|--------|------|
| | В | Std. Error | Beta | | |
| (Constant) | 20.920 | 10.262 | | 2.039 | .043 |
| Entrepreneurial Orientation | .347 | .043 | .330 | 8.048 | .000 |
| Market Orientation | .290 | .040 | .287 | 7.330 | .000 |
| Technology Orientation | .476 | .044 | .462 | 10.791 | .000 |

The coefficient for entrepreneurial orientation is 0.347, and it is statistically significant with a t-value of 8.048 (p < 0.001). This positive and statistically significant relationship indicates that for every one-unit increase in entrepreneurial orientation, there is an average, a 0.347 unit increase in organizational performance. This suggests that hotels in Nairobi County that exhibit a higher degree of entrepreneurial orientation tend to have improved organizational performance.

The market orientation variable also shows a positive and statistically significant relationship with organizational performance. The coefficient for market orientation is 0.290, with a t-value of 7.330 (p < 0.001). This implies that a one-unit increase in market orientation is associated with an average increase of 0.290 units in organizational performance. Hotels that prioritize understanding and meeting the needs of their guests and the market tend to perform better.

Finally, technology orientation variable exhibits the strongest positive relationship with organizational performance. The coefficient for technology orientation is 0.476, and it has a high

level of statistical significance with a t-value of 10.791 (p < 0.001). This suggests that for every one-unit increase in technology orientation, there is, on average, a 0.476 unit increase in organizational performance. This underscores the importance of adopting and integrating technology solutions in the operations of three-star rated hotels in Nairobi County to enhance their performance.

The results indicate that all three strategic orientation variables - entrepreneurial orientation, market orientation, and technology orientation - have positive and statistically significant relationships with organizational performance. This implies that hotels in Nairobi County can improve their performance by focusing on these strategic orientations, particularly by embracing technology and entrepreneurial approaches, and by paying attention to market dynamics and guest feedback.

4.9 Discussion of Findings

The purpose of the study was to determine the effect of strategic orientation on the organizational performance of three-star-rated hotels in Nairobi County, Kenya. The variables of interest were entrepreneurial orientation, market orientation, technology orientation and organizational performance.

4.9.1 Entrepreneurial orientation

The first aim of this research was to determine the effect of entrepreneurial orientation on the organizational performance of three-star-rated hotels in Nairobi County, Kenya. The correlation results indicated that there is a positive correlation coefficient of 0.796** between organizational performance and entrepreneurial orientation which is statistically significant. Regression results indicated that the coefficient for Entrepreneurial Orientation is 0.347, and it is statistically

significant with a t-value of 8.048 (p < 0.001). This positive and statistically significant relationship indicates that for every one-unit increase in Entrepreneurial Orientation, we can expect, on average, a 0.347 unit increase in organizational performance. This suggests that hotels in Nairobi County that exhibit a higher degree of entrepreneurial orientation tend to have better organizational performance.

The findings are consistent with the studies examining the relationship between entrepreneurial orientation and organizational success have revealed significant findings regarding business growth and performance (Adam et al., 2022; Aftab et al., 2022; Clement et al., 2021; Dessì et al., 2022; Gloria et al., 2022; Kivuitu & Karugu, 2020; Mintah et al., 2022; Mwakio et al., 2022; & Vanacker et al., 2021). However, a study by Morić-Milovanović (2022) found a non-linear connection between entrepreneurial orientation and company performance.

4.9.2 Market Orientation

The second aim of this research was to determine the effect of market orientation on the organizational performance of three-star-rated hotels in Nairobi County, Kenya. Correlation results indicated that Further, organizational performance and market orientation are statistically significant with a correlation coefficient of 0.757**. This indicates a positive relationship between these variables. Regression results indicated that Market Orientation variable has a positive and statistically significant relationship with organizational performance. The coefficient for Market Orientation is 0.290, with a t-value of 7.330 (p < 0.001). This implies that a one-unit increase in Market Orientation is associated with an average increase of 0.290 units in organizational performance.

The findings are in line with Acikdilli et al. (2022) who found that marketing capabilities and market orientation directly influence the performance of exporting SMEs in Turkey.

However, the strength of this relationship might be affected by the level of competition. Royovela et al. (2022) established a significant correlation between the variables, there was evidence that better performance was linked to higher competition orientation. Dabrowski et al. (2019) identified that only customer orientation had a positive impact on hotels' financial performance through novelty and meaningfulness marketing initiatives, while competitor orientation and inter-function cooperation had limited effects. Kazemian et al. (2021) found that customer orientation and inter-function coordination significantly affected performance, while competition orientation did not affect social performance.

4.9.3 Technology Orientation

The third aim of this research was to determine the effect of technology orientation on the organizational performance of three-star-rated hotels in Nairobi County, Kenya. Correlation results indicated that organizational performance and technology orientation is statistically significant with a coefficient of 0.855**. This strong positive correlation suggests that as hotels in Nairobi County embrace and invest in technology-oriented practices, their organizational performance is likely to significantly increase. Regression results indicated that technology Orientation exhibits the strongest positive relationship with organizational performance. The coefficient for Technology Orientation is 0.476, and it has a high level of statistical significance with a t-value of 10.791 (p < 0.001). This suggests that for every one-unit increase in Technology Orientation, there is, on average, a 0.476 unit increase in organizational performance.

The findings are consistent with Nzisa et al. (2021) who verified that the level of preparedness for technology had a notable influence on the competitive achievements of classified hotels in Kenya. Similarly, Abdulrab et al. (2021) and Ali et al. (2020) reported similar

findings, that technology orientation significantly improved the performance outcomes of firms. Contrary to the positive findings, some studies have indicated that there is an inverse relationship between a strong emphasis on technology adoption and the overall performance of an organization. In their research, Mehmood and Zafar (2019) discovered unfavorable correlation between business performance and technology orientation. Similarly, Serafim and Veríssimo (2021) found that while technology orientation had a positive effect, the impact on innovation was statistically insignificant.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the study findings, its conclusions and recommendations, presented in consideration to the study objective on influence of training need assessment on effect of strategic orientation on the organizational performance of three-star-rated hotels in Nairobi County, Kenya.

5.2 Summary of Findings

5.2.1 Entrepreneurial orientation

The first aim of this research was to determine the effect of entrepreneurial orientation on the organizational performance of three-star-rated hotels in Nairobi County, Kenya. The positive correlation between organizational performance and entrepreneurial orientation is a key finding. This suggests that hotels in Nairobi County that exhibit entrepreneurial qualities, such as a proactive and innovative approach to their operations, are more likely to achieve better organizational performance. These qualities may manifest in their ability to identify new opportunities, take calculated risks, and adapt swiftly to changing market conditions. The regression analysis further solidifies this relationship, showing that for every one-unit increase in Entrepreneurial Orientation, there is, on average, a 0.347 unit increase in organizational performance. This implies that fostering an entrepreneurial mindset and culture within these three-star hotels can have a tangible impact on their performance, potentially leading to improved competitiveness and customer satisfaction.

5.2.2 Market Orientation

The second aim of this research was to determine the effect of market orientation on the organizational performance of three-star-rated hotels in Nairobi County, Kenya. The study found a significant positive correlation between organizational performance and market orientation. This indicates that hotels in Nairobi County that prioritize understanding and responding to customer needs and market dynamics tend to experience enhanced organizational performance. This emphasis on market orientation may lead to a better alignment of their services and strategies with the evolving demands of their guests, resulting in improved customer satisfaction and loyalty. The regression analysis further substantiates this relationship, showing that a one-unit increase in Market Orientation is associated with an average increase of 0.290 units in organizational performance. Thus, it is evident that emphasizing market-oriented practices can be beneficial for these hotels in terms of their overall performance and competitiveness in the hospitality industry..

5.2.3 Technology Orientation

The third aim of this research was to determine the effect of technology orientation on the organizational performance of three-star-rated hotels in Nairobi County, Kenya. A strong positive correlation was identified between organizational performance and technology orientation, indicating a robust relationship. This suggests that as hotels in Nairobi County invest in and embrace technology-oriented practices, their organizational performance is likely to experience significant improvements. Such technology orientation may encompass the adoption of digital tools for reservations, guest services, and operational efficiency, among other aspects. The regression analysis provides further support for this relationship, showing that for every one-unit increase in Technology Orientation, there is, on average, a 0.476 unit increase in

organizational performance. This finding underscores the pivotal role of technology in enhancing the effectiveness and competitiveness of these three-star hotels. Embracing technology not only improves operational efficiency but can also enhance the overall guest experience, contributing to higher satisfaction levels and potentially increased business performance.

5.3 Conclusions

Based on the research findings, it can be concluded that there is a significant and positive relationship between entrepreneurial orientation and the organizational performance of three-star-rated hotels in Nairobi County, Kenya. This implies that fostering entrepreneurial qualities such as innovation, proactiveness, and risk-taking within these hotels can potentially lead to improved performance outcomes. This conclusion underscores the importance of nurturing an entrepreneurial mindset and culture as a strategic approach for enhancing the competitiveness and success of these establishments.

The research findings lead to the conclusion that market orientation has a significant and positive impact on the organizational performance of three-star-rated hotels in Nairobi County, Kenya. This implies that aligning their strategies and services with evolving market dynamics can enhance customer satisfaction and loyalty, contributing to better overall performance. In essence, the conclusion is that market orientation is a valuable strategic approach for these hotels to achieve improved performance outcomes.

The research results lead to conclusion that technology orientation significantly influences the organizational performance of three-star-rated hotels in Nairobi County, Kenya. This conclusion suggests that hotels that invest in and embrace technology-oriented practices, such as digital tools for reservations, guest services, and operational efficiency, are likely to experience substantial improvements in their overall performance. In summary, the conclusion is

that technology orientation is a critical factor that can enhance the competitiveness and efficiency of these hotels and contribute positively to their performance outcomes.

5.4 Recommendations

Given the positive relationship between entrepreneurial orientation and the organizational performance of three-star-rated hotels in Nairobi County, it is recommended that hotel managers and stakeholders prioritize the cultivation of an entrepreneurial mindset and culture within their establishments. This can be achieved by encouraging innovation, proactiveness, and a willingness to take calculated risks among staff. Managers should also consider providing training and resources that support these entrepreneurial qualities. Furthermore, creating an environment that encourages and rewards creative thinking and problem-solving can foster entrepreneurial behavior among employees. By doing so, hotels can enhance their competitiveness and improve performance outcomes.

Based on the findings regarding the significant and positive impact of market orientation on organizational performance, it is recommended that three-star-rated hotels in Nairobi County place a strong emphasis on understanding and responding to customer needs and market trends. This involves regularly collecting and analyzing customer feedback, monitoring market developments, and adapting their services and strategies accordingly. Implementing customer-centric practices, such as personalized services and tailored marketing efforts, can enhance customer satisfaction and loyalty. Hotel managers should also encourage cross-functional collaboration to ensure that market insights are integrated into decision-making processes. Overall, a proactive market-oriented approach can lead to improved organizational performance and long-term success.

Given the substantial influence of technology orientation on organizational performance, it is recommended that three-star-rated hotels in Nairobi County prioritize technology adoption and integration into their operations. This includes investing in digital tools and systems for various aspects of their business, from reservations and guest services to operational efficiency. Hotel managers should regularly assess their technological infrastructure to ensure it remains upto-date and aligned with industry standards. Additionally, staff training and development programs should be implemented to enhance digital literacy and technology proficiency among employees. Embracing emerging technologies such as mobile apps, contactless check-in/check-out, and smart room features can not only improve operational efficiency but also enhance the guest experience. Ultimately, a strong commitment to technology orientation can contribute significantly to the hotels' overall performance and competitiveness in the modern hospitality landscape.

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APPENDICES

Appendix I: Research Questionnaire

Introduction: Thank you for participating in this research study. The purpose of this questionnaire is to gather valuable insights into the effect of strategic orientation on the organizational performance of three-star-rated hotels in Nairobi County, Kenya. Your responses will remain confidential and was used for academic research purposes only. Please respond to the following questions to the best of your ability. Your input is crucial in helping us understand the relationship between strategic orientation and hotel performance.

(Tick ($\sqrt{\ }$) within the appropriate circle or table.)

PART A: General Information

| 1. Professional Title |
|----------------------------------------------------|
| 2. Gender: () Male () Female |
| 3. Please indicate your highest level of education |
| High school certificate () Master's degree () |
| Certificate () Doctorate level () |
| Diploma () On-job training () |
| Graduate degree () |
| 4. Name of the Hotel |
| 5. Star Rating (1 to 5 stars) |
| 6. Number of years worked in this hotel |

Less than 5 years ()
6 – 10 years ()
11 – 15 years ()
Over 16 years ()

PART B: Effect of Strategic Orientation

Section A: Effect of Entrepreneurial Orientation

Please mark ($\sqrt{}$) your level of agreement or disagreement with the provided statements, as indicated in the table. Use the following rating: 5 =Strongly Agree, 4 =Agree, 3 =Neutral, 2 =

Disagree, 1 = Strongly disagree

| | Entrepreneurial orientation measurement | 5 | 4 | 3 | 2 | 1 |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|---|---|---|
| 7. | Risk-taking We proactively engage in calculated risk-taking to identify potential market opportunities and then utilize these opportunities to develop and introduce new products to the market. | | | | | |
| 8a. | Proactiveness We promptly identify changes in our customers' expectations regarding products and services. | | | | | |
| 8b. | We are the pioneers in introducing "proactive" innovations, often outpacing our competitors in the process. | | | | | |
| 9a. | Innovativeness We prioritize capturing external opportunities and allocate resources to foster internal innovative behaviors. | | | | | |
| 9b. | We have introduced recent products and services to the market within the past 3 years. | | | | | |

Section B: Effect of Market Orientation

Please mark ($\sqrt{}$) your level of agreement or disagreement with the provided statements, as indicated in the table. Use the following rating: **5** = **Strongly Agree**, **4**= **Agree**, **3** = **Neutral**, **2** =

Disagree, 1 = Strongly disagree

| | Market Orientation measurement | 5 | 4 | 3 | 2 | 1 |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|---|---|---|
| 10a. | Competitive intelligence We continuously gather information about our competitors' performance in terms of room occupancies, average daily rate, and number of conferences held. | | | | | |
| 10b. | We have departmental meetings to discuss the trends and development in the industry in order to serve the customers better. | | | | | |
| 11a. | Customer focus Our hotel places a strong emphasis on understanding and meeting customer needs and preferences that guide in developing products and services. | | | | | |
| 11b. | Our hotel is proactive in developing new services or amenities that meet changing guest demands. | | | | | |
| 12. | Inter-function coordination A strong degree of coordination and collaboration exists between different departments or functions within the hotel to ensure a seamless guest experience. | | | | | |

Section C: Effect of Technology Orientation

Please mark ($\sqrt{}$) your level of agreement or disagreement with the provided statements, as indicated in the table. Use the following rating: **5** = **Strongly Agree**, **4**= **Agree**, **3** = **Neutral**, **2** =

Disagree, 1 = Strongly disagree

| | Technology orientation measurement | 5 | 4 | 3 | 2 | 1 |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|---|---|---|
| 13a. | Technological applications | | | | | |
| | Our hotel effectively implements technology applications such as online guest feedback systems, online booking, and reservation systems, digital signage, or key card access control, to enhance guest experiences. | | | | | |
| | Technology solutions in our hotel contribute to streamlined | | | | | |
| 13b. | operations and efficiency | | | | | |
| | Technology innovations | | | | | |
| 14a. | Our hotel actively seeks and adopts new technological innovations in the hospitality industry to enhance guest services. | | | | | |
| 14b. | The variety of technological features available in our hotel sets it | | | | | |
| | apart from other accommodations options. | | | | | |
| | Technological capabilities | | | | | |
| 15a. | Our hotel's technology infrastructure is reliable and up-to-date, contributing to a seamless guest experience. | | | | | |
| | Employees are adequately trained to utilize technology tools for | | | | | |
| 15b. | various tasks within the hotel. | | | | | |

PART C: Organizational Performance

Indicate your hotel performance with respect to the following performance statements, as indicated in the table. On a scale of 1-5 where 5 = Very great extent, 4 = Great extent, 3 = Moderate extent, 2 = Low extent, 1 = No extent at all (Tick appropriately)

| | Statement | 5 | 4 | 3 | 2 | 1 |
|------|-----------------------------------------------------------------------------------|---|---|---|---|---|
| | Profitability | | | | | |
| 16a. | Our profitability has increased for the past 3 years. | | | | | |
| 16b. | Cost control measures are well implemented to enhance profitability. | | | | | |
| | Market share | | | | | |
| 17a. | Our market share has grown for the past 3 years. | | | | | |
| 17b. | Our hotel effectively captures a diverse range of target customers | | | | | |
| | Service quality | | | | | |
| 18a. | Our hotel's facilities and rooms are well maintained and clean. | | | | | |
| 18b. | Guest feedback is actively sought and integrated into service improvements. | | | | | |
| | Customer loyalty | | | | | |
| 23a. | Our hotel has a strong base of loyal customers who regularly choose our services. | | | | | |
| | Our hotel has a loyalty program that effectively retains guests. | | | | | |
| 23b. | | | | | | |

Thank you for participating in this questionnaire!

Appendix II: Sampling Frame (List of 3-star Hotels in Nairobi)

| S/N | Name of Hotel | S/N | Name of Hotel |
|-----|----------------------------------|-----|-----------------------------------|
| 1. | Utalii Hotel | 41. | Maanzoni Lodge |
| 2. | Ibis Styles Hotel | 42. | Azure Hotel |
| 3. | Zehneria Suites Hotel | 43. | Ngong Hills Hotel |
| 4. | Best Western Plus Meridian Hotel | 44. | The Heron Portico |
| 5. | Smothers Boutique Hotel | 45. | Pride Inn Raptha Nairobi |
| 6. | Qaribu Inn | 46. | Kenya Comfort Hotel Suites |
| 7. | Maa Hotel & Suites | 47. | Marble Arch Hotel |
| 8. | La Maison Royale Hotel | 48. | Fahari Gardens Hotel |
| 9. | Zaradise Suites Hotel | 49. | Villa Leone Guest House |
| 10. | Gigiri Express Hotel | 50. | The Crossroads Hotel |
| 11. | The Luke Hotel Nairobi | 51. | Kahama Hotel |
| 12. | The Clarion Hotel | 52. | Hotel Kepler |
| 13. | L'Aziz Suites | 53. | Executive Residency |
| 14. | After 40 Hotel | 54. | Fair Acres Boutique Hotel |
| 15. | CySuites Apartment Hotel | 55. | Emeli Hotel |
| 16. | Capital Heights Hotel | 56. | Trippleo's Hotel |
| 17. | Westend Hotel | 57. | Stardom Hotel |
| 18. | Boma Inn Nairobi | 58. | Hotel Rio |
| 19. | Aiport Hotel Nairobi | 59. | Swiss Lenana Mount Hotel |
| 20. | Hadassah Hotel | 60. | Kitusuru Manor |
| 21. | Comfort Gardens Hotel | 61. | Pride Inn Westlands Hotel Nairobi |
| 22. | Sagas Hotel | 62. | Royal Tulip Canaan Hotel |
| 23. | Hadassah Hotel | 63. | Hotel Riverview Westlands |

| 24. | The Emory Hotel | 64. | Jacaranda Hotel Nairobi |
|-----|--------------------------------|-----|----------------------------------------|
| 25. | Decale Jewel Stone Hotel | 65. | Clarence House Nairobi |
| 26. | Decasa Hotel Nairobi | 66. | Hotel Central Park & Conference Center |
| 27. | Sirona Hotel | 67. | Samra Hotel |
| 28. | Maple Inn Hotel | 68. | Waridi Paradise Hotel & Suites |
| 29. | Silver Springs Hotel | 69. | Oakwood Hotel |
| 30. | The Monarch Hotel | 70. | Hennessis Hotel |
| 31. | Batians Apartment Hotel | 71. | Hotel Boulevard |
| 32. | Dreamplace Hotel | 72. | Chester Hotel & Suites |
| 33. | Sheraton Regency Hotel Nairobi | 73. | 67 Airport Hotel |
| 34. | Sportsview Hotel Kasarani | 74. | Progressive Park Hotel |
| 35. | Saggys Suites Hotel & Spa | 75. | Sunrise Hotel |
| 36. | Hemingways Nairobi | 76. | Mash Park Hotel |
| 37. | Hillpark Hotel | 77. | Park Place Hotel Nairobi |
| 38. | Sunstar Hotel Nairobi | 78. | Nomad Palace Hotel |
| 39. | Melili Hotel | 79. | Red Ruby Hotel, Parklands |
| 40. | Saab Royale Hotel | 80. | Hotel Emerald |

 $Source: Tourism\ Regulatory\ Authority\ in\ Kenya\ (TRA, 2023)\ and\ TripAdvisor\ (2023)$