

**CRISIS MANAGEMENT APPROACHES AND BUSINESS RESILIENCE IN  
THREE TO FIVE-STAR HOTELS IN NAIROBI CITY COUNTY, KENYA**

**BY**

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**JUNE, 2025**

## DECLARATION

This thesis is my original work and has not been presented for the award of a degree in any other university.

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## **DEDICATION**

To my children, your belief in me gave this journey its purpose and strength. Your love and resilience have been my greatest inspiration.



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## TABLE OF CONTENTS

<b>DECLARATION.....</b>	<b>ii</b>
<b>DEDICATION.....</b>	<b>iii</b>
<b>ACKNOWLEDGEMENTS .....</b>	<b>v</b>
<b>LIST OF TABLES .....</b>	<b>x</b>
<b>LIST OF FIGURES .....</b>	<b>xii</b>
<b>ABBREVIATIONS AND ACRONYMS.....</b>	<b>xiii</b>
<b>OPERATIONAL DEFINITIONS OF TERMS .....</b>	<b>xiv</b>
<b>ABSTRACT.....</b>	<b>xvi</b>
<b>CHAPTER ONE .....</b>	<b>18</b>
<b>INTRODUCTION.....</b>	<b>18</b>
1.1 Background of the Study .....	18
1.2 Statement of the Problem.....	23
1.3 Purpose of the Study .....	25
1.4 Objectives of the Study.....	25
1.4.1 General Objective .....	25
1.4.2 Specific Objectives .....	26
1.5 Research Hypotheses .....	26
1.6 Significance of the Study .....	27
1.7 Scope of the Study .....	28
<b>1.8 Limitations of the Study .....</b>	<b>28</b>
1.9 Assumptions of the Study .....	28
1.10 Conceptual Framework.....	29
<b>CHAPTER TWO .....</b>	<b>31</b>
<b>LITERATURE REVIEW .....</b>	<b>31</b>
2.1 Introduction.....	31
2.2 Empirical Review.....	31
2.2.1 Crisis Management and Business Resilience within the Hospitality Industry ..	31
2.2.2 Business Resilience within the Hospitality Industry .....	32
2.2.3 Crisis Management Approaches and Business Resilience in the Hospitality Industry .....	35
2.2.4 Hotel Star Rating Role in Moderating the Relationship Between Crisis Management and Business Resilience.....	39
2.3 Theoretical Review .....	40

2.3.1 The Chaos Theory by Edward Lorenz (1963) .....	41
2.3.2 The Crisis Theory by Eric Lindemann (1944).....	42
2.4 Summary of Reviewed Literature and Gaps .....	43
<b>CHAPTER THREE .....</b>	<b>46</b>
<b>RESEARCH METHODOLOGY .....</b>	<b>46</b>
3.1 Research Design.....	46
3.2 Area of the Study .....	47
3.3 Study Variables .....	47
3.4 Target Population.....	49
3.5 Sample Size Determination and Sampling Techniques .....	50
3.5.1 Sample Size Determination.....	50
3.5.2 Sampling Techniques.....	51
3.7 Research Instruments .....	54
3.7.1 Questionnaire .....	54
3.7.2 Interview .....	54
3.8 Validity Tests and Reliability Tests .....	55
3.8.1 Validity Tests .....	55
3.8.2 Reliability Tests .....	55
3.9 Data Collection Techniques .....	56
3.10 Operationalization of Study Variables.....	57
3.12 Logistical and Ethical Considerations .....	61
3.12.1 Logistical Considerations.....	61
3.12.2 Ethical Considerations .....	62
<b>CHAPTER FOUR.....</b>	<b>63</b>
<b>RESEARCH FINDINGS AND DISCUSSIONS .....</b>	<b>63</b>
4.1 Introduction.....	63
4.2 Questionnaire Response Rate .....	63
4.3 Study Respondents and Hotels Background Information.....	64
4.3.1 Demographic Characteristics of Study Respondents.....	64
4.3.2 Key Informants' Social Demographic Characteristics .....	70
4.3.3 Hotel Characteristics.....	72
4.4 Perceived Crisis Risks in Three-to-Five-Star Hotels in Nairobi City County, Kenya.....	75

4.4.1 Descriptive Statistics on Perceived Crisis Risks in Three to Five-Star Hotels in Nairobi City County.....	75
4.5 Business Resilience of Three-to-Five-Star Hotels in Nairobi City County, Kenya	81
4.5.1 Descriptive Statistics on Business Resilience.....	82
4.6 Proactive Planning and Business Resilience in Three-to-Five-Star Hotels in Nairobi City County, Kenya.....	85
4.6.1 Descriptive Statistics for Proactive Planning.....	85
4.6.2 Pearson’s Correlation Analysis Results of the Relationship Between Proactive Planning and Business Resilience: Testing Hypothesis 1.....	92
4.6.3 Regression Analysis Results for Proactive Planning and Business Resilience .	93
4.7 Business Continuity Planning and Business Resilience .....	98
4.7.1 Descriptive statistics for Business Continuity Planning.....	98
4.7.2 Pearson’s Correlation Analysis Results of the Relationship between Business Continuity Planning and Business Resilience in 3–5-star hotels in Nairobi City County, Kenya: Testing Hypothesis 2 .....	103
4.7.3 Regression Analysis on Business Continuity Planning and Business Resilience	104
4.8 Crisis Communication and Business Resilience in Three-to-Five-Star Hotels ...	109
4.8.1 Descriptive statistics for Crisis Communication.....	109
4.8.2 Pearson’s Correlation Analysis Results of the Relationship between Crisis Communication and Business Resilience in 3–5-star hotels in Nairobi City County, Kenya: Testing Hypothesis 3 .....	114
4.8.3 Regression Analysis on Crisis Communication and Business Resilience .....	115
4.9 Hotel Star Rating Role as a Moderator in the Relationship between Crisis Management Approaches and Business Resilience .....	119
4.9.1 Regression Model Summary on Business Resilience and the Composite Index for Crisis Management Approaches: Testing Hypothesis 4 .....	120
4.9.2 Regression Model Summary for Star Rating Moderation Effect.....	123
4.9.3 Comparative Analysis of Individual Star Rating Category of Hotels.....	127
4.10 Study’s Hypothesis Testing Results Summary .....	133
<b>CHAPTER FIVE .....</b>	<b>135</b>
<b>SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS .....</b>	<b>135</b>
5.1 Introduction.....	135
5.2 Summary of Findings.....	135
5.2.1 Perceived Crisis Risks in Three-Five-Star Hotels .....	136

5.2.2 Proactive Planning and Business Resilience.....	137
5.2.3 Business Continuity Planning and Business Resilience .....	137
5.2.4 Crisis Communication and Business Resilience.....	138
5.2.5 The Moderating Role of Hotel Star Rating in the Relationship between Crisis Management and Business Resilience.....	140
5.3 Conclusions.....	141
5.4 Contribution of the Study to the Body of Knowledge .....	142
5.5 Recommendations.....	142
5.5.1 Recommendations for Practice .....	142
5.5.3 Recommendations for Further Research.....	143
<b>REFERENCES.....</b>	<b>145</b>
<b>APPENDICES.....</b>	<b>155</b>
Appendix A: Research Letter.....	155
Appendix B: Research Questionnaire for Departmental Managers and Departmental Assistant Managers.....	156
Appendix C: Interview Schedule for General Managers (Key Informants).....	162
Appendix D: List of 3 to 5 Star Hotels in Nairobi County .....	164
Appendix E: Kenyatta University Approval Letter .....	165
Appendix F: Research Permit .....	166
Appendix G: Map Showing Location of Star Rated Hotels in Nairobi County in Kenya.....	167

## LIST OF TABLES

Table 3.1: Target Population.....	50
Table 3.2: Respondents of the study by stratum .....	52
Table 3.3: Cronbach Alpha Coefficients .....	56
Table 3.5: Data analysis methods summary .....	59
Table 4.2: Current departmental position of respondents.....	68
Table 4.4: General Managers' Experience in the Hotel Industry .....	71
Table 4.5: Hotel Business Resilience.....	82
Table 4.6: Descriptive statistics on crisis risks faced by 3-5 the hotels.....	76
Table 4.7: Level of Application of Proactive Planning Approach.....	86
Table 4.8: Correlation analysis between proactive planning and business resilience .	93
Table 4. 9: Model summary on proactive planning .....	94
Table 4.10: Analysis of Variance on Proactive Planning .....	94
Table 4.11: Regression Coefficients on Proactive Planning.....	95
Table 4.12: Level of Application of Business Continuity Planning Approach .....	98
Table 4.13: Pearson Correlation Analysis Between Business Continuity Planning and Business Resilience.....	103
Table 4.14: Business Continuity Planning Model Summary.....	104
Table 4.15: Business Continuity Planning Analysis of Variance .....	105
Table 4.16: Business Continuity Planning Regression Coefficients .....	106
Table 4.17: Level of application of crisis communication approach.....	109

Table 4.18: Correlation analysis between crisis communication and business resilience .....	114
Table 4.19: Crisis communication Model Summary .....	115
Table 4.20: Crisis Communication Variance Analysis.....	116
Table 4.21: Crisis Communication Regression Coefficients.....	117
Table 4.22: Summary Model on Business Resilience and Crisis Management Approaches .....	121
Table 4.23: ANOVA for Business Resilience and Crisis Management Approaches.	121
Table 4.24: Crises Management Approaches Coefficients.....	122
Table 4.25: Summary Model for Moderation Effect .....	123
Table 4.26: ANOVA for Moderating Effect of Hotel Star Rating .....	124
Table 4.27: Coefficients for the Moderating Effect of Hotel Star Rating .....	125
Table 4.28: Summary Model for Moderated Regression.....	127
Table 4.29: Analysis of Variance for Moderating Effect of Hotel Star Rating .....	128
Table 4.30: Coefficients for the Moderating Effect of Hotel Star Rating .....	129
Table 4.31: Hypothesis Testing Results Summary.....	126

## LIST OF FIGURES

Figure 1.1: Conceptual Framework .....	29
Figure 4.1: Respondents' Gender .....	64
Figure 4.2: Age of Respondents.....	65
Figure 4.3: Respondents' Education Level.....	66
Figure 4.4: Level of Management of Respondents.....	67
Figure 4.5: Experience in Current Position.....	69
Figure 4.6: Experience in Hotel Business.....	70
Figure 4.7: Level of Education of General Managers.....	70
Figure 4.8: Type of Hotel Respondents Worked In.....	72
Figure 4.9: Classification of Hotels Respondents Have Worked In.....	73
Figure 4.10: Years of Operation of Hotel .....	74
Figure 4.11: Number of Rooms in Hotel .....	75

## ABBREVIATIONS AND ACRONYMS

AU	-African Union
BCP	-Business Continuity Planning
CC	-Crisis Communication
CM	-Crisis Management
CMA	-Crisis Management Approach
CMP	-Crisis Management Planning
COMCEC	-Committee for Economic and Commercial Cooperation of the Organization of Islamic Cooperation
COVID-19	-Coronavirus Disease 2019
CP	-Crisis Planning
EAC	-East African Community
GDP	-Gross Domestic Product
GIDRM	-Global Initiative on Disaster Risk Management
ICM	-Institute of Crisis Management
IGAD	-Intergovernmental Authority on Development
KAHC	-Kenya Association of Hotel Caterers
KEPSA	-Kenya Private Sector Alliance
KII	-Key Informant Interviews
KIPRA	-Kenya Institute for Public Policy Research and Analysis
KNBS	-Kenya National Bureau of Statistics
KSH	-Kenyan Shillings
KTB	-Kenya Tourism Board
NACOSTI	-National Commission for Science, Technology and Innovation
NCC	-Nairobi City County
PATA	-Pacific Asia Travel Association
PHD	-Doctor of Philosophy
PP	-Proactive Planning
REVPAR	-Revenue Per Available Room
SARS	-Severe Acute Respiratory Syndrome
TRA	-Tourism Regulatory Authority
UN	-United Nations
UNHCR	-United Nations High Commissioner for Refugees
UNICEF	-United Nations Children's Fund
UNISDR	-United Nations Office for Disaster Risk Reduction
UNWTO	-United Nations World Tourism Organization
USA	-United States of America
WEF	-World Economic Forum
WFP	-World Food Programme
WTO	-World Tourism Organization
WTTC	-World Travel and Tourism Council

## **OPERATIONAL DEFINITIONS OF TERMS**

### **Business Continuity Management:**

A comprehensive approach to the management of potential threats to the hotel business through threat identification, building resilience, and effective response development to protect key stakeholders' interests, reputation, brand, and value-creating activities.

### **Business Continuity Planning:**

A systematic approach, whose objective is to improve a hotel's resilience and to manage incidents in the event of disruption.

### **Crisis:**

An occurrence that is characterized by negative business outcome caused in part, by lack of proactive planning action by business Management.

### **Crisis Communication:**

The proactive, planned, and directed efforts by a hotel to reach out to its publics in the event that an unexpected event occurs that could negatively affect the company's reputation and performance.

### **Crisis Management:**

A systematic attempt by a hotel to manage or prevent a crisis and related potential negative outcomes.

### **Crisis Management Approach:**

Procedures and practices used in minimizing risks and/or combating crises in a hotel.

### **Crisis Risk:**

The likelihood or chance that something unfavorable will happen.

### **Disaster:**

The occurrence of crisis risks that overwhelm the ability of communities, businesses, and systems to withstand and recover from significant damage, loss, and disruption.

**Hazard:**

A dangerous portent, substance, human activity or condition that may cause loss of life, injury or other health impacts, property damage, loss of livelihoods and services, social and economic disruption, or environmental damage.

**Proactive Planning:**

Ongoing processes of developing organizational capabilities in a hotel to avert, contain, and pull through crises, and to learn from the experience.

**Resilience:**

The ability of a hotel to resist, absorb, accommodate, adapt to, transform, and recover from the effects of a hazard in a timely and efficient manner, including preservation and restoration of essential basic structures and functions.

**Risk:**

The combination of the likelihood of an event occurrence and its negative consequences on a hotel.

**Risk Management:**

The systematic procedures and practice of managing crisis risk uncertainty in a hotel aimed at minimizing potential harm and loss.

**Star-Rated Hotel:**

A hotel classified according to the renowned star rating system widely recognized and used to classify hotels according to their quality and amenities.

**Vulnerability:**

The aspects and conditions of a community system that make it prone to the damaging effects of a hazard.

## ABSTRACT

The hospitality industry has contributed to economic growth and poverty reduction in Kenya. In recent times, the industry has faced various crises that have threatened its survival, such as pandemics (COVID-19) and acts of terrorism, as shown by the downward trend of the Key Performance Indicators. There have been uncoordinated crisis management efforts to mitigate the negative trends. This study investigated crisis management approaches and business resilience in three-to-five-star hotels in Nairobi City County, Kenya. Specifically, the study sought to: find out how proactive planning influences business resilience, find out how business continuity planning influences business resilience, find out how crisis communication influences business resilience, and finally describe the hotel star rating moderating role in the relationship between crisis management and business resilience. A mixed-methods research design was used. Both quantitative and qualitative data was collected by use of both the questionnaire and interview schedule as the tools for data collection from the target population, who were the general managers and senior departmental managers in the hotels. Seventy-one departmental managers selected using stratified sampling filled in the self-administered questionnaires, while five general managers purposively selected were interviewed as key informants. Descriptive and inferential statistics, including frequencies, percentages, means, correlations, linear and moderated regressions, were computed. Qualitative data was analyzed using thematic analysis. The study determined that there were prevalence crisis risks with a mean score of 2.65 for 3-star, 2.84 for 4-star, and 2.82 for 5-star hotels. Proactive planning had a strong positive and significant correlation with hotel business resilience ( $p < 0.05$ ); the effect level of proactive planning on hotel business resilience for 3-star, 4-star, and 5-star hotels was as captured in R-square values ( $R^2 = 0.356$ ,  $R^2 = 0.338$ , and  $R^2 = 0.275$ ), respectively. Business continuity planning had a strong positive and significant correlation with hotel business resilience ( $p < 0.05$ ); the effect level of business continuity planning on hotel business resilience on 3-star, 4-star, and 5-star rated hotels was as captured in the R-square values ( $R^2 = 0.344$ ,  $R^2 = 0.352$ , and  $R^2 = 0.380$ ) respectively. Significant correlation between crisis communication and hotel business resilience ( $p < 0.05$ ) was reported. The effect level of crisis communication on business resilience in 3-star, 4-star, and 5-star rated hotels was as captured in the R-square values ( $R^2 = 0.668$ ,  $R^2 = 0.707$ , and  $R^2 = 0.614$ ) respectively. The moderation role of star rating on the relationship between crisis management approaches and business resilience was tested through linear regression analysis, and the decision made based on  $P$ -value  $< 0.05$ ; The relationship between crisis management and hotel business resilience was significantly moderated by hotel star rating (change in  $R^2$   $0.056 = 0.291 - 0.235$ ;  $P$ -value  $= 0.033 < 0.05$ ). Hotel star rating significantly moderated the relationship between proactive planning, business continuity, crisis communication planning, and hotel business resilience ( $p < 0.05$ ) with a change in  $R^2$  ( $0.292 - 0.20 = 0.02$ ),  $R^2$  ( $0.292 - 0.32 = 0.028$ ), and  $R^2$   $0.292 - 0.49 = 0.198$ ) respectively. It was established that higher star rating was tandem to the less effect crisis management had on business resilience. The study recommended that; hotels embrace crisis management approaches model and adopt strategic crisis management planning to mitigate challenges and exploit opportunities for enhanced business resilience, government agencies should support and fund training of hotel staff on crisis management practices to enhance sector-wide resilience, and replication of the study in the other counties, hotels of all star ratings and other

sectors of the hospitality industry such as restaurants, in order to validate and allow  
generalization of findings.

## **CHAPTER ONE**

### **INTRODUCTION**

This chapter delves into the background, problem statement, purpose, objectives, hypothesis, significance, scope, limitations, assumptions, and conceptual framework of the study.

#### **1.1 Background of the Study**

The travel & tourism industry is outstanding in its immense contribution to global gross domestic product (GDP) and job opportunities. In 2019, it contributed a total of 10.3% of GDP and 330 million job opportunities worldwide. (World Travel and Tourism Council, WTTC, 2020). It also contributed to at least 2.8% of GDP and 67 million employment opportunities in Sub-Saharan Africa in 2019 (World Economic Forum, WEF, 2020). Tourism, moreover, accounted for 8.8% of Kenya's GDP and employed 1.1 million people in 2018 (Kenya National Bureau of Statistics, KNBS, 2019).

Tourism is among the key economic activities in Kenya. Its performance, however, has been fluctuating over the years. The years 2012 and 2013 saw a 1.9% and 2.08% drop in tourism earnings from KSH. 97.9 billion in 2011 to KSH. 96 billion in 2012 and KSH. 94 billion in 2013, respectively (KNBS, 2013; 2014). KNBS attributed the decline to a slowdown in the global economy, especially in the Eurozone, perceived insecurity in Kenya, and travel advisories due to security concerns and the general elections. Tourism earnings reduced again by 7.3% in 2014 to KSH 87.1 billion due to insecurity linked to terror attacks, adverse travel advisories, and the spread of Ebola in West Africa (KNBS, 2015). There was also a 2.8% decline in 2015 to KSH. 84.6 billion because of security concerns arising from terrorism threats, negative travel

advisories from some European tourism source markets, and the Ebola outbreak (KNBS, 2016). However, the year 2016 witnessed a 17.8% rise in tourism earnings to KSH. 99.7 billion as a result of improved security, successful high-profile conferences and aggressive domestic and international marketing (KNBS, 2017). There was also an indicated positive trend in 2017, with the earnings increasing by 20% to KSH. 119.9 billion despite the country holding general elections. The increase was attributed to the country's positive visibility in tourism and the government's promotion of domestic tourism (KNBS, 2018). The country, moreover, experienced a 31.3% rise in tourism earnings in 2018 to KSH 157.4 billion associated with growth in aviation, investor confidence, and withdrawal of travel advisories (KNBS, 2019). In 2019, a 3.9% increase in tourism earnings to KSH. 163.6 billion was registered, attributed to increased domestic tourism linked to improved infrastructure, aggressive promotion, and opportunities for early bookings, although the number of tourists from some European regions declined because of global economic slowdown, trade tensions, rising geopolitical challenges, Brexit uncertainty, and low business confidence (KNBS, 2020). The period of peace and security in the industry in Kenya was interrupted again by an assault on the Dusit hotel in Nairobi in January 2019 (PricewaterhouseCoopers, 2019), which saw the demand for travel to Kenya negatively affected, with an estimated 13.6% decline in the year.

The hospitality sector is a key component of the tourism industry and a major contributor to employment and national economies around Africa and the world. (WEF, 2020), and equally a key sector in Kenya. In the year 2011, the hotel bed nights in Kenya were 7,015,200 (KNBS, 2016). KNBS further highlighted that this figure decreased by 2.2% to 6,860,800 in 2012 and by 3.84% to 6,596,700 in 2013. In the year 2014, the hotel bed nights were 6,281,600, reflecting a 4.77% drop. KNBS

(2020) additionally reports that the year 2015 saw another 6.41% decline in the hotel bed nights to 5,878,600. However, there was a 13.5% increase in these numbers to 6,448,500 in 2016. In 2017, there was an 11.25% growth with 7,174,200 hotel bed nights. The year 2018 saw a further 20.1% increase in these figures to 8,617,900. Twenty-nineteen (2019) also witnessed a 6.3% growth in the hotel bed night occupancy to 9,160,800.

The hotel bed nights' occupancy in Nairobi, Kenya, has also been fluctuating over the last couple of years. In 2011, there were 1,681,900 hotel bed nights (KNBS, 2016). KNBS further reported that this figure dropped by 2.75% to 1,635,500 in 2012 and by 0.27% to 1,631,000 in 2013. Hotel bed nights reduced again by 7.59% to 1,507,100 in 2014. According to the KNBS (2020), there were 1,392,900 hotel bed nights in Nairobi in 2015, showing that the downward trend continued. In contrast, 2016 saw a 9.2% rise in these figures to 1,521,400. The hotel bed nights grew again by 9.9% to 1,672,800 in 2017. There was further growth of 21.2% to 2,028,700 hotel bed nights in 2018. 2019, moreover, saw a 7.3% increase in these numbers to 2,177,700.

Despite being major contributors to national economies, hospitality facilities have been exposed to crises that influence their performance. Institute of Crisis Management (ICM, 2016) defines a business crisis as “any issue, problem, or disruption that triggers negative stakeholder reactions that impact the organization’s business and financial strength”.

The world has seen crises such as Pandemics, terrorism, political instability, travel advisories, and economic turmoil affect the hospitality industry and thus the economy in general. Kenya has also had its fair share of crises and resultant effects. However, the most recent crisis has been the coronavirus disease or COVID-19 that first

emerged in China in December 2019 but rapidly spread across the world (World Health Organization, WHO, 2020). COVID-19 has affected the global hospitality and tourism industry immensely (UNWTO, 2020).

Crises more often than not, create notable threats to organizations' strategic goals and performance. Crisis management (CM) is viewed as consisting of "strategies, processes and measures which are planned and put into force to prevent, and or assist in coping with crisis" (UNWTO, 2011). International, regional, and national efforts have always been put to manage and contain crises. For example, the United Nations (UN), particularly the World Food Programme (WFP), provides food aid during famines, natural disasters, and conflicts (United Nations, 2020). The United Nations High Commissioner for Refugees (UNHCR) also assists during war and political turmoil. The World Bank, moreover, offers financial aid to countries that are experiencing the effects of economic turmoil arising from crises. In addition, the World Health Organization (WHO) guides health emergencies like the COVID-19 pandemic. In Africa, the African Union-AU (AU, 2020), the Intergovernmental Authority on Development (IGAD, 2020), and the East African Community (EAC, 2020) support their member states by establishing emergency funds during crises like droughts, famine, and health emergencies such as the COVID-19 pandemic. On national levels, governments often offer assistance to their citizens during crises through government ministries and crisis and disaster management committees. Such assistance could range from financial aid to medical assistance (AU, 2020).

Business resilience in the hospitality sector refers to the capacity of an organization to withstand, adapt to, and recover from disruptions while continuing to function effectively. In recent years, the COVID-19 pandemic highlighted the critical

importance of resilience, especially for hotels that had to navigate lockdowns, revenue loss, changes in standard practices, and guest expectations. According to Ivanov et al. (2021), resilient hotels demonstrate greater agility, adopt digital technologies, and reconfigure operations to sustain service delivery. Resilience is thus becoming a competitive advantage in volatile environments, enabling businesses to survive and grow through crises.

Building resilience involves integrating adaptive strategies into core management practices. This includes scenario-based planning, staff training, diversified revenue streams, and effective stakeholder communication. Lee and Wang (2022) argue that business resilience must now be viewed as a strategic imperative rather than an operational afterthought. In the post-pandemic landscape, hospitality leaders increasingly incorporate resilience metrics into performance evaluation and long-term planning. This evolution reflects a mindset shift from reactive crisis response to anticipatory risk management in hotel operations.

In the hospitality sector, hotel star ratings, traditionally used to communicate service quality and amenities, are increasingly being recognized for their influence on organizational behavior and crisis responsiveness. Higher-star hotels often possess more resources and standardized procedures, which can influence the effectiveness of crisis management strategies. According to Perdue (2020) Higher-rated hotels are more likely to implement formal risk assessments and communication protocols, which positively moderate the impact of crisis management on business performance.

Effective crisis management in the hospitality industry can be viewed as integrating proactive, reactive, and recovery strategies tailored to the hotels' specific vulnerabilities. Crisis management approaches emphasize risk anticipation, pre-crisis

planning, and real-time decision-making. According to Alipour et al. (2021), contemporary crisis management models stress the importance of agility, communication, and cross-functional coordination in enabling a swift response. Hotels that incorporate crisis management into strategic planning are better equipped to protect assets, minimize reputational damage, and ensure operational continuity.

The tourism and hospitality industry has been resilient to crises (UNWTO, 2020). However, individual businesses, including hotels, have had to respond to and adapt to crises when they arise. There is therefore a need to have standards and tools for hotels that can be used to demonstrate resilience to customers and clients, whilst creating standardized approaches and market value (Global Initiative on Disaster Risk Management, GIDRM, 2015). In light of the foregoing, it is of paramount importance to have strategic thinking in hotel management research aimed at inculcating the adoption of strategic crisis management planning to mitigate challenges and exploit opportunities.

## **1.2 Statement of the Problem**

The hospitality sector in Kenya, a critical component of the tourism industry, has demonstrated vulnerability to recurrent crises over the past decade, including terrorism, political instability, economic shocks, and health pandemics. These events have led to notable declines in key performance indicators such as hotel bed occupancy, revenue per available room (RevPAR), and tourism arrivals (KNBS, 2020; Ministry of Tourism & Wildlife, 2020). Specifically, Nairobi, as the country's hospitality hub, has witnessed sharp declines in occupancy and the closure of landmark hotels, highlighting a systemic fragility.

Despite the sector's economic significance, crisis preparedness and resilience among Kenyan hotels remain limited. Research and policy reports consistently reveal the absence of coordinated crisis management strategies, lack of proactive planning, weak business continuity frameworks, and ineffective crisis communication in many hospitality enterprises (GIDRM, 2015; Zech, 2016). Consequently, hotels face elongated recovery periods and adverse reputational effects post-crisis.

Hospitality and Tourism industry susceptibility to external events demands for integration of crisis management in the industry's operations. Tourism in post-crisis is always tourism in pre-crises hence need for organizational preparedness through proactive planning, operational preparedness through contingency and business continuity planning, and structured crisis communication as a way of minimizing the negative impact of crises and ensuring prompt recovery and resilience in any given crisis (Todman-Lewis, 2017).

The industry is seen to be ill-prepared for such devastating events and hence lacks a coherent response, as there are inadequate, coordinated crisis management systems. Such has seen isolated incidences being blown out of proportion through unbalanced reporting, hence eroding gains made through marketing efforts by sending negative signals to the main source markets (GoK, 2013). Recognising preparedness mechanisms for risk buffering to achieve industry resilience is important as was emphasised by (GIDRM, 2015). This significance is due to the ever growing frequency of negative events impacting the industry in recent times, heightening its vulnerability to external events as noted by (Zech, 2016).

This scenario underscores the urgent need to investigate the influence of structured crisis management approaches, including proactive planning, business continuity

planning, and crisis communication, on business resilience in Nairobi's three-to-five-star hotels. Given the increasing frequency and severity of crises, this study is necessary to generate context-specific insights to guide strategic responses that enhance resilience and sustainability in Kenya's hotel industry.

It is against this background that the the fundamental conception of this study sought to investigate the influence of crisis management approaches on business resilience in three to five-star hotels in Nairobi County, Kenya.

### **1.3 Purpose of the Study**

The primary purpose of this study was to investigate the influence of crisis management approaches: business continuity planning, proactive planning, and crisis communication, on business resilience in three to five-star hotels in Nairobi City County, Kenya.

The study sought to examine whether structured crisis management strategies enhance hotels' ability to resist, absorb, adapt to, and recover from crises, thereby sustaining their essential functions and maintaining operational continuity. The research aimed at providing empirical evidence on the relationship between crisis management practices and business resilience, and at highlighting the moderating effect of hotel star rating on this relationship.

### **1.4 Objectives of the Study**

#### **1.4.1 General Objective**

To investigate the influence of crisis management approaches on business resilience in three - five-star hotels in Nairobi City County, Kenya.

#### **1.4.2 Specific Objectives**

1. To investigate the influence of proactive planning on business resilience in three-five-star hotels in Nairobi City County, Kenya.
2. To determine the influence of business continuity planning on business resilience in three-five-star hotels in Nairobi City County, Kenya.
3. To evaluate the influence of crisis communication on business resilience in three-five-star hotels in Nairobi City County, Kenya.
4. To examine the hotel star rating moderating role on the relationship between crisis management approaches and business resilience in three-five-star hotels in Nairobi City County, Kenya.

#### **1.5 Research Hypotheses**

The following null hypotheses were tested in the study.

**H0<sub>1</sub>:** There is no significant relationship between proactive planning and business resilience in three-five-star hotels in Nairobi City County, Kenya.

**H0<sub>2</sub>:** There is no significant relationship between business continuity planning and business resilience in three-five-star hotels in Nairobi City County, Kenya.

**H0<sub>3</sub>:** There is no significant relationship between crisis communication and business resilience in three-five-star hotels in Nairobi City County, Kenya.

**H0<sub>4</sub>:** Hotel star rating does not moderate the relationship between crisis management and business resilience in three-five-star hotels in Nairobi City County, Kenya.

## **1.6 Significance of the Study**

This study addresses an urgent practical gap in Kenya's hospitality sector, which, despite being highly exposed to crises, lacks institutionalized crisis management strategies. The study targets three-to-five star hotels in Nairobi, an epicenter of Kenya's hospitality and tourism industry, where resilience planning is crucial given the city's economic role and exposure to high-impact risks (NCC, 2014; UNWTO, 2020).

The research offers theoretical and empirical contributions by integrating crisis management literature with resilience theory, particularly in the context of developing economies. While global literature acknowledges the value of proactive crisis planning and business continuity (COMCEC, 2017; Cahyanto & Pennington-Gray, 2017), limited studies have focused on Nairobi's hospitality sector, creating a contextual gap that this study seeks to fill.

The study findings will be relevant to hotel managers, government bodies, and industry stakeholders for evidence-based decision-making. Policymakers can adopt the recommendations to design tailored regulatory frameworks, while hotel managers can implement practical strategies to minimize crisis-related losses. The study also informs future research by offering a replicable framework for assessing crisis management effectiveness in hospitality.

The study aligns with the Sustainable Development Goals (SDG 8 and SDG 11) by promoting resilient tourism practices that support economic growth and sustainable cities. In an era of global uncertainty, building resilience in critical economic sectors like tourism is imperative.

### **1.7 Scope of the Study**

The study investigated the influence of proactive planning, business continuity, and crisis communication on business resilience in three - five star hotels in Nairobi City County, Kenya.

### **1.8 Limitations of the Study**

Hotel managers' busy schedules limited the number of respondents and constrained interview indepth and follow-up opportunities, potentially leaving complex themes underexplored.

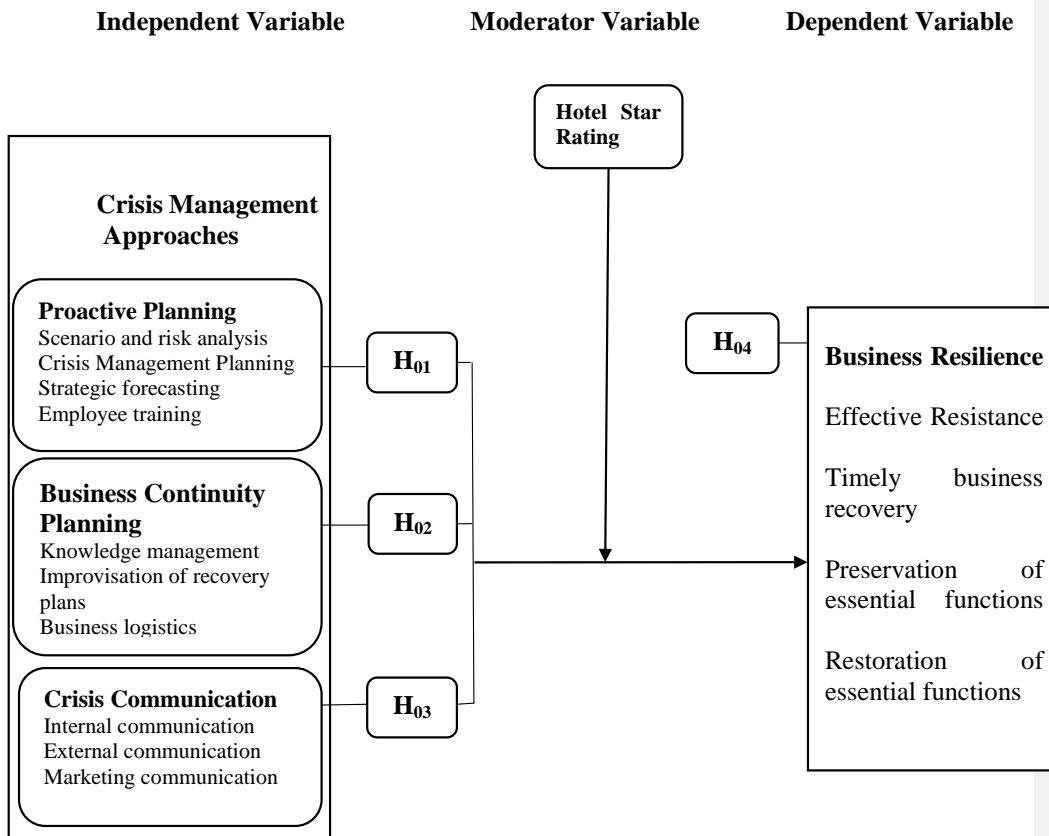
The study was scoped to three-five-star hotels within Nairobi City County. This restriction, in turn, would limit the generalization of findings to hotels of other star ratings, or to those located in different counties or rural areas, where operational environments and crisis exposures may differ significantly in scope and severity.

### **1.9 Assumptions of the Study**

It was the assumption of the study that managers and departmental heads, and their assistants who participated in the study understood the crisis management concept and its significance to business resilience.

### 1.10 Conceptual Framework

The conceptual framework (Figure 1.1) was informed by both the **Chaos Theory** (Speakman & Sharpley, 2012) and **Crisis Theory** (Poal, 1990)



**Figure 1.1: Conceptual Framework**

Source: (Researcher's Own Conceptualization 2019) with adoptions from (Cahyanto & Pennington-Gray, 2017)

Speakman & Sharpley (2012) Argue that crises are non-static and unpredictable events in their emergence and progression. The key factor influencing the onset and progression of a crisis is the perceived level of difficulty and the resources available to address it. Various approaches have been proposed in regard to the structuring of crisis planning and management, contained in varying frameworks (Faulkner, 2001

Ritchie, 2004; Racheria & Hu, 2009). There in, the planning and management process is broadly categorized into proactive and reactive strategies, a combination necessary to achieve crisis preparedness.

In view of the above, the study detailed three approaches to crisis management as the main variables of the study, namely; Proactive planning, Business continuity planning and Crisis communication, as strategies in practices that can be utilized in minimizing risks, and/or combating crises in hotels, developing organizational capabilities and recovery from crises, where in crisis risks awareness was addressed.

Business resilience is dependent on the organization's ability to withstand disruptions and is reliant on the structures, processes, and practices that enhance competencies and offer flexible capacity for organizational management during turbulent times. Thus, business resilience was dependent on the presence, or lack of comprehensive crisis management plans, and/or the lack of implementation of crisis management approaches. According to Rasoolimanesh et al. (2022), higher-rated hotels exhibit structured leadership and centralized decision-making, while lower-rated hotels may exhibit more adaptive behavior due to their leaner structures, which may enhance or inhibit resilience depending on the crisis type. This opined that star rating would act as a mediating variable in influencing how crisis strategies contribute to resilience, thus justifying its inclusion in resilience studies within the hospitality industry

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

Literature that defined the foundations of the study was reviewed, detailing the empirical foundations and theoretical framework as the study guide. Here in, is a discussion of the various dimensions of crisis management in the hospitality industry and its relationship to business resilience as outlined in the study's conceptual framework

#### **2.2 Empirical Review**

##### **2.2.1 Crisis Management and Business Resilience within the Hospitality Industry**

A crisis is a “low probability, high impact event that threatens the viability of the hotel and is characterized by ambiguity of cause, effects and means of resolution, as well as by a belief that decisions must be made swiftly” (Karam, 2018). Crises are triggered by certain events over which control is difficult (Albattat & Som, 2019). Tourism crises that ultimately affect the hospitality industry could be “natural like earthquakes and floods, environmental like oil leakages, geopolitical like terrorism attacks, political disturbances or wars, social crimes or road accidents and epidemics” (Jawabreh, 2019).

A decrease in visitor arrivals, which can lead to consequent loss of jobs, reduction in business turnover and profits, reduced tax revenues for the government, and in certain instances, reluctance by overseas and domestic entrepreneurs to make investments are issues that quickly follow crises in the industry (COMCEC, 2017). There is therefore need to mitigate against vulnerability through purposeful planning, and concerted efforts design, both proactive and reactive strategies that primarily

avert a crisis or significantly reduce the negative consequences in the event of such occurrence. (Karam, 2018). Highly effective crisis management plans (CMP) are paramount. The travel, tourism, and hospitality industries have to recognize and consider the emergent and urgent need for strategic crisis management planning within the business arena and integrate crisis planning (CP) into their strategic management process (Karam, 2018).

Studies have shown that crisis management should be an integral part of business strategies. Albattat *et al.* (2015) put forth a proposition for the hospitality industry to secure competitive advantage and develop business resilience. He observed the need to shift focus, from a mere response and reaction to crises and emergency situations, but to instead proactively identify, analyze and assess risks. However, the hospitality industry lacks in the commitment to crisis management as noted by (Zech, 2016).

### **2.2.2 Business Resilience within the Hospitality Industry**

Resilience can be defined as the ability of a system, community, or society to resist, absorb, accommodate, adapt to, transform, and recover from the effects of a hazard in a timely and efficient manner. This includes the preservation and restoration of essential basic structures and functions. (GIDRM, 2015).

Sawalha *et al.* (2015) state that resilience is the “ability to absorb shocks and external pressures in order to restore prior order. It represents the level of tolerance and draws on the procedures required to cope with adversity in order to survive. It is considered the positive side of vulnerability”.

The susceptibility nature of the hospitality and tourism industry makes it essential to plan for and improve resilience strategies as a priority for all destinations for sustainability. Monitoring and evaluating the resilience of a destination is a great challenge, thus, it is paramount to have good planning and preparedness. (Butler, 2017). A critical look into the nature and extent of the sectors' resilience to crises should be overemphasized, more so, the economic growth and development in both advanced and developing economies (WEF, 2015). Hotels and resorts are seen to have the necessary resources to become resilient and contribute more to the community as they have the resources in terms of equipment, expertise, and human resources.

Business resilience can be viewed under two major aspects: Planned resilience, which encompasses existing organisation planning capacity, that powers it to ensure business continuity, and adaptive resilience, which simply put is the organisations' ability to take action and successfully avert a crisis (COMCEC, 2017).

Organization resilience involves the ability of an organization to operate in critical emergencies, facilitating prompt and precise decision making for necessary action. It enables maintainence of normal operations during a major crisis for timely recovery with minimal damage or loss, through the channeling of resources and shared information (Cahyanto & Pennington-Gray, 2017).

Organizational resilience relies on the establishment of processes, practices and structures that build organisation competencies and bring out the flexible capacity for organizations to manage unforeseen disruptions. Of late, resilience has been identified as more of a process than an outcome from an organisational behaviour perspective, distinguished by four aspects: Robustness, the ability of a systems'

elements to hold on to performance without significant loss of operations during a crisis; Redundancy, the level into which systems' elements can be substituted and remain effective and efficient, satisfying functional requirements when disturbances occur; Resourcefulness, the recognition and prioritization of challenges and effectively implementing solutions through mobilizing necessary resources, and; Rapidity, the effective minimalisation and mitigation of losses and prompt restoration of functionality to prevent future disruptions (Cahyanto & Pennington-Gray, 2017).

The world has experienced major crises that have affected the hospitality industry. These include among others, the United States (USA) September 11<sup>th</sup> 2001 terrorism attack that greatly affected global tourism industry (Jawabreh, 2019) by triggering travel advisories and changes in security and safety policies around the world. Also, the December 2004 Indian Ocean earthquake that created a tsunami that killed thousands of people (Muriuki, Inimah & Muchunku-Mwenda, 2017). The global financial crisis of 2008/2009 and subsequent global economic slowdown moreover affected the global hospitality and tourism industry as travel and consumption of hospitality and tourism products decreased. COMCEC (2017) adds other health related crises that had an impact on the hospitality and tourism industry like the Avian flu, foot and mouth disease, severe acute respiratory syndrome (SARS), H5N1 and H5N1 which affected Asia, Middle East, and African countries, as well as, the 2014-2016 Ebola outbreak in West Africa which restricted travel to the affected areas. The world in 2019 and 2020 also witnessed the emergence and spread of covid-19 which similarly affected the global hospitality and tourism industry (KEPSA, 2020). In Kenya, Covid-19 saw the closure of monumental hotels and the contracting of the sector by 57.9 percent in third quarter of the year 2020 as compared to an 83.3 percent contraction in the previous quarter. This contraction was linked to the measures that

were put in place by the government to slow down and contain the spread of COVID-19 (Central Bank of Kenya, 2021)

Sawalha *et al.* (2015) & Alharthi *et al.* (2019) moreover posit that business continuity planning and management positively affect business resilience. However, the reviewed literature here points out that few approaches have dealt with business resilience. In addition, there is limited research on the influence of crisis management approaches on business resilience, especially in Nairobi County. Hence, the need to conduct this study.

### **2.2.3 Crisis Management Approaches and Business Resilience in the Hospitality Industry**

An approach is a way of dealing with a situation or problem. Crisis management approaches are strategies and practices used in minimizing risks and combating crises in an organization (Karam, 2018). There is a need for further research on tourism crisis, and in particular, analysis and evaluation of recovery strategies.

Multiple crisis management approaches have been proposed and described in literature (Radwan & Radwan, 2017). According to Amankona (2016), crisis management constitutes a series of strategies and gestures to be undertaken to control and mitigate the actual damage. Therefore, an effective crisis management strategy should incorporate an issue of planning, incident response, business continuum and crisis communication. Bilic, Pivcevic, & Cevra (2017) emphasizes on the critical significance of awareness creation and prioritization of proactive crisis planning at all organizational tiers for implementation. It should be noted that this should go way beyond operational planning, and that it should detail communication, familiarization,

drills and training programs. The most importance action point is the indulgence of echelon management team and their commitment to pre-crisis planning.

At the response phase is the reference to the identified approaches strategies for implementation during an active crisis. The phase allows for actualization of the pre-crisis plan, as well as evaluating its potency. The recovery phase has reference to procedures and plans designed to bring the organization to normalcy through crisis effects management, in this case, business continuity plans. Lastly, a feedback loop allows for adjustments to the plan and the application of newly found and tested strategies.

#### **2.2.3.1 Proactive Planning and Business Resilience within the Hospitality Industry**

Proactive planning refers to ongoing processes of developing organizational capabilities in a hotel for prevention, containment, and recovery from crisis effects, and to draw lessons from the occurrence. Zech (2016) in their study 'Integrated crisis management model for the hotel industry for lowering crisis susceptibility and strengthening stakeholder relationship management', established that there is a deficiency in proactive emergency planning in hotels. There are bottle neck challenges that suppress efficient emergency planning for the hotel industry, with a focus on management's role to demonstrate proactive emergency planning, and the need to adopt such practices to avert emergencies effectively. This was further confirmed by Albattat, Som, Marzuki, & Farooq (2015), who looked at proactive planning among hotels in Malaysia. They observed a desertion to proactive emergency planning by the main industry's players.

Proactive planning for business continuity can amount to improved business operations continuity in the event of a disaster and or unexpected events, synonymous to resilience. According to (Jorrigala, 2017) organizations must think ahead and have a plan in order to be prepared for the impacts in case of a disaster, and thus able to survive against its competitors. However, only few organizations, statistically 5%, that are genuinely prepared to ably handle a disaster.

Organizational resilience includes adaptive as well as planned resilience. Planned resilience includes proactive planning capacity within an organization, thereby ensuring business continuity (COMCEC, 2017). This is a pointer to proactive leadership and embedded organizational culture, enabling organizations to effectively respond to current issues (Orchiston, Prayag, & Brown, 2015). (Otu & Makichi, 2021) also observed that unified approach in utilisation of resilience strategies contributed to effective crisis management.

#### **2.2.3.2 Business Continuity Planning and Business Resilience in the Hospitality Industry**

According to ISO 22300 (2019), business continuity is “the capability of the organization to continue delivery of products or services at acceptable predefined levels following a disruptive incident”. On the other hand, business continuity management is the “holistic management process that identifies potential threats to an organization and the impacts to business operations that those threats, if realized might cause, and which provides a framework for building organizational resilience with the capability of an effective response that safeguards the interests of its key stakeholders, reputation, brand and value creating abilities” (ISO 22301, 2019).

Business continuity management is about managing risks and ensuring continued operations in organizations (Alharthi, Khalifa, Abuelhassan, Nusari & Isaac, 2019)

Wee (2017) explored ‘a new approach to business continuity management training practices to manage terrorism threats’, and found out that, most hotels in Singapore had business continuity management systems, though the standards were not hinged on to the hotel industry and that a major fraction of employees were untrained. Wee (2017) also established that most independent hotels, unlike international chain hotels, used business continuity management policies with security plans, while business continuity management plans and emergency plans were the major tools adopted.

Bakar, Yaacob & Udin (2015) and Naser, Alharthi, Khalifa, Abuelhassan, Nusari & Isaac (2019), moreover, looked at the effect of BCM factors on organizational performance and found that it affects organizational crisis performance. The reviewed literature showed that there was room for hospitality facilities to enhance their business continuity management strategies. On this premise, the business continuity management efforts of the rated star hotels in Nairobi City County, Kenya, warrant research.

### **2.2.3.3 Crisis Communication and Business Resilience within the Hospitality Industry**

Crisis communication in an organization delves into individuals or groups' communication with persons, organizations, or groups external to the organization, dealing with a crisis. Jawabreh (2019) in his investigation ‘The management of tourism crises in Jordan’, conducted a case study on the Amman hotels’ bombing and found that crisis communication was important in crisis management. Muriuki *et al.* (2017) added that crisis communication is the most critical point in crisis

management. However, many organizations are ill-prepared in the area of crisis communication as they lack a Crisis Communication Plan (CCP). Zech (2016) observed that the modern media coverage has eliminated the lead time available with respect to crisis communication. Less professional and unsubstantiated instantaneous communication during crises might even exacerbate and injure business reputation. Media relations ought to have a role in crisis communications as a way of minimizing the negative impact of crises and ensure prompt recovery and resilience (UNWTO, 2016).

The case of the modern media coverage was well demonstrated in Nairobi Kenya, during September 21, 2013 Westgate Mall attack. At first there were lots of publics' praises for the crisis management by security forces, which later morphed swiftly into blame, insults, and expressions of inefficiency. The lack of a spelt-out CCP with detailed procedures on what, and when to release information, as well as who and how to make the release, was evident (Lando, 2014). There is a need for Crisis communication beyond protecting the organization's reputation, which must be embedded into crisis management planning. Crisis communication is thus a key aspect of a viable crisis management system, as it aids in mitigating against the negative impact of a crisis, by envisioning information needs of all the industries' stakeholders efficiently and timely (Zech, 2016).

#### **2.2.4 Hotel Star Rating Role in Moderating the Relationship Between Crisis Management and Business Resilience**

Hotels range in types, sizes, classification, and operating ages. It is anticipated that hotels will handle crises differently based on their types, sizes, star ratings, and operating ages. However, Bilic *et al.* (2017) in their study 'Crisis management in the

hotel business in Croatia’, found out that the hotel type, size, and business volume did not affect the prevalence and preparation for crises at hotels. Wee (2017) also explored ‘a new approach to BCM training practices by Singapore hotels to manage terrorist threats’ and likewise found that business continuity management varied among hotels of different sizes and types. Salem (2015) moreover studied the social media as a crisis management tool of the hospitality sector in Lebanese hotels, and revealed that hotel type and classification influenced hotels adoption of social media as a communication channel during crises. Radwan & Radwan (2017) on the other hand looked at the differences in how four- and five-star hotels in Egypt managed crises and found that five-star hotels had embraced crisis management especially marketing and workforce management to a larger extent than four-star hotels and that four-star hotels focused more on cost control than five-star hotels. Ivkov, Blešić, Janićević, Kovačić, Miljković, Lukić and Sakulski (2019) further explored ‘natural disasters versus hotel industry resilience’ through an exploratory study with hotel managers from Europe as respondents, and discovered that larger hotels as well as hotels of higher classifications are more proactive and resilient to natural disasters. Zech (2016) nonetheless found that chain hotels handled crises better than privately owned hotels and that hotel size and classification did not influence crisis management.

### **2.3 Theoretical Review**

On review, the chaos theory and the crisis theory were identified as having relevance in relation to the crisis risk situations in the hospitality industry.

### **2.3.1 The Chaos Theory by Edward Lorenz (1963)**

Systems exhibiting chaotic characteristics function within some specific bounds in between stability and instability and within certain boundaries. Organizations must be in a position to adopt to, and be capable of functioning in that state of instability in the changing, evolving and progressing state. The chaos theory proposes several theoretical notions such as; 'butterfly effect', 'lock-in effect', 'edge of chaos', 'bifurcation', 'self-organization' and 'strange attractors' (Boukas & Ziakas, 2014). Every phase shift may be linked to modifications that hasten the demise of unsuitable or unsustainable businesses opening up new opportunities for those enterprises capable of adapting. Crises are usually non-static events, which tend to be unpredictable in their manifestation and progress (Speakman & Sharpley, 2012). As such, hospitality enterprises need to appreciate the fact that there are no stable situations and be ready to cope with changes (Boukas & Ziakas, 2014). According to Speakman and Sharpley (2012), crises are typically non-static occurrences that have a tendency to progress and materialize in an unforeseen manner.

The applicability of chaos theory to this study is founded on the inherently unpredictable, complex, and interconnected nature of crises in the hospitality industry. The theory supports the idea that rigid, routine-based management systems are insufficient in times of crisis, and instead encourages adaptive, flexible, and responsive planning, all of which are core components of crisis management and resilience-building in this study.

Moreover, chaos theory aligns with the study's examination of how star rating (as a moderating variable) influences a hotel's response to crises. Higher-rated hotels may

have more structured yet adaptive systems, enabling them to reorganize quickly after disruptions, reflecting the theory's principle of self-organization (Lorenz, 1963; McKercher, 1999). Its inclusion in the framework reinforces the study's contribution to the understanding of crisis management as a dynamic, non-linear process in hotel operations.

### **2.3.2 The Crisis Theory by Eric Lindemann (1944)**

Crisis Theory, originally developed by Eric Lindemann, states that individuals or organizations experience a state of disequilibrium following a disruptive event, thus necessitating an adaptive response to regain balance. In the hospitality industry, such crises are experienced in situations such as terrorism, health pandemics, natural disasters, and political instability, among others, and can significantly disrupt hotel operations. and diminish their ability to deliver consistent service or maintain financial viability.

The interpretations of the crisis theory emphasize the need and importance of organizational preparedness and readiness in navigating such disruptions (Smith & Moore, 2021). In addition, the theory underlines the need for structured intervention mechanisms that not only manage the immediate effects of crises, but also anchor long-term resilience.

The theory can be looked at as directly informing this study, pointing to the need for hotels to develop comprehensive crisis management strategies; including proactive planning, business continuity planning, and crisis communication, to withstand, and recover from unexpected disruptions.

The theory's perspective that timely intervention can minimize the adverse impact of crises is in line with the study's exploration of how proactive planning influences resilience. This theory therefore serves as a conceptual basis in evaluating the effectiveness of crisis management approaches employed by three-five-star hotels in Nairobi City County.

Applying crisis theory by the study captures the dynamic relationship between unexpected disruptions and organizational responses, thereby justifying the analysis of crisis management approaches as determinants of business resilience in the hospitality context.

#### **2.4 Summary of Reviewed Literature and Gaps**

Despite hotels in Kenya being exposed to numerous crises, there still exists limited research on the influence of crisis management approaches on the business resilience of hotels in the country, particularly three-five star hotels in Nairobi County.

Researchers posit that proactive planning enhances business resilience. There is, however, notable desertion of proactive planning by the main industry players. It is therefore paramount to investigate the influence of proactive planning on business resilience in three-to-five-star hotels in Nairobi City County, Kenya.

It's been established that business continuity planning is essential for continued operations in the event of crises. However, very few researchers have examined the relationship between business continuity planning and business resilience this far. Given this, research into the influence of business continuity planning on the business resilience of three-to-five-star hotels in Nairobi County, Kenya, is warranted.

Research on the relationship between crisis communication and business resilience in three-to-five-star hotels in Nairobi County in Kenya is wanting. This is in spite of the belief that crisis communication matters in crisis management, thus, a gap in knowledge.

It is also posited that the influence of crisis management on business resilience will depend on the hotels' characteristics. Previous studies have looked at the influence of the organizations' types, sizes and operating ages on crisis management and overlooked the influence of the classification of hotels. The few studies that have looked at the classification of the hotels have also had different findings.

There is need therefore, to have the role of hotel star rating as a moderator in the relationship between crisis management and business resilience in three-to-five-star hotels in Nairobi City County, Kenya investigated.

**Table 2.1: Summary of gaps in knowledge**

Objective	Gap in Knowledge
To investigate the influence of proactive planning on business resilience in three-to-five-star hotels	Proactive planning is recognized as a key contributor to business resilience but remains underutilized by players in the hospitality industry. This study, therefore, seeks to examine its influence on business resilience among three-to-five star hotels in Nairobi City County, Kenya
To determine the influence of business continuity planning on business resilience in three-to-five-star hotels	Limited research on the relationship between business continuity planning and business resilience thus necessitates more research into the influence of business continuity planning on business resilience of three-five star hotels in Nairobi City County, Kenya, is warranted.
To evaluate the influence of crisis communication on business resilience in three-to-five-star hotels	Research on the relationship between crisis communication and business resilience in three-five star hotels in Nairobi County in Kenya is wanting. This is despite the belief that crisis

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communication matters in crisis management, thus, a gap in knowledge

To examine the moderating role of hotel star rating in the relationship between crisis management approaches and business resilience

Previous studies have looked at the influence of the organizations' types, sizes and operating ages on crisis management and overlooked the influence of the classification of hotels. The few studies that have looked at the classification of the hotels have also had different findings.

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## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

This section provides a detailed overview of the study's research methodology, which includes the following components: pretesting, validity and reliability, research instruments, study variables, study area, target population, sampling strategies, sample size, operationalization of study variables, data collection methods, data analysis, and logistical and ethical considerations.

#### **3.1 Research Design**

The study used mixed research methods. The design was found appropriate since the study used both quantitative and qualitative data. According to Taherdoost (2022) mixed research method is appropriate where the researcher intends to integrate both qualitative and quantitative data. Quantitative data was collected via a structured questionnaire, while the qualitative data was collected via an interview guide. The design is appropriate where the researcher aims to gain a comprehensive understanding of the phenomenon by using diverse perspectives (Guetterman et al., 2021). The study sought to determine the influence of proactive planning, business continuity planning, and crisis communication on business resilience, as well as assess the moderating role of hotel star rating between crisis management and business resilience. Additionally, the study used mixed methods to triangulate results from both qualitative and quantitative methods. The study thus used mixed methods to validate findings and increase the reliability and validity of the results thereof as recommended by Dawadi et al. (2021).

### 3.2 Area of the Study

The study was carried out in Nairobi City County, Kenya. Geographically, it is located in the south-central part of the country and lies approximately between latitudes 1°9' South and 1°28' South and longitudes 36°4' East and 37°10' East.

The County covers an area of about 696 square kilometers and serves as an administrative, commercial, and tourism hub of Kenya. Nairobi is one of the 47 counties of Kenya, the third smallest but the most populated of the counties, and serves as the capital city of the Republic of Kenya.

The choice of Nairobi as the area of study was due to the city County's regard as an 'epicentre' of the hospitality industry in the country, an economic hub with relative proximity to many tourist attractions in East and Central Africa, and the major entry port to Kenya by air among others (Nairobi City County, NCC, 2014), thus has the desired and representative spectrum of star rated hotels in line with the study objectives.

The study only included hotels located within Nairobi City County, as this provided a defined and manageable geographical scope, accessibility, and affordability for the survey. **Appendix G** is an attachment of the Nairobi County map.

### 3.3 Study Variables

**Comment [A1]:** Is this the same as the operationalization of study variables in section 3.1

#### 3.3.1 Independent Variable

The independent variable for the study was Crisis management approaches. These approaches included: Proactive Planning, Business Continuity Planning, and Crisis Communication. Proactive planning involves the ongoing development of organizational capabilities, and efforts in risk anticipation, crisis scenario forecasting,

and employee preparedness to avert or minimize the impact of crises, to contain and recover from crises, as well as to learn from such experiences. Business continuity planning refers to systematic efforts aimed at improving a hotel's resilience by managing incidents during disruptions. It focuses on recovery strategies such as knowledge retention, resource planning, and service restoration to ensure continuity during and after crises, while Crisis communication encompasses the proactive, planned, and directed efforts by hotels to communicate with stakeholders during unexpected events that could negatively impact their reputation and performance. It includes both internal and external communication strategies aimed at managing information flow and stakeholder expectations during a crisis. These variables were operationalized and measured based on their application and effectiveness within the hotels studied.

### **3.3.2 Dependent Variable**

The dependent variable in this research was business resilience. Business resilience is defined as the ability of a hotel to resist, absorb, accommodate, adapt to, transform, and recover from the effects of hazards in a timely and efficient manner, including the preservation and restoration of essential structures and functions. The study assessed business resilience through indicators such as the capacity to maintain operations, recover quickly from disruptions, and sustain performance during and after crises. The relationship between crisis management approaches and business resilience is central to the study's objectives.

### **3.3.3 Moderating Variable**

Hotel star rating was studied as the moderating variable. A star rating is a recognized classification system that reflects the quality and amenities of a hotel. It is an indicator

of the level of resources, organizational structure, and preparedness associated with different star ratings. The study sought to investigate if a hotels' star rating had a moderation effect on the relationship between crisis management approaches (independent variable) and business resilience (dependent variable).

### **3.4 Target Population**

The three-five-star classified hotels in Nairobi City County served as the sampling frame from which the target population (managers) was drawn. They comprised all three, four, and five-star classified hotels located within Nairobi City County, Kenya. According to the Tourism Regulatory Authority (TRA, 2019), twenty-eight hotels were within this classification at the time of the study (see **Appendix D**). These establishments are subject to governance and quality assurance by the TRA, ensuring adherence to industry standards and comparability across the sample (Abo-Murad, AL-Khrabsheh, & Jamil, 2019). In the same breath, one and two-star classified hotels were excluded due to their significantly larger numbers and potential differences in operational scale, management structure, and crisis management capacity. Including these could introduce heterogeneity that would limit the generalizability of findings.

The target population consisted of the general managers (representing top-level management), departmental managers (representing high-level management), and assistant departmental managers (representing middle-level management) at the various departments in the hotels who were sampled for quantitative research questionnaires. Choice of respondents was based on the contention that key departmental managers can provide accurate information about their organizational strategies (Ghaderi, Som, & Wang, 2014). The researcher opined that these cadres of staff had diverse knowledge on industry operations and crisis risks management, and

that they must have managed through a variety of crisis situations. According to data obtained, a total of 840 departmental managers and assistant departmental management staff worked at the various departments in the 28 star-rated hotels in the sample frame. The study population was as summarised in **Table 3.1**.

**Table 3.1: Target Population**

<b>Level of Management</b>	<b>Frequency</b>	<b>Percentage</b>
General Managers	28	3.33%
Departmental Managers	274	32.62%
Assistant Managers	538	64.05%
<b>Total</b>	<b>840</b>	<b>100.00%</b>

Source: HR Records (2019)

### 3.5 Sample Size Determination and Sampling Techniques

#### 3.5.1 Sample Size Determination

To derive a representative sample from the study population, the study utilized Cochran's sample size formula with finite population correction. (Jeff & Jim, 2023)

$$n = \frac{N * X}{X + [n - 1]}$$

Where;

$$X = \frac{Z_{\alpha/2}^2 * P(1-P)}{(MOE)^2}$$

P= 0.09 (9%)

MOE= 0.05 (5%)

**N= 840**

**n= Sample Size**

MOE- Margin of Error

$Z_{\alpha/2}$  = Z value for 95% Confidence Interval

P= Sample Proportion

$$X = \frac{1.96^2 * 0.09(0.91)}{(0.05)^2}$$

$$= 125.85$$

$$n = \frac{840 \times 125.85}{(125.85 + [840 - 1])}$$

$$= 109.6$$

(109.6 rounded off to the nearest whole number)

**n= 110**

Substituting the values in the equation as shown above, a value of 110 was arrived at, hence establishing that n (the sample size) would be one hundred and ten (110).

### **3.5.2 Sampling Techniques**

The management staff of Nairobi City County's three-five-star hotels served as the study's observational unit. All General managers in the three-five-star rated hotels were purposively selected as Key informants, as a census of the hotels had been opted for the study. This translates to twenty-eight (28) general managers purposively selected for the qualitative interviews. Use of purposive sampling for the general management staff in the study was to ensure that participants with the most appropriate knowledge and information were included (Denieffe, 2020)

The study further utilized a stratified sampling method in order to get a representative sample from the study population. According to Creswell (2015), stratified sampling involves the entire population being split up into subgroups or strata according to shared traits, making it possible for the researcher to guarantee that the study sample includes enough members from each stratum of the target population.

In order to get a representative sample from the study population, stratified sampling was used, with the division of the population into strata by use of the hotels' star ratings. Three strata were arrived at: 3-star, 4-star and 5- stars hotels.

Subsequently, sample size was proportionally allocated to each stratum, and the sample size was weighted by use of the formula  $W = T / A$

where;

"W" was the weight value.

"T" represented number of hotels in a given stratum, e.g., 9, 3-star rated hotels

"A" represented the total number of 3-5 star rated hotels in the study

**n=110**

**Table 3.2: Respondents of the study by stratum**

Strata	T	A	Weight	(r)	(r/T)	Adjusted
(Star Rating)	(Hotels per strata)	(3-5star rated hotels)	(T/A)	Respondents per (n×W)	Respondents per Strata per Hotel	<b>sample size</b> <b>T(r/T)</b>
5	9	28	0.3	33	3.74 ≈ 4	<b>4×9= 36</b>
4	10	28	0.4	44	3.75 ≈ 4	<b>4×10=40</b>
3	9	28	0.3	33	3.74 ≈ 4	<b>4×9= 36</b>
<b>Total</b>	<b>28</b>		<b>1.0</b>	<b>110</b>		<b>112</b>

The respondents per hotel were rounded off to the nearest whole number. This was at the discretion of the researcher since the number of respondents cannot be a fraction.

This resulted in an adjusted sample size of one hundred and twelve respondents (**n=112**) to be used in the study.

Respondents in each stratum and department were randomly selected through the balloting method.

### **3.6 Inclusion and Exclusion Criteria**

#### **3.6.1 Inclusion Criteria**

The study population included three- to five-star hotels located in Nairobi City County, Kenya. Only hotels officially classified within this star rating and operational at the time of the study were considered. Within these hotels, the respondents comprised general managers, senior departmental managers, and their assistants. General managers were purposively selected due to their comprehensive oversight of hotel operations, while departmental managers and their assistants were chosen using stratified sampling to ensure representation across different management levels and departments. This ensured that respondents had relevant knowledge and experience regarding crisis management practices in their hotels.

#### **3.6.2 Exclusion Criteria**

Hotels not classified as three- to five-star or located outside Nairobi City County, as well as those not operational during the study period, were excluded. Among hotel staff, junior and non-managerial employees, and those without direct involvement or knowledge of crisis management processes, were not included as respondents. This approach ensured that the data reflected informed perspectives on crisis management strategies and business resilience, as these issues are typically addressed at the managerial level.

### **3.7 Research Instruments**

The questionnaire and interview schedule were used in the study as the data collection instruments.

#### **3.7.1 Questionnaire**

The study used structured, self-administered questionnaires (**Appendix B**) in data collection for the departmental managers in the hotels. Mugenda & Mugenda (2012) cite the questionnaire as an appropriate tool for data gathering as it permits reaching out to numerous respondents, guarantees confidentiality, and consequently assists the researcher to gather concise and impartial responses.

The questionnaires were divided into five sections. The sections explored: the demographic characteristics of the respondents; the characteristics of the hotels; the crisis risks that the hotels were exposed to; the three crisis management approaches: Proactive planning, Business continuity planning, Crisis communication, and business resilience. To achieve these objectives, the respondents were asked to rank the extent to which they agreed with statements on how hotels have embraced the three crisis management approaches to prevent and manage crises.

#### **3.7.2 Interview**

The study utilized a semi-structured interview guide (**Appendix C**) to obtain relevant data from the general managers. According to Mugenda and Mugenda (2003) Probing as a skill in interviews can clarify vague statements to obtain in-depth information.

The interviews explored respondents' demographic characteristics, crises risk, crisis management approaches, Proactive planning, Business continuity planning and Crisis communication and business resilience in the hotels.

### **3.8 Validity Tests and Reliability Tests**

#### **3.8.1 Validity Tests**

The level to which an instrument measures what it purports to measure is referred to as validity (Creswell, 2014). Content validity and criterion-related validity were achieved through discussion with supervisors, coupled with an in-depth theoretical and empirical literature review. The review of the questionnaire by selected experts, including the study supervisors, ensured that the questionnaire was valid in obtaining the required information.

#### **3.8.2 Reliability Tests**

Pretesting of the research instruments was carried out in order to assess reliability. Three hotels were included in the pretest (one hotel in each star-rating category), which were randomly selected. The selected hotels for pretesting were not included in the final study. Reliability testing is important in sound measurement of a research instrument to ensure it produces consistent results (Creswell, 2014). Cronbach's coefficient alpha was used. Data obtained during the pilot test was used to determine the reliability, and decisions on relevant revisions to the measurement scales were based on it before the final survey. An alpha value greater than 0.7  $\alpha=0.05$  significance level of confidence was accepted. The table below illustrates the Cronbach's' alpha scores at  $\alpha=0.05$  significance level.

**Table 3.3: Cronbach Alpha Coefficients**

Scale	No. of items	Cronbach alpha coefficients
Level of application of proactive planning	10	0.90
Level of application of business continuity planning	14	0.94
Level of application of crisis communication	12	0.95
Level of business resilience	7	0.92

As illustrated in **Table 3.3** above, the Cronbach alpha scores for the scales ranged from 0.90 to 0.95, reflective of internal consistency and indicative of reliability.

The scale on the level of application of crisis communication had the highest Cronbach alpha score of 0.95 while the scale on level of application of proactive planning had the lowest Cronbach alpha score of 0.90. The findings implied reliability of the questionnaire as the Cronbach alpha scores were above the recommended cut off of 0.70 at  $\alpha = 0.05$  significance level of confidence (Creswell, 2014)

### **3.9 Data Collection Techniques**

Once the preliminary logistical arrangements were finalised, the research instruments were given to the selected respondents. Initial contact with hotels was done through email with attached research permits and briefs of the study, followed by telephone calls, after which actual data collection was carried out.

The questionnaires were delivered to the respondents by the researcher through the hotels' managers, who acted as contact persons. The researcher personally collected the completed questionnaires from the respondents after a fortnight. However, the questionnaire collection period was extended by a week after some of the respondents requested that they be allowed more time to complete the questionnaires.

The interviews with the general managers were conducted by the researcher. Most of the managers had busy schedules, the researcher was only able to get five managers who were willing and available to be interviewed. The interviews were scheduled at the convenience of the managers. The researcher used the probing technique to get more complete and accurate information.

### **3.10 Operationalization of Study Variables**

The study variables were operationalized as shown in **Table 3.4**

**Table 3.4: Operationalization of Study Variables**

<b>Variable</b>	<b>Type of Variable</b>	<b>Operationalization</b>	<b>Indicators</b>	<b>Scale of Measurement</b>
Proactive Planning	Independent	Ongoing processes of developing capabilities in a hotel to avert, contain, and pull through crises, and to learn from the experience.	<ul style="list-style-type: none"> <li>• Scenario and risk analysis</li> <li>• Crisis management planning</li> <li>• Strategic forecasting</li> <li>• Employee training</li> </ul>	Ratio
Business Continuity Planning	Independent	A systematic approach, whose objective is to improve a hotel's resilience and to manage incidents in the event of disruption	<ul style="list-style-type: none"> <li>• Knowledge management</li> <li>• Improvisation of recovery plans</li> <li>• Business logistics maintenance</li> </ul>	Ratio
Crisis Communication	Independent	The proactive, planned, and directed effort by a hotel in an attempt to reach out to its publics when an unexpected event occurs, that could negatively affect the company's reputation and performance.	<ul style="list-style-type: none"> <li>• Internal communication</li> <li>• External communication</li> <li>• Marketing communication</li> </ul>	Ratio
Hotel Star Rating	Moderating	Hotel classification according to their quality and amenities.	3-Star 4-Star 5-Star	Ordinal
Business Resilience	Dependent	The ability of a hotel to resist or recover from the effects of a hazard in a timely and efficient manner	<ul style="list-style-type: none"> <li>• Effect Resistance</li> <li>• Timely business recovery</li> <li>• Preservation of essential functions</li> <li>• Restoration of essential functions</li> </ul>	Ratio

### 3.11 Data Analysis Techniques

Data was first checked for completeness then coded and recorded. The researcher personally keyed in and analyzed the data. Data analysis was by use of the Statistical Package for Social Sciences (SPSS).

**Table 3.4: Data Analysis Methods Summary**

Research Objectives	Data Collection Instrument	Data Source	Method of Analysis
1.To investigate the influence of proactive planning on business resilience in three-five star hotels in Nairobi City County, Kenya	Questionnaire, Interview	General Managers, Departmental Managers, and Assistant Managers	Descriptive statistics-means, frequencies & percentages. Inferential statistics - correlation, linear regression. Thematic analysis
2.To determine the influence of business continuity planning on business resilience in three-five star hotels in Nairobi City County, Kenya	Questionnaire, Interview	General Managers, Departmental Managers, and Assistant Managers	Descriptive statistics-means, frequencies & percentages. Inferential statistics - correlation, linear regression. Thematic analysis
3. To evaluate the influence of crisis communication on business resilience in three -five star hotels in Nairobi City County, Kenya.	Questionnaire, Interview	General Managers, Departmental Managers, and Assistant Managers	Descriptive statistics-means, frequencies & percentages. Inferential statistics - correlation, linear regression. Thematic analysis
4. To examine the hotel star rating moderating role on the relationship between crisis management approaches and business resilience in three-five star hotels in Nairobi City County, Kenya	Questionnaire, Interview	General Managers, Departmental Managers, and Assistant Managers	Inferential statistics-moderated regression.

As illustrated in **Table 3.5** above, both descriptive and inferential statistics were computed. The study population's characteristics, response variations to different

crisis risks, and crisis management strategies institutionalized by the targeted hotels and their potential effect on business resilience were all described using descriptive statistics.

Inferential statistics through correlation and linear regression analysis were used to test the relationship between crisis management approaches and business resilience. The following regression model assisted in determination of coefficients of the independent variables in the study: proactive planning, business continuity planning, and crisis communication in relation to the dependent variable (business resilience).

$$Y = \beta_0 + \beta_1 X_1 + \epsilon$$

Where:

Y = Dependent variable (Business resilience)

X<sub>1</sub> = Independent variable (Crisis Management Approach)

β<sub>0</sub> = constant (coefficient of intercept)

ε = error term which represents other factors that affected business resilience

The sensitivity of business resilience to unit change in the predictor variables was measured.

Moderated regression was also conducted to examine whether hotel star rating moderated the relationship between crisis management and business resilience.

According to Holmbeck (1997), A moderator variable modifies the relationship between two variables, such that the moderator's level or value determines how the predictors' impact on the criterion changes.

A moderator is a “qualitative or quantitative variable that affects the direction and/or strength of the relation between an independent or predictor variable and a dependent or criterion variable” (Baron & Kenny, 1986). First, to avoid high multi-collinearity levels with the interaction terms, the variables were standardized, and an interaction term between the independent variables and the moderator was created. Next, the interaction term was added to the regression model. Interaction plots were then used to explore the nature of the significant moderators, whether enhancing (increasing the effect of the predictor on the outcome), buffering (decreasing the effect of the predictor on the outcome) or antagonistic (reversing the effect of the predictor on the outcome) (Baron & Kenny, 1986).

Meanwhile, qualitative data was analyzed using thematic analysis by establishing and reporting themes that emerged from the data as per each objective.

### **3.12 Logistical and Ethical Considerations**

#### **3.12.1 Logistical Considerations**

Approval from the Kenyatta University Graduate School and the National Commission for Science, Technology and Innovation (NACOSTI) was obtained. The KU Graduate School approval letter and the Research Permit from NACOSTI are attached in **Appendices E** and **F**, respectively.

### **3.12.2 Ethical Considerations**

The respondents' consent was sought before proceeding with data collection. In addition, the respondents' confidentiality was maintained and data collected in the course of the study was used solely for the purpose of the study.

## CHAPTER FOUR

### RESEARCH FINDINGS AND DISCUSSIONS

#### 4.1 Introduction

The purpose of the study was to investigate crisis management approaches and business resilience in three-to-five-star hotels in Nairobi City County, Kenya. The study sought to investigate the influence of proactive planning, business continuity planning, and crisis communication on business resilience in three-to-five stars rated hotels in Nairobi City County, Kenya. Further, the study aimed at examining the hotel star rating as a moderator in the relationship between crisis management and business resilience in the three-to-five-star hotels in Nairobi City County, Kenya.

This chapter discusses the results of the study based on the pre-stated objectives.

#### 4.2 Questionnaire Response Rate

The study had established a sample size of one hundred and twelve (112) management staff of three to five star rated hotels in Nairobi City County. Out of the 112 questionnaires distributed, seventy-one (71) questionnaires were adequately filled in and submitted. This translated to a response rate of 63.4 % as indicated in **Table 4.1** below.

Mugenda and Mugenda (2013) posit that a fifty percent (50%) or above response rate is adequate for analysis and reporting. Based on this assertion, 63.4% was considered adequate for analysis and reporting.

**Table 4.1: Response Rate Summary**

Questionnaires Distributed	112
Complete Questionnaire Received	71
Response Rate $\{(71 \div 112) \times 100\}$	63.4%

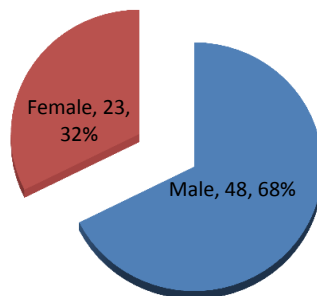
### 4.3 Study Respondents and Hotels Background Information.

#### 4.3.1 Demographic Characteristics of Study Respondents

The study sought to analyze the demographic characteristics of the respondents. The relevant respondents' demographic characteristics sought by the study were gender, age, education, current position, level of management, years of experience in the current position, and years of experience in the hotel industry.

##### 4.3.1.1 Respondents' Gender

The figure below represents the respondents' gender as captured in the questionnaires.



**Figure 4.1: Respondents' Gender**

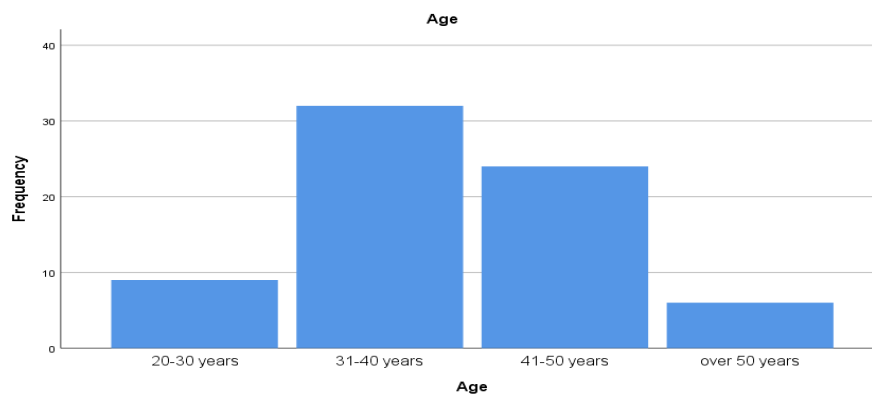
The data presented in **Figure 4.1** indicated that 48 (68%) of the seventy-one respondents who filled in the questionnaires were male and 23 (32%) were female.

The findings supported the assertion that the management of hospitality industry has always been dominated by men as women shy away from the industry due to social, cultural and traditional reasons (Masadeh, 2013). Most managers in the hotel industry were also men as confirmed by the People Daily (2016) which established that few

women in the Hospitality and Tourism industry are at senior levels. Additionally, Kukanja & Planinc (2013) in their study on operational crisis management techniques in the catering industry in times of recession found that 65% of the 86 respondents were male against 35% female. However, Ivkov *et al.* (2019) studied natural disasters versus hotel industry resilience and found that of the 68 managers sampled, 60% were female while 40% were male, meaning that most of the respondents were female. These findings could have differed from those of the study because as the management levels of the Hospitality industry in Kenya were depicted as being dominated by men hence the larger number of male respondents (Koome, Kiprutto, Kibe, & Kiama, 2013).

#### 4.3.1.2 Age of Respondents

Age of the respondents was measured using the number of years the respondents have lived since birth. **Figure 4.2** depicts the age of respondents as captured by the study.



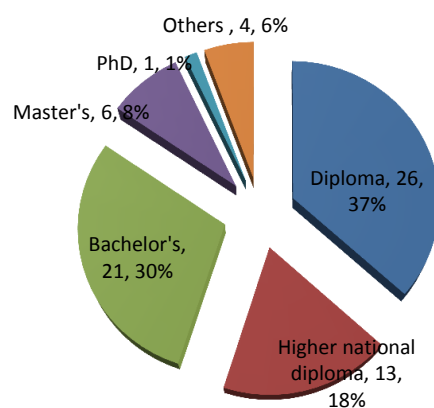
**Figure 4.2: Age of Respondents**

Results of the study showed that Nine (12%) of the respondents were aged between 20 to 30 years, 32 (45%) between 31 and 40 years, 24 (33%) between 41 to 50 years while 6 (8.5%) were over 50 years old. The findings depicted that most of the respondents, 32 (45%), were in their Middle Ages and aged between 31 and 40 years.

This could be explained by the fact that most hotel employees often enter managerial levels when they are in their middle ages which range from 30 to 40 years. Ivkov *et al.* (2019) similarly found that 10% of the 68 respondents were aged 18 to 35 years, 55% 36 to 50 years and 34% 51 to 65 years. Kukanja & Planinc (2013), on the other hand, established that the highest proportions of respondents (31%) were aged 35 to 44 years.

#### 4.3.1.3 Education Level of Respondents

The education level of the respondents depicted the highest level of education attained so far. The education level of the respondents was as illustrated in **Figure 4.3**.



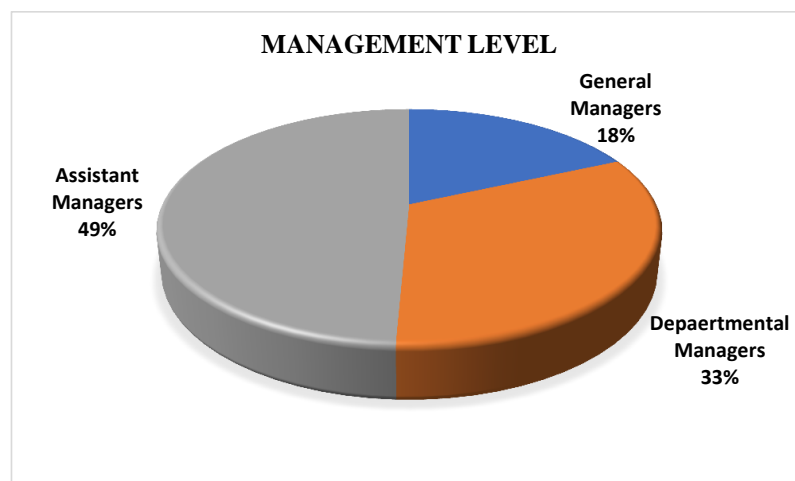
**Figure 4.3: Respondents' Education Level**

It was established that twenty-six (37%) managers had diplomas, 21 (30%) bachelors' degrees, 13 (18%) higher national diplomas, 6 (8%) master's degrees, 1 (1%) a doctorate degree and 4(6%) other qualifications. The results highlighted most of the respondents as having obtained post-secondary education especially diplomas 26 (37%). It has been the tradition in Kenya that hotel employees need only diplomas to hold lower-level managerial positions as supervisors. Kukanja & Planinc (2013) however established that only 33% of the 86 respondents had pursued post-secondary

education meaning that most of the respondents did not pursue higher education. Ivkov *et al.* (2019) on the contrary found that 42% of the 68 respondents had Bachelor's degrees while 57% had Master's degrees meaning that all the respondents had pursued post-secondary and higher education. This could be explained by the stages of development of the European countries which participated in the study as most of the countries were developed, unlike Kenya which was still a developing nation.

#### 4.3.1.4 Level of Management of Respondents

The management level of the respondents was as illustrated in **Figure 4.4**.



**Figure 4.4: Level of management of respondents**

Thirteen (18%) were general managers, twenty-three 23 (32.4%) were departmental managers while 35 (49.3%) were assistant managers. The results suggest that assistant managers were more available to respond to the research instrument. General managers and departmental managers were less available to respond to the research instrument owing to their busy schedules. Similarly, Bilic *et al.* (2017) noted that

lower-level managers constituted the largest proportion of the respondents in their study.

#### 4.3.1.5 Current Departmental Position of Respondents

**Table 4.2** summarizes the current positions of the managers in the hotels. Fifteen (22%) managers were in food and beverage, 12 (17%) in housekeeping, 12 (17%) in security, 11 (16%) in front office, 8 (12%) in operations/marketing, 7 (9%) in reservations, 4 (5%) in finance and 2 (2%) in human resources.

**Table 4.1: Current departmental position of respondents**

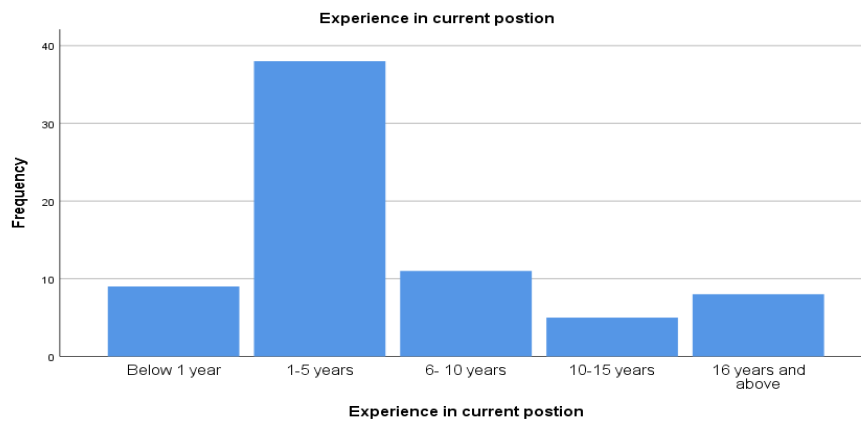
<b>Current position</b>	<b>Frequency (n)</b>	<b>Percentage</b>
Food and beverage	15	22
Security	12	17
Housekeeping	12	17
Front office	11	16
Operations/Marketing	8	12
Reservations	7	9
Finance	4	5
Human resources	2	2
<b>Total</b>	<b>71</b>	<b>100</b>

Source: Research data 2019

The results showed the food & beverage department as having the most of the managers 15 (22%) it can be considered the largest department in the hotel, as it consists of the production and service sections.

#### 4.3.1.6 Experience in Current Position

Data presented in **Figure 4.5** summaries the experience of the respondents. Nine (12%) managers had worked for less than a year in their current positions, 38 (54%) had worked between 1 to 5 years, 11 (16%) for between 6 to 10 years, 5 (7%) for between 10 and 15 years, and 8 (11%) for over 16 years.

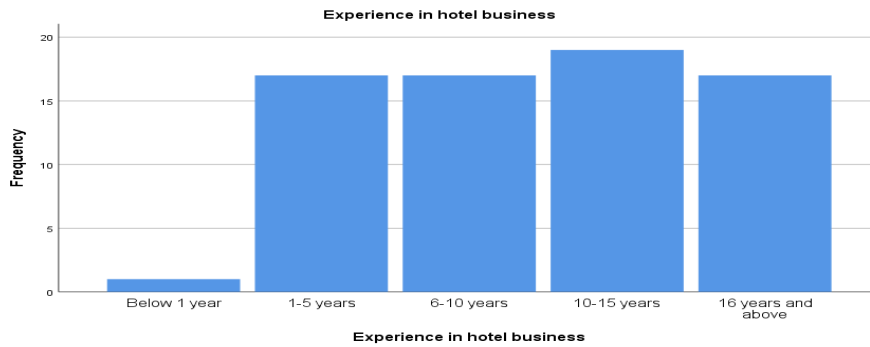


**Figure 4.5: Managers' Experience in Current Positions**

The findings imply that most of the managers (n=38, 54%) had experience in their current positions of one to five years meaning that they were young in the positions. These findings are in agreement with Kukanja & Planinc's (2013) who found that majority of respondents (59%) had 0 to 10 years of experience in their current positions.

#### **4.3.1.7 Hotel Business Experience**

Data presented in **Figure 4.6** illustrates the managers' experience in the hotel business as captured by the study. One (1%) manager had worked for less than a year, 17 (24%) for between 1 to 5 years, 17 (24%) for between 6 to 10 years, 19 (27%) for between 10 to 15 years and 17 (24%) for over 16 years.



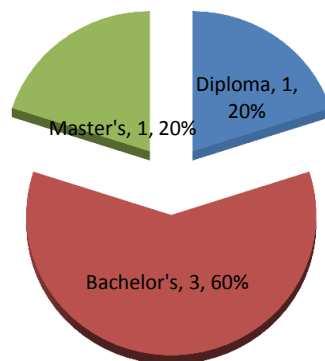
**Figure 4.6: Experience in Hotel Business**

The results highlight that most of the managers (n=19, 27%) had worked in the hotel industry for ten to fifteen years, implying that the managers had long-term experience in the industry. Bilic *et al.* (2017) however looked at, ‘Crisis management in the hotel business in Croatia’, and found that most of the 59 managers (n=24, 40%) who participated in the study had amassed between 5 to 10 years of experience in the hotel business meaning that the respondents were relatively young in the industry.

### 4.3.2 Key Informants’ Social Demographic Characteristics

#### 4.3.2.1 Level of Education of General managers

Data presented in **Figure 4.7** illustrates the education level of the respondents.



**Figure 4.7: Level of Education of General Managers**

Results showed that among the five managers who were interviewed 3 (60%) had a bachelor's degrees, 1 (20%) had a diploma while 1 (20%) had a master's degree. From the findings, it is evident that all the managers who were interviewed had attained at least post-secondary education in relevant disciplines and were therefore qualified to work in the hotel industry.

#### 4.3.2.2 Length of Employment of General Managers

The output in **Table 4.3** indicates the length of employment of the general management level respondents. One (20%) manager had worked for the hotel for 7 months, 1 (20%) for five years, 1 (20%) for eight years and 2 (40%) for ten years.

**Table 4.3: Length of Employment of General Managers**

<b>Length of employment</b>	<b>Frequency (n)</b>	<b>Percentage</b>
Less than 1 year	1	20
Eight years	1	20
Five years	1	20
Ten years	2	40
<b>Total</b>	<b>5</b>	<b>100</b>

#### 4.3.2.3 General Managers' Experience in the Hotel Industry

**Table 4.4.** Illustrates general management level of experience in the hotel industry. The five managers who were interviewed had experience in the hotel industry that ranged from 7 to 25 years.

**Table 4.2: General Managers' Experience in the Hotel Industry**

<b>Hotel industry experience</b>	<b>Frequency (n)</b>	<b>Percentage</b>
7 years	1	20
10 years	2	60
15 years	1	20
25 years	1	20
<b>Total</b>	<b>5</b>	<b>100</b>

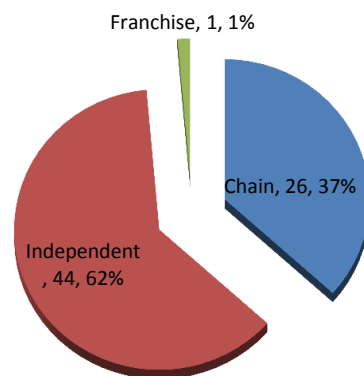
The managers had also worked for the hotels for long. They moreover had long term experience in the hotel industry.

### 4.3.3 Hotel Characteristics

The hotels' general background information that was collected included hotel type, classification, years of operation by the hotel, and the hotel size.

#### 4.3.3.1 Type of Hotel Respondents Worked in

**Figure 4.8** reflects the hotel types in which the respondents worked in. Forty-four (62%) managers worked in independent hotels, 26 (37%) in chain hotels and 1 (1%) in a franchise.

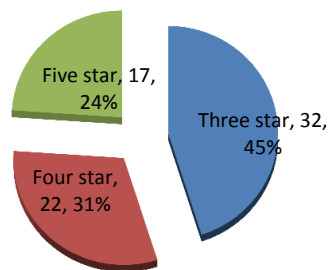


**Figure 4.8: Type of Hotel Respondents Worked In**

From the findings, it was apparent that most of the managers (n=44, 62%) worked in independent hotels, meaning that the hotels were not affiliated with chains, franchises or management contracts. Bilic *et al.* (2017) as well, noted that a majority of the respondents (n=48, 81.40%) worked in independent hotels.

#### 4.3.3.2 Classification of Hotels Respondents Worked In

Figure 4.9 illustrates the classification of hotels in which the respondents in the study worked. Thirty-two (45%) managers worked in three-star rated hotels, 22 (31%) in four-star rated hotels and 17 (24%) in five-star rated hotels.

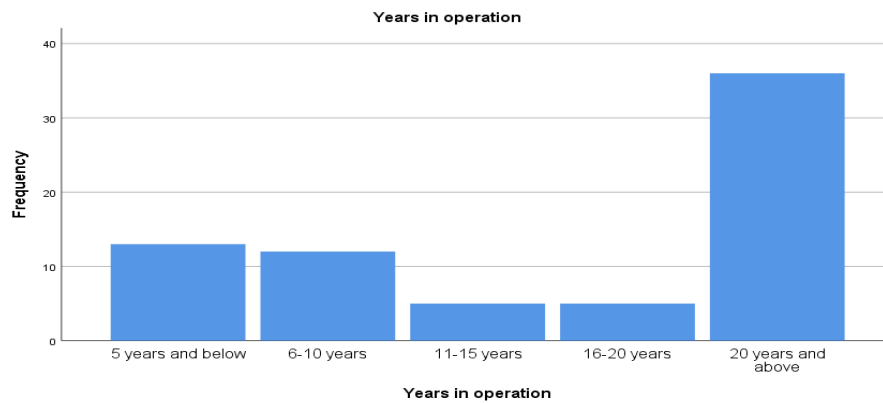


**Figure 4.9: Classification of Hotels Respondents Worked In**

Most managers were shown by the results (n=32, 45%) as working in three-star hotels. This could be because a large number of star-rated hotels in Nairobi County are three-star hotels. Radwan & Radwan (2017), moreover, found that 45% of the 82 respondents worked in five-star rated hotels, while 54% worked in four-star rated hotels, showing that a majority of the respondents were working in four-star hotels. Bilic *et al.* (2017) similarly established that a majority of respondents (n=33, 55%) worked in four-star hotels.

#### 4.3.3.3 Years of Operation by Hotel

Figure 4.10 shows the years in operation by the hotels in which the respondents worked. Thirteen (19%) managers had worked for hotels that had been in operation in Kenya for not more 6 years, 12 (16%) for between 6 and 10 years, 5 (7%) for between 11 and 15 years, 5 (7%) for between 16 and 20 years and 36 (51%) for over 20 years.



**Figure 4.10: Years of Operation of the Hotel**

The results reflected that most of the managers (n=36, 51%) had worked in hotels that had been in operation in Kenya for over 20 years and above, implying that the hotels may be in the advanced stages of the growth phase of the product life cycle. Bilic *et al.* (2017), however, established that most of the respondents (n=27, 45%) worked in hotels which had been in operation in Croatia for more than ten years, meaning that the hotels were probably in the growth phase of their business life cycle.

#### 4.3.3.4 Number of Rooms in Hotel

The number of rooms in the hotels in which the respondents worked was as shown in **Figure 4.11**. Ten (14%) managers worked in hotels that had 1 to 50 units, 26 (37%) between 51 and 100 units, 11 (15%) between 101 and 150 units, 12 (17%) between 151 and 200 units, and 12 (17%) over 200 units.



**Figure 4.11: Number of rooms in a hotel**

The findings show that most of the managers (n=26, 37%) worked in hotels with 51-100 rooms, implying that the hotels were medium-sized. Wee (2017), on the other hand, found that most of the 55 respondents (n=34, 61.8%) worked in large hotels of 300 or more rooms, while only 9.1% (n=5) worked in hotels of less than 100 rooms

#### **4.4 Perceived Crisis Risks in Three-to-Five-Star Hotels in Nairobi City County, Kenya**

This section presents a descriptive analysis of the crisis risks that the respondents identified as having the potential to place 3-5 star rated hotels in Nairobi County, Kenya, in crisis.

##### **4.4.1 Descriptive Statistics on Perceived Crisis Risks in Three to Five-Star Hotels in Nairobi City County**

Descriptive analysis was conducted to determine the perceived level of crisis risks. Respondents were asked to assess the extent to which each identified risk was likely to place their hotel in crisis using the provided guidelines.

Key: 1= Very Low; 2= Low; 3= Medium; 4= High; 5= Very High

**Table 4.5** shows the means (M) and standard deviations (SD) obtained on statements relating to the perceived level of crisis risks in three to five star hotels in Nairobi City County, Kenya.

**Table 4.5: Descriptive Statistics on Perceived Crisis Risks Faced by 3-5 Star Hotels**

Crisis Risks	3-star		4-star		5-star	
	n=30		n=19		n=15	
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.
Terror activities	3.17	1.26	2.79	1.44	3.40	1.55
Health/Pandemic crisis	2.17	1.21	2.05	1.18	2.53	1.41
Natural disasters	1.93	1.17	1.53	0.61	2.47	1.69
Fires	2.57	1.22	2.32	1.20	2.87	1.64
Political risks and instability	2.90	1.29	2.79	1.32	3.13	1.46
Economic cycles risks	2.90	1.01	2.63	1.17	3.00	1.07
Guest health and safety	2.48	1.12	2.11	1.05	2.53	1.46
Employee health and safety	2.52	1.09	2.21	1.08	2.86	1.56
Fraud and Integrity	2.66	1.01	2.53	1.26	3.07	1.58
Supply chain continuity	2.34	1.05	2.47	0.77	2.47	0.99
Competition	3.55	1.12	3.58	0.96	3.13	1.41
Climate change	2.28	1.07	2.53	1.02	2.87	1.19
Environmental law compliance	2.45	1.40	2.53	1.26	2.27	0.96
Regulatory law compliance	2.79	1.29	2.37	1.21	2.47	1.06
Travel advisory	3.03	1.18	2.84	1.02	3.27	1.03
<b>Aggregate Score</b>	<b>2.65</b>	<b>1.17</b>	<b>2.84</b>	<b>1.02</b>	<b>2.82</b>	<b>1.34</b>

The findings indicated that on average, the identified risks statements had medium chances of placing their hotel in crisis. This was shown by aggregate mean (M=2.84, SD= 1.02) for four-star hotels, (M= 2.82, SD= (1.34 for five-star hotels and (M= 2.65, SD =1.17) for three-star rated hotels.

Specifically, terror activities had medium chance of placing three-star hotels (M=3.17, SD=1.26), four-star hotels (M=2.79, SD=1.44) and five-star hotels (M=3.40, SD= 1.55) in crisis. Health/Pandemic crisis had low chances of placing three (M=2.17, SD=1.21) and four (M= 2.05, SD=1.18) star hotels in crisis but had medium chance of

placing five-star hotels in crisis ( $M=2.53$ ,  $SD=1.41$ ). The findings also showed that natural disasters had low chance of placing three-star ( $M=1.93$ ,  $SD=1.17$ ) four-star ( $M=1.53$ ,  $SD=0.61$ ), and five-star ( $M=2.47$ ,  $SD=1.69$ ) hotels in crisis.

The findings also showed that fires had low chances of placing three-star hotels in crisis ( $M=2.32$ ,  $SD=1.20$ ) but had a medium chance for four ( $M=2.57$ ,  $SD=1.22$ ) and five ( $M=2.87$ ,  $SD=1.64$ ) star hotels. Political risks and instability had medium chance of placing three-star ( $M=2.90$ ,  $SD=1.29$ ), four-star ( $M=2.79$ ,  $SD=1.32$ ), and five-star ( $M=3.13$ ,  $SD=1.46$ ) hotels in crisis and so were economic cycles risks as shown by means of 2.90 ( $SD= 1.01$ ), 2.63( $SD=1.17$ ), and 3.00 ( $SD=1.07$ ) for three, four and five-star hotels respectively.

It was further observed that for three-star hotels, competition had a high chance of placing the hotel in crisis ( $M=3.55$ ,  $SD=1.12$ ). Other risks that had moderate chance of placing these hotels (3-star) in crisis were travel advisory ( $M=3.03$ ,  $SD=1.18$ ); regulatory law compliance ( $M=2.79$ ,  $SD=1.29$ ); fraud and Integrity ( $M=2.66$ ,  $SD=1.01$ ); and employee health and safety ( $M=2.52$ ,  $SD=1.09$ ). Furthermore, guest health and safety ( $M=2.48$ ,  $SD=1.12$ ); environmental law compliance ( $M=2.45$ ,  $SD=1.40$ ); supply chain continuity ( $M= 2.34$ ,  $SD= 1.05$ ); and climate change ( $M=2.28$ ,  $SD=1.07$ ) had low chances of placing three-star hotels in crisis.

For four-star hotels, competition had a high chance of placing the hotels in crisis ( $M= 3.58$ ,  $SD=0.96$ ). Fraud and integrity ( $M=2.53$ ,  $SD=1.26$ ); environmental law compliance ( $M=2.53$ ,  $SD=1.26$ ); climate change ( $M= 2.53$ ,  $SD=1.02$ ); and travel advisory ( $M=2.84$ ,  $SD=1.02$ ) had moderate chances of placing four-star hotels in crisis. In addition, those risks with low chances of placing the four-star hotels in crisis were: supply chain continuity ( $M=2.47$ ,  $SD=0.77$ ); regulatory law compliance

(M=2.37, SD=1.21); employee health and safety (M=2.21, SD=1.08); and guest health and safety (M=2.11, SD=1.05).

Risks that had moderate chances of placing five-star hotels in crisis were: competition (M=3.13, SD=1.41); Fraud and Integrity (M=3.07, SD=1.58); travel advisory (M=3.27, SD=1.03); guest health and safety (M=2.53, SD=1.46); employee health and safety (M=2.86, SD=1.56); and climate change (M=2.87, SD=1.19). In addition, supply chain continuity (M=2.47, SD= 0.99); environmental law compliance (M=2.27, SD=0.96); and regulatory law compliance (M=2.47, SD=1.06) had low chances of placing five-star hotels in crisis.

The findings from the questionnaires were confirmed in the interviews where the five managers who were interviewed identified the internal and external risks that the hotels, they worked in were exposed to. The managers identified pandemics, fraud due to digital modes of payment, theft from staff, food poisoning, fire, accidents, drowning at the swimming pool, theft of valuables and company information and robberies, as the internal crises risks that they faced. Meanwhile the major external risks that the hotels faced were identified as, increased prices of supplies, building guest confidence after terrorism, political interference, accidents, cholera, competition, lack of managerial information systems, employee poaching and wildlife attacks.

*“The internal risks in our hotel are fraud due to digital modes of payment, theft from staff, food poisoning and fire” (Manager 1, Nairobi, 2019).*

The managers further highlighted the crises that had affected their hotels in the last five years had been internal theft by staff, terror attacks such as at Dusit D2 hotel,

general insecurity experienced by businesses due to terrorist attacks, major fire in the restaurant, lack of accommodation slots, fire incidents and wildlife attacks. As quoted, one (20%) manager observed that,

*“The crises that have affected our hotel in the last five years include internal theft by staff and the terror attack at the Dusit D2 hotel that led to low occupancy as business went down significantly. The hotel is still under recovery” (Manager 1, Nairobi, 2019).*

The managers who were interviewed moreover explained the effects of crises on the key performance indicators (KPI). The managers (100%) stated that crises often led to loss of revenue, low occupancy, staff layoff and extra costs in hiring security staff, equipment and police. The hotels also lost business with bookings at times going to zero and had to develop specialty restaurants. However, one (20%) manager added that they were able to contain crises and that the response during crises was fast due to staff training as the employees knew what to do.

*“Crises have led to low occupancy and lay off of staff though this may not be direct, with no replacement in case of staff turnover. The hotel has also incurred extra costs in hiring security staff and equipment such as cameras, contracted staff, extra guard posts and the police attached to the establishment” (Manager 1, Nairobi, 2019).*

From the questionnaires, it was observed that the managers agreed on the point that the hotels were highly exposed to competition, terror activities, travel advisories and political risks and instability. However, the managers felt that health/pandemic crisis and natural disasters were the risks that the hotels were exposed to the least. These

findings somehow agree with Sawalha's et al. (2013) who found that the major risks facing hotels in Jordan were political instability, social unrest, potential terrorist activities and financial problems.

The managers further highlighted the crises that had affected their hotels in the last five years as internal theft by staff, terror attacks, such as at Dusit D2 hotel, major fire in the restaurant, lack of accommodation slots, fire incidents, and wildlife attacks. COMCEC (2017) likewise identified fire, floods, financial fraud, terrorism, crime, political unrest, and climate change as some of the crisis risks in the tourism industry. In agreement with these findings, Ali & Ali (2010) also established that political risks were a major risk affecting Jordanian hotels. The similar findings could be explained by the international environment that most hotels in Nairobi County operate in, which exposes all hospitality facilities to similar risks such as terrorism and political instability.

Despite health/pandemic crisis emerging as one of the risks that the hotels were least exposed to, the years 2019 and 2020 witnessed the emergence and growth of a health pandemic globally, COVID-19, which affected the global hospitality and tourism industry (UNWTO, 2020). (CBK, 2021) observed that in Kenya, Covid-19 saw the closure of monumental hotels. Due to impact of the pandemic, there was closure of hotels such as Intercontinental Hotel, Radisson Blu Hotel, Norfolk Fairmont and the Nairobi's Tribe Hotel, all in Nairobi City County (KIPPRA, 2021).

Further, Zhuravka et al. (2023) in their study on war challenges and restoration possibilities in the hospitality market in Ukraine noted that almost 23% of hotels suspended their activities, and 54% functioned only partially. Further, the crisis caused by war in Ukraine resulted in expenses increasing by between 20 and 50%

thus reducing profits by more than 20%. Moreover, Russia-Ukraine war resulted in changes in demand, disruptions of supply chain, decline in purchasing power as well as shortage of products and personnel. Besides, the Russia-Ukraine war led to exit of main hotel brands in Ukraine and a decline in occupancy of independent hotels by over 75% (Ricca, 2022).

The Gaza war has also significantly, affected hotel industry in Jordan, leading to a substantial drop in demand for its services (Perosino, 2025). In addition, the war has disrupted occupancy rate with a projected 25% in Amman, 18% in Dead Sea hotels and less than 10 per cent in Petra. The war has further disrupted the tourism industry in Israel with the tourists declining by over 80% since 2022 (Bhowmick & Khan, 2024). Moreover, the war has caused a decline in the number of flights, where only 20% of flights operated. Besides, the war in Gaza caused the displacement of population, with 85% of Gaza's population being displaced. Other effects of the war include shortages of food, clean water and medicine (Schein, 2024)

#### **4.5 Business Resilience of Three-to-Five-Star Hotels in Nairobi City County, Kenya**

Business resilience was the dependent variable. Business resilience in the hotels was measured by enquiring of the respondents the extent to which they agreed with statements on the restoration of business after crises at the hotels. The study conducted descriptive statistics on the variable.

The mean scores on business resilience showed that the three crisis management approaches; proactive planning (M=4.07, M=3.77, M=3.68), business continuity planning (M=3.77, M=3.79, M=3.87) and crisis communication (M=3.73, M=3.53,

M= 4.00) had a major influence on business performance on three, four and five star rated hotels respectively as reflected by the key performance indicators.

#### 4.5.1 Descriptive Statistics on Business Resilience

**Table 4.6** Displays means (M) and standard deviations (SD) obtained from the managers' responses on items indicative of business resilience in three-to-five-star hotels in Nairobi City County, Kenya.

**Table 4.6: Hotel Business Resilience**

Hotel Star Rating	3-star		4-star		5-star	
	n=30		n=19		n=15	
	Mean	Std. Dev	Mean	Std. Dev	Mean	Std. Dev
Exhibited resistance to crisis effects	3.83	0.83	3.21	1.13	3.13	1.36
Timely business recovery from the effects of crisis	3.87	0.86	3.47	1.17	3.80	1.01
Preservation of its essential functions in a timely manner after crisis	3.73	0.58	3.63	1.01	3.73	0.96
Restoration of essential functions in timely manner after a crisis	3.70	0.60	3.58	1.02	4.00	0.93
Proactive planning has played a positive role in the performance of the hotel for the last 3 years regarding KPI	3.77	0.86	3.68	0.82	4.07	0.80
BCM has played a positive role in the performance of the hotel for last 3 years regarding KPI	3.77	0.86	3.79	0.92	3.87	0.92
Crisis communication Management has played a positive role in the hotel's performance for the last 3 years regarding KPI	3.73	0.87	3.53	0.96	4.00	0.85
<b>Aggregate Score</b>	<b>3.77</b>	<b>0.78</b>	<b>3.56</b>	<b>1.01</b>	<b>3.80</b>	<b>0.97</b>

Findings in **Table 4.6**, indicate an aggregate mean score on the resilience of the hotel business at (M=3.80, SD 0.97; M=3.77, SD 0.78; M=3.56, SD 1.01) for five, three, and four-star rated hotels in that particular order. indicating that managers of these

hotels agreed on the resilience of their hotels. It was also observed that respondents perceived five-star rated hotels to be on overall resilient, followed by three and then four-star rated hotels.

The findings specifically showed that three-star hotels exhibited resistance to crisis effects more than five-star hotels ( $M= 3.83$ ,  $SD 0.83$ ) compared to ( $M= 3.21$ ,  $SD= 1.13$ ) and ( $M=3.13$ ,  $SD= 1.36$ ) for four- and five-star hotels, respectively. Respondents also agreed on average that there was timely business recovery from the effects of crisis as shown by ( $M=3.87$ ,  $SD=0.86$ ) for three-star hotels and ( $M=3.80$ ,  $SD=1.01$ ) for five-star hotels. However, respondents moderately agreed on average that there was timely business recovery from the effects of crisis in four-star hotels, as shown by ( $M= 3.47$ ,  $SD 1.17$ )

Respondents further agreed that there was preservation of essential functions in a timely manner after crisis as shown ( $M= 3.73$ ,  $SD= 0.58$ ), ( $M=3.73$ ,  $SD= .96$ ), and ( $M=3.63$ ,  $SD=1.01$ ) for three, five and four-star hotels respectively. There was also restoration of essential functions in timely manner after a crisis in all star hotels as shown ( $M= 4.00$ ,  $SD=0.93$ ), ( $M=3.70$   $SD=0.60$ ), and ( $M=3.58$   $SD=1.02$ ) for five, three and four-star hotels respectively. Proactive planning was seen to have had a positive role play in the performance of the hotel for last 3 years in regard to KPI as shown by mean of ( $M=4.07$ ,  $SD= 0.80$ ) for five-star hotels, ( $M=3.77$ ,  $SD=0.86$ ) for three star and ( $M=3.68$ ,  $SD= 0.82$ ) for four-star hotels.

Respondents also agreed that BCM had a positive role in the performance of the hotel for last 3 years in regard to KPI as shown by a mean of ( $M=3.87$ ,  $SD=0.92$ ) for five-star hotels, ( $M=3.79$ ,  $SD= 0.92$ ) for four star and ( $M=3.77$ ,  $SD= 0.86$ ) for three stars. Respondents further agreed that crisis communication Management had a

positive role play in the performance of the hotel for last 3 years in regard to KPI as shown by mean and standard deviations of (M= 4.00, SD=0.85), (M=3.73, SD=0.87), and (M= 3.53, SD=0.96) for five, three and four-star hotels respectively.

These findings were confirmed through Key informant interviews of managers, (20%) stating that proactive crisis management ensured that crises were contained while maintaining a positive image and building customer loyalty which subsequently generated staff motivation and job security, as quoted below.

*“Crisis management ensures that there are no negative effects of crisis. For example, fires are well contained. Preparation also helps maintain a positive image. This helps keep customers and contracts for long due to the trust with staff for optimum performance (motivation) and job security” (Manager 4, Nairobi, 2019).*

This implies that hotels in Nairobi City County were resilient and able to continue operating in times of turmoil. Alonso-Almeida & Bremser (2012) similarly found that customer loyalty influences performance during and after a crisis.

Some of the managers (20%) further explained that the hotel business was resilient, as quoted here in.

*“The hotel business is resilient. When things happen that are risks, they are eye openers to us. We then review our strategies and see how to go about recovery” (Manager 1, Nairobi, 2019).*

The managers reported that their hotels were able to contain crises and that the response during crises was fast due to staff training, as the employees knew what to

do. The UNWTO likewise reports that the tourism industry has always been resilient to crises (UNWTO, 2020).

On the other hand, (40%) of the managers noted that there were hotels in Kenya shutting down due to crises, as quoted below.

*“Hotels should invest in crisis management seriously. There are cases of hotels closing down due to lack of preparation. For example, hotel A in Mombasa, whose closure could have been averted” (Manager 4, Nairobi, 2019).*

This was a reaffirmation that though crisis management was seen to engender resilience, not all hotel businesses had invested in the process and hence not all hotels could be termed as resilient.

#### **4.6 Proactive Planning and Business Resilience in Three-to-Five-Star Hotels in Nairobi City County, Kenya**

The first objective was to investigate the influence of proactive planning on business resilience in three-to-five-star hotels in Nairobi City County, Kenya. The study conducted descriptive, correlation and regression analysis on the variable.

##### **4.6.1 Descriptive Statistics for Proactive Planning**

This section relates to hotels' Proactive planning approaches and actions to mitigate against possible crisis effects within the hospitality industry. Respondents indicated the extent to which they agreed or disagreed with the statements as they relate to their establishment. The key used was; 1= Strongly Disagree; 2= Disagree; 3= Not Sure; 4= Agree; 5= Strongly Agree

**Table 4.7** presents summary of findings obtained where means (M) and standard deviations (SD) have been used to discuss the findings.

**Table 4.3: Level of Application of Proactive Planning Approach**

Proactive Planning Approaches	3-star		4-star		5-star	
	n=30		n=19		n=15	
	Mean	Std. Dev	Mean	Std. Dev	Mean	Std. Dev
The hotel often carries out a Risk Analysis on probable crisis.	3.87	0.90	3.32	1.11	3.47	1.41
There are strategic forecasts on the probable effects of Crises on the hotel business	3.63	1.00	3.84	0.96	3.87	1.06
The hotel has institutionalized crisis Early warning systems.	3.43	0.82	3.11	0.99	3.47	1.13
Crisis awareness among all employees and stakeholders of the business are conducted often.	3.40	0.89	3.16	1.07	4.00	1.00
There is regular training of management and employees on crisis risks and probable effects.	3.17	0.79	3.11	0.99	3.53	0.99
The hotel has a crises management plan in place	3.50	0.94	3.05	1.27	4.07	0.80
There is crisis management department and personnel in place in the hotel	3.67	0.96	3.21	1.18	3.80	1.01
The hotel's crises management plan is incorporated in its strategic plan.	2.80	1.32	3.21	1.18	2.87	1.36
Scenario analysis on Crisis plans is carried out by the hotel	3.33	1.16	3.00	1.16	3.33	1.35
Lessons drawn from previous crisis experiences are used to plan for future occurrences.	3.37	1.07	3.21	1.13	3.53	0.83
<b>Aggregate Score</b>	<b>3.42</b>	<b>0.98</b>	<b>3.22</b>	<b>1.10</b>	<b>3.59</b>	<b>1.09</b>

Based on the findings in **Table 4.7**, respondents in 3 star and 4-star hotels were not decisive about proactive planning approaches to enhance business resilience in their hotels, as shown (M= 3.42, SD=0.98) and (M=3.22, SD=1.10) respectively. However, it was noted that respondents in 5-star hotels agreed that there were proactive planning strategies adopted in their hotels to improve resilience as shown by a mean score of (M=3.59, SD=1.09)

The findings specifically indicated that respondents agreed that there were strategic forecasts on the probable effects of crises on the hotel business as shown; (M=3.63, SD=1.00), (M=3.84, SD=0.96), and (M=3.87, SD=1.06) for three-, four- and five-star hotels, respectively. They also agreed that three-star hotels often carried out risk analysis on probable crisis as shown (M=3.87, SD=0.90). However, respondents were indecisive on risk analysis in four- and five-star hotels as shown (M=3.32, SD=1.11), and (M=3.47, SD=1.41) respectively. In five-star hotels, respondents agreed on average that crisis awareness among all employees and stakeholders of the business were conducted often (M=4.00, SD=1.00). However, respondents in three- and four-star hotels were not sure how often crisis awareness was conducted as shown (M=3.40, SD= 0.89) and (M=3.16, SD= 1.07) respectively.

Findings further revealed that respondents of five-star hotels agreed that there was regular training of management and employees on crisis risks and probable effects (M=3.53, SD=0.99); however, in three star and four-star hotels, respondents were not sure as shown by (M=3.17, SD= 0.79), and (M=3.11, SD=0.99) statistics respectively. Furthermore, respondents of five- and three-star hotels agreed that the hotel has a crisis management plan in place as shown by (M=4.07, SD=0.80), (M=3.50, SD=0.94) statistics respectively. However, that was not the case for four-star hotels since respondents were not sure as shown by statistics of (M=3.05, SD=1.27).

The findings further showed that five star and three-star hotel respondents agreed that there is a crisis management department and personnel in place in the hotel as shown by (M=3.80, SD=1.01), and (M=3.67, SD=0.96) statistics respectively; however, respondents in four-star hotels were not sure as shown by (M=3.21, SD=1.18) statistic. Also, the respondents of five-star hotels agreed that lessons drawn from

previous crisis experiences are used to plan for future occurrences ( $M=3.53$ ,  $SD=0.83$ ), but in four- and three-star hotels, respondents were not sure, as shown by ( $M=3.37$ ,  $SD=1.07$ ,  $SD=3.21$ ,  $SD=1.13$ ) statistics respectively. In addition, respondents in three-, four- and five-star hotels were not sure on whether the hotel has institutionalized crisis early warning systems as shown by ( $M=3.43$ ,  $SD=0.82$ ), ( $M=3.11$ ,  $SD=0.99$ ), and ( $M=3.47$ ,  $SD=1.13$ ) statistics respectively; that was the case with whether scenario analysis on crisis plans are carried out by the hotel as shown by ( $M=3.33$ ,  $SD=1.16$ ), ( $M=3.00$ ,  $SD=1.16$ ), and ( $M=3.33$ ,  $SD=1.35$ ) statistics respectively. Also was the case with whether the hotels' crisis management plan is incorporated in its strategic plan as indicated by ( $M=2.80$ ,  $SD=1.32$ ), ( $M=3.21$ ,  $SD=1.18$ ), and ( $M=2.87$ ,  $SD=1.36$ ) statistics, respectively.

The managers interviewed were asked about proactive planning in their hotels. First, the managers were asked to explain whether their hotels had databases with potential crisis situations. Four (80%) managers reported that their hotels had databases with potential crises. One manager (20%) stated that the database was not documented though the hotel had risk assessment training in security. Two (40%) managers agreed that their hotels had the databases, with one (20%) stating that occurrences were documented in matters of magnitude and the other (20%) stating that they had databases on terrorism with the administration police always being in the hotel on a daily basis.

Four (80%) managers stressed that their hotels had standard procedures for crisis management planning. One (20%) manager explained that the hotel that he works in had safety and wellness teams with fire procedures and the contacts of fire emergency services. The hotel also had champions and leaders internally for each department

who sat and discussed areas of improvement. Another (20%) manager expounded that they had standard procedures on an “as it is basis” with reserves put aside for eventualities. The hotel further had crisis management documents and plans with standard operating procedures under the general manager, though accessible to the heads of departments.

*"The standard procedures for crisis management include general standard operating procedures, beefed up access controls, backups, enhanced security searches, liaison with local security agents for related information and updates, security awareness training for security personnel and general staff, verification by duty manager and security staff when moving equipment in and out of the hotel, trained fire marshals and 24/7 firefighting equipment such as blankets, extinguishers, fire alarms and smoke detectors" (Manager 1, Nairobi, 2019).*

Two (40%) managers indicated that their hotels had a crises management department. One (20%) manager elaborated that the department was under the human resource department. Another (20%) manager held that they did not have crisis management plans and procedures for potential crisis situations as they were not documented, though the hotel had committees on different areas including fire, health, safety and emergency preparedness.

The managers were asked to explain whether they had developed plans and procedures put in place for anticipated potential crisis situations in areas like fire, earthquakes, epidemics, and terror attacks. Four (80%) managers believed that they had developed plans and procedures for fires, one (20%) for earthquakes and three (60%) for epidemics, though one (20%) manager stated that the developed plans and

procedures were not on a large scale. Another (20%) manager observed that they had elaborate medical check-ups for all employees, upon recruitment, and one (20%) manager observed that they had elaborate plans to deal with food poisoning. In addition, three (60%) managers claimed that they had developed plans and procedures for terror attacks. When asked about developed plans and procedures for other crises, the managers stated that the hotels had developed plans and procedures for floods, wild animals, and drowning.

Four (80%) managers acknowledged that the hotels they worked for had crisis management teams for potential crisis situations defined and identified. One (20%) manager stated that the hotel had committees. However, these committees were not trained by experts but had mobilized themselves internally. Other managers explained that they had a safety and wellness team (n=1, 20%) and for fires and terrorism (n=1, 20%) while another (20%) revealed that they had a plan that outlined duties and responsibilities.

*“Yes, the hotel has a safety and wellness team in charge of different areas with fire procedures and safety areas. The Red Cross also offers fire and safety training yearly” (Manager 2, Nairobi, 2019).*

Three (60%) managers reported that the crises management teams were knowledgeable about their duties and responsibilities in case of crisis eventualities, with one (20%) indicating that the crisis management team members were mostly informed about fire by training champions and assigning fire marshals duties and powers to conduct inspections.

All (100%) the managers acknowledged that their employees were trained on crisis management at the workplace. All the hotels trained their employees on fire and safety, particularly when there was servicing of the fire safety equipment. This training was often continuous or done annually, with a minimum of two trainings every year. One (20%) manager emphasized that the training detailed who to contact and how not to blow things out of proportion during fires.

*“A few members, such as fire marshals, are trained on fires, first aid, and preparedness. Training on mitigating fires is done regularly every quarter”  
(Manager 1, Nairobi, 2019).*

Four (80%) managers observed that their hotels had detailed crisis management manuals and elaborated that there were booklets in the staff offices (n=1, 20%), the manuals were for fire (n=1, 20%) and that the manuals were with the human resource department and management (n=1, 20%).

The results from the descriptive analysis showed that the hotels (80%) embraced proactive planning as a crisis management approach, with strategic forecasts and risk analysis being the major strategies adopted. In addition, strategic forecasts on the probable effects of crisis were the most embraced proactive planning tools in hotels in Nairobi County. Zech (2016), however, found that crisis management training was the most effective crisis management tool. Crisis management training for management and employees nonetheless ranked eighth on the list of proactive planning strategies adopted by hotels in Nairobi County. This could be because hotels in Nairobi City County have designated crisis management teams and committees, which are assigned the responsibility of managing crises in the hotels, hence the laxity in training other hotel staff.

The findings, therefore, were indicative of hotels that had ingrained proactive planning. These findings however, differed from Albattat & Som's (2014) and Albattat *et al.*, (2015), which showed that the hotels in the study lacked and avoided proactive emergency plans. Zech (2016) also found that the hotels studied were reactive in managing crises, meaning that they lacked proactive plans. These findings could be explained by the high costs that are linked to proactive planning, including staff training and sensitization, which may make some hospitality facilities avoid it. GIDRM (2015) moreover established that costs could inhibit hotel resilience initiatives. Sawalha *et al.* (2013) similarly discovered that local and regional hotels were reactive rather than proactive to crises, unlike international hotels. This study, however, found that hotels in Nairobi City County had adopted proactive planning. Most three-to-five-star hotels in Nairobi City County are international, meaning that the findings support Sawalha *et al.* (2013). International hotels, more so in Nairobi, could be proactive because of the international environment that they operate in, which is often risky with threats such as competition, terrorism, and economic turbulence, hence the need for plans for managing any risks and crises that may arise from running international hotel businesses

#### **4.6.2 Pearson's Correlation Analysis Results of the Relationship Between Proactive Planning and Business Resilience: Testing Hypothesis 1**

The hypothesis ( $H_{01}$ ) *'There is no significant relationship between proactive planning and business resilience in three-five star hotels in Nairobi County, Kenya'* was tested.

To determine the relationship between proactive planning and business resilience in hotels, Pearson's correlation analysis was conducted. The composite scores on

proactive planning (independent variable) were correlated with the overall scores on business resilience (dependent variable) by use of Pearson's Correlation coefficient. Below is the analysis as shown in **Table 4.8**

**Table 4.4: Correlation Analysis Between Proactive Planning and Business Resilience**

		3-Star		4-Start		5-Star	
		Business Resilience	Proactive Planning	Business Resilience	Proactive Planning	Business Resilience	Proactive Planning
Business Resilience	Pearson Correlation	1		1		1	
	Sig. (2-tailed)						
	N	30		19		15	
Proactive Planning	Pearson Correlation	.597*	1	.581*	1	.524*	1
	Sig. (2-tailed)	.000		.009		.003	
	N	30	30	19	19	15	15

\*. Correlation is significant at the .05 level (2-tailed).

From the findings in **Table 4.8**, there was a positive significant correlation between proactive planning and hotel business resilience ( $p < 0.05$ ). Proactive planning had strong positive and significant correlation with hotel business resilience for all the hotels in order from the strongest; three-stars hotels ( $r = .597$ ,  $p = 0.000 < 0.05$ ); four-stars hotels ( $r = .581$ ,  $p = 0.009 < 0.05$ ); five-star hotels at ( $r = .524$ ,  $p = 0.003 < 0.05$ ) respectively. This was an indication of a strong relationship between proactive planning and hotel business resilience in three-, four-, and five-star hotels respectively.

#### **4.6.3 Regression Analysis Results for Proactive Planning and Business Resilience**

Having established a strong relationship between proactive planning and business resilience in **section 4.6.2** above, the study computed regression analysis to test the effect level proactive planning had on hotel business resilience.

#### 4.6.3.1 Univariate Regression Analysis for Proactive Planning and Business Resilience

The model summary table was used to show variation in business resilience in three-to-five-star hotels that can be explained by changes in proactive planning. The results are as presented in **Table 4.9**.

**Table 4. 5: Model Summary on Proactive Planning**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
3-star	.597 <sup>a</sup>	.356	.333	.529
4-star	.581 <sup>a</sup>	.338	.299	.743
5-star	.524 <sup>a</sup>	.275	.273	.808

a. Predictors: (Constant), Proactive Planning

Findings in **Table 4.9** show the R-square value for 3-star, 4-star, and 5-star hotels as ( $R^2=0.356$ ,  $R^2=0.338$ , and  $R^2=0.275$ ), respectively. This indicated that proactive planning could explain  $(0.356 \times 100) = 35.6\%$  variation in business resilience in three-star hotels,  $(0.338 \times 100) 33.8\%$  in four-star hotels, and only  $(0.275 \times 100) 27.5\%$  in five-star hotels in Nairobi City County. The remaining percentages in variation implied that there are other factors other than proactive planning that could explain business resilience in 3–5-star hotels in Nairobi City County, Kenya.

#### 4.6.3.2 Analysis of Variance on Proactive Planning

Variance analysis was also conducted to establish if the model developed was statistically significant, tested at 95% confidence interval. The findings are as presented in **Table 4.10**.

**Table 4.6: Analysis of Variance on Proactive Planning**

Model		Sum of Squares	df	Mean Square	F	Sig.
3-Star	Regression	4.344	1	4.344	15.509	.000 <sup>b</sup>
	Residual	7.843	28	.280		
	Total	12.188	29			
4-Star	Regression	4.783	1	4.783	8.671	.009 <sup>b</sup>

	Residual	9.376	17	.552		
	Total	14.159	18			
5-Star	Regression	3.951	1	3.951	6.051	.003 <sup>b</sup>
	Residual	8.489	13	0.653		
	Total	12.440	14			

a. Dependent Variable: Hotel Business Resilience

b. Predictors: (Constant), Proactive Planning

**Table 4.10** show p-value for 3-star hotels (0.000), 4-star (p=0.009), and five-star (p=0.003) below the selected level of significance (p=0.05). This implied that the model developed on the influence of proactive planning on business resilience in three-to-five-star hotels in Nairobi City County, Kenya, was significant. The significance of the model was also supported by f-calculated values which were greater than the f-critical values. i.e.,  $F(1,28) = 4.196 < 15.509$  for 3-star;  $F(1,17) = 4.451 < 8.671$  for 4-star; and  $F(1,13) = 4.667 < 6.051$  five stars. In predicting the influence of proactive planning on business resilience in three to five star hotels in Nairobi City County, Kenya, the model was significant.

#### 4.6.3.3 Proactive Planning Regression Coefficients

Model coefficients were used to show the direction of the relationship and the level of significance between the study variables. The results were as captured in **Table 4.11**.

**Table 4.7: Regression Coefficients on Proactive Planning**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
3- (Constant)	1.886	.488		3.860	.001
Star Proactive Planning	.055	.014	.597	3.938	.000
4- (Constant)	1.840	.607		3.031	.008
Star Proactive Planning	.053	.018	.581	2.945	.009
5- (Constant)	3.569	1.04		3.432	.004
Star Proactive Planning	0.056	.018	0.524	3.111	.003

a. Dependent Variable: Hotel Business Resilience

In line with the SPSS generated **Table 4.11**, the equation ( $Y = \beta_0 + \beta_1 X_1 + \varepsilon$ ) became:

$$Y = 1.886 + .055 \text{ Proactive Planning} \dots\dots\dots 3\text{-Star}$$

$$Y = 1.840 + .053 \text{ Proactive Planning} \dots\dots\dots 4\text{-Star}$$

$$Y = 3.596 + .056 \text{ Proactive Planning} \dots\dots\dots 5\text{-Star}$$

The first equation implied that when proactive planning was held to a constant zero, business resilience in three star rated hotels in Nairobi City County, Kenya would be at a constant value of 1.886. Findings indicated that proactive planning was a significant predictor of business resilience in 3-star hotels ( $\beta=0.055$ ,  $p=0.000<0.05$ ) too. The influence of proactive planning was positive and significant, an indication that a unit increase in proactive planning, would cause an increase in business resilience in three star hotels in Nairobi City County, Kenya by 0.055 units.

The second equation on four-star hotels indicated that when proactive planning was held to a constant zero, business resilience in four star rates hotels in Nairobi City County, Kenya would be at a constant value of 1.840. Findings also implied that proactive planning was a significant predictor of business resilience in 4-star hotels ( $\beta=0.053$ ,  $p=0.009<0.05$ ). The influence of proactive planning was positive and significant an indication that a unit increase in proactive planning would cause an increase in business resilience in four star hotels in Nairobi City County, Kenya by 0.053 units.

The last equation on five-star hotels indicated that when proactive planning was held constant at zero, business resilience in five star hotels in Nairobi City County, Kenya would be at a constant value of 3.569. The findings also implied that proactive planning was a significant predictor of business resilience in 5-star rated hotels ( $\beta=0.056$ ,  $p=0.003<0.05$ ). The influence of proactive planning was positive and significant an indication that a unit increase in proactive planning would result to a decrease in business resilience in five star hotels in Nairobi City County, Kenya by 0.056 units.

Since the p-value for beta coefficients of proactive planning for three-, four- and five-star hotels were less than the selected level of significance (0.05), the null hypothesis ( $H_{01}$ ) 'There is no significant relationship between proactive planning and business resilience in three-to-five-star hotels in Nairobi City County, Kenya', was rejected and consequently acceptance of the alternative hypothesis '*There is significant relationship between proactive planning and business resilience in three-to-five-star hotels in Nairobi City County, Kenya*'. This expressly indicated that proactive planning did have a positive influence on hotel business resilience.

In summary, the correlation results indicated that proactive planning and business resilience were significantly and positively correlated. This implied that an increase in proactive planning scores predicted an increase in business resilience scores meaning that proactive planning positively influenced business resilience. The linear regression model summary results also showed a strong relationship between the study variables. ANOVA results showed that proactive planning affected business resilience meaning that planning for crises helped the hotels continue running during crises. This expressly indicated that proactive planning did have a positive influence

on hotel business resilience. Nonetheless, the coefficient of determination value indicated that there were other factors other than proactive planning that contributed to business resilience.

#### 4.7 Business Continuity Planning and Business Resilience

The second objective of the study was to determine the influence of business continuity planning on business resilience in three-to-five-star hotels in Nairobi City County, Kenya. Descriptive, correlation and regression analysis on the variable were conducted.

##### 4.7.1 Descriptive statistics for Business Continuity Planning

This section relates to approaches and strategies hotels can employ for crisis management during crisis period to ensure Business continuity. Respondents pointed out the extent to which they agreed or disagreed with the statements. The key used was: 1= Strongly Disagree; 2= Disagree; 3= Not Sure; 4= Agree; 5 Strongly Agree.

**Table 4.12** presents summary of findings obtained where means (M) and standard deviations (SD) have been used to discuss the findings.

**Table 4.8: Level of Application of Business Continuity Planning Approach**

	3-star		4-star		5-star	
<b>Business Continuity Planning</b>	n=30		n=19		n=15	
	Mean	Std. Dev	Mean	Std. Dev	Mean	Std. Dev
The hotel has a Business continuity plan.	3.80	0.85	4.05	0.71	4.47	0.74
The hotel has a security plan.	4.00	0.83	3.79	1.13	4.60	0.63
The hotel regularly reviews and updates business continuity and security plans.	3.70	0.95	3.53	1.17	4.13	0.99
The hotel has copies of business continuity plans located at accessible sites beyond the company's offices (e.g., in a staff members' home).	3.00	1.29	3.05	1.31	2.87	1.55
The hotel includes its business continuity plan in new employee inductions.	3.13	1.20	3.26	1.24	3.27	1.53

Updated business continuity plan is shared with all staff regularly through training.	3.20	1.10	3.32	1.29	3.07	1.58
Training on the business continuity plan includes the actual acting out of the plan.	3.37	1.16	3.16	1.30	3.20	1.52
The business continuity plan is tested annually to ensure it works	3.17	1.32	2.95	1.18	3.40	1.24
There is the prioritization of business resumption activities during crises	3.33	1.09	3.11	1.20	3.67	0.90
There is ability to manage and respond to emergencies and return services to normal in case of a crisis.	3.70	1.06	3.37	1.30	4.13	0.74
Customers are apprised of the hotel capability of fulfilling its commitments	3.57	1.07	3.47	1.17	4.07	0.80
There are integrated Emergency Management Systems in Place	3.77	0.97	3.32	1.25	4.07	0.80
There are laid down policies and strategies to maintain the company's operations during a crisis.	3.83	0.95	3.63	1.21	4.40	0.74
The hotel has a checklist of contact details of emergency service providers that should help the business address immediate needs in case of crisis.	3.93	0.98	3.68	1.11	4.53	0.74
<b>Aggregate Score</b>	<b>3.54</b>	<b>1.06</b>	<b>3.41</b>	<b>1.18</b>	<b>3.85</b>	<b>1.04</b>

Based on the findings in **Table 4.12**, respondents in 3-star, and 5-star hotels agreed that there was business continuity planning in their hotels as shown by a mean score of (M=3.54, SD= 1.06) and (M=3.85, SD=1.04) respectively. However, respondents in four-star hotels were indecisive on business continuity planning with a mean score of (M=3.41, SD=1.18) The high standard deviation of 1.18 suggest that there were high deviations in responses whereby while some four-star hotels had business continuity planning it was absent in others. Specifically, on presence of business continuity plan, respondents in three-star, four-star and five-star hotels agreed that the hotels had a business continuity plan as shown by (M=3.80, SD=0.85), four star (M=4.05, SD=0.71) and five stars (M=4.47, SD=0.74) respectively. There was also agreement among respondents in three-star and four-star hotels that the hotels had a security plan (M=4.00, SD=0.83), (M=3.79, SD=1.13) respectively. However, in five-

star hotels, respondents strongly agreed that the hotels had a security plan (M=4.60, SD=0.63).

Respondents in three-star (M=3.70, SD=0.95), four-star (M=3.53, SD= 1.17), and five- stars (M=4.13, SD=0.99) hotels also agreed that the hotel regularly reviewed and updated business continuity and security plans. They further agreed that there were laid down policies and strategies to maintain the company's operations during crisis, as shown by (M=3.83, SD=0.95), (M=3.63, SD=1.21), and (M=4.40, SD=0.74) statistics for three, four, and five-star hotels, respectively. In addition, they agreed that the hotel had a checklist of contact details of emergency service providers that should help the business address immediate needs in case of crises as shown by (M=3.93, SD=0.98), (M=3.68, SD=1.11), and (M=4.53, SD=0.74) statistics for three-, four- and five-star hotels.

Findings further showed that respondents in three and five star hotels agreed that: customers were apprised of the hotel capability of fulfilling its commitments as shown by statistics of (M=3.57, SD=1.07) and (M=4.07, SD=0.80) respectively; that there were integrated Emergency Management Systems in Place as shown by statistics of (M=3.77, SD=0.97) and (M=4.07, SD=0.80) respectively; that there was ability to manage and respond to emergency and return services to normal in case of a crisis as shown by statistics of (M=3.70, SD=1.06) and (M=4.13, SD=0.74) respectively. The respondents of four-star hotels were however not sure of the statements above as shown by statistics of (M=3.47, SD=1.17), (M=3.32, SD=1.25) and (M=3.37, SD=1.30) respectively.

From the findings, it is also seen that respondents of five-star hotels agreed that there is prioritization of business resumption activities during crises (M=3.67, SD= 0.90).

On the other hand, respondents of three- and four-star hotels were not sure on the same as shown by (M=3.33, SD=1.09) and (M=3.11, SD=1.20) statistics. The respondents of three, four and five star hotels were not sure on the statements that: the hotels had copies of business continuity plans located at accessible sites beyond the company's offices (e.g. in a staff members' home) (M=3.00, SD=1.29), (M=3.05, SD=1.31), and (M=2.87, SD=1.55) respectively; that the hotel includes its business continuity plan in new employee inductions (M=3.13, SD=1.20), (M=3.26, SD=1.24); and (M=3.27, SD=1.53) respectively; that updated business continuity plan were shared with all staff on a regular basis through training (M=3.20, SD=1.10), (M=3.32, SD=1.29), and (M=3.07, SD=1.58) respectively; that training on business continuity plan includes the actual acting out of the plan (M=3.37, SD=1.16), (M=3.16, SD=1.30), and (M=3.20, SD=1.52); and that the business continuity plan was tested annually to ensure it works (M=3.17, SD=1.32), (M=2.95, SD=1.18), and that (M=3.40, SD=1.24).

The findings were in agreement with those of managers who were interviewed. The managers who were interviewed were asked whether their hotels had business continuity plans. Only one (20%) manager was sure that the hotel had a business continuity plan. Three (60%) managers stated no with one saying that it was not in writing and was not practiced while another (20%) saying that he was not sure.

The findings from the questionnaires showed that the hotels had embraced business continuity planning and laid down strategies for ensuring that operations would not stop in the event of a crisis, with security plans and business continuity plans being the major tools to facilitate business continuity. Wee (2017) and Sawalha *et al.*, (2015) similarly investigated crisis management and business resilience in hotels in

Singapore and Jordan found out that most hotels had business continuity management systems in place. These findings were, however, somewhat different from Sawalha's *et al.* (2013) who previously found that hotels in Jordan lacked business continuity strategies and actions especially business continuity plans, early warning and signal detection, contingency planning and management, risk analysis and emergency management. However, all the hotels that were studied by Sawalha *et al.* (2013) depended on security management systems. These findings could be due to the fact that business continuity planning as a crisis management approach was a fairly new concept that hotels had just started embracing hence its adoption in most hotels may have been limited at the time of the study.

The findings from the questionnaires somehow contradicted those obtained from the interviews with the General Managers. For example, 60% of the General Managers who were interviewed were not aware whether their hotels had business continuity plans. Wee (2017) and Sawalha *et al.* (2015) similarly found that hotels did not train their employees on business continuity management, meaning that the employees had little knowledge of the business continuity management efforts of their establishments.

Business continuity planning was divided into three factors, knowledge management, improvisation of recovery plans, and business logistics maintenance. The results indicated that, under knowledge management as a business continuity strategy, the hotels made sure that they had security plans. The findings also reveal that under improvisation of recovery plans, the hotels had developed recovery plans to be used in case of a crisis which enabled them to resume operations and ensure customer satisfaction whenever there were crises. In addition, the hotels used business logistics

maintenance as a business continuity strategy when they faced crises with policies and strategies instituted to ensure continuity of operations when there were emergencies and crises.

**4.7.2 Pearson’s Correlation Analysis Results of the Relationship between Business Continuity Planning and Business Resilience in 3–5-star hotels in Nairobi City County, Kenya: Testing Hypothesis 2**

The hypothesis (H<sub>02</sub>) *‘There is no significant relationship between business Continuity planning and business resilience in three - five star hotels in Nairobi County, Kenya’* was tested.

To determine the relationship between business continuity planning and business resilience in the hotels, the study computed correlation analysis. The composite scores on business continuity planning (independent variable) were correlated with the overall scores on business resilience (dependent variable) using Pearson’s Correlation coefficient. The results are as shown in **Table 4.13**.

**Table 4.9: Pearson Correlation Analysis Between Business Continuity Planning and Business Resilience**

		3-Star		4-Star		5-Star	
		Hotel Business Resilience	Business Continuity	Hotel Business Resilience	Business Continuity	Hotel Business Resilience	Business Continuity
Hotel Business Resilience	Pearson Correlation Sig. (2-tailed)	1		1		1	
	N	30		19		15	
Business Continuity	Pearson Correlation Sig. (2-tailed)	.587*	1	.593*	1	.616*	1
	N	.000		.000		.000	
	N	30	30	19	19	15	15

\*. Correlation is significant at the .05 level (2-tailed).

Findings in **Table 4.13**, indicated a significant correlation between business continuity planning and hotel business resilience ( $p < 0.05$ ). Business continuity planning had a strong positive and significant correlation with hotel business resilience for three-star hotels ( $r = .587$ ,  $p = 0.000 < 0.05$ ); four-star hotels ( $r = .593$ ,  $p = 0.000 < 0.05$ ); and five-star hotels ( $r = .616$ ,  $p = 0.000 < 0.05$ ) respectively. This revealed a strong relationship between business continuity planning and hotel business resilience in three-, four-, and five-star hotels, respectively.

### **4.7.3 Regression Analysis on Business Continuity Planning and Business Resilience**

Having established that there was a strong positive relationship between business continuity planning and business resilience, the study computed regression analysis to test the effect level of business continuity planning on hotel resilience.

#### **4.7.3.1 Univariate Regression Analysis Business Continuity Planning**

The study computed univariate regression analysis to assess the significance of the relationship between business continuity planning and business resilience in the hotels. This regression helped in testing the second hypothesis of the study. The model summary table was used to show the amount of variation in business resilience in three-to-five-star hotels, that can be explained by changes in business continuity planning. **Table 4.14** presents the findings.

**Table 4.10: Business Continuity Planning Model Summary**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
3-star	.587 <sup>a</sup>	.344	.321	.534
4-star	.593 <sup>a</sup>	.352	.314	.735
5-star	.616 <sup>a</sup>	.380	.332	.770

a. Predictors: (Constant), Business Continuity

From the findings in **Table 4.14**, the R-square value for 3-star, 4-star and 5-star hotels were ( $R^2=0.344$ ,  $R^2=0.352$ , and  $R^2=0.380$ ) respectively. This is an indication that business continuity planning could explain  $(0.344 \times 100) = 34.4\%$  variation in business resilience in three-star hotels,  $(0.352 \times 100) 35.2\%$  in four-star hotels, and  $(0.38 \times 100) 38.0\%$  in five-star hotels in Nairobi City County. The remaining percentages in variation implied that there were other factors other than business continuity planning that could explain business resilience in 3-5-star hotels in Nairobi City County, Kenya, that were not included in the model.

#### 4.7.3.2 Analysis of Variance on Business Continuity Planning

Variance Analysis was computed to determine the significance of the developed model, which was tested at 95% confidence interval. **Table 4.15** presents the findings.

**Table 4.11: Business Continuity Planning Analysis of Variance**

Model		Sum of Squares	df	Mean Square	F	Sig. <sup>b</sup>
3-Star	Regression	4.195	1	4.195	14.695	0.000 <sup>b</sup>
	Residual	7.993	28	0.285		
	Total	12.188	29			
4-Star	Regression	4.982	1	4.982	9.229	0.000 <sup>b</sup>
	Residual	9.177	17	0.540		
	Total	14.159	18			
5-Star	Regression	4.725	1	4.725	7.962	0.000 <sup>b</sup>
	Residual	7.715	13	0.593		
	Total	12.440	14			

a. Dependent Variable: Hotel Business Resilience

b. Predictors: (Constant), Business Continuity

**Table 4.15** show that the p-value for 3-star hotels (0.000), 4-star (0.000), and five-star (0.000) were all below the selected significance level (0.05). This implied that the model developed on the influence of business continuity planning on business

resilience in three-to-five-star hotels in Nairobi City County, Kenya was significant. The significance of the model was also supported by f-calculated values which were greater than the f-critical values. i.e.,  $F(1,28) = 4.196 < 14.695$  for 3-star;  $F(1,17) = 4.451 < 9.229$  for 4-star; and  $F(1,13) = 5.058 < 7.962$  for five-star hotels. The model was therefore identified as being significant in predicting the influence of business continuity planning on business resilience in three to five star hotels in Nairobi City County, Kenya.

#### 4.7.3.3 Regression Coefficients on Business Continuity Planning

Unstandardized and standardized coefficients were provided by the model to explain the direction of the regression and to establish the level of significance of the variables. The results are captured in Table 4.16.

**Table 4.12: Business Continuity Planning Regression Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
	3-Star (Constant)	1.372	.537		
3-Star Business Continuity	.031	.01	.027	3.100	.000
4-Star (Constant)	1.408	.314		4.484	.008
4-Star Business Continuity	.047	.007	.581	6.714	.000
5-Star (Constant)	2.716	.471		5.766	.000
5-Star Business Continuity	.128	.019	.567	6.737	.000

a. Dependent Variable: Hotel Business Resilience

As indicated in the SPSS generated Table 4.21, the equation ( $Y = \beta_0 + \beta_1 X_1 + \epsilon$ ) became:

$$Y = 1.372 + .031 \text{ Business Continuity} \dots\dots\dots 3\text{-Star}$$

$$Y = 1.408 + .047 \text{ Business Continuity} \dots\dots\dots 4\text{-Star}$$

$$Y = 2.716 + .128 \text{ Business Continuity} \dots\dots\dots 5\text{-Star}$$

The first equation showed that if business continuity planning was held at a constant zero, business resilience, in three star hotels in Nairobi City County, Kenya would be at a constant value of 1.372. The findings also showed business continuity planning as a significant predictor of business resilience in 3-star hotels ( $\beta=0.031$ ,  $p=0.000<0.05$ ). The influence of business continuity planning was positive and significant an indication that a unit increment in business continuity planning would cause a raise in business resilience in three star hotels in Nairobi City County, Kenya by 0.031 units.

The second equation on four-star hotels showed that when business continuity planning was held at a constant zero, business resilience in four star hotels in Nairobi City County, Kenya would be at a constant value of 1.408. The findings also showed that business continuity planning was a significant predictor of business resilience in 4-star hotels ( $\beta=0.047$ ,  $p=0.00<0.05$ ). The influence of business continuity planning was positive and significant an indication that a unit increment in business continuity planning would result to a raise in business resilience in four star hotels in Nairobi City County, Kenya by 0.047 units.

The last equation on five-star hotels showed that when business continuity planning was held at a constant zero, business resilience in five star hotels in Nairobi City County, Kenya would be at a constant value of 2.716. The findings revealed business

continuity planning as a significant predictor of business resilience in 5-star hotels ( $\beta=0.128$ ,  $p=0.000<0.05$ ). The influence of business continuity planning was positive and significant an indication that a unit increment in business continuity planning would result to a rise in business resilience in five star hotels in Nairobi City County, Kenya by 0.128 units.

Since the p-value for beta coefficients of business continuity planning for three-, four- and five-star hotels were less than the selected significance level (0.05), the null hypothesis ( $H_{02}$ ) ‘there is no significant relationship between business continuity planning and business resilience in three-to-five-star hotels in Nairobi City County, Kenya’ was rejected and the alternative accepted ‘*there is significant relationship between business continuity planning and business resilience in three-to-five-star hotels in Nairobi City County, Kenya*’ was accepted.

The findings implied that business continuity had a positive influence on hotel business resilience in five, four and three star rated hotels in Nairobi City County in that particular order. The correlation results further indicated that an increase in business continuity planning scores predicted an increase in business resilience scores showing that business continuity planning positively influenced business resilience. Hence, by planning for the non-interruption of activities in case of crises, the hotels were able to manage crises and continue operating.

In summary, the findings therefore showed that the three business continuity strategies enabled the hotels to continue with operations during times of crisis. Bakar *et al.*, (2015) likewise found that business continuity management positively affected performance during crisis.

In addition, the linear regression model summary results showed a strong relationship between the study variables. The ANOVA results also showed that business continuity planning affected business resilience meaning that business continuity planning ensured that the hotels recovered from crises. This implied that business continuity did have a positive influence on hotel business resilience in five, four and three star rated hotels in Nairobi City County in that particular order. However, the coefficient of determination indicated that other factors other than business continuity planning contributed to business resilience.

#### **4.8 Crisis Communication and Business Resilience in Three-to-Five-Star Hotels**

The third objective was to evaluate the influence of crisis communication on business resilience in three-to-five-star hotels in Nairobi City County, Kenya. The study conducted descriptive, correlation and regression analysis on the variable.

##### **4.8.1 Descriptive statistics for Crisis Communication**

This section relates to the hotels' strategies and actions that can be employed for crisis communication after the occurrence of a crisis. Respondents indicated the level in which they agreed or disagreed with the statements. The findings obtained were summarized using means (M) and standard deviations (SD) and the findings were as presented in **Table 4.17**.

**Table 4.13: Level of application of crisis communication approach**

	<b>3-star</b>	<b>4-star</b>	<b>5-star</b>
<b>Crisis Communication Approaches</b>	<b>n=30</b>	<b>n=19</b>	<b>n=15</b>

	<b>Mean</b>	<b>Std. Dev</b>	<b>Mean</b>	<b>Std. Dev</b>	<b>Mean</b>	<b>Std. Dev</b>
The hotel has a developed response strategy to crises risks.	3.77	0.97	3.21	1.23	4.27	0.96
The hotel has identified communication platforms with its customers regarding crises risks	3.80	1.06	3.05	1.13	4.07	0.88
The hotel has a communication spokesperson designated and prepared to issue positive statements regarding the organizations' handling of the emergency to its customers	3.80	1.10	3.21	1.44	3.80	1.27
The hotel has a structured way to communicate with staff regarding crises risks.	3.93	0.91	3.63	1.34	4.13	0.92
The hotel has a communication spokesperson designated and prepared to issue positive statements regarding the organization's handling of the emergency to its staff	3.60	1.07	3.58	1.43	3.73	1.16
The hotel has a communication spokesperson designated and prepared to issue positive statements regarding the organization's handling of the emergencies to its stakeholders	3.77	0.97	3.79	1.13	4.20	0.86
The hotel has crises communication plan in place.	3.83	0.83	3.63	1.30	3.87	1.13
The hotel has information and guidelines on how to communicate in crisis situations.	3.90	0.85	3.74	1.24	4.20	1.01
The hotel has established duration of time within which to communicate to stakeholders during crisis.	3.67	0.96	3.63	1.38	3.93	1.10
The hotel has a crisis marketing communication team in place	3.53	1.14	3.11	1.37	3.93	1.28
The hotel has trained the crisis marketing communication team	3.53	1.17	3.00	1.25	3.67	1.35
The hotel has a crisis marketing communication plan in place.	3.23	1.19	3.11	1.37	3.80	1.27
<b>Aggregate Score</b>	<b>3.70</b>	<b>1.02</b>	<b>3.39</b>	<b>1.30</b>	<b>3.97</b>	<b>1.10</b>

The findings presented in **Table 4.17** indicated that the respondents in three- and five-star hotels agreed that there were crisis communication approaches adopted in their hotels (M=3.70, SD=1.02) and (M=3.97, SD=1.10) respectively. Respondents in four-star hotels however indicated that they were not sure of any crisis communication approaches adopted in their hotels (M=3.39, SD=1.30). The results further showed that the respondents of three, four and five star hotels agreed respectively that: the hotels had a structured way to communicate with staff regarding

crisis risks (M=3.93, SD=0.91), (M=3.63, SD=1.34), and (M=4.13, SD=0.92); that the hotels had a communication spokesperson designated and prepared to issue positive statements regarding the organization's handling of the emergency to its staff (M=3.60, SD=1.07), (M=3.58, SD=1.43), and (M=3.73, SD=1.16); and that the hotels had a communication spokesperson designated and prepared to issue positive statements regarding the organization's handling of the emergencies to its stakeholders (M=3.77, SD=0.97), (M=3.79, SD=1.13), and (M=4.20, SD=0.86).

They were also in agreement that the hotels had a crisis communication plan in place as shown by (M=3.83, SD=0.83), (M=3.63, SD=1.30), and (M=3.87, SD=1.13) statistics respectively. In addition to that, they agreed that the hotels had information and guidelines on how to communicate in crisis situations as shown by (M=3.90, SD=0.85), (M=3.74, SD=1.24), and (M=4.20, SD=1.01) and that the hotels had an established duration of time within which to communicate to stakeholders during crisis as indicated by (M=3.67, SD=0.96), (M=3.63, SD=1.38), and (M=3.93, SD=1.10) statistics.

The findings further showed that three and five star hotels agreed respectively that: their hotels had a developed response strategy to crisis risks (M=3.77, SD=0.97; M=4.27, SD=0.96); that the hotel had identified communication platforms with its customers regarding crisis risks (M=3.80, SD=1.06; M=4.07, SD=0.88); that the hotel had communication spokespersons designated and prepared to issue positive statements regarding the organizations' handling of the emergency to its customers (M=3.80, SD=1.10; M=3.80, SD=1.27); and that the hotels had a crisis marketing communication team in place (M=3.53, SD=1.14; M=3.93, SD=1.28); and that the hotel had trained the crisis marketing communication team (M=3.53, SD=1.17;

M=3.67, SD=1.35). On the other hand, four-star hotels respondents were not sure on the same as shown by (M=3.21, SD=1.23; M=3.05, SD=1.13; M=3.21, SD=1.44; M=3.11, SD=1.37; M=3.00, SD=1.25) statistics respectively. In addition to that, the study also found that respondents of five-star hotels agreed that the hotel has a crisis marketing communication plan in place (M=3.80, SD=1.27) while those in three and for star hotels were not sure (M=3.23, SD=1.19; M=3.11, SD=1.37 respectively).

When asked whether their hotels had media teams for crisis communication, the managers who were interviewed confirmed the findings. Two (40%) managers further elaborated that the media team was used for communication (n=1, 20%) and e-commerce, social media marketing, and public relations (n=1, 20%).

*“Yes, we have the e-commerce, social media, and public relations office”  
(Manager 4, Nairobi, 2019).*

The managers observed that they had spokespersons in potential crisis who were defined and known, with the spokespersons being the general managers (n=2, 40%), one of who conducted social pilots and approved items to be put on media in one week, general manager and human resource (n=1, 20%) and property manager (n=1, 20%).

It further emerged that the hotels had incorporated strategies for communication with social media spaces, with the key strategies being social media platforms (twitter, Instagram), marketing influencers in social media for monitoring (n=1, 20%) and digital marketing (n=1, 20%).

*“We use the social media and have a social media department. We also use e-commerce to look at reviews and manage negative publicity” (Manager 4, Nairobi, 2019).*

The findings from the questionnaires showed that crisis communication, especially guidelines and staff communication, was embraced by the hotels. In their study, Cornell (Linch, Jungwoo, & Han, 2022) in their study agreed that well-thought-out and well-designed crisis communication strategies allowed effective communication during a crisis, allowing organizations to ensure business continuity by protecting employees and its customers.

When asked whether their hotels had media teams for crises, the managers who were interviewed confirmed that they had embraced crisis communication. The results from the interviews indicated that the hotels had invested in crisis management media teams that used both modern and traditional tools of communication to enhance online business, internet marketing, and mutual understanding with the various publics. The findings also showed that the hotels had designated spokespersons to represent the facilities during crises. It further emerged that the hotels had incorporated strategies of communication with social media space, with the key strategies being social media platforms e.g. X and Instagram, social media influencers, and digital marketing for monitoring. This means that the hotels had adopted the internet and digital platforms, particularly social media, for crisis communication. Salem (2015) in his study in Lebanon, ‘the social media as a tourism management crisis tool in the Hospitality sector similarly, found out that 19.7% of the 30 respondents agreed that they used the social media for communication during crisis.

The results from the interviews further indicated that the hotels embraced crisis communication by investing in crisis media teams, crisis spokespersons and the social

media. Kausar, Rosmalia, Imran & Stevenson (2018) however established that crisis communication during disaster and crises in tourism destinations was poor.

#### 4.8.2 Pearson’s Correlation Analysis Results of the Relationship between Crisis Communication and Business Resilience in 3–5-star hotels in Nairobi City County, Kenya: Testing Hypothesis 3

The third hypothesis (H<sub>03</sub>) *‘There is no significant relationship between crisis communication and business resilience in three - five star hotels in Nairobi County, Kenya’* was tested.

To determine the relationship between crisis communication and business resilience in the hotels, the study computed correlation analysis. In correlation, scores on crisis communication (independent variable) were correlated with the overall scores on business resilience (dependent variable) using Pearson’s Correlation coefficient. The results are as in **Table 4.18**.

**Table 4.14: Correlation Analysis Between Crisis Communication and Business Resilience**

		3-Star		4-Start		5-Star	
		Business Resilienc e	Crisis Communicati on	Business Resilienc e	Crisis Communicati on	Business Resilienc e	Crisis Communicati on
Hotel Business Resilience	Pearson Correlation	1		1		1	
	Sig. (2-tailed)						
Crisis Communication	N	30		19		15	
	Pearson Correlation	.818*	1	.841*	1	.784*	1
	Sig. (2-tailed)	.000		.000		.001	
	N	30	30	19	19	15	15

\*. Correlation significant at the .05 level (2-tailed).

Findings in **Table 4.18**, showed a significant correlation between crisis communication and hotel business resilience (p<0.05). crises communication had a

strong positive and significant correlation with hotel business resilience for all the hotels categories. The correlation in three-star hotels was ( $r=.818$ ,  $p=0.000<0.05$ ); four-star hotels was ( $r=.841$ ,  $p=0.000<0.05$ ); five-star was ( $r=.784$ ,  $p=0.001<0.05$ ) respectively, an indication of a strong relationship between crisis communication and hotel business resilience in three, four, and five-star hotels respectively.

Having established a strong relationship between crisis communication and business resilience, regression analysis was computed to test the effect level of crisis communication on hotel resilience.

#### 4.8.3 Regression Analysis on Crisis Communication and Business Resilience

The study computed univariate regression analysis to determine the relationship between crisis communication and business resilience in the hotels.

##### 4.8.3.1 Univariate Regression on Crisis Communication

The model summary table was used to show the amount of variation in business resilience in three-to-five-star hotels that can be explained by changes in crisis communication. **Table 4.19** presents the findings.

**Table 4.15: Crisis Communication Model Summary**

Model	R	R Square	Adjusted R Square	Estimate Std. Error
3-star	.818 <sup>a</sup>	.668	.757	.380
4-star	.841 <sup>a</sup>	.707	.790	.494
5-star	.784 <sup>a</sup>	.614	.584	.503

a. Predictors: (Constant), Crisis Communication

From the findings in **Table 4.19**, the R-square values for 3-star, 4-star and 5-star hotels were  $R^2=0.668$ ,  $R^2=0.707$ , and  $R^2=0.614$ , respectively. This implied that crisis communication could explain  $(0.668 \times 100) = 66.8\%$  variation in business resilience in three-star hotels in Nairobi City County,  $(0.707 \times 100) = 70.7\%$  in four-star

hotels, and  $(0.614 \times 100) = 61.4\%$  in five-star hotels. The remaining percentages in variation implied that there are other factors other than crisis communication that could explain business resilience in 3–5-star hotels in Nairobi City County, Kenya that were not included in the model.

#### 4.8.3.2 Analysis of Variance on Crisis Communication

Variance analysis was computed to ascertain if the model developed was significant, tested at 95% level. Finding presented below.

**Table 4.16: Crisis Communication Variance Analysis**

Model		Sum of Squares	df	Mean Square	F	Sig.
3-Star	Regression	8.146	1	8.146	56.433	.000 <sup>b</sup>
	Residual	4.042	28	.144		
	Total	12.188	29			
4-Star	Regression	10.014	1	10.014	41.066	.000 <sup>b</sup>
	Residual	4.145	17	.244		
	Total	14.159	18			
5-Star	Regression	5.234	1	5.234	20.686	.001 <sup>b</sup>
	Residual	3.289	13	.253		
	Total	8.522	14			

a. Dependent Variable: Hotel Business Resilience

b. Predictors: (Constant), Crisis Communication

The findings in **Table 4.20** showed p-value for 3-star hotels (0.000), 4-star (0.000), and five-star (0.001) all below the selected significant level (0.05). This implied that the model developed on the influence of crisis communication on business resilience was significant. The significance of the model was also supported by f-calculated values which were greater than the f-critical values. i.e.,  $F(1,28) = 4.196 < 56.433$  for 3-star;  $F(1,17) = 4.451 < 41.066$  for 4-star; and  $F(1,13) = 5.058 < 20.686$ . The model was significant in predicting the influence of crisis communication on business resilience in three to five star hotels in Nairobi City County, Kenya.

### 4.8.3.3 Regression Coefficients on Crisis Communication

Unstandardized and standardized coefficients were provided to show the direction of the regression model and to establish the level of significance of the variables. The results were as presented below.

**Table 4.17: Crisis Communication Regression Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
3- (Constant)	1.317	.334		3.942	.000
Star Crisis Communication	.664	.088	.818	7.512	.000
4- (Constant)	1.378	.358		3.848	.001
Star Crisis Communication	.642	.100	.841	6.408	.000
5- (Constant)	1.621	.711		2.280	.008
Star Crisis Communication	.801	.176	.784	4.548	.001

a. Dependent Variable: Hotel Business Resilience

According to the SPSS generated **Table 4.21**, the equation ( $Y = \beta_0 + \beta_1 X_1 + \epsilon$ ) became:

$$Y = 1.317 + .664 \text{ Crisis Communication} \dots\dots\dots 3\text{-Star}$$

$$Y = 1.378 + .642 \text{ Crisis Communication} \dots\dots\dots 4\text{-Star}$$

$$Y = 1.621 + .801 \text{ Crisis Communication} \dots\dots\dots 5\text{-Star}$$

The first equation indicated that when crisis communication was held at a constant zero, business resilience would be at a constant value of 1.317. The implication was that crisis communication significantly predicted business resilience in 3-star hotels ( $\beta=0.664$ ,  $p=0.000<0.05$ ). Crisis communication influence was positive and significant, an indication that a unit increment in crisis communication would lead to an increase in business resilience in three-star rated hotels in Nairobi City County, Kenya by 0.664 units.

The second equation on four-star hotels indicated that when crisis communication was held at a constant zero, business resilience in four-star hotels in Nairobi City County would be at a constant value of 1.378. The findings implied that crisis communication was a significant predictor of business resilience in 4-star hotels ( $\beta=0.642$ ,  $p=0.009<0.05$ ). The influence of crisis communication was positive and significant, an indication that a unit rise in crisis communication would cause an increase in business resilience in four-star rated hotels in Nairobi City County by 0.642 units.

The last equation on five-star hotels indicated that if crisis communication was held at a constant zero, business resilience at the five-star hotels in Nairobi City County would be at a constant value of 1.621, implying that crisis communication would significantly predict business resilience in 5-star hotels ( $\beta=0.801$ ,  $p=0.001<0.05$ ). The influence of crisis communication was positive and significant, an indication that a unit increase in crisis communication would result to an increase in business resilience in five star hotels in Nairobi City County, Kenya by 0.801 units.

Since the p-value for beta coefficients of crisis communication for three-, four- and five-star hotels were lower than the selected significance level (0.05), the null hypothesis ( $H_{03}$ ) 'there is no significant relationship between crisis communication and business resilience in three-to-five-star hotels in Nairobi City County, Kenya' was rejected and the alternate one accepted; *'there is significant relationship between crisis communication and business resilience in three-to-five-star hotels in Nairobi City County, Kenya'*. This implied that crisis communication had a positive influence on hotel

business resilience in three to five star rated hotels in Nairobi City County, Kenya

In Summary, correlation results showed that crisis communication and business resilience were significantly and positively correlated. The results showed that an increase in crisis communication scores predicted an increase in business resilience scores meaning that crisis communication positively influenced business resilience. Hence, ensuring open and efficient communication during crises reduced the negative impact of the crises and further enabled the hotels to recover and continue running. Zech (2016) similarly found that crisis communication had an impact on reputational crises and thus affecting the organization's reputation.

In addition, the linear regression model summary results showed a strong significant relationship between study variables. The ANOVA results further revealed the relationship between crisis communication and the business resilience regression model, was statistically significant, meaning that crisis communication affected business resilience and that embracing open communication during crises helped the hotels recover. However, the coefficient of determination value indicated that factors other than crisis communication contributed to business resilience.

#### **4.9 Hotel Star Rating Role as a Moderator in the Relationship between Crisis Management Approaches and Business Resilience**

The fourth and last objective was to examine the hotel star rating role as a moderator in the relationship between crisis management and business resilience in three to five stars hotels in Nairobi City County, Kenya.

The associated hypothesis, 'Hotel star rating does not significantly moderate the relationship between crisis management approaches and business resilience in three to five star hotels in Nairobi County Kenya' was tested.

To test the moderating effect of hotel star rating between crisis management approaches and business resilience, the study used hierarchical regression as recommended by Fairchild and MacKinnon (2009). A moderation effect is deemed to exist if there is a change in the value of  $R^2$ . To test the hotel star rating moderating role on the relationship between crisis management approaches and business resilience in Nairobi City County, the study conducted regression analysis for each category of star rating.

To facilitate the testing of hypothesis, the study generated a composite index for crisis management (proactive planning, business continuity planning, and crisis communication) to form a new variable X here referred to as composite index. The study then used stepwise regression in establishing the effect of moderation of hotel star rating on the relationship between crisis management approaches and business resilience for three to five-stars rated hotels in Nairobi City County, Kenya.

#### **4.9.1 Regression Model Summary on Business Resilience and the Composite Index for Crisis Management Approaches: Testing Hypothesis 4**

In the first step, the study regressed business resilience on the composite index for crisis management approaches to establish if there exists a relationship to be moderated.

#### 4.9.1.1 Model Summary for Business Resilience and Crisis Management

##### Approaches

The results were as presented below.

**Table 4.18: Summary Model on Business Resilience and Crisis Management Approaches**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.485 <sup>a</sup>	.235	.223	.662

a. Predictors: (Constant), Crises Management

Results in **table 4.22**, showed a value of R-squared ( $R^2=0.235$ ) which suggests that  $(0.235 \times 100) = 23.5\%$  of variation in business resilience in three to five- stars rated hotels in Nairobi City County could be explained by changes in crisis management practices. On the other hand, the results suggest that 76.5% ( $100\% - 23.5\%$ ) of all variations in hotel business resilience in three-five stars hotels in Nairobi City County could be explained by other factors other than the three crisis management practices.

#### 4.9.1.2 Analysis of Variance on Business Resilience and Crisis Management

##### Approaches

An F-test in the ANOVA was carried out to ascertain the significance of the model.

The results were as in **table 4.23** below.

**Table 4.19: ANOVA for Business Resilience and Crisis Management Approaches**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.352	1	8.352	19.039	.000 <sup>b</sup>
	Residual	27.199	62	.439		
	Total	35.551	63			

a. Dependent Variable: Hotel Business Resilience

b. Predictors: (Constant), Crisis Management

It was observed that the F-statistic (19.039) was larger than F-critical (1, 62 =3.996) in F-critical tables, indicating that the model was fit. Additionally, the P-value for the F-statistic was (0.000<0.05) which was less than the predetermined level (0.05), an indicator of the models statistical significance in predicting hotel business resilience in three-five stars rated hotels in Nairobi City County.

#### 4.9.1.3 Crises Management Coefficients

To determine the significance of crisis management practices in predicting hotel business resilience, the study conducted a Student t-test with results summarized in **Table 4.24**.

**Table 4.20: Crisis Management Approaches Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.154	.367		5.869	.000
	Crises Management Practices	.046	.010	.485	4.363	.000

a. Dependent Variable: Hotel Business Resilience

From the coefficients table, the following regression model was fitted before introduction of moderating effect;

$$Y = 2.154 + 0.046 X_1 + \varepsilon$$

Where:  $X_1$  - The composite index for crisis management Approaches

The results indicated that the constant had a coefficient of 2.154, implying that if crisis management approaches were held constant at zero, hotel business resilience

would be equal to 2.154. Significance of the constant was at (P-value = 0.000<0.05). In addition, the results showed that the coefficient for crisis management approaches was at 0.046 indicating that holding all other factors constant and increasing crisis management approaches by a single unit would result in a  $(0.046 \times 100) = 4.6\%$  increase in hotel business resilience. This relation was observed to be significant at 0.05 significance level (P-value = 0.00<0.05), an indicator that there was a significant relationship in existence to be moderated.

#### 4.9.2 Regression Model Summary for Star Rating Moderation Effect

In the second step, hotel star rating was introduced in the model. In this step, business resilience was regressed on crisis management approaches, hotel star rating, and the interactive term between crisis management approaches and hotel star rating. The change in  $R^2$  was observed. A change in the  $R^2$  indicated the presence of moderation effect. Moreover, the significance of the interactive term was used to determine the significance of the moderation effect.

##### 4.9.2.1 Model Summary for Star Rating Moderation Effect

The model summary results were as presented in **Table 4.25**.

**Table 4.21: Summary Model for Moderation Effect**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.540 <sup>a</sup>	.291	.256	.648

a. Predictors: (Constant), CMA\*HSR, Composite-Crises Management Approaches, Hotel star rating classification.

When the moderator was introduced, results in **Table 4.25** showed that, the  $R^2$  to be 0.291, which suggested that  $(0.291 \times 100) = 29.1\%$  of changes in hotel business resilience were explained by variations in crisis management approaches, hotel star rating and the interaction term (crisis management approaches\* hotel star

rating (CMA\*HSR)). On the other hand, the results suggest that 70.9% (100%-29.1%) of all other variations in hotel business resilience in three to five stars hotels in Nairobi City County were explained by other factors other than crisis management practices, hotel star rating and the interaction term between crisis management practices and hotel star rating.

In analyzing for change statistics, a moderation effect was deemed to exist if there was a change in the value of  $R^2$ . From the model summary for business resilience and crisis management approaches as presented in **Table 4.22**,  $R^2$  was 0.235, while in the model summary for moderation effect as presented in **Table 4.25**,  $R^2$  was 0.291. The findings on change statistics showed that there was a change in  $R^2$ , [0.056 (0.291-0.235)]. The change in  $R^2$  indicated that there was a moderation effect. This means that the introduction of hotel star rating as a moderating variable resulted in a (0.056 × 100) 5.6% increase in the amount of variation in business resilience in three to five stars hotels in Nairobi City County, Kenya that could be explained by the model.

#### 4.9.2.2 ANOVA for Moderating Effect of Hotel Star Rating

Further, the study tested the model's significance in predicting hotel business resilience in the presence of the moderator. The results were as in **Table 4.26**.

**Table 4.22: ANOVA for Moderating Effect of Hotel Star Rating**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	8.352	1	8.352	19.039	.000 <sup>b</sup>
Residual	27.199	62	.439		
Total	35.551	63			
2 Regression	10.359	3	3.453	8.224	.000 <sup>c</sup>
Residual	25.192	60	.420		
Total	35.551	63			

a. Dependent Variable: Y\_ Business Resilience

b. Predictors: (Constant), Composite-Crises Management Index

c. Predictors: (Constant), Composite-Crises Management Index, Hotel star rating classification, Interaction

The results in **Table 4.26** indicated the F-statistic for the model at 8.224 after introducing hotel star rating which was greater than F-critical (2, 60 = 2.7581). Based on the results the model was established as fit in predicting hotel business resilience. It was also noted that the P-value for the F-statistic was 0.000 < 0.05 which indicates that the F-statistic was significant.

#### 4.9.2.3 Coefficients for the Moderating Effect of Hotel Star Rating

Student t-test was utilized in determining the significance of the coefficients, the results are as summarized below.

**Table 4.23: Coefficients for the Moderating Effect of Hotel Star Rating**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
	(Constant)	2.095	.360		
1 Crises Management	.048	.010	.504	4.625	.000
Hotel Star Rating	1.038	.479	1.254	2.167	.034
Interactive Term	-.030	.014	-1.264	-2.183	.033

a. Dependent Variable: Business Resilience

The regression model below was fitted from the interaction model.

$$Y = 2.095 + 0.048X_1 + 1.038X_2 - 0.030X_3 + \epsilon$$

**Where:**  $X_1$  Composite index for crises management practices

$X_2$  Hotel star rating

$X_3$  Interactive term between crises management practices and hotel star rating

Results indicated the constant had a coefficient of 2.095, an indication suggesting that if crisis management practices, hotel star rating and interaction term are held constant at zero, hotel business resilience, would be 2.095. The constant was significant at  $P\text{-value} = 0.000 < 0.05$ . In addition, results showed that crisis management approaches ( $X_1$ ) had a coefficient of 0.048 indicating that holding all other variables constant, a unit increase in crisis management practices would result in a  $(0.048 \times 100) = 4.8\%$  increase in business resilience in three to five stars hotels in Nairobi City County, Kenya. It was observed also that the P-value for crisis management coefficient was at 0.000, less than the set 0.05 significance level indicating that crisis management was significant.

The study also showed that the coefficient for hotel star rating ( $X_2$ ) was 0.1.038 indicating that a unit rise in hotel star rating, holding all other factors constant would lead to rise in hotel business resilience by 1.038. The P-value for hotel star rating was  $0.034 < 0.05$  indicating that hotel star rating was a significant predictor of hotel business resilience.

The interactive term with a coefficient of -0.030 suggested that if all other variables were to be held constant, a unit increase in the interactive term between Crisis

Management approaches and hotel star rating will result in a  $(0.030 \times 100) = 3\%$  decrease in hotel business resilience in three-five-star rated hotels in Nairobi City County. The P-value for the interaction term was 0.033, less than the set 0.05 level of significance, an indicator that interaction term was significant.

Informed by the findings in **Table 4.22** and **Table 4.25**, the change in  $R^2$  ( $0.056=0.291-0.235$ ) suggested that introduction of hotel star rating as moderating variable resulted to an 5.6% increase in amount of variation explained by the model. It is also established that the coefficient of interactive term between Crisis Management and hotel star rating was significant  $P\text{-value}=0.033<0.05$ . Based on these results, the study observed that hotel star rating was a significant moderator in the relationship between crisis management and hotel business resilience.

#### **4.9.3 Comparative Analysis of Individual Star Rating Category of Hotels**

To test the Hotels' star rating moderating effect on the relationship between crisis management and business resilience in three to five stars hotels in Nairobi City County, the study conducted regression analysis for each category of star rating separately.

##### **4.9.3.1 Model Summary on Regression Analysis for Each Star Rated Category**

The study established the percentage of business resilience that was explained by crisis management practices in each of the 3, 4, and 5-star hotels were as is in summary **Table 4.28**.

**Table 4.24: Summary Model for Moderated Regression**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
<b>3-Star</b>	.595 <sup>a</sup>	.354	.331	.530
<b>4-Star</b>	.587 <sup>a</sup>	.345	.306	.739
<b>5-Star</b>	.571 <sup>a</sup>	.326	.297	.808

a. Predictors: (Constant), Crises Management Approaches

From the model summary findings, the value of r-squared ( $R^2$ ) for 3-star hotels was 0.354 which suggests that  $(0.354 \times 100) = 35.4\%$  change in business resilience in 3-star hotels in Nairobi City County can be explained by changes in crisis

management. The r-squared ( $R^2$ ) value for 4-star hotels was 0.345 which implies that  $(0.345 \times 100) = 34.5\%$  variation in business resilience in 4-star hotels in Nairobi City County can be explained by changes in crisis management. Finally, 5-star hotels had r-squared ( $R^2$ ) value of 0.326 meaning  $(0.326 \times 100) = 32.6\%$  variation in business resilience in 5-star hotels in Nairobi City County can be explained by changes in crisis management.

Findings implied that the higher the star rating the lower the percentage of business resilience that can be explained by crisis management practices. 3-star exhibited the highest percentage of resilience (35.4%), followed by 4-star at 34.5% and finally 5-star at 32.6%. This is a clear indication that the star rating of hotels affected the relationship between crisis management and business resilience.

#### 4.9.3.2 Variance Analysis for Moderating Effect of Hotel Star Rating

The study further computed variance analysis to establish if the models developed were significant. They were tested for significance at 95% confidence interval.

**Table 4.25: Analysis of Variance for Moderating Effect of Hotel Star Rating**

Model		Sum of Squares	df	Mean Square	F	Sig.
3-Star	Regression	4.319	1	4.319	15.371	.001 <sup>b</sup>
	Residual	7.868	28	.281		
	Total	12.188	29			
4-Star	Regression	4.878	1	4.878	8.935	.008 <sup>b</sup>
	Residual	9.281	17	.546		
	Total	14.159	18			
5-Star	Regression	4.0525	1	4.052	6.288	.001 <sup>b</sup>
	Residual	8.3785	13	0.645		
	Total	12.4310	14			

a. Dependent Variable: Business Resilience

b. Predictors: (Constant), Crises Management Approaches

The findings show that the model for 3-star hotels had calculated F critical values of  $F_{1,28}=15.371$ ,  $p<0.05$ ; model for 4-star hotels had calculated F critical values

$F_{1,17}=8.935$ ,  $p<0.05$ , while for 5-star hotels had calculated F critical values  $F_{1,13}=6.288$ ,  $p<0.05$ . All the p-values were less than 0.05 suggesting that the models were significant and could be employed to examine the moderating role of hotel star rating in the relationship between crisis management approaches and business resilience in three-to- five star hotels in Nairobi City County.

It was observed that the F statistics (F-15.371, F-8.935 and F-6.288) for 3,4 and 5 star rated hotels respectively was larger than the F-critical (1,28= 4.196, 1,17= 4.451 and 1,13= 4.667) as per the F statistical tables. This was an indication that the model was fit and statistically significant in predicting hotel business resilience in 3-5 stars rated hotels in Nairobi City County, Kenya.

#### 4.9.3.3 Beta Coefficients for Moderating Effect of Hotel Star Rating

To establish the percentage effect crisis management had on business resilience in three-five-star hotels in Nairobi City County, the study used the coefficients results shown in **Table 4.30**.

**Table 4.26: Coefficients for the Moderating Effect of Hotel Star Rating**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
3-Star	(Constant)	1.900	.487		3.902	.001
	X_Composite-Crises Management Approaches	.055	.014	.595	3.921	.001
4-Star	(Constant)	1.798	.612		2.938	.009
	X_Composite-Crises Management Approaches	.054	.018	.587	2.989	.008
5-Star	(Constant)	1.531	0.367		4.172	.006
	X_Composite-Crises Management Approaches	0.037	0.012	.571	3.690	.001

a. Dependent Variable: Y\_ Business Resilience

From the coefficients table, the following regression models were fitted:

$$\text{3-Star: } Y = 1.900 + .055 X$$

$$\text{4-Star: } Y = 1.798 + .054 X$$

$$\text{5-Star: } Y = 1.531 + .037 X$$

The coefficient results showed that the constant for 3-star hotel model coefficient was 1.900 implying that if Crises Management approaches was held constant at zero, business resilience of three-star hotels in Nairobi City County would be at 1.9. In addition, results indicated that Crises Management approaches coefficient was 0.055 indicating that, a unit increase in Crises Management approaches would result in a 5.5% increase in business resilience of three-star hotels in Nairobi City County, Kenya. It was also noted that the P-value for the crisis management coefficient was 0.001 which is less than the set 0.05 significance level indicating that crisis management in 3-star hotels was significant.

For the 4-star hotel model, constant had a coefficient of 1.798 suggesting that if Crises Management was held constant at zero, business resilience of four-star hotels in Nairobi City County, Kenya would be 1.798. In addition, the results showed that Crises Management coefficient was 0.054 indicating that, a unit increase in Crises Management would result in a 5.4% increase in business resilience of four-star hotels in Nairobi City County, Kenya. It was also noted that the P-value for the crisis management coefficient was 0.008 which is less than the set 0.05 significance level indicating that crisis management in 4-sar hotels was significant.

Finally, the model for 5-star hotel had a coefficient constant of 1.531 suggesting that if Crises Management was held constant at zero, business resilience of five-star hotels in Nairobi City County, Kenya would be 1.531. In addition, the results

showed that Crises Management coefficient was 0.037 indicating that, a unit increase in Crises Management would result in a 3.7% increase in business resilience of five-star hotels in Nairobi City County, Kenya. It was also noted that the P-value for the crisis management coefficient was 0.001 which is less than the set 0.05 significance level indicating that crisis management in 5-star hotels was significant.

Based on these findings, hotel star rating was seen to affect the relationship between crisis management and business resilience. The study therefore rejected the null hypothesis ( $H_{04}$ ) 'Hotel star rating does not moderate the relationship between crisis management approaches and business resilience in three-five star rated hotels in Nairobi city County, Kenya and concluded that *'hotel star rating had a significant moderating effect on the relationship between crisis management and business resilience in three-to-five star hotels in Nairobi City County, Kenya.'*

In Summary, the findings showed a value of 0.354 r-squared for 3-star hotels, a value of 0.345 r-squared value for 4-star hotels and a value of 0.326 r-squared value for 5-star hotels. This indicated that 35.4%,34.5% and 32.6% variation in business resilience in 3-star hotels, 4-star hotels and 5-star hotels in Nairobi City County, Kenya respectively, could be explained by changes in crisis management approaches.

The findings indicated that the higher the star rating the lower the percentage of business resilience that could be explained by crisis management practices. 3-star hotels explained the highest percentage of resilience (35.4%), followed by 4-star at 34.5% and finally 5-star at 32.6%. This was a clear indication that the star rating of hotels affects relationship between crisis management and business resilience.

Findings showed that the model for 3-star hotels had  $F_{1,28}=15.371$ ,  $p<0.05$ ; model for 4-star hotels had  $F_{1,17}=8.935$ ,  $p<0.05$ ; while for 5-star hotels had  $F_{1,13}=6.288$ ,  $p<0.05$ . With all the p-values  $< 0.05$  the models were found to be significant, could be used to examine the moderating role of hotel star rating in the relationship between crisis management and business resilience in three-to-five-star hotels in Nairobi City County, Kenya.

The results showed that the constant had a coefficient of 2.095, indicating that if crisis management practices, hotel star rating, and interaction term were held constant at zero, hotel business resilience would be 2.095 at a significant P-value= $0.000<0.05$ . Crisis management practices ( $X_1$ ) had a coefficient of 0.048 indicating that holding all other variables constant, a unit rise in crisis management practices would result in a 4.8% rise in business resilience at significant P-value =  $0.000 <0.05$ , indicating that crisis management was significant.

The study also established that the coefficient for hotel star rating ( $X_2$ ) was 0.1.038, indicating that a unit rise in hotel star rating while holding all other factors constant would lead to a rise in hotel business resilience by 0.1.038 at significant P-value =  $0.034<0.05$  indicating that hotel star rating was a significant predictor of hotel business resilience. Change in  $R^2$  was 0.056 (0.291-0.235), which suggests that introduction of hotel star rating as a moderating variable results in a 5.6% increase in amount of variation explained by the model.

Based on these results, the study observed that hotel star rating was a significant moderator in the relationship between crisis management and hotel business resilience.

It was also established that the higher the star rating, the less effect crisis management has on business resilience. This means that lower-star hotels can achieve higher business resilience by implementing crisis management practices, while higher-star rated hotels need to implement more than just crisis management to achieve the same level of business resilience as their counterparts with lower ratings.

#### 4.10 Study's Hypothesis Testing Results Summary

A summary of the hypothesis testing results is provided in **Table 4.31** below

**Table 4.31 R: Hypothesis Testing Results Summary**

Hypothesis	Result	Correlation Coefficient (r)	R-squared (R <sup>2</sup> )	P-value
<b>H01:</b> No significant relationship between proactive planning and business resilience	<b>Rejected.</b> Significant positive relationship evidenced	3-star: 0.597, 4-star: 0.581, 5-star: 0.524	3-star: 0.356, 4-star: 0.338, 5-star: 0.275	<0.05 for all
<b>H02:</b> No significant relationship between business continuity planning and business resilience	<b>Rejected.</b> Significant positive relationship evidenced	3-star: 0.587, 4-star: 0.593, 5-star: 0.616	3-star: 0.344, 4-star: 0.352, 5-star: 0.380	<0.05 for all
<b>H03:</b> No significant relationship between crisis communication and business resilience	<b>Rejected.</b> Significant positive relationship evidenced	3-star: 0.818, 4-star: 0.841, 5-star: 0.784	3-star: 0.668, 4-star: 0.707, 5-star: 0.614	<0.05 for all
<b>H04:</b> Hotel star rating does not moderate the relationship between crisis management and business resilience	<b>Rejected.</b> Significant moderating effect evidenced	Moderation effect significant with change in R <sup>2</sup> = 0.056	Moderation effect increased explained variance to 29.1%	0.033 (significant)

From the above **Table 4.31** all the four (4) null hypotheses were rejected, indicating significant positive relationships between proactive planning, business continuity planning, crisis communication, and business resilience. Additionally, the hotel star rating was found to significantly moderate the relationship between crisis management approaches and business resilience, with higher star ratings associated with a reduced effect of crisis management on resilience.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS**

#### **5.1 Introduction**

Summary of the findings, conclusions, and study recommendations are discussed in this chapter as well as an outline on the recommendations that are made for practice, policy and further research.

#### **5.2 Summary of Findings**

The main purpose of the study was to investigate the influence of crisis management approaches and business resilience in three-to-five-star hotels in Nairobi City County, Kenya. The study targeted three to five-star-rated hotels in

Nairobi City County. The respondents were the general managers, departmental managers, and their assistants in the hotels. The general managers were the Key informants in the study. Five general managers and seventy-one departmental managers and their assistants responded to interviews and questionnaires, respectively.

Out of the seventy-one departmental managers who filled in the questionnaires, 48 (68%) were male while 23 (32%) were female. The managers held various positions in food and beverage (n=15, 22%), housekeeping (n=12, 17%), security (n=12, 17%), front office (n=11, 16%), operations/marketing (n=8, 12%), reservations (n=7, 9%), finance (n=4, 5%) and human resources (n=2, 2%).

In education, the departmental managers had diplomas (n=26, 37%), higher national diplomas (n=13, 18%), bachelor's degree (n=21, 30%), master's (n=6, 8%), PhD (n=1, 1%) and other qualifications (n=4, 6%). The work experience of the

departmental managers ranged from 1 year to over 16 years. On the other hand, the general managers who were interviewed had a diploma (n=1, 20%), bachelor's degrees (n=3, 60%), and master's degrees (n=1, 20%), and had worked in the hotel industry for a range of between 7 to 25 years.

The following are the major findings of the study.

### **5.2.1 Perceived Crisis Risks in Three-Five-Star Hotels**

The findings indicated that on average, the identified crisis risks had medium chances of placing hotels in crisis, as evidenced by an aggregate mean (M=2.84, SD= 1.02) for four-star hotels, (M= 2.82, SD= 1.34) for five-star hotels and (M= 2.65, SD =1.17) for three star hotels respectively.

The study established that the hotels were exposed to risks with the major ones being competition; (M=3.58, SD= 0.96); (M= 3.55, SD= 1.12) and (M=3.13, SD=1.41) for four, three, and five-star rated hotels respectively, terror activities ; (M=3.17, SD=1.26); (M=2.79, SD=1.44); and (M=3.40, SD= 1.55); for three, four and five-star rated hotels respectively, travel advisories; (M=3.27, SD=1.03); (M=3.03, SD=1.18); and (M=2.84, SD=1.02) and for five-star, three-star, and four-star hotels respectively, and political risks and instability (M=3.13, SD=1.46); (M=2.79, SD=1.32); and (M=2.90, SD=1.29) respectively for five-star, four star and three-star respectively. Natural disasters, however, were seen as posing the lowest risk to the hotels with (M=1.93, SD=1.17); (M=1.53, SD=0.61); and (M=2.47, SD=1.69) for three, four, and five-star rated hotels, respectively.

### **5.2.2 Proactive Planning and Business Resilience**

The study established that the hotels across the board embraced proactive planning with an aggregate Score of (M=3.42, SD=0.98); (M=3.22, SD=1.10); (M=3.59, SD=1.09) for three-star, four-star, and five-star rated hotels, respectively. The hotels mostly had embraced forecasts on the probable effects of crises; (M=3.63, SD=1.00); (M=3.84, SD=0.96); and (M=3.87 SD=1.06) for three-star, four-star, and five star rated hotels respectively, and conducting risk analysis ;(M=3.87, SD=0.90); (M=3.32, SD=1.11); and (M=3.47, SD=1.41) for three-star, four-star, and five star rated hotels respectively as strategies in proactive planning.

Pearson's correlation established a strong positive and significant relationship between proactive planning and business resilience for all the hotels at  $p < 0.005$ , from the strongest correlation: three-star hotels ( $r = .597$ ), four-star hotels ( $r = .581$ ), and five-star hotels ( $r = .524$ ).

The study established that proactive planning had a positive effect on business resilience. The effect level of proactive planning on hotel business resilience for 3-star, 4-star, and 5-star hotels was ( $R^2 = 0.356$ ,  $R^2 = 0.338$ , and  $R^2 = 0.275$ ), respectively. Proactive planning was found to account for 35.6%, 33.8%, and 27.5% variation in business resilience in three-star, four-star, and five-star rated hotels in Nairobi City County. This also implied that there were other factors other than proactive planning that could explain business resilience in 3–5-star hotels in Nairobi City County, Kenya.

### **5.2.3 Business Continuity Planning and Business Resilience**

The study established that the hotels had embraced business continuity planning across board with an aggregate score of; (M=3.54, SD=1.06); (M=3.41, SD=1.18);

(M=3.85, SD=1.04) The hotels further had embraced business security plans; (M=4.00, SD=0.83); (M=3.79, SD=1.13); (M= 4.60, SD=0.63) for three, four five-star rated hotels respectively, and business continuity plans;(M= 3.80, SD=0.85); (M=4.05, SD=0.71); and (M=4.47, SD=0.74) for three-star, four-star and five-star rated hotels respectively as their major business continuity strategic tools.

Pearson's correlation established a strong positive and significant correlation between business continuity planning and hotel business resilience at ( $p < 0.05$ ); at ( $r = .587$ ); ( $r = .593$ ); and ( $r = .616$ ); for three, four, and five-star rated hotels, respectively. This implied that there was a positive and significant relationship between business continuity planning ( $p < .005$ ) and business resilience, meaning that business continuity planning positively influenced business resilience.

It was established that business continuity planning had a positive effect on hotel business resilience. The effect level of business continuity planning on hotel business resilience on three, four, and 5-star rated hotels was ( $R^2 = 0.344$ ,  $R^2 = 0.352$ , and  $R^2 = 0.380$ ), respectively. This was an indication that business continuity planning could explain  $(0.344 \times 100) = 34.4\%$  variation in business resilience in three-star hotels,  $(0.352 \times 100) = 35.2\%$  in four-star hotels, and  $(0.34 \times 100) = 38.0\%$  in five-star hotels in Nairobi City County. The remaining percentages in variation implied that there were other factors, other than business continuity planning, that can explain business resilience in 3–5-star hotels in Nairobi City County, Kenya, that were not included in the model.

#### **5.2.4 Crisis Communication and Business Resilience**

It was established by the study through an aggregate score of (M=3.70, SD=1.02); (M=3.39, SD=1.30); (M=3.97, SD=1.10) that the hotels practiced crisis

communication across the board. This was mainly through having guidelines and regulations of communication in case of crises; (M=3.90, SD=0.85); (M=3.74, SD=1.24); and (M=4.20, SD=1.01); for three-star, four-star and five=star rated hotels respectively, and having designated communication spokesperson during crises to issue statements to stakeholders; (M=3.77, SD=0.97); (M= 3.79, SD=1.13); and (M= 4.20, SD=0.86) for three, four, and five star rated hotels respectively, as crisis communication strategies.

It was established by the study that there was a strong, positive, and significant correlation between crisis communication and hotel business resilience at  $p < 0.05$ ; The correlation was strong and significance at ( $r=.818$ ); ( $r=.841$ ); and( $r=.784$ ); for three-star, four-star, and five-star rated hotels respectively. This implied that crisis communication positively influenced business resilience.

It was also established by the study that crisis communication had a positive effect on hotel business resilience. The effect level of crisis communication on business resilience in 3-star, 4-star, and 5-star rated hotels was captured in the R-square values ( $R^2=0.668$ ,  $R^2=0.707$ , and  $R^2=0.614$ ) respectively. This is an indication that crisis communication can explain  $(0.668 \times 100) = 66.8\%$  variation in business,  $(0.707 \times 100) = 70.7\%$  in four-star hotels, and  $(0.614 \times 100) = 61.4\%$  in five-star hotels. The remaining percentages in variation implied that there were other factors, other than crisis communication, that could explain business resilience in 3–5-star hotels in Nairobi City County, Kenya, that were not included in the model.

### **5.2.5 The Moderating Role of Hotel Star Rating in the Relationship between Crisis Management and Business Resilience**

It was established that crisis management approaches positively influenced hotel business resilience. As established, the R-squared value was ( $R^2=0.235$ ). This implied that  $(0.235 \times 100) = 23.5\%$  of the variation in business resilience could be explained by changes in crisis management practices. On the other hand, the results suggested that 76.5% ( $100\% - 23.5$ ) of all variations in hotel business resilience in three to five stars hotels in Nairobi City County, Kenya, could be explained by factors other than the four crisis management practices.

It was established that hotel star rating significantly moderated the relationship between crisis management and hotel business resilience. The  $R^2$  change ( $R^2 0.056 = (0.291 - 0.235)$ ;  $P\text{-value} = 0.033 < 0.05$ ), indicated that there was a moderation effect. This meant that the introduction of hotel star rating as a moderating variable resulted in a 5.6% ( $0.056 \times 100$ ) increase in the amount of variation in business resilience in three- five stars hotels in Nairobi City County, Kenya.

It was also established that hotel star rating significantly moderated the relationship between proactive planning and hotel business resilience (change in  $R^2 (0.292 - 0.20 = 0.092$ ;  $P\text{-Value} = 0.026 < 0.05$ ), relationship between business continuity planning and hotel business resilience (change in  $R^2 (0.292 - 0.32 = -0.028$ ;  $P\text{-Value} = 0.029 < 0.05$ ) and the relationship between crisis communication and hotel business resilience (change in  $R^2 0.292 - 0.49 = -0.198$ ;  $P\text{-Value} = 0.000 < 0.05$ ).

In addition, it was established that the higher the star rating, the less effect crisis management had on business resilience, meaning that a lower hotel star rating had higher hotel business resilience. In Summary, the findings showed a value of 0.354 R-

squared for 3-star hotels, a value of 0.345 R-squared for 4-star hotels, and a value of 0.326 R-squared for 5-star hotels. This indicated that 35.4%,34.5%, and 32.6% variation in business resilience in 3-star hotels, 4-star hotels, and 5-star hotels in Nairobi City County, Kenya, respectively, could be explained by changes in crisis management approaches.

The findings indicated that the higher the star rating the lower the percentage of business resilience that could be explained by crisis management practices. 3-star hotels explained the highest percentage of resilience (35.4%), followed by 4-star at 34.5% and finally 5-star at 32.6%. This was a clear indication that the star rating of hotels affects the relationship between crisis management and business resilience.

### **5.3 Conclusions**

The study concluded that crises management approaches (proactive planning, business continuity planning and crisis communication) positively influenced business resilience in three-to-five-star hotels in Nairobi County implying that the three crisis management approaches can enhance the abilities of the hotels to sustain operations in the event of crises and eventual recovery of the hotel to optimum after crises.

The study also concluded that hotel star rating significantly moderated the relationship between proactive planning, business continuity planning, crisis communication, and hotel business resilience. It was established that the higher the star rating, the less effect crisis management had on business resilience. This implied that lower-starred hotels would achieve higher business resilience by implementing crisis management practices, while higher-star-rated hotels need to implement more than just crisis management to achieve the same level of business resilience as their counterparts with lower ratings.

## **5.4 Contribution of the Study to the Body of Knowledge**

The study contributes to the body of knowledge in three ways. First, the study presents an empirical model that may be adopted by 3-5-star hotels and other hotel ratings in achieving resilience. The study concluded that crisis management approaches (proactive planning, business continuity planning, and crisis communication) positively influenced business resilience in three-to-five-star hotels in Nairobi County. The study also noted that the relationship between the study variables was significant. Therefore, by adopting the crisis management approaches discussed in the study, hotels could achieve resilience.

Secondly, the study empirically contributes to the body of knowledge by providing empirical evidence of the relationship existing between the study variables, which was earlier missing in the literature. The study has demonstrated that a positive relationship exists between proactive planning, business continuity planning and crisis communication, and business resilience.

Thirdly, the study contributes theoretically to the body of knowledge by successfully anchoring the study variables on the Chaos Theory proposed by Edward Lorenz (1963) and the Crisis Theory championed by Eric Lindemann (1944). The theories had earlier been used to anchor other study variables or were used in other study contexts, but had not been successfully used in the hotel industry.

## **5.5 Recommendations**

### **5.5.1 Recommendations for Practice**

1. Hotels in Nairobi City County should integrate crisis management into their strategic planning, including scenario analysis and training to ensure proactive crisis response.

2. Hotels in Nairobi City County should establish and regularly test business continuity plans, incorporating them into staff orientation to ensure seamless operations during disruptions.
3. Hotels in Nairobi County should invest in crisis marketing communications teams and plans and ensure that the teams are trained on crisis management, thus enhancing crisis communication.

#### **5.5.2 Recommendations for Policy**

1. Government tourism agencies should support and fund the training of hotel staff on crisis management practices to enhance sector-wide resilience.
2. Include crisis resilience assessment criteria in the national hotel classification system to incentivize the implementation of risk mitigation strategies.

#### **5.5.3 Recommendations for Further Research**

1. The study should be replicated in other counties, hotels of other star ratings, and other sectors of the hospitality industry, such as restaurants, in order to validate the study findings and facilitate generalization of findings.
2. Similar studies on crisis management should be conducted targeting other hotel stakeholders, such as regulatory bodies like the Ministry of Tourism, hospitality organizations like the Kenya Association of Hotel Caterers (KAHC), and customers in hotels as respondents. This will add to the existing body of knowledge on crisis management and possibly reveal other strategies for managing crises in the hotel industry.



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## APPENDICES

### Appendix A: Research Letter

Date: .....

To:

Dear Sir/Madam,

My name is Angeline W. Kinyanjui. I am a student at Kenyatta University, pursuing a Master's degree in Hospitality Management. As part of the course requirements, I am required to conduct research in fulfillment of the degree requirements. I am therefore undertaking a study titled:

**“Crisis Management Approaches and Business Resilience in Three-to-Five-Star Hotels in Nairobi County, Kenya.”**

Attached is a questionnaire/interview schedule, which is the data collection tool for the study. I hope you will consider allocating time in your schedule to complete it. Kindly fill it in and return it to the undersigned.

For further enquiries, feel free to contact me through:

Mobile Nos: **0720793622 / 0737793622**

Email: [angelinekinyanjui@gmail.com](mailto:angelinekinyanjui@gmail.com)

Thank you for your time and consideration.

Yours sincerely,

Angeline W. Kinyanjui

Kenyatta University

**T129/OL/23061/2013**

**Appendix B: Research Questionnaire for Departmental Managers and Departmental Assistant Managers.**

**Introduction and Consent**

This questionnaire is for data collection concerning: "Crisis Management Approaches and Business Resilience in 3-5 star rated Hotels in Nairobi County, Kenya. *Kindly fill in and complete all parts of the questionnaire.*

Note that all the information given concerning this request will be strictly confidential and will solely be used for this study.

<b>DEPARTMENTAL MANAGERS' CHARACTERISTICS</b>	
a	Management Level : Top <input type="checkbox"/> Middle <input type="checkbox"/> Lower <input type="checkbox"/>
b	Sex: Male <input type="checkbox"/> Female <input type="checkbox"/>
c	Age: 20-30 years <input type="checkbox"/> 31-40 years <input type="checkbox"/> 41-50years <input type="checkbox"/> Above 50 years <input type="checkbox"/>
d	Highest level of education/professional qualification. Diploma <input type="checkbox"/> Higher National Diploma <input type="checkbox"/> Degree <input type="checkbox"/> Master's Degree <input type="checkbox"/> PhD <input type="checkbox"/> Other (Specify)_____

e	Years of experience in Hotel Business Below 1 year <input type="checkbox"/> 1-5 years <input type="checkbox"/> 6-10 years <input type="checkbox"/> 10-15 years <input type="checkbox"/> Above 16 years <input type="checkbox"/>
f	Current position in your Organization? (Specify) _____
g	Years of experience in Current position Below 1 year <input type="checkbox"/> 1-5 years <input type="checkbox"/> 6-10 years <input type="checkbox"/> 10-15 years <input type="checkbox"/> Above 16 years <input type="checkbox"/>
<b>HOTEL CHARACTERISTICS</b>	
a	Hotel category of classification. Five Star <input type="checkbox"/> Four Star <input type="checkbox"/> Three Star <input type="checkbox"/>
b	Type of hotel business. Chain hotel <input type="checkbox"/> Independent hotel <input type="checkbox"/> Franchise <input type="checkbox"/> Management Contract <input type="checkbox"/> Other <input type="checkbox"/> (Specify) _____
c	Number of rooms 1-50 units <input type="checkbox"/> 51-100 units <input type="checkbox"/> 101-150 units <input type="checkbox"/> 151-200 units <input type="checkbox"/> Above 200 Units <input type="checkbox"/>
d	Years that the hotel has been in business. Below 6 years <input type="checkbox"/> 6-10 years <input type="checkbox"/> 11-15 years <input type="checkbox"/> 16-20 years <input type="checkbox"/> Over 20 years <input type="checkbox"/>

**1) PERCEIVED CRISES RISKS IN THREE-FIVE-STAR HOTELS IN NAIROBI CITY COUNTY, KENYA.**

The table below shows a list of risks that have potential to place 3-5 star rated hotels in Nairobi County, Kenya in crisis. Please rate the extent to which each of the identified risk is likely to place your hotel in crisis using the guideline provided.

**Key: 1= Very Low; 2 =Low; 3= Medium; 4= High; 5= Very High**

Risks	1	2	3	4	5
Terrorist activities					
Pandemic diseases/health crisis					
Natural disasters e.g., floods, earthquakes					
Fires					
Political risks and Instability					
Economic cycle risks e.g., Global economic crises					
Guest health and safety					
Employee health and safety					
Fraud and integrity					
Supply Chain Continuity					
Competition					

Climate Change					
Environmental law Compliance					
Regulatory law compliance					
Travel advisories					
Others (Please specify)					

2) **CRISIS MANAGEMENT APPROACHES AND BUSINESS RESILIENCE**

a) **PROACTIVE PLANNING INFLUENCE ON BUSINESS RESILIENCE**

Statement	1	2	3	4	5
Early warning systems have been institutionalized in the hotel.					
Lessons drawn from previous crisis experiences are used to plan for future occurrences.					
There are strategic forecasts on the probable effects of Crisis on the hotel.					
Crisis awareness among all employees and stakeholders of the business are conducted often.					
Scenario analyses on crisis plans are carried out by the hotel.					
Risk analyses on probable crisis are carried out by the hotel.					
Regularly employee training on crisis risks and management are carried out by the hotel.					
There is crisis management department and personnel in place in the hotel.					
The hotel has a crisis management plan.					
The hotels' crisis management plan is incorporated in their strategic plan.					

This section relates to the Proactive planning approaches and actions adopted by hotels in mitigating possible effects of crisis within the hospitality industry. Please indicate the extent to which you agree or disagree with the statements as they relate to your establishment by ticking on the number that best represents your response on the right-hand side of each statement.

**Key: 1= Very Low; 2 =Low; 3= Medium; 4= High; 5= Very High**

**b) BUSINESS CONTINUITY MANAGEMENT INFLUENCE ON BUSINESS RESILIENCE**

This section relates to approaches and actions that can be adopted in hotels for crisis management during crisis period to ensure Business continuity. Please indicate the extent to which you agree or disagree with the statements by ticking a number that represents your response on the right-hand side of each statement, as relates to your hotel.

**Key: 1= Very Low; 2 =Low; 3= Medium; 4= High; 5= Very High**

Statement					
<b>Knowledge management</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
There is a Business continuity plan in the hotel.					
There is a security plan in the hotel.					
There are regularly reviews and updates on business continuity and security plans in the hotel.					
The hotel has copies of business continuity plans located at accessible sites beyond the company's offices (e.g., in a staff members' home.)					
The hotel includes its business continuity plan in new employee inductions.					
Updated business continuity plan is shared with all staff on a regular basis through training.					
Training on business continuity plan includes the actual acting out of the plan.					
<b>Improvisation of recovery plans</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
There is an annual testing of the business continuity plan to ensure it works.					
There is prioritization of business resumption activities during crises.					
There is ability to manage and respond to emergency and return services to normal in case of a crisis.					
Customers are apprised of the hotel capability of fulfilling its commitments.					
<b>Business logistics maintenance</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
There are integrated Emergency Management Systems in Place.					
There are laid down policies and strategies to maintain the company's operations during crisis.					
The hotel has a checklist of contact details of emergency service providers that should help the business address immediate needs in case of crises.					

**c) CRISIS COMMUNICATION INFLUENCE ON BUSINESS RESILIENCE**

This section relates to the strategies and actions that a hotel can employ crisis communication after occurrence of a crisis. Please indicate the extent to which you agree or disagree with the statements by ticking a number that represents your response on the right-hand side of each statement, as relates to your hotel.

**Key: 1= Very Low; 2 =Low; 3= Medium; 4= High; 5= Very High**

Statement	1	2	3	4	5
The hotel has a developed response strategy to crises risks.					
The hotel has identified communication platforms with its customers regarding crises risks.					
The hotel has a communication spokesperson designated and prepared to issue positive statements regarding the organizations' handling of the emergency to its customers.					
The hotel has a structured way to communicate with staff regarding crises risks.					
The hotel has a communication spokesperson designated and prepared to issue positive statements regarding the organization's handling of the emergency to its staff.					
The hotel has a communication spokesperson designated and prepared to issue positive statements regarding the organization's handling of the emergencies to its stakeholders.					
The hotel has crises communication plan in place.					
The hotel has information and communication guidelines in crisis situations.					
The hotel has established duration of time within which to communicate to stakeholders during crisis.					
The hotel has a crisis marketing communication team in place.					
The hotel has trained the crisis marketing communication team.					
The hotel has a crisis marketing communication plan in place.					

**d) HOTEL BUSINESS RESILIENCE**

This section relates to restoration of business in your hotel after the most recent experienced crisis. Please indicate the extent to which you agree or disagree with the statements by ticking a number that represents your response on the right-hand side of each statement. (If it is hard to recall, your best estimate is okay)

**Key: 1= Very Low; 2 =Low; 3= Medium; 4= High; 5= Very High**

<b>Hotel business resilience</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
This hotel has exhibited resistance to the effects of crisis.					
The hotel has shown timely business recovery from the effects of crisis.					
This hotel preserved its essential functions during the crisis.					
This hotel managed to restore its essential functions in a timely manner after the crisis.					
Proactive Planning has played a positive role in the performance of the hotel for the last three years with regard to Key performance indicators.					
Business continuity management has played a positive role in the performance of hotel for the last three years with regard to key performance indicators.					
Crisis communication management has played a positive role in the performance of hotel for the last three years with regard to key performance indicators.					

**THANK YOU**

### **Appendix C: Interview Schedule for General Managers (Key Informants)**

All information given with respect to this request shall be treated with utmost confidentiality solely used for the purpose of this study.

1. a) What is your highest level of academic qualification at present?  
b) How many years of hotel business experience do you have?  
c) For how long have you worked for the organization, and in your current position?
2. What do you consider as the major crises risks in your hotel?
  - a) Internal crises risks
  - b) External crises risks
3. a) Identify crises that have affected your hotel for the last 5 years.  
b) Does your hotel have a database with potential crisis situations?
4. Have there been effects of these crises on your hotel business in terms of Key performance indicators? Explain
5. What are the standard procedures you apply for crisis management planning in your hotel?
6. Are your staff members trained on Crisis Management in the work place? At what point and how often are they trained
7. Do you have development plans and procedures for potential crisis situation in the following areas?
  - a) Fire
  - b) Earthquakes
  - c) Epidemics
  - d) Terror attacks
  - e) Others (refer to question 9)


8. Does your hotel have a crisis management Department?
  - a) Do you have crisis management teams for potential crisis situation defined and identified?
  - b) Are the crisis management teams informed about their duties and responsibilities in case of a crisis?
  - c) Does the hotel have detailed crisis management manuals in place?
9. Does your hotel have a Business Continuity Management plan in place in case of crisis? If present, how often is it reviewed and updated?
10. Does your hotel have;
  - a) Trained media teams for crisis situations?
  - b) Does your hotel have a spokesperson in potential crisis defined and known?
  - c) Has your hotel incorporated strategies of communication with the 'new media' space?
11. How is crisis management incorporated in your organizational strategy?
12. How have your crisis management approaches contributed to business resilience in your organization?
13. Do you have any other comment on the subject?

**Appendix D: List of 3 to 5 Star Hotels in Nairobi County**

	Establishment	Capacity		Star Rating
		Rooms	Beds	
1	Villa Rosa Kempinski	200	216	*****
2	Hemingway's Nairobi	45	50	*****
3	Sankara Nairobi	156	167	*****
4	Fairmont The Norfolk	170	200	*****
5	Tribe Hotel	137	154	*****
6	The Saroya Stanley	217	440	*****
7	Radisson Blu Hotel Nairobi	271	354	*****
8	Dusit D2	101	122	*****
9	Intercontinental Nairobi	326	372	*****
10	The Boma	148	178	*****
11	Crown Plaza	206	254	****
12	Ole Sereni Hotel	134	206	****
13	House of Wayne	11	20	****
14	Weston Hotel	120	154	****
15	Southern Sun Mayfair Nairobi	171	212	****
16	Fairview Hotel	127	133	****
17	Saroya Panafric Hotel	162	324	****
18	Silver Springs Hotel	160	180	****
19	Hilton Nairobi Limited	287	334	****
20	Nairobi Safari Club	146	186	****
21	Windsor Golf Hotel	130	205	****
22	The Clarion Hotel	62	67	***
23	Ngong Hills Hotel	110	165	***
24	The Heron Portico	109	218	***
25	Utalii Hotel	57	114	***
26	The Panari Hotel	136	280	***
27	Marble Arch Hotel	41	57	***
28	Comfort Suits	88	120	***
29	Sports View Kasarani	94	188	***
30	Boma Inn	59	83	***

Source: Tourism Regulatory Authority (TRA) 2019

## Appendix E: Kenyatta University Approval Letter

  
**KENYATTA UNIVERSITY**  
**GRADUATE SCHOOL**

E-mail: [dean-graduate@ku.ac.ke](mailto:dean-graduate@ku.ac.ke) F.O. Box 43844, 00100  
Website: [www.ku.ac.ke](http://www.ku.ac.ke) NAIROBI, KENYA  
Tel. 020-8704150

**Internal Memo**

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**FROM:** Dean, Graduate School      **DATE:** 13<sup>th</sup> March, 2019


**TO:** Ms. Kinyanjui Angeline Wangui      **REF:** T129/OL/23061/2013  
C/o Department of Hospitality &  
Tourism Management


**SUBJECT: APPROVAL OF RESEARCH PROPOSAL**  
=====

This is to inform you that Graduate School Board, at its meeting on 6<sup>th</sup> March, 2019, approved your Research Proposal for the M.Sc. Degree entitled, "Crisis Management Approaches and Business Resilience in 3-5 Stars Rated Hotels in Nairobi County, Kenya."

You may now proceed with your Data collection, subject to clearance with the Director General, National Commission for Science, Technology & Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking Forms per semester. The form has been developed to replace the Progress Report Forms. The Supervision Tracking Forms are available at the University's Website under Graduate School webpage downloads.

Thank you.  
  
**ELIJAH MUTUA**  
**FOR: DEAN, GRADUATE SCHOOL**




CC. Chairman, Hospitality and Tourism Management Department

**Supervisors:**

1. Dr. Rahab M. Mugambi  
C/o Department of Hospitality and Tourism Management  
Kenyatta University
2. Dr. Shem Wambugu Maingi  
C/o Department of Hospitality and Tourism Management  
Kenyatta University

ENCLOSURE

## Appendix F: Research Permit



**NATIONAL COMMISSION FOR SCIENCE,  
TECHNOLOGY AND INNOVATION**

Telephone: +254 20 2211671,  
2241889, 3388553, 2210408  
Fax: +254 20 318245, 318249  
Email: [dg@nacosti.go.ke](mailto:dg@nacosti.go.ke)  
Website: [www.nacosti.go.ke](http://www.nacosti.go.ke)  
When replying please quote

NACOSTI, Upper Kabete  
Off. Strada Wini  
P.O. Box 39223/00100  
NAIROBI-KENYA

Ref No: **NACOSTI/P/19/79929/29740** Date: **23<sup>rd</sup> April 2019**

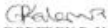
Angeline Wangui Kinyanjui  
Kenyatta University  
P.O. Box 43844-00100  
**NAIROBI.**

**RE: RESEARCH AUTHORIZATION**


Following your application for authority to carry out research on *“Crisis management approaches and business resilience in 3-5 stars rated hotels in Nairobi County, Kenya.”* I am pleased to inform you that you have been authorized to undertake research in **Nairobi County** for the period ending **23<sup>rd</sup> April, 2020.**

You are advised to report to the **County Commissioner and the County Director of Education, Nairobi County** before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a **copy** of the final research report to the Commission within **one year** of completion. The soft copy of the same should be submitted through the Online Research Information System.

  
**GODFREY P. KALERWA MSc., MBA, MKIM**  
**FOR: DIRECTOR-GENERAL/CEO**

Copy to:

The County Commissioner   
Nairobi County **4/4/2019**

The County Director of Education  
Nairobi County

National Commission for Science, Technology and Innovation is ISO9001:2008 Certified

Appendix G: Map Showing Location of Star Rated Hotels in Nairobi County in Kenya

