EFFECTS OF STRATEGIC MANAGEMENT DRIVERS ON THE PERFORMANCE OF HOTEL INDUSTRY IN KENYAN COAST

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ABSTRACT: *The purpose of this research was to examine the effect of strategic management drivers on the performance of hotels in Kenyan coast. The general objective of the study was to examine the role of strategic management drivers on the performance of   hotels in Kenyan Coast. The strategic management drivers selected for this study and which formed the specific objectives of the study were: to find out the effect of customer relationship management (CRM) strategy, strategic planning (SP), competitive positioning(CP), information communication technology(ICT) and organizational learning(OL) on the performance of the hotel industry in Kenyan Coast. The study adopted a mixed research approach which was both quantitative and qualitative using descriptive survey. The population of the study was 180 managers of classified hotels in Kenya's Coast. The sampling technique that was used was stratified random sampling. Data collection methods involved secondary and primary data. The instrument of   study was a self administered questionnaire which was used to collect data after it had been piloted for validity and reliability. The questionnaires were administered through drop and pick method. An observation checklist was also used to account for qualitative data Performance in the hotel industry was measured using both financial and non-financial measures. In this study 123 hotels were extensively surveyed to ascertain their level of use of strategic management drivers of hotels performance. The correlations between the five strategic drivers were evaluated by using various statics tools and instruments. The findings revealed that strategic management drivers had a positive influence on hotel performance. The overall results indicated that there was a highly significant linear relationship between CRM strategy and hotel performance and a moderately significant linear relationship between strategic planning (SP), strategic competitive positioning (SCP) and hotel performance and a moderately low significant relationship between Information communication technology (ICT), Organizational learning (OL) and hotel performance. The study recognized strategic management drivers as some of the tools that propel performance in the hotel industry. It recommended to hotels that they ought to embrace the adoption of   strategic management drivers. Hotels were also challenged to align their goals and objectives to the stated strategic management drivers of   performance in order to gain sustainable competitive advantage (SCA). This research will go a long way in assisting hotels in identifying and adopting strategic management drivers in order to enhance their performance. Enhanced performance through the adoption of   strategic management drivers will help hotels to create jobs, improve the economy as well as making Kenyan hotels more competitive in the global hotel industry.*

KEYWORDS: Hotel performance, Tourist Hotels, Strategic Management Drivers.

INTRODUCTION

Kenya has been experiencing turbulent times with regard to its organizational practices in the last two decades. This has resulted in generally low profits across the economy and this picture is fairly well replicated in the Hotel Industry (Namusonge *et. al.,* 2012). The decline in world tourism has grossly affected hotel sales and posed a threat to hotel operators because Kenyan hotels largely depend on the International Tourism Market (Oketch *et. al.,* 2010). Akama (2007) argued that in Kenya, there were declining incomes from agriculture and manufacturing sectors. As a result, Kenya has turned her attention to tourism as an intervention to the numerous economic problems. Kenya was considered all over the world as a great tourist nation but recently the hotel industry was hit hard by the recent post-election violence as well as terrorism attacks (Kuria *et. al.*, 2012). Many hotels were closed and this caused staff to be laid off. There were also a low bed occupancy capacity of 10-20% and the situation was headed for worse if something was not done (Nzuve and Nyaega, 2011). Similarly, Kenyan hotels have become more complex to manage because of   the demands of the dynamic business environment. Hotels were finding it difficult to meet the challenge of customer demands as well as complicated service technologies and production processes. Kamau (2008) stated that the tourism sector under which hotels is found in Kenya has been facing numerous challenges which have posed a threat to their existence. These challenges include competition, socio-cultural changes, technological changes and economic challenges. Hotels like other businesses are turning to strategic management performance drivers so that they can qualify for international recognition for standardization certificates, company of the year awards and star rating as well as membership to professional bodies (Ongore and Kobonyo, 2011).   The Kenya Institute of Management (KIM) developed a model called the Organizational Performance Index (OPI) which was a tool that drove organizations in Africa towards excellent performance and competitiveness. The performance of organizations was measured against global standards and benchmarks. The key parameters included systems thinking, competitiveness, standards and continuous improvement.

The OPI model rated participating organizations using a scale of 1-10 using both its internal and external processes. It used seven (7) global determinants which were leadership and management, human resource, customer focus and marketing, financial aspects, Innovation and technology, corporate social responsibility, environmental focus productivity and quality. Organizations are then assessed according to specific indicators to their particular industry (KLR, 2012). Hotels are therefore some of the organizations which must be assessed because they play a key role in the economy of Kenya. This therefore poses another challenge on hotels to improve their performance rating. Mukulu *et.al.,* (2012) noted that performance measurement was important for organization as a means of continuous improvement and also as a means of determining whether or not an organization was achieving its objectives. The traditional management approaches and models were no longer adequate to award a hotel a sustainable competitive advantage (SCA) and technology becomes obsolete every so often (Kingi *et. al.,* 2013). This has posed a new challenge to managers in the hotel sector to review the drivers of performance in their industry. This study therefore wished to bridge the knowledge gap in the area of strategic management by re-examining the strategic management drivers of   performance in the hotel sector in Kenyan coast. This is because the

research hypothesized that strategic management performance drivers could be the answer to the current hotel dilemma.

LITERATURE REVIEW

Conceptual framework

In this study, the independent variables which were the conceptualized management drivers of hotel performance included customer relationship management strategy (CRMS), strategic planning (SP), strategic competitive positioning(SCP), information communication technology(ICT) and organizational learning(OL). The dependent variable was hotel performance (HP).

Independent Variables   **Dependent Variable**

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┌─────────────────────────────┐
│ Customer Relationship       │
│ Management Strategy         │
├─────────────────────────────┤
│ Strategic   Planning        │                    ┌──────────────┐
├─────────────────────────────┤                    │ Hotel        │
│ Strategic   Competitive     │──work──────────────▶│ Performance  │
│ Positioning                 │                    └──────────────┘
├─────────────────────────────┤
│ Information Communication   │
│ Technology                  │
│                             │
├─────────────────────────────┤
│ Organizational Learning     │
└─────────────────────────────┘
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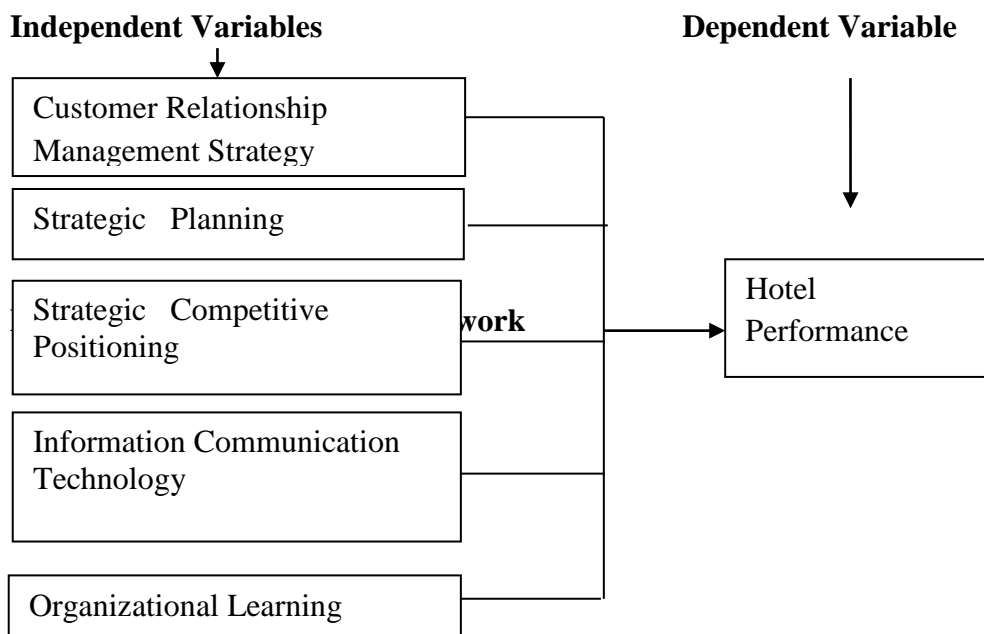

Customer Relationship Management (CRM) Strategy and Hotel Performance

Customer Relationship Management (CRM) is one of the strategic management concepts which have changed the way businesses are carried out. Cooperative rather than competitive approaches to businesses are now commonly embraced (Langerak and Verhoef, 2003). Christian (2007) highlighted a positive relationship between customer relationship management and organizational performance. This is because CRM is a comprehensive strategy for acquiring, retaining and partnering with selected customers to improve quality for the company and the customer (Sigala, 2005). Jain *et. al*., (2007) asserted that when CRM is implemented in organizations it develops a series of functions, skills, processes and technologies that help organizations to achieve long-term customer loyalty thereby improving on their performance.

Coltman (2007) contented that CRM is a core process in enhancing competitiveness and performance. They further assert that CRM policies in the hotel sector must concentrate on customer satisfaction, customer retention and customer quality. Teng *et. al.,* (2007) also suggested that CRM improves performance through its various processes because it enables companies to evaluate their efficiency in serving customers. Hotels therefore have a duty to identify customer needs in order to plan how to satisfy them (Zander and Zander, 2005). Customer relationships are one of the most expensive assets a hotel can have because satisfied customers are more likely to return to the hotels and also to recommend others (Jones *et. al.,* 2007).   Uzel (2012) stated there was intense competition in today's hotels which requires managers to adopt strategic drivers of   performance in order to improve hotel services. Chen and Popovich (2003) stated that hotels that maintain long run performance are the ones that are able to build customer loyalty and retention.   Zablah *et.al.,* (2004) established that CRM brings benefits in terms of improved performance. This results from acquiring new customers as well as sustaining customers for competitive advantage. CRM also improves performance through reduction of the costs incurred in acquiring customers and also the profitability that results from customer loyalty (Piccoli *et.al.,* 2003). CRM strategy is a customer centered rather than product centered interaction with customers which adds value to the services offered in hotels to enhance the desired results. Minal and Kasim (2009) stated that CRM improves hotels performance through engaging customers in long term relationships in order to improve profits in the hotel industry.   Customer Relationship Management Strategy if applied will attract new customers in the hotel industry which was facing a lot of competition and required that they differentiate their customers (Piccoli *et.al.,* 2003).   Hotels like other organizations needed to assess users satisfaction levels towards their service so that they could use the feedback to make positive adjustments to their products and services. Iravo *et. al.,* (2013) stated that dissatisfied customers were disloyal to the organization and talked about their bad experience to other customers. In this study CRM was viewed as a customer strategy for retaining customer loyalty and improving hotels performance.

 Strategic planning and hotel performance
The history of strategic planning dated back to long-range planning (Cappelli, 2005). Strategic planning was therefore a proactive alternative to long-range planning which was found to be obsolete because it was not increasing firm's true value. Strategic Planning is a core task of senior management which involves fourteen (14) processes (Armstrong, 2010). These processes are designing objectives, planning strategy, establishing goals, developing company philosophy, policies, procedures, organization structures, establishing personnel and facilities, capital, establishing standards, programs and operational plans and institutionalization, evaluation and control. Pearce and Robinson (2008) viewed Strategic Planning as an organizational process that is vision driven and that aims at developing the future value of an organization. Dan (2009) stated that Strategic Planning process involves the implementation of strategy in an organization which should be managed through a sequence of steps. These steps include setting of objectives, analysis of environmental trends & capabilities, evaluation of the available options and planning, implementation, operationalization and institutionalization of strategy.

Barney and Hesterly (2006) were of the view that the process of strategic planning was designed well such that it met the specific needs of the organization. The strategic management planning process involved the mission and vision of the organization, environmental analysis, selection of objectives and analyzing strategic choices (Porter, 2004). There were no any best way of conducting the process of strategic planning in an organization and therefore strategies should be formulated explicitly and implicitly (Johnson and Scholes, 2003). Hotels have acknowledged the importance of strategic planning just like other organizations. This is because strategic planning helps organizations to clearly identify and prioritize their objectives, and targets. Strategic planning however has to be done under a conducive strategic planning environment which has the appropriate structures for proper coordination and cooperation (Dobini, 2003). Manager's perception was also very important to the strategic planning process because they are the initiators as well as the implementers of the plans (Balogun, 2003). The concept of strategic planning has been widely adopted by hotels but its dimensions, roles and impact to the performance of the overall hotel management was still disputable. Creating a winning strategy is not a one-time event because a good strategy today might not be successful tomorrow. Changes in the business environment are leading to new and greater demands on strategic planning systems. Jehad and Adel (2013) asserted that there were several planning systems used by hotels in order to manage change and these systems have evolved in order to cope with the continuously changing environment. Strategic plans can help hotels communicate their goals, strategies and operational tasks to internal and external stakeholders (Galbreath, 2010). Higher planning formality is beneficial for firms that operate in highly competitive environments like hotels and this may assist them to meet competitive threats more systematically (Law and Jogaratnam, 2005). A hotel could adopt strategies in both the internal and external environment. The internal environment included the physical and social factors within the boundaries of the hotels or specific decision units that are taken directly into consideration in the decision-making behaviour of individuals in those systems (Richard *et. al.,* 2009). Internal environment also can refer to the amount of attention devoted to a hotel's recent history and current situation, its past performance and an analysis of its strengths and weaknesses. On the other hand, external orientation involves the ability to obtain reliable research information in order to learn about external environmental opportunities and threats (Dincer *et.al.,* 2006). These opportunities and threats refer to those relevant factors outside the boundaries of the hotel or specific decision units that are taken directly into consideration (Pinea and Phillips, 2005). Johnson and Scholes (2003) stated that for a formal planning process to assist in strategy development, it must include mechanisms to embrace proper customer services, efficiency of operating processes, alternating and retaining high quality employees, and analysis of financial strengths and weaknesses. The external orientation will create analysis of investment opportunities, analysis of competition and reforming market research.

Wheelen and Hunger (2008) concluded that strategic planning attempts to look ahead to where a firm wants to be in future together with the budget to get there. In the recent times, the hotel industry has identified the importance of strategic planning by defining the mission of their businesses so that they are better able to give themselves a direction to focus their activities. Strategic planning helps managers to identify a clear-cut concept of their hotels and as a result of this make it possible to formulate plans and activities that will bring them

close to their goals (Pearce and Robinson, 2008). Kenyan hotel managers operate in a world that is ever changing and nothing is static whether in technology, politics or society. They therefore have no choice but to come up with strategic planning as a tool for the future prospects of their hotels.

Strategic Competitive Positioning and hotel performance
Competitive advantage (CA) has been defined differently by different authors but all of them agree that it related to strategy formulation and implementation in organizations (Porter, 2009). Hotels that desire to perform must select strategies that gave them a competitive advantage over their competitors based on their core competencies (Porter, 2004). Organizations can do strategic analysis to achieve competitive advantage using tools such as Strengths Weaknesses Opportunities Threats (SWOT) Analysis, Porter's five forces Model and the RBT of the firm (Harrison, 2003). Strengths, Weaknesses, Opportunities, and Threats analysis aims at matching an organizations internal strengths and weaknesses with its external opportunities and threats. Porters Five Forces Model determines the firms' abilities to position and compete in the industry. Mibei (2007) also proposed three generic strategies which could help organizations to cope with competitive forces and these include focus, cost leadership and differentiations. Previous RBT research has provided evidence that the analysis of a firm's internal resources helps firms to realize their competencies and capabilities which are inimitable by their competitors (Wang and Ahmed, 2007).

Lo (2012) stated that firm's resources include assets, capabilities, organizational processes and knowledge that help firms to implement strategies that improve performance. Other researchers refer to these resources as core competencies and capabilities that could generate competitive advantage (Barney and Peteref, 2003). A few hospitality researchers have stated core competencies of hospitality organizations to be processes, skills and assets that influence organizations to achieve competitive advantage (Barney, 2001b). Sources that have also been mentioned to contribute to core competencies are location, brand, facilities, employee, customer loyalties, market coverage, market share, service quality, technology, leadership, systems and procedures and organizational culture (Peteraf and Bergen, 2003). Hotels are dynamic organizations which are affected by diverse variables hence the application of Competitive advantage will help them to sustain exemplary performance. Richard and Marilyn (2006) argued that the essence of business strategy formulation is coping with competition. Moullin (2007) also suggested that business strategy was all about competitiveness because the main purpose of strategy adoption was to enable a hotel gain a sustainable edge over its competitors. Tavitiyaman *et. al.,* (2011) stated that hotel's strategies consists of competitive moves and business approaches that managers employ to attract and please customers, compete successfully, grow the business, conduct operations and achieve targeted objectives. A hotel achieves sustainable competitive advantage when an attractive number of customers prefer its services over the offerings of competitors and when the basis of this preference is durable (Sabah *et. al.,* 2012). Businesses will only result in superior performance when the appropriate strategic management drivers of performance are adopted. The management of these key success factors results in superior value. Hotels can take advantage of their overall products and services to come up with services which are superior to their competitors. Lo (2012) observed that porters' generic strategy can create competitive advantage for a firm through the adoption of differentiation and cost-leadership.

These strategies give a firm a better chance of outperforming other firms in a homogeneous industry. Porter (2004) described porter's five forces as the threat of new entrants, threat of substitutes, bargaining power of suppliers and buyers and the intensity of rivalry. Firms in a particular industry need to adopt these five drivers in order to improve their performance. Porter (2009) stated that for a firm to achieve high performance it has to achieve one of the basic competitive advantages which are lower cost and differentiation. He further suggests that a firm which does not adopt any one of these strategies is geared towards failure. Differentiation can take different forms such as various marketing strategies, better product image, better market awareness, low prices, higher product quality and better customer service or availability of goods (Lo, 2012). Strategic management scholars have been asking key questions regarding why firms perform better than others (Peng, 2002). These scholars claimed that a firm superior's performance was influenced by many factors (Davidson, 2005). Differentiation helped firms to build customer loyalty through offering unique products or services (Allen and Helms, 2006).

Firms that adopted differentiation could charge higher prices based on their costs, channels of distribution and quality (Akan *et. al.,* 2006). Differentiation strategies could be classified into market and product strategies. In product-innovation, firms outperformed their competitors by increased creativity, quality, efficiency and innovations among others. Lo (2012) states that there are few examples of differentiation in hotel industry such as designer hotels and Boutique hotels. Marketing differentiation involves the use of marketing practices for hotels to differentiate themselves which include market segmentation, branding, promotions, pricing and advertising (Akan *et. al.,* 2006). A hotel could gain competitive advantage by adopting a low cost strategy such as mass production, technology adoption, achieving economies of scale and access to raw materials (Campbell-Hunt, 2000). A cost-leadership strategy can improve the performance of hotels by giving them distinctive competencies in the management of materials and also in the production process.

Information Communication Technology (ICT) and hotel performance
Sirawit *et. al.,* (2011) observed that the use of ICT is an integral part of hotels because it increases hotel performance in various ways. Firstly, the use of ICT improves managerial activities and leads to better organizational performance. ICT has therefore been recognized as one of the drivers of hotel performance because hotels globally have to use ICT for all their processes (Ham *et. al*., 2005). ICT has been widely used in hospitality industry to eliminate the gap between purchase and service experience (Law and Jogaratnam, 2005). This is because hospitality is a service which may not be experienced in advance because decisions are made away from guest experiences. Innovation entails addition of new technical knowledge to production of goods and services.

Technological innovation includes the development of new business methods to achieve desired objectives. ICT led to high organizational performance which was characterized by high financial income, continuous sustainable innovations, satisfied customers and a motivated human resource (Epstein, 2004). Sabri *et. al.,* (2004) in his study established a positive relationship between ICT and the performance of firms. ICT positively influences employee performance because it is the human capital that spearheads innovations. All types of ICT were totally dependent on the human resource of the organization that designed, run

and reviewed the programs (Zaheer *et. al.,* 2011). Wong *et. al.,* (2007) confirmed a positive relationship between innovation and organizational performance and therefore when an organization achieves competence in making a certain product; it can add value to the product by investing in the latest and modern technology. The Resource Based Theory of the firm explains the role of ICT and performance by assuming that distinctive competencies are relatively stable overtime and are heterogeneously shared across firms (Denson, 2008). ICT has been cited as one of the valuable resources and sources of competitive advantage which influence organizational performance. Information Communication Technology involves the introduction of modern ideas within an organization which is one of the driving forces of performance in hotels (GoK, 2007). Cagna (2007) proposed ICT as one of the ways for the survival of organizations today. Shimpton *et. al.,* (2006) stated that ICT can be sustained by involving human resources to manage, create, transfer and implement knowledge.

The adoption of ICT has been widely supported by literature in the hotel industry which identifies it as a strategic driver to organizational performance (Sharma and Upneja, 2005). Law and Jogaratnam (2005) supported the use of IT for operational purposes by stating that firm and location related factors are among the key issues that influence adoption of ICT in hotels. Lau *et. al.,* (2005) highlighted that the use of ICT in hotels was becoming a complicated affair because little attention had been given to the integration of ICT to key strategic management drivers (Segnupta *et. al.,* 2006). Barkhi and Daghfous (2009) stated that competition among hotels is a major catalyst for the need for innovation in technology because of the dynamic nature of today's organizations. Hotels just like other organizations have been forced to look for new sources of competitive advantage one of which was ICT (Raisinghani, 2005). Barkhi and Daghfous (2004) highlighted the readiness of hotels to adopt ICT and best practices and stated that current ICT infrastructure in hotels was enough to support adoption of best practices and improve the hotels performance.

Organizational learning and hotel performance

Njuguna (2009) stated that organizational learning is a fundamental source of competitive advantage in organizations. He further stated that it helps firms to obtain sustainable competitive advantage through the development of its unique learning knowledge resources and capabilities. Hotels like many other businesses are facing a lot of competitive challenges arising from the dynamism and complexity of the business environment (DeNisi *et. al.,* 2003). This state of affairs has propelled academicians and hotel practitioners to study distinctive firm competencies that add value to the final consumer. Hotels just like other organizations have to encourage their employees to continually learn new skills and to be innovative in order to achieve their strategic alternatives (GoK, 2003). Winter (2003) proposed four stages of organizational learning which were knowledge acquisition, distribution, application and translation into organizational resources such as procedures, systems and databases which can be used for leveraging the firm. DeNisi (2003) highlighted that when a firm obtains individual level resources such as knowledge or human capital it has to leverage these resources to organizational capital so that the whole organization can benefit. Intellectual capital is therefore a key determinant of value creation for organizations. Intellectual capital can be divided into organizational capital, social capital and human capital. Armstrong (2010) highlighted that through organizational learning a firm can develop unique intellectual capital that other firms cannot imitate.Organizational learning

helps people in the organization to question themselves about organizational systems and challenges and endeavor to seek for solutions (Murray and Donegan, 2003).

Hotel Performance.
Performance is a complex and dynamic concept which has been conceptualized in two ways namely the drivers of performance and the results of performance (Neely 2005). Organizational performance is concerned with the overall productivity in an organization in terms of stock turnover, customers, profitability and market share. Competition in the global economy has intensified the importance of identifying the drivers of sustainable performance. The search for such drivers is no longer restricted to tangible factors but has expanded to include intangibles. Performance may be measured by both quantitative and qualitative methods. Ittner and Larcker (2003) stated that non-financial measures are better performance indicators in the service industry than financial measures. This is because non-financial measures are better measures of value and motivation which complement short-run financial figures as indicators of long-term goals.

Performance is regarded as an output which is aligned to objectives or simply profitability and is explained in terms of expected behavioural output and also results. Odhuon *et. al.,* (2010) asserted that the only worthy performance measure is financial performance because of its value to shareholders, executives and the market. This measure is an indicator of organizational success and sustainability because it is the reason for the existence of firms. The financial success of an organization is a measure of a firm's performance because it depicts the ability of an organization to operate above all its costs. Ittner and Larcker (2003) claimed that a firm's performance should not be measured by financial performance but also operational and market indicators. Financial Performance for this research was measured using profitability and growth in sales while non-financial indicators will be service quality and customer satisfaction. Non-financial measures have been deemed to be more effective in motivating managerial performance because they are more reflective of the overall corporate strategy (Banker *et. al.* 2005). The hotel industry is a service sector with inseparable products which demand for different methods of measurement (Bowie and Buttle, 2004). This means that a hotel is obliged to not only deliver services and products but also to increase customer satisfaction by providing quality and hence improvement of profits (Ramsaran-Powdar, 2007). Previous studies on hotel industry have indicated that customer satisfaction influences hotels competitive advantage and performance (Barsky and Nash, 2003).

RESEARCH METHODOLOGY

Research Design
The study adopted a mixed research design which included qualitative and quantitative research to establish the associations among the key study variables, to verify results and enable greater accuracy in measurement. Qualitative data was collected by use of direct observation and face to face interviews to get the opinions, perceptions and experiences of the managers in the hospitality industry. The advantage of using both designs is that they complemented each other and there is also a possibility of getting more valid results through

an address of the inefficiencies of either design (Ramchander, 2004).   A cross-sectional survey design was the specific design that was used. This design has been used by several authors in their research on the hospitality industry in Kenya (Fwaya *et. al.,* 2012; Wadongo *et. al.,* 2010; Odhuno *et. al.*, 2010; Kingi, 2013).   The advantage of this design over others was that data was collected less expensively and within a short time. The characteristics of variables did not change much in the short period of data collection. The purpose of the cross-sectional design was to establish relationships between drivers and the results of performance for hotels in Kenyan Coast.

Sampling technique and sample size
Stratified sampling was used to select the hotels for each category for the study, that is, 1 to 5 star hotels. The hotels were obtained from the classification list. The classified hotels were selected for the study because they have clear and consistent organizational structures which implied that the results could be generalized without a lot of errors.   Kothari (2012) noted that stratified sampling was used when a population from which a sample was drawn did not constitute a homogeneous group.   This was the case with the categorization of hotels into different stars. The method also involved dividing the population into a series of relevant strata which implied that the sample was likely to be more representative (Saunders *et. al.,* 2009).

 Sample Size
To compile the hotel sample size, 123 hotels were selected out of a total population of 180 using Saunders formula for sample size determination. The hotels in each stratum which were selected for the sample of   study were obtained using Neymans (1934) formula.

Data analysis and presentation
Cooper and Schindler (2003) highlighted data analysis as inspection, cleaning, transforming and modelling data in order to highlight useful information to draw conclusions and to support decision making. The questionnaires were edited for completeness and consistency to ensure that respondents completed them as required. The collected data was tested for normality using Kolmogorrov-Smirrov (KJ) one sample test and Kurtosis.   Kurtosis measured the flatness or peakness of data with a peaked distribution being positive and a flat one being negative. A normal distribution should have a kurtosis of 0.   The collected data was coded and entered into SPSS to create a data sheet that was used for analysis. The variables that were measured were defined and labelled. The responses were coded with numbers including the open ended questions. After data was collected it was screened and cleaned to find out whether there were errors that could be corrected. Data was analyzed using quantitative and qualitative techniques. Descriptive statistics were used to describe the characteristics of collected data. Pearson's Correlation, Analysis of   variance (ANOVA) and Multiple Regression Analysis using Logit model were used to establish the relationships among the study variables.   The entire hypothesis was tested at 95% confidence level. Responses were assigned numerical values which were consistent with numerical codes.

Quantitative Analysis
The data analysis processes for quantitative items was done using the statistical package for social sciences (SPSS) version 20.   Qualitative data was measured through correlation

coefficient to establish initial relationships between variables. Karl Pearson's Zero Order coefficient of   correlation test was used to compare observed data with the data the researcher had hypothesized (Kothari, 2012). The model used for this analysis was multiple regression analysis which was as follows:

$Y = \beta_o + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 a + \beta_4 X_4 + \beta_5 X_5 + \varepsilon$

Where:-

Y	=	Dependent variable (Hotel performance)
X_1	=	Independent variable #1(Customer relationship management strategy)
X_2	=	Independent variable #2(Strategic planning)
X_3	=	Independent variable #3(Strategic competitive positioning)
X_4	=	Independent variable #4(ICT)
X_5	=	Independent variable #5(Organizational Learning)
$\beta_1 - \beta_5$	=	Regression coefficient for each Independent variable
ε	=	Random or Stochastic Term.

Hypothesis was tested at 95% confidence level ($\alpha = 0.05$). A two tailed test was carried out.

DATA ANALYSIS AND DISCUSSION

Test of the hypotheses

The study was based on the premise that strategic management drivers (independent variable) influence hotel performance (dependent variable).   As a result of this, five null hypotheses were constructed to guide the study as highlighted in the conceptual framework. In order to establish the statistical significance of the respective hypothesis, simple regression analysis was used to statistically test the hypotheses as presented in the discussions below. The hypothesis was tested at 95 percent confidence level ($\alpha = 0.05$).

Effect of Customer relationship management on Organizational performance

In order to assess the influence of Customer relationship management on Organizational performance, the study had set the following null hypothesis; H_{01}There is no relationship between Customer relationship management strategy   and the performance of hotels in Kenyan Coast. The aggregate mean score of CRM measures (Independent variable) were regressed on the aggregate mean score of the organizational performance measures (dependent variable) and the relevant results presented in table 4.

Table 4   Regression Results of CRM against Organizational Performance

Goodness of fit analysis

N	R	R Square	Adjusted R Square	Std. Error of the Estimate
98	0.452	0.348	0.527	0.328

Predictors: (Constant) Aggregate mean score of Customer Relationship Management

Overall significance: ANOVA (F-test)

	Sum of Squares	Degree of Freedom	Mean Square	F	Significance(p-value)

Regression	2.208	4	2.208	34.018	0.000
Residual	1.430	94	0.134		
Total	3.638	98			

Predictors: (Constant), Aggregate mean score of Customer Relations Management
Dependent Variable: Aggregate mean score of Organizational Performance

Individual significance (T-test)

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta (β)	T	Significance(p-value)
(Constant)	1.347	2.087		3.412	0.040
Means of CRM	0.652	0.184	0.734	2.089	0.000

Dependent Variable: Aggregate mean score of Organizational Performance
Lever of significance, $\alpha = 0.05$

Source: Research Data

From the Table 4, the regression results reveal statistically significant positive linear relationship between customer relations management and organizational performance (β= .652, p-value = 0.000). The hypothesis criteria was that the null hypothesis H_0 should be rejected if $\beta \neq 0$ and p-value $\leq \alpha$ otherwise fail to reject H_0 if the p-value $> \alpha$. From the above regression results, p-value = $0.000 \leq \alpha$, the study therefore rejects the null hypothesis since $\beta \neq 0$ and p-value $< \alpha$ and conclude that customer relationship management significantly affected organizational performance. The regression results also shows that CRM had moderate explanatory power on organizational performance in that it accounted for 34.8 percent of its variability (R square = 0.348). Arising from the results in Table 4.6, the following simple regression equation that may be used to estimate organizational performance of hotels in Kenyan coast given level of customer relationship management can be stated as follows;
OP =1.347+ 0.652CRM+ ε
Where:
1.347= y-intercept constant,
OP= is the Organizational Performance
0.652 = an estimate of the expected increase in hotel performance corresponding to an increase in customer relations management).
CRM = Customer Relations Management
ε =   the error term- random variation due to other unmeasured factors.

Effect of strategic planning on the performance of hotels in Kenyan Coast.
In order to assess the influence of strategic planning on organizational performance, the study had formulated the following null hypothesis;
H_{02} There is no relationship between strategic planning and the performance of hotels in Kenyan Coast.
The aggregate mean score of strategic planning measures (Independent variable) were regressed on the aggregate mean score of the organizational performance measures (dependent variable) and the relevant research findings are presented in Table.4.2. From the Table 4.2, the regression results reveal statistically significant positive linear relationship

between strategic planning and organizational performance ($\beta = 0.542$, p-value = 0.028). The hypothesis criteria was that the null hypothesis H_0 should be rejected if $\beta \neq 0$ and p-value $\leq \alpha$ otherwise fail to reject H_0 if the p-value $> \alpha$. From the above regression results, $\beta \neq 0$ and p-value $< \alpha$, the study therefore rejects the null hypothesis. The regression results also shows that strategic planning had moderate explanatory power on organizational performance in that it accounted for 36.4 percent of its variability (R square = 0.364).

Table 4.2   Regresion results of Strategic Planning against Performance
   Goodness Fit Analysis

N	R	R squared	Adjusted R^2	Estimate std error
98	0.340	0.364	0.104	0.736

Predictor Variable: Aggregate Mean   Score of Strategic Planning

Overall significance, ANOVA (F-test)

	Sum of Squares	Degree of Freedom	Mean Square	F	Sign. p-value
Regression	1.248	1	0.408	1.0716	0.028
Residual	2.086	97	0.342		
Total	3.334	98			

Predictors: (Constant): Aggregate Mean Score of Strategic Planning
Dependant Variable: Aggregate Mean Score of Organizational Performance

Individual significance (T-test)

	Unstandardized Coefficients		Standardized Coefficients		Sign. p-value
	B	Std. Error	Beta (β)	T	
(Constant)	2.681	1.01		1.098	1.688
Strategic Planning	0.542	0.451	0.464	0.08	0.028

Dependant Variable: Aggregate Mean Score of Organizational Performance
Lever of significance, $\alpha = 0.05$

Source: Research data, 2013
Arising from the results in Table 4.3, the following simple regression equation   that may be used to estimate organizational performance of hotels in Kenyan coast given level of customer relationship management can be stated as follows;
OP =2.681+ 0.542SP+ ε
Where:

2.681 is the y-intercept; constant,
OP is the Organizational performance
0.542= an estimate of the expected increase in organizational performance corresponding to an increase in use of strategic planning).
SP is strategic planning
ε is the error term- random variation due to other unmeasured factors.

Effect of Strategic Competitive Positioning on Organizational Performance
To assess the effect of strategic competitive positioning on organizational performance of hotels in Kenyan Coast, the study had set the following null hypothesis:

H_{03} **There is no relationship between strategic competitive positioning and the performance of hotels in Kenyan Coast.**

The aggregate mean score of strategic competitive positioning measures (Independent variable) were regressed on the aggregate mean score of the organizational performance measures (dependent variable) and the relevant research findings are presented in Table.4.3. From the Table 4.3, the regression results reveal statistically significant positive linear relationship between strategic competitive positioning and organizational performance ($\beta = 0.492$, p-value = 0.008). The hypothesis criteria was that the null hypothesis H_0 should be rejected if $\beta \neq 0$ and p-value $\leq \alpha$ otherwise fail to reject H_0 if the p-value $> \alpha$. From the above regression results, $\beta \neq 0$ and p-value $< \alpha$, the study therefore rejects the null hypothesis. The regression results also shows that strategic competitive positioning had explanatory power on organizational performance in that it accounted for 49.2 percent of its variability (R square = 0.492).

Table 4.3 Results of Regression of strategic competitive positioning against organizational Performance
Source: Research data

The regression results in table 4.3 shows that on overall significance, there is a slightly statistical positive linear relationship between strategic competitive positioning and hotel performance ($\beta = 0.267$) and the relationship is statistically significant because the p-value is less than the set value of α (p – value = 0.008). The hypothesis test criterion was that the null hypothesis which is H_0 should be rejected if $\beta \neq 0$ and p-value $< \alpha$ otherwise fail to reject if $\beta = 0$ and p-value $> \alpha$. From the regression results, $\beta = 0.267$ and p – value = 0.008, the study therefore rejects the null hypothesis and concludes that there is significant effect of strategic competitive positioning on organizational performance. The regression results also show that 18.8 percent of hotel performance can be explained by strategic competitive positioning (R square = 0.188). Arising from the research results in Table 4.8, a simple regression equation that may be used to estimate hotel performance in Kenyan coast given their existing strategic competitive positioning can be stated as follows;.

OP = 1.830+ 0.267SCP + ε
Where:
OP is the Organizational Performance
1.830 is the constant intercept of the term ($\alpha = 1.830$), or the slope coefficient,
0.492 is the beta or the slope coefficient, (estimates of the expected increase in organizational performance corresponding to an increase in use of strategic competitive positioning).
SCP is Strategic Competitive Positioning

ε is the error term- random variation due to other unmeasured factors.

Effect of ICT on performance of hotels in Kenyan coast
To assess the effect of ICT on the organizational performance of hotels in the Kenyan coast, the study formulated the following null hypothesis;
H_{04} There is no relationship between adoption of ICT and the performance of hotels in Kenyan Coast.

The aggregate mean score of ICT (Independent variable) were regressed on the aggregate mean score of the organizational performance measures (dependent variable) and the relevant research findings are presented in Table.4.4 .From the Table 4.4, the regression results reveal statistically significant positive linear relationship between ITC and organizational performance ($\beta = 0.442$, p-value $= 0.004$). The hypothesis criteria was that the null hypothesis H_0 should be rejected if $\beta \neq 0$ and p-value $\leq \alpha$ otherwise fail to reject H_0 if the p-value $> \alpha$. From the above regression results, $\beta \neq 0$ and p-value $< \alpha$, the study therefore rejects the null hypothesis. The regression results also shows that strategic competitive positioning had explanatory power on organizational performance in that it accounted for 44.2 percent of its variability (R square $= 0.442$).

Table 4.4 Regresion results of ICT against hotel performance

Goodness of fit analysis

N	R	R Square	Adjusted R Square	Std. Error of the Estimate
98	0.291	0.188	0.143	0.572

Dependent Variable: Aggregate Mean Score of Strategic Competitive Positioning

Overall significance ANOVA (F-test)

	Sum of Squares	Degree of Freedom	Mean Square	F	Significance. (P-value)
Regression	1.362	1	0.636	1.621	0.008
Residual	5.351	97	0.334		
Total	6.713	98			

Predictors: (Constant): Strategic Competitive Positioning
Dependent Variable: Aggregate mean score of Performance
Individual significance (T-test)

	Unstandardized Coefficients		Standardized Coefficients	T	Significance (P-value).
	B	Std. Error	Beta		
(Constant)	1.830	0.549		2.334	0.003
Strategic Competitive Positioning	0.492	0.212	0.367	1.379	0.008

Dependent Variable: Aggregate mean score of Performance
Lever of significance, $\alpha = 0.05$

	Unstandardized Coefficients		Standardized Coefficients		Sign. p-value
	B	Std. Error	Beta (β)	T	
(Constant)	2.681	1.01		1.098	1.688
ICT	0.442	0.451	0.464	0.08	0.004

Goodness Fit Analysis

N	R	R squared	Adjusted R^2	Estimate std error
98	0.383	0.264	0.104	0.736

Predictors: (Constant): Aggregate Mean Score of ICT.

Overall significance, ANOVA (F-test)
Predictors: (Constant): Aggregate Mean Score of ICT.
Dependent Variable: Aggregate mean score of Performance
Individual significance (T-test)
Dependent Variable: Aggregate mean score of Performance Lever of significance, α = 0.05

Source: Research data
From the Table 4.4, the regression results reveal that ICT had overall significant positive relationship with the performance of the hotels (β = 0.442, p-value = 0.004). Hence the study therefore rejects the null hypothesis since β ≠ 0 and p-value ≤ α and concludes that ICT affected performance of hotels in Kenyan coast. The regression results also shows that 46.4 percent of the hotel performance can be explained by ICT (R square = 0.442). Arising from the research results in Table 4.4, a simple regression equation that may be used to estimate hotels performance in Kenyan coast given its existing ICT level can be stated as follows;
OP = 2.681+ 0.442ICT+ ε
Where:
2.681 = y-intercept constant,
OP = Organizational Performance
0.442= an estimate of the expected increase in organizational performance corresponding to an increase in use of ICT.
ICT is Information Communication Technology
ε is the error term- random variation due to other unmeasured factors.

Effect of Organizational learning on performance of hotels in Kenyan coast

To assess the effect of organizational learning on the organizational performance of hotels in the Kenyan coast, the study formulated the following null hypothesis;

H_{05} There is no effect of organizational learning on the performance of hotels in Kenyan Coast.

The aggregate mean score of organizational learning measures (Independent variable) were regressed on the aggregate mean score of the organizational performance measures (dependent variable) and the relevant research findings are presented in Table.4.5. From the Table 4.5, the regression results reveal statistically significant positive linear relationship between strategic organizational learning and organizational performance (β = 0.342, p-value = 0.014). The hypothesis criteria was that the null hypothesis H_0 should be rejected if $\beta \neq 0$ and p-value $\leq \alpha$ otherwise fail to reject H_0 if the p-value > α. From the above regression results, $\beta \neq 0$ and p-value < α, the study therefore rejects the null hypothesis. The regression results also shows that organizational learning had moderate explanatory power on organizational performance in that it accounted for 34.2 percent of its variability (R square = 0.342).

Table 4.5   Regresion results of Organizational learning against Performance
           Goodness Fit Analysis

N	R	R- squared	Adjusted R^2	Estimate std error
98	0.243	0.342	0.104	0.736

Predictors: (Constant): Aggregate mean score of Organizational Learning

	Sum of Squares	Degree of Freedom	Mean Square	F	Sign. p-value
Regression	0.248	1	0.408	1.0716	0.014
Residual	1.086	97	0.342		
Total	1.334	98			

Overall significance, ANOVA (F-test)
   Predictors: (Constant): Aggregate mean score of Organizational learning
   Dependent Variable: Aggregate mean score of Performance

Individual significance (T-test)

	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	Beta (β)		T	Sign. p-value
(Constant)	2.681	1.01			1.098	1.688

Vertical diversification	0.342	0.451	0.464	0.08	0.014

Dependent Variable: Aggregate mean score of Performance Lever of significance, α = 0.05
Source: Research data, 2014

From the Table 4.5, the regression results reveal that organizational learning had overall statistically significant positive linear relationship with the performance of the hotels (β = 0.342, p-value = 0.014).   Hence the study therefore rejects the null hypothesis since β ≠ 0 and p-value < α and concludes that organizational learning affected performance of hotels in Kenyan coast.   The regression results also shows that 26.4 percent of the hotel performance can be explained by organizational learning (R square = 0.264).   Arising from the research results in Table 4.5, a simple regression equation that may be used to estimate hotels performance in Kenyan coast given its existing organizational learning level can be stated as follows;

$$OP = 2.681 + 0.342 OL + \varepsilon$$

Where:

2.681 = y-intercept constant,

OP = Organizational Performance

0.342 = an estimate of the expected increase in hotel performance corresponding to an increase in use of customer relations management).

OL = Organizational learning

ε is the error term- random variation due to other unmeasured factors.

In order to determine the effect of strategic management drivers on the organizational performance of hotels in the Kenyan coast, the researcher conducted a multi-regression analysis and individual strategic management drivers measures were regressed against the aggregate mean score of organizational performance and the results are shown in Table 4.6 below.

Table 4.6: Regression Results of strategic Management Drivers against Performance Goodness of fit Analysis

N	R (Beta)	R Square	Adjusted R Square	Std. Error of the Estimate
98	0.641	0.511	0.316	0.040

Predictors: (Constant): Strategic Management Drivers

Overall significance ANOVA (F-test)

	Sum of Squares	Degrees of Freedom	Mean Square	F	Significance (p-value)
Regression	1.081	5	1.018	2.162	0.008
Residual	2.230	93	0.112		
Total	3.311	98			

Predictors: (Constant), Strategic management drivers.
Dependent Variable: Organizational performance.

Individual significance (T-test)

	Unstandardized Coefficients		Standardized Coefficients		Significance
	Beta	Std. Error	(r)	T	(p-value)
(Constant)	2.347	1.299		2.412	0.042
CRM	0.540	0.187	0.381	2.421	0.037
Strategic planning	0.365	0.779	0.266	2.289	0.028
Strategic competitive positioning	0.250	0.633	0.135	2.333	0.040
ICT	0.633	0.743	0.035	1.348	0.006
Organizational learning	0.474	0.434	0.430	2.357	0.009

Dependent Variable: Aggregate means of organizational performance.

Lever of significance, $\alpha = 0.05$

Source; Research data, 2014

From Table 4.6, the regression results reveal that strategic management drivers overall effect on performance was statistically significant (overall p-value = 0.008). At the individual level, all the strategic management drivers had positive and significant effect on organizational performance as follows, CRM had positively influenced performance ($\beta = 0.540$ and p-value = 0.037). Strategic planning also positively affected performance ($\beta = 0.365$, p-value = 0.028). Strategic competitive positioning had a positive effect on the performance ($\beta = 0.250$, p-value = 0.040). ICT on the other hand had also positive impact on performance ($\beta = 0.633$, p-value = 0.006) and organizational learning also positively impacted performance ($\beta = 0.474$, p-value = 0.009). In the table, the regression results shows that the regression of strategic management drivers measures against the mean of hotel performance measures had a beta term, $\beta_5 = 0.641$. The regression results shows that hotel performance largely depends on the strategic management drivers with 51.1 percent of hotel performance being explained by strategic management drivers (R squared = 0.511). Arising from the research results in Table 4.6, a simple regression equation that may be used to estimate performance of hotels in Kenyan coast given its existing strategic management drivers can be stated as follows:

OP = 2.347 + 0.641CRM + 0.641SP + 0.641SCP +0.641ICT +0.641OL + ε

Where:

OP = Organizational performance

2.347 = the y- intercept constant ($\alpha = 2.347$)

0.641 = an estimate of the expected increase in hotel performance corresponding to an increase in use of strategic management drivers.

CRM= Customer Relationship Management.

SP= Strategic Planning.

SCP= Strategic competitive positioning

ICT= Information communication technology

OL= Organizational learning

ε= the slandered error term random- variation due to other unmeasured factors.

Regression results in Table 4.6 show that a unit change in CRM results in 38.1 percent ($\beta=0.381$) change in organizational performance while a unit change in strategic planning

results in 26.6 percent (β=0.266) change in organizational performance .On the other hand, a unit change in strategic competitive positioning results in 13.5 percent (β=0.135) change in hotel performance and ICT if implemented well will affect hotel performance by 51.1 percent. The study results presented in this chapter have utilized a variety of descriptive and inferential statistics.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Summary and Key Findings
This study on the effect of strategic management drivers on organizational performance in Kenyan coast had five specific objectives which were later developed into null hypotheses and statistically tested using the Karl Pearson's zero order. The discussions in the following sections highlight the key findings of the study based on the hypotheses.

The first objective was to establish the effect of customer relationship management on organizational performance. The study found out that CRM significantly and positively affected organizational performance with 34.8 percent of the organizational performance (R squared = 0.348) being explained by CRM.

The second objective was to determine the effect of strategic planning on performance of hotels in Kenyan coast. The study found out that strategic planning significantly and positively affected firm organizational performance with 36.4 percent of the hotel performance (R squared = 0.364) being explained by strategic planning.

The third objective was to establish the effect of strategic competitive positioning (SCP) on organizational performance in Kenya coast. The study found out that strategic competitive positioning had significant and positive effect on organizational performance with 18.8 percent of the hotel performance (R squared = 0.188) being explained by strategic competitive positioning.

The fourth objective was to establish the effect of ICT on organizational performance in Kenyan coast. The study found out that ICT had significant and positive effect on organizational performance with 26.4 percent of the hotel performance (R squared = 0.264) being explained by ICT.

The fifth and final objective was to establish the effect of organizational learning(OL) on organizational performance in Kenyan coast. The study found out that organizational learning had a significant and positive effect on organizational performance with 34.2 percent of the hotel performance (R squared = 0.342) being explained by ICT.

Managerial and theoretical implications
The results of this research paper should be of interest to managers of hotels that implement strategic management drivers and to management consultants. The first implication of the study is that managers should strive to enhance their strategic management drivers as this not only improves their hotels' ability to create superior customer value but also generally enhances hotel performance. The study shows that strategic management drivers significantly enhance both the qualitative and quantitative aspects of hotel performance which were assessed through customer behavioural outcomes, market and financial outcomes respectively. Finally, this study makes a useful contribution to the advancement of academic knowledge on strategic management drivers from the context of sub-Saharan African setting and particularly on hotels in Kenya. The extant literature decries the lack of scholarly

contribution on strategic management drivers from Sub-Saharan Africa and on the hotel sector. The study should encourage more scholarly output on strategic management drivers and business strategy from Sub-Saharan Africa.

Conclusion

The study was based on the premise that strategic management drivers influence organizational performance. The study results supported this premise in that strategic management drivers (CRM, strategic planning, ICT, strategic competitive positioning and organizational learning) were found to significantly and positively affect organizational performance.

Recommendations

Based on the findings and conclusions of the study, the recommendations made were

That there is need for the hotels in Kenyan coast to employ strategic management drivers in their operations as this improves their level of performance. Strategic management drivers have been found by this study to have a great effect on improving organizational performance.

Limitations of the study and Suggestions for Further Research

Although the study found out those strategic management drivers improves hotel performance, the study did not come up with any optimum point at which the hotel should employ them. The study also did not come up with a way of combining the various forms of strategic management drivers' mix. It is on the above bases that this study recommends further studies to establish an optimum point or the strategic management drivers' index for the hotels.

Finally, the study relied on self reported data mainly from only one industry perspective alone and used a single industry setting. Further research could seek to address this limitation by use of multiple industries setting to conduct their studies and this would enhance the validity and generalization of the research findings. Although this study has mentioned some limitations, the findings are useful for managerial and theoretical considerations. The study will assist intellectuals and be a reference for future studies and practitioner undertakings on strategic management drivers and organizational performance

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