

**INFLUENCE OF STRATEGIC ORIENTATION ON PERFORMANCE OF  
PUBLIC OWNED HOTELS IN KENYA**

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## DECLARATION

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

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## **ABBREVIATION AND ACRONYMS**

<b>DC</b>	Dynamic Capabilities
<b>EO</b>	Entrepreneurial Orientation
<b>GoK</b>	Government of Kenya
<b>ICT</b>	Information and Communicatio Technology
<b>IT</b>	Information Tehcnology
<b>KTDC</b>	Kenya Tourism Development Corporation
<b>SD</b>	Standard Deviation
<b>SMEs</b>	Small and Medium Sized Enterprises
<b>TFC</b>	Tourism Finance Corporation

## OPERATIONAL DEFINITION OF TERMS

**Entrepreneurial orientation:** refers to the process of developing strategies that offer firms foundation for making decisions pertaining to entrepreneurship (Idar and Mahmood,2011)

**Market orientation:** refers to activities that emphasize on the significance of buyer value creation by quick response to changing market needs and putting in consideration stakeholder interest (Miller and Shamsie,2014)

**Performance:** is a multi-faceted construct measured in three dimensions; employee-related, revenue/cost basis, innovation and customer dimension (Nasir, 2013)

**Public owned hotels:** are legal entities owned by the state to carry out hotel business. It can be owned wholly or partially by the state and is intended to generate revenue for the government.

**Resource orientation:** refers to a firm utilizing the available resources to create value. The resources must be rare, valuable and inimitable in order for it to create value (Miller and Shamsie,2014)

**Strategic orientation:** refers to a firm implementing strategic decisions that spearhead the operations of a company to achieve

superior performance (Jeyakodeeswari and Jeyanithila,2013)

**Technology orientation:** refers to a firm's proactiveness in adopting and utilizing new technologies to drive innovation in developing new product lines (Rhee, Park and Lee, 2010)

## ABSTRACT

Firm's strategic orientation enables a firm to develop optimal performance and sustain competitiveness in the market. Publicly owned hotels have however been faced with many challenges which affects their performance. These challenges included change in technology, competitive environment, social-cultural and economic challenges. The main objective of the study was to establish the influence of strategic orientation on performance of public owned hotels in Kenya. Specifically, the study sought to examine the influence of resource orientation on performance of public owned hotels in Kenya; establish the influence of enterprenurial orientation on the performance of public owned hotels; determine the influence of market orientation on performance of public onwed hotels and establish the influence of technological orientation on the performance of public owned hotels in Kenya. The study was guided by three theories namely; Resource-based view, Goal-setting theory and Dynamic Capabilities View. A descriptive cross-sectional survey design was used. The targeted institutions for the study were all the 10 existing public owned hotels located in various parts of the country. Stratified sampling technique was used to select the sample. The study used a census of 9 public owned hotels and used purposive sampling to select one General Manager and five heads of departments from each hotel. Therefore, a total of 54 (9\*6) respondents formed the sample size. The study however received back only 44 questionnaires; a response rate of 81.48%. The study adopted the use of a questionnaire for middle level managers and an interview schedule for the general managers as the main research instruments. Content analysis was used to analyze qualitative data while quantitative data was analyzed using descriptive statistics like mean, frequencies and standard deviations and the findings presented in tables and figures. Linear Regression analysis was carried out to determine the influence of resource, enterpreneurial, market and technological orientation on performance while standard multiple regression was used to determine the overall influence of strategic orientation on performance of public owned hotels. The study established that resource orientation ( $\beta=0.565$ ,  $p=0.000$ ); entrepreneurial orientation ( $\beta=0.285$ ,  $p=0.000$ ); market orientation ( $\beta=0.346$ ,  $p=0.000$ ) and technological orientation ( $\beta=0.271$ ,  $p=0.000$ ) positively and significantly influenced performance of public owned hotels in Kenya. The multiple regression findings further showed that all measures of strategic orientation combined (resource orientation ( $\beta=0.283$ ), technology orientation ( $\beta=0.381$ ), market orientation ( $\beta=0.093$ ), entrepreneurial orientation ( $\beta=1.002$ ) influenced performance of public owned hotels. Although all the variables showed a statistically significant influence on performance, technological orientation proved to be the best predictor variable of performance, given that it produced the highest value ( $\beta=1.002$ ;  $P=0.000$ ). This study recommends that the public owned hotels should widely adopt information technology (IT) to reduce costs, enhance operational efficiency, and most importantly to improve service quality and customer experience.

## **CHAPTER ONE: INTRODUCTION**

This chapter presents the background of the study; problem statement, purpose and specific objectives of the study, research hypothesis, significance of the study, scope, assumptions and limitations of the study. It also presents the conceptual framework which shows the relationships between the variables that were under investigation.

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

Tourism plays an important role in the global economy due to the revenue it generates. The contribution of tourism in the global economy is largely underestimated however it contributes to peace and stability in less developed countries by creating jobs, revenue generation, economic growth, promoting culture and environmental conservation. In the global economy, tourism is rated the fourth largest industry (Sainaghi, Phillips & Corti, 2013). It is evident that in spite of the important role of the hotel sector globally, many challenges still affect the industry. Globally, the prediction is that there will be a 4% growth in tourism contribution to gross domestic product (GDP ) and more than 328 million employment therefore generating 20 trillion US dollars into the economy of the world (World Travel & Tourism Council, 2019). The hotel industry generates the largest share of job opportunities due to new businesses. Kandampully and Hu (2007) indicated that hotel services are gradually moving from being administrations to getting to be products that must be exchanged in the bigger worldwide market which calls for extreme key administration.

In an increasingly uncertain global economic environment, the hotel industry has been affected by volatilities and disruption. Hotels react quickly to market crisis and change.

In North Africa, hotel business experienced a slug. MKG hospitality (2017) reveals that in Algeria the drop per available room reached 4% due to the 1.6% point drop in occupancy rate and 1.8% point drop in average prices. In Morocco, the study shows average per available room drop by 10.5% due to the 2.1% drop in average daily rate. Surprisingly, hotels in Tunisia were resilient and experienced growth driven by average daily rates despite climate of uncertainty in the region. Tourism is regarded as the second largest foreign income earner in Kenya (Nzioka, 2019). The industry has witnessed steady growth over the years because it is one of the most preferred destinations by tourists globally (Kipiki, 2012).

The hotel business has turned out to be one of the most focused of all service ventures in Kenya. Hotel businesses confronting expanding rivalry from other hotel units including lodges (Masau & Prideaux, 2015). This growing challenge has constrained conventional hotel businesses to discover approaches to hold current customers and draw in competitors' customers. Kenya's hotel framework is scattered over the whole nation despite the fact that the fixation differs generally. A large number of Kenya's primary hotels are located in cities and large towns like Nairobi, Mombasa, Kisumu, Malindi, and Nakuru (Masau and Prideaux, 2015).

Strategic orientation refers to a firm implementing strategic decisions that spearhead the operations of a company to achieve superior performance (Jeyakodeeswari & Jeyanithila, 2013). The dimensions of strategic orientation are vital in establishing the firms' opportunities and capabilities to align with environment to secure competitive advantage for itself. Firm's strategic orientation enables a firm to develop optimal performance and

sustain competitiveness in the market. Firms need new knowledge development to drive strategic vision of the business. To remain competitive, it is important for companies to have abilities come up with a strategy and thereafter match the systems, structure, human capital, leadership, values, management routine and culture. According to Hakala and Kohtamaki (2011), the most common strategic orientations that are evidenced by literature are: technological orientation, resource orientation, entrepreneurial orientation and market orientation. This study therefore considered the four dimensions as the independent variables.

Improving the performance philosophy and strategic orientation is a key strategic concern especially in the service industry. The hotel enterprises face stiff competition from rivals and hence have to develop and implement strategies in order to survive (Szymaniec-Mlicka, 2016). Largely, the influence of strategic orientation on performance is still debatable. Anecdotal evidence suggests that strategic orientation may have positive or negative effects to the firm. Positive because it provides opportunities for innovativeness and negative due to the risks associated with innovativeness (Garcia-Zamora, Gonzalez-Benito & Munoz-Gallego, 2013).

In their study on organizational pillars for success, Valos and Bednall (2010) found that strategy was one of the most important pillars that had major impacts on an organization's structure, activities, investments and relations with the market. Previous researchers' have also found that Strategic orientation of a firm can be linked directly to superior performance of firms (Nzioka & Njuguna, 2017, Obeidat et al. 2016, Han & Verma, 2012). The success of hotels in Kenya is determined by both financial and non-

financial measures. The hotels fall in the service industry and in this industry the quality of service delivered to customers is very important and critical to the success of the hotel. Despite hotel industry playing a vital role in supporting the economy, it has like other business enterprises faced internal and external forces that threatened its competitiveness and even survival. The challenges according to Enz (2011) are varied but are principally about technology, labor competition, security, ecological, legal, socio-culture, globalization, political environment and the economy. Consequently, public owned hotels in Kenya have lately experienced decline as a result of these interacting factors including travel advisories issued by the traditionally high yield markets like European countries. It is against this background that the study sought to establish the influence of strategic orientation on performance of public owned hotels in Kenya.

## **1.2 Problem Statement**

Hotel industry just like any other sector in the Kenya economy has undergone difficult phase in the last 20 years due to the problems in the tourism industry (Masau & Prideaux, 2015). Publicly owned hotels are facing the challenge of meeting customer demands and complication of production procedures and technologies of service. This leads to low revenue, declining star ratings, low occupancy rates and low service quality (Kipiki, 2012). Publicly owned hotels have continuously made losses over the years, for instance in the year 2014 Sunset hotel made a loss of Ksh 8.1 million, the preceding year the loss was Ksh 9 million while in 2016 the loss rose to Ksh 12 million (GoK, 2016).

As is typical of many growing tourism destination areas, the Government of Kenya together with other development partners made enormous direct investment and opened



public hotel enterprises in strategic regions to support tourism development. Kenya Tourism Development Corporation (KTDC) now Tourism Finance Corporation (TFC); which was the main equity holder in these hotels stopped further investment in these enterprises due to negative returns (Sindiga, 2009). As these public owned hotels were registering marginal losses, Kenya's general tourism performance continued to thrive with many other privately-owned hotels reporting huge operating profits (GoK, 2009). In addition, all the hotels that remained under government Management declined in rating as confirmed by last three-star ratings done (GoK, 2003, 2016).

Currently, the publicly owned hotel are characterized by low bed occupancy capacity with the management becoming more complex due to the demands from the business environment that is dynamic. Although there are some studies that have been conducted in Africa and Kenya in particular on the impact of strategic orientation on performance, these studies have focused on new firms and small and medium sized enterprises outside the tourism sector (Nzioka and Njuguna, 2017) . However, information on how resource orientation, entrepreneurial, market, technological and overallly strategic orientation influences the performance of public owned hotels in Kenya was missing or scanty. This study was therefore conducted with the aim of filling these gaps.

### **1.3 Purpose of the study**

The purpose of the study was to determine the influence of strategic orientation (resource, entrepreneurial, market and technological orientation) on performance of hotels using a case of public owned hotels in Kenya.

## **1.4 Objectives of the study**

### **1.4.1 General Objective**

To establish the influence of strategic orientation on the performance of public owned hotels in Kenya.

### **1.4.1 Specific Objectives**

- i. To examine the influence of resource orientation on performance of public owned hotels in Kenya.
- ii. To establish the influence of entrepreneurial orientation on performance of public owned hotels in Kenya.
- iii. To determine influence of market orientation on performance of public owned hotels in Kenya.
- iv. To establish influence of technological orientation on performance of public owned hotels in Kenya.

## **1.5 Research Hypothesis**

- H<sub>01</sub>** Resource orientation has no significant influence on the performance of public owned hotels in Kenya.
- H<sub>02</sub>** Entrepreneurial orientation doesn't significantly influence performance of public owned hotels in Kenya.
- H<sub>03</sub>** Market orientation does not significantly influence performance of public owned hotels in Kenya.

**H04** Technological orientation does not have a significant influence on performance of public owned hotels in Kenya.

### **1.6 Significance of the Study**

The study is valuable to the administration of public owned hotels. Through the findings of this study, it is hoped that public owned hotels finds relevant information that inform its future policy framework formulation and implementation especially on matters concerning strategic orientation. Management of public owned hotels might also benefit by highlighting the importance of strategic orientation as they are able to plan for the future and be able to improve performance. The study provides recommendations which are applicable to other service industries which are facing high competition in order for them to improve performance. The Ministry of Tourism and Wildlife, Tourism Finance Corporation, Tourism Regulatory Authority and other relevant agencies obtain knowledge of the hotel industry dynamics and the appropriate orientation strategies which if implemented could move the sector forward. The study also contributes to knowledge on impact of strategic orientation on performance of public owned hotels. Future scholars and academicians may use the results of this study as a source of reference. As such, this study will provide new insights to academicians and future researchers on how strategic orientation is a critical performance indicator and driver of organizational performance through the lens of the Resource Based View (RBV) theory. It is also beneficial to consultants in providing advice that helps in achieving and sustaining competitive advantage.

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

This study limited itself to gathering views from managers and heads of departments (Line managers) on the four perspectives of strategic orientation i.e. resource, entrepreneurial, market and technological orientation influence on performance of their hotels. The study targeted the managers and departmental heads of all the ten (10) public-owned hotels spread throughout the country in Mombasa, Nairobi, Kilifi, Taita Taveta, Kisumu, Kakamega and Baringo Counties. The study also confined itself to the descriptive cross-sectional survey design where both quantitative and qualitative data were collected at one point in time from the survey respondents.

### **1.8 Limitations**

Even though this study produced significant findings on the influence of strategic orientation on the performance of public owned hotels in Kenya, its design was not without flaws. It is imperative to note that the study utilized descriptive cross-section survey design where by both quantitative and qualitative data was collected at one point in time, coded, analyzed and conclusions drawn. Therefore cautious application of the findings was recommended. Future researchers may therefore consider applying a longitudinal survey methodology to validate and cement the conclusions that have been drawn by this study. It is also worth noting that the researcher relied on self-reported data from the managers and heads of departments from the public owned hotels hence there was no independent way of validating the data from these informants hence the validity of findings were dependent on their memory and truthfulness. Therefore future research is recommended before application of these study findings can be considered.

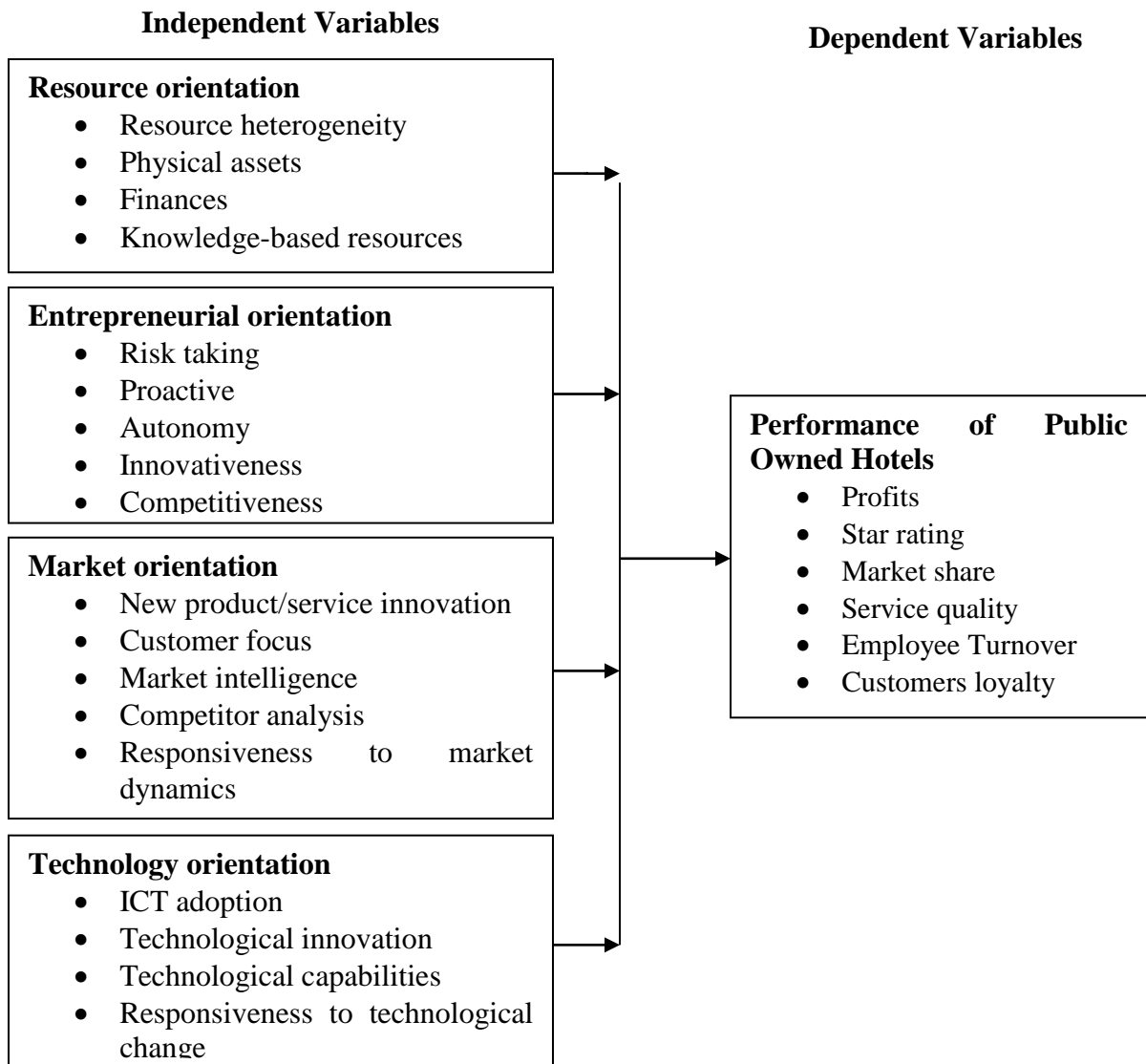
## **1.9 Assumptions**

The assumptions that grounded this research were:

- (i) All the survey respondents clearly understood the four aspects of strategic orientation i.e. resource, entrepreneurial, market and technological and provided their responses on how they felt these aspects interacted with performance adequately
- (ii) Given that all the hotels under this study were public owned, it was assumed that all the managers and departmental heads had experienced the same or similar phenomenon that the study sought to establish.
- (iii) The information provided by the survey respondents were truthful

### 1.10 Conceptual Framework

Figure 1.1 shows the conceptual framework adopted, the independent variables included; technological orientation, entrepreneurial orientation, market orientation and resource orientation. The dependent variable was the performance of public owned hotels in Kenya.



**Figure 1.1: Relationship between Strategic Orientation and Performance of Public Owned Hotels**

Source: Author, (2019)

**Resource Orientation** describes company's ability in developing and utilizing resources that are rare and valuable to drive competition hence superior performance (Galunic & Rodan, 2011). Knowledge based resources are crucial in assisting firms to develop competitive advantage which is difficult to copy (McEvily & Chakravarthy, 2010) hence causing superior performance. According to Brown (2013), resources in a firm can exist in different forms such as human, tangible, intangible, physical, financial and operational. Resources help organizations in carrying out its operations. According to Hakala and Kohtamaki (2011) when resources are available, firms are likely to venture into a business for the purpose of taking advantage of the existing market gap.

**Entrepreneurial orientation** is the process of developing strategies that offer firms foundation for making decisions pertaining to entrepreneurship (Lumpkin & Dess, 2016). Companies that have entrepreneurial orientation are in a position of tailoring their operations in a business environment that is dynamic, transforming and shaping the environment and having resource commitment for exploiting uncertain opportunities (Covin & Slevin, 2019). Based on previously conducted researchers, entrepreneurial orientation positively influences organization's performance since entrepreneurial oriented firms are in a position of adapting and shaping the environment (Gupta & Gupta, 2015; Wiklund & Shepherd, 2015; Hult et al., 2016).

**Market orientation** is an activity that emphasize on the significance of buyer value creation by quick response to changing market needs and putting in consideration stakeholder interest (Farrell & Oczkowski, 2012). According to Choi (2014) one of the major strategic element that any company can embrace to enhance the ability of its

organization to adapt in dynamic market environment is market orientation. Any company that is market oriented is devoted to understand customer needs, sharing any information that relates to the customer across the entire organization and building coordination in all the functional areas to create best values for its clients (Fang et al., 2016; Jebarajakirthy et al., 2016; Hussain et al., 2017). Past researches have shown that being market oriented positively affects companies' performance (Lita & Faisal, 2018; Long, 2018; Laukkanen et al., 2018; Idar & Mahmood, 2017; Mahmoud, 2019).

A company that is **technology oriented** is an innovative firm with heavy investment in research and development. Such firms adopt new technologies and come up with new services and products (Kanter, 1988). Technology orientation implies that an organization can utilize its skills to offer a technical solution that meets customer needs. Additionally, firms that are technology orientation combine values of customers and innovations in technology and therefore have a greater chance to maintain high levels of returns and performance (Batra et al., 2015). Based on researchers, technological orientation has positive influence of company performance (Song & Jing, 2017; Spanjol et al., 2017; Mu & Di Benedetto, 2017; Salavou, 2018; Hoq, 2009; and Paladino, 2017; Gao et al., 2017; Gatignon & Xuereb, 2018).



## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter covers the literature on previous studies related to strategic orientation and performance. The main areas covered include empirical review and theoretical framework for the study.

### **2.2 Empirical Review**

This section discusses previous studies related to the topic and objectives of the study. The review was done based on the variables of the study.

#### **2.2.1 Resource Orientation and Hotel Performance**

Barney (1991) posits that organizations that possess rare, valuable and inimitable (including non-substitutability) resources have the ability to perform better. Resources are used in the process of production as inputs and can be categorized based on property or knowledge (Miller & Shamsie, 2014). Property based resources are inputs that are tangible whereas resources based on knowledge are the various methods in which the organizations put the resources together to create value (Galunic & Rodan, 2011). Knowledge based resources are crucial in assisting firms to develop competitive advantage which is difficult to copy (McEvily & Chakravarthy, 2010) hence causing superior performance.

A study on effects resources and strategic orientation have on performance of small retailers was conducted by Grimmer, Miles, Byrom and Grimmer (2017). The study was conducted in Australia where a sample of 384 enterprises was selected. The data analysis

showed that resource orientation positively related with performance of the enterprises. Also, it was evident that strategic orientation had positive relationship with performance positively related with company performance. From these results, company resources in the small businesses had positive influence on performance levels of the business.

According to Brown et al. (2013) resources in a firm can exist in different forms such as human, tangible, intangible, physical, financial and operational. Resources help organizations in carrying out its operations. In hospitality industry, free resources exist including culture, climate and air which occur naturally. Both the free resources and other resources constitute the tourist product. Other resources that exist in the tourism industry include; conflict and competition, seasonality, immobility, ownership and control, substitution, time and rewards. According to Hakala and Kohtamaki (2011) when resources are available, firms are likely to venture into a business to exploit existing gaps. Existence of an opportunity on its own does not hold any value and it's only through utilization of resources by applying the correct strategy that gives opportunity the value. Capabilities are therefore derived from exploitation of resources differentiating a firm from its rivals.

According to Noe *et al.* (2017), the significance of assets and capabilities lays on two premises. To start with, internal assets and abilities give the essential bearing to an institutions strategy. In this manner, a noteworthy ramification for the model is the need to recognize the procedures that can prompt competitiveness. Backers of the asset based view are of the view that strategy must be installed in the association's assets (information sources) and capacities (forms). Miller and Shamsie (2014) indicated that

firms should be able to possess, utilize, manage and exploit resources to create superior performance.

A research study by Adams, Maria Freitas and Fontana (2019) focused on strategy orientation, innovative performance moderated with management of the market. Their research was focused on determining the link that existed between the strategic orientation of the company, management of marketing in line with tactics of marketing mix and performance of innovation. The study was in manufacturing companies in French and 1603 firms were adopted. Results identified that companies that use a combination of customer/technology orientations performed better than the ones that either used customer or technology orientation alone. Marketing management was also found to boost innovation by positively influencing orientations.

### **2.2.2 Entrepreneurial Orientation on Hotel Performance**

Entrepreneurial Orientation (EO) drives company's profitability and growth. Day (2011) indicated that entrepreneurial orientation leads to increase growth of the firm. Increased growth is as a result of pro-activeness, innovation and companies taking risks. In the present business environment characterized by short business model life cycles and products, entrepreneurial orientation leads to better performance. However entrepreneurial orientation is taken to be necessary for improving performance of new ventures but not adequate to create wealth by the new entities (Lumpkin & Dess, 2011). For a better comprehension of influence of company entrepreneurial orientation on company performance, a contingency focus that concentrates on the influence of strategic fit among firms and other factors is required.

Hakala (2017) conducted a research study on EO and learning orientation: how it affects profitability and growth of software industry. The focus of his research study was to determine the link existing between EO and learning orientation on performance in terms of growth and profitability. The study was carried out among Finnish software companies where a sample of 196 companies was selected. Analyzed data showed that entrepreneurial orientation affected performance of the companies. The findings further showed that learning orientation unlike the findings of previously conducted researches was found to have no effect of growth of the companies. It was therefore paramount for management of the organizations to ensure that they develop culture that nurtures learning in order to support company's profit creation.

In his research on business orientation and performance of SMEs in India, Gupta (2015) established that having a strong entrepreneurial orientation allows the business to benefit by having the ability to identify ways where new products can satisfy customer requirements that are yet to be satisfied. They can also be in a better position in demonstrating ways in which newly developed products can be diverse in the eyes of its customers by showing its reasonable contribution to their needs. It was further established that generally, entrepreneurial orientation has overall constructive effect on performance of an enterprise. These findings reinforced those of previously conducted researches which found noteworthy and direct association between company's EO performance level.

A research study conducted by Chen and Chun-Hui (2017) focused on establishing entrepreneurial orientation and firm performance in non-profit service organizations:

contingent effect of market orientation. From their review on past researches, they established that the relationship between entrepreneurial orientation and performance of companies was inverted U. They explained that the inverted U-shaped relationship was dependent on the level of market orientation. The study selected a sample of 307 non-profit oriented companies and conducted a moderated hierarchical regression and results found that the relationship between each dimension of entrepreneurial orientation and performance was inverted U-shape. The findings further established that the relationship between dimensions of market orientation and performance were not all U-shaped. In instances where generation of market intelligence and responsiveness were high, the relationship between performance and innovativeness were linear. When market intelligence responsiveness is high then performance levels will be high.

Hartsfield (2017) indicated that firms with entrepreneurial orientation are innovative and taking of risk, avoiding conventional, strict hierarchical structures that hinder joint learning among the firms. Entrepreneurial firms encourage flexibility and allow its employees the liberty to be creative and front innovative ideas (Lumpkin & Dess, 2011). Individual employees are encouraged to learn in such firms and are highly committed to learning. Entrepreneurial orientation also implies that managers in the organization inspire critical thinking, accept shortcomings and offer incentives to innovative ideas that improve business performance (Miller & Shamsie, 2014). This encourages individuals to have an open mind because they are not limited into doing things in a certain way.

### **2.2.3 Market Orientation and Performance**

According to Mahmoud (2016) market orientation refers to activities that emphasize on the significance of buyer value creation by quick response to changing market needs and putting in consideration stakeholder interest. A study by Farrell and Oczkowski (2012) reported that higher performance is significantly affected by level of firm's market orientation. Equally, a significant effect of market orientation and its components on performance was reported in study of (Idar & Mahmood, 2011). However, Mavondo, Chimhanzi, and Stewart (2013) reported that market orientation influenced only financial performance. Similarly, firm objective performance found to be affected positively by the level of firm's market orientation (Nikoomaram & Ma'atoofi, 2011). However, on the contrary Nikoomaram and Ma'atoofi (2011) reported that market orientation has significant effect with only subjective firm performance. Likewise, Haugland, et al. (2014) reported a modest effect of market orientation on relative productivity and no effect on return on assets.

Grinstein (2018) explained effects market orientation has on companies. He indicated that it has both positive and negative effects. It is inclusive of high quality products, loyalty of customer, increase in innovation, and the end result is increased business performance. Market orientation is seen as strategic orientation. Zhou, Yimand and Tse (2015) made a comparison with alternative orientation level in order to clearly understand how it affects performance. Slater and Narver (2014) supported the idea that marketing orientation influences companies to embrace external focus and be obliged to innovation which helps in realizing and maintaining superior performance. They further added that innovation

influences the association between performance of a company and its market orientation which is key in the creation of value.

Farley and Webster (2013) in their study established that market orientation can make innovation much easier and can enhance performance levels of the organization. Market orientation demonstrates organizations wide receptiveness to information in the market; it is believed that market orientation is prerequisite to innovation. Therefore, market orientation can act as innovation channel because it opens up the company to new customer needs and business processes. A research by Noble, Sinha, and Kumar (2018) focused on establishing market orientation and alternative strategic orientations: a longitudinal assessment of performance implications. Researchers have found missed findings on the relationship between market orientation and performance of a company. These researchers used longitudinal approach to explore the relationship between different market orientation dimensions and performance; the study was based on annual letters to shareholders. Also, the relative influence of strategic orientation reflecting various managerial priorities of companies was sought. It was evident that those companies that processed high competitors orientation levels, focus more on the national brand and sell orientation performed better than their counterparts.

The influence of being market oriented on performance of a company has been researched and discussed widely in the scholarly circles and hence becoming a subject of interest in management studies. Market orientated firms are able to appropriately responds to changing market needs and therefore act as basis for competitive advantage. This concurs with Slater et, al. (2012) that being market oriented allows the company to

be more customer focused by gathering information regarding competitor abilities and customer preferences. The firms then utilize the acquired information to develop strategies that create value for the customer. Idar and Mahmood (2011) indicated that market orientation has a positive influence on performance of enterprises.

A research by Njeru (2013) established the link existing between internal characteristics of a firm, its external characteristics and strategic market orientation on performance. Analyzed data established company performance was not significantly affected by company characteristics neither did they have moderating influence on the link existing between market practices and orientation. Oduyo (2014) sought to establish how strategic orientation to the market and commercial banks performance related. Performance of the bank, orientation towards customers, competitors and coordination between functions were found to have direct significant relationship. Kimaiyo (2016) sought to determine how being oriented towards the market affected performance of Kenya's tour companies. From his study, it was evident that the companies studied used inter-functional management to increase customer values and build business plans to meet customer needs; both existing and prospective.

#### **2.2.4 Technology Orientation**

According to Ali (2011) technology orientation is firm's proactiveness in adopting and utilizing novel technologies to drive innovation in developing new product lines. Sirawit et al. (2011) indicated that utilization of ICT is at the centre of hotel enterprises because it contributes to superior performance in many ways such as improving managerial activities which improves organizational performance (Ham et. al., 2005).



Zhou and Li (2010) consider innovative direction as a dynamic capacity and contend that technology orientation encourages firms' capacity to endeavor existing abilities in refining innovation and separated items to react to market changes and empowers them to perceive developing or potential technology and reconfigure assets to benefit from those opportunities. Technology capacity is the main impetus of a company's advancement, and it comprises of innovative information, exchange privileged insights, licenses, and skill caused by R&D and other innovation explicit protected innovation (Hsieh and Tsai, 2015).

According to Gao, Zheng and Yim (2017), technology orientation contributes to company's overall performance. It has been established that those companies that have increased their use of innovative technology believe that technological orientation is crucial for innovation and organizational growth. Zhou and Li (2019) argued that through technological orientation, the company is in a position to adopt and implement new ideas earlier than their competitors can. Companies that make use of technological orientation are open to embracing new ideas and technology and their investments on research and development is high. Therefore, such companies have the tendency of adapting innovative management styles because of their technological knowledge and therefore adapt more digital methods of management.

According to Ostrom et al., (2015) advancement in information technology has led to revolutionary outburst in business. The use of internet technology is a common practice in workplaces and the internet is a common channel of communication helping organizations to conduct businesses anywhere and anytime. Through social media, a

platform has been created where transactional and relational activities in a company have been spearheaded. Parveen et al. (2016) established that social media positively affects performance of companies.

A research study by Tsou, Chen, and Liao, (2014) sought to establish how innovations in service delivery are influenced by company's orientation towards technology and the market. The researchers were focused on deploying alternate ways of predicting service delivery innovations from being oriented towards technology and the market and innovative competence. The study used questionnaires to gather data and were administered to sales managers and marketing managers. The study was conducted in Taiwan among IT companies where a sample of 533 companies was selected. The study tested the study hypothesis using partial least squares (PLS). It was evident that proactive marketing orientation and technology orientation affected innovation competence.

Jeong, Pae, and Zhou, (2016) explained that technical skills in an organization, research and development resources and technological base is center to innovation and better products designs in the market. Therefore, organizations technological orientation implies proactively acquiring novel technology and applies latest technology in product and service development. Tsou, Chen, and Liao, (2016) explained that technological orientation of a company should result in developing more innovative, and products that are technologically superior in comparison those of competitors. Therefore, technological orientation has a tremendous contribution in improving performance levels of products and businesses (Salojarvi, Ritala, Sainio, and Saarenketo, 2015).

According to Huber (2017) companies with high technological orientation levels have the ability of introducing new processes, products and services satisfying the needs of its customer and therefore contribute to improvement improved company performance. Further, Tsai (2014) explained that superior technologies in a company can make sure of high level of efficiency by pioneering innovation process and achieving high levels of differentiation through product innovation that leads to enhanced performance. Chandler, (2019) explained that companies that are technologically oriented focus their resources in the acquisition of new and advanced technology and developing new processes, products and services and therefore achieving high firm performance although there is variations in rate of change in technology in sectors and therefore affects adoption and development of technology. Technological orientation and performance were found to be directly related.

### **2.2.5 Organizational Performance**

Gatignon and Xuereb (2017) insisted that business orientation can motivate corporate behaviour on being more oriented towards the creation of competitiveness. The main reason is that strategic orientation has the ability of guiding the process of strategy formulation in a company (Noble et al., 2016). Practically, strategic orientation affects business performance through development process for new ideas that are creative due to competition faced from competitors (Lee, 2017). Researchers have found relationship between the capability of a company implementing strategic orientation and company's level of performance. A study by Altuntaş et al. (2018) in Turkey among health care providers surveyed 74 firms and used email surveys and telephone interviews to collect

data. It was evident that strategic orientation and company performance were related. Also, Ho (2014) established that strategic orientation affects the performance levels of a company, especially in companies experiencing high levels of competition such as those that are technology based. A study on SMEs was conducted by Abiodun and Kida (2016) where a sample of 238 companies was selected. The findings showed direct relationship between performance and strategic orientation.

Lee, Choi, and Kwak (2015) study focused on establishing the effect of strategic orientation on innovativeness of a company and also on performance of promising markets in relation of South Korean SMEs. The strategies the study focused on were existence of technology, entrepreneurial, learning and market orientation. Firm innovativeness was adopted as the mediating variable and a sample of 374 companies was selected. From the collected data, it was evident that technology, entrepreneurial, and learning orientations significantly affected performance levels of the companies. Additionally, innovativeness of the company had mediating effect on the relationship.

Hussain, Arshad and Khan (2019) researched influence of strategic orientations on performance of SMEs. The researchers focused on determining how performance is affected by strategic orientation while being mediated by market orientation. A sample of 207 company owners was selected. Data collected proved that learning orientation and performance had direct significant relationship. The study further established that marketing orientation moderated on the direct link concerning performance of the organization and its strategic orientation.

In a study by Mohamad, Unggul and Jakarta (2019) they sought to determine how strategic orientation, organizational innovation capabilities and strategic planning affected performance on companies that were based on technology. A sample of 120 owners of SME businesses was selected. The study adopted purposive sampling in selecting the sample. Partial least square modeling was adopted in analyzing the collected data. It was clear that strategic orientation, capability of organizational innovation and strategic planning positively and significantly affected performance levels of the selected companies.

Numerous researches on organizational performance applied company resources to determine how they affect performance. For example a study by Lita and Faisal (2018) found market and learning orientation to directly and significantly influence on organization's performance. Song and Jing (2017) suggested that entrepreneurial and technological orientations are directly and significantly related with performance. Other studies have also established that strategic orientation do not significantly influence performance of organizations (Frank et al., 2015; Baker & Sinkula, 2019; Stam & Elfring, 2018). Other studies have revealed that despite market orientation affecting performance, the influence is insignificant (Polat & Mutlu, 2016; Suliyanto & Rahab, 2016). Studies by Suliyanto and Rahab (2016) and Long (2017) established that learning orientation don't significantly and directly affect organizational performance. In relation to technology orientation studies by Voss and Voss (2017); Hakala and Kohtamaki (2019); Hortinha et al., (2017) didn't find significant association between performance and technological orientation.

From researches conducted by Liu, Luo, and Shi (2018) and Liu, Luo, and Shi (2019) entrepreneurial, market and learning orientation were found to positively affect corporate entrepreneurship. On the other hand, Barrett, Balloun, and Weinstein (2015) found entrepreneurial, market and learning on performance of organizations that are not profit oriented to be positively correlated.

## **2.3 Theoretical Framework**

Resource-based view, goal-setting theory and dynamic capabilities view were theoretical foundation for this study. They are discussed in the following subsection.

### **2.3.1 Resource-based view**

The theory was developed by Barney (1991). According to RBV, better performance can be achieved through resources; it is important for the resources to be rare, inimitable and valuable. Strategic orientation can therefore be considered to be the dynamic capabilities that steer activities leading to improved performance (Day, 2011). Therefore, dynamic capabilities and competitive advantage can be deemed to emanate from resource bundles that are valuable, inimitable and rare (Ambrosini & Bowman, 2009).

Barney (1991), also explained that RBV concerns itself with the uniqueness and non-substitutability to gain competitive advantage. A strategically oriented firm utilizes its resources by inculcating beliefs and values that lead to improved firm performance. The firms transform the resources guided by the beliefs and guides and utilizing strategic capabilities for the purpose of creating competitive advantage that is sustainable which results to enhanced performance (Day, 2011).

### **2.3.2 Goal-setting theory**

Edwin Locke propounded the theory of goal-setting in 1968. He argued that individuals should set goals that act as a motivator for them to perform better. This is because individuals focus on their goal to record superior performance. The employees then work towards achieving their goals and in case they don't achieve them they advance performance or alter their goals to ensure their achievability. According to Salaman *et al*, (2005), the aim of the management system will be achieved if improvement in performance is realized.

Task performance is associated with goal setting theory which indicates that certain goals coupled with the right feedback leads to superior task performance. It can therefore be argued that goals guide an individual on the task to be performed and the concentration need to complete the task appropriately. Goal setting theory is characterized by features such as employee commitment to attain set goals through driven by job motivational factors.

### **2.3.3 Dynamic Capabilities View**

Resource Based View acted as the foundation for development of Dynamic capabilities view and focus on the capability of an organization to combine, develop and reconfigure external and internal knowledge for addressing transformations in the business environment. According to Eisenhardt and Martin, (2000), dynamic capabilities have various definitions proposed by various scholars and therefore a concrete definition has been put forward.

Wiesen (2014) indicated that capabilities are a multifaceted set of skills and joint learning, carried out procedurally within the firm and is deeply entrenched within the firms structure. Therefore, organizations are able to rapidly respond to changes in the market brought about by competition to enjoy superior performance. Marketing positioning and practices are considered to be the most important factors that makes it possible for a business to efficiently and effectively enhance performance during their everyday activities in relation to competition.

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

The study attempted to present the theories guiding the study in relation to the effect strategic orientation has on performance of publicly owned hotel enterprises in Kenya. The theories include; resource-based view, goal-setting theory and dynamic capabilities. The three theories were applied in this study in that the Resource Based View theory provided that the dynamic capabilities of a firm emanate from resource bundles that are valuable and rare. Together with the dynamic capabilities view theory, they provided the researcher the most appropriate lens to look at all the tenets defining the independent variables. The goal setting theory provided the platform to generate the tenets that influenced performance as the dependent variable in this study. The study further reviewed empirical literature previously done by other scholars. Empirical evidence suggested that the significance of assets and capacities lies on two premises. To begin with, resources and abilities give the essential bearing to a company's strategy. Second, strategic orientation drives company's profitability and growth. Generally the empirical literature indicated that strategic orientation influence performance of firms.



Numerous studies have focused on strategic orientation and performance; resource orientation on performance of organizations (Frank et al., 2015; Baker & Sinkula, 2019; Stam & Elfring, 2018); Market orientation (Polat & Mutlu, 2016; Suliyanto & Rahab, 2016); and technology orientation (Voss and Voss (2017; Hakala and Kohtamaki (2019); Hortinha et al., (2017). Nonetheless not a single person study reviewed concentrated on the hotel industry or specifically, the publicly owned hotel enterprises. For example, study by Grimmer, Miles, Byrom and Grimmer (2017) was conducted in Australia; Hakala (2017) focused on software sector; Gupta (2015) was in India; Oduyo (2014) focused on banks; Kimaiyo (2016) in his research study focused on tour companies. None of the studies reviewed also looked at the joint effect of the four variables on firm performance. Contextually, many of the studies reviewed were carried out in developed countries while the current studied will be domiciled in Kenya which is a developing country. It is the above conceptual, contextual and methodological gaps that this study sought to fill.

## **CHAPTER THREE: METHODOLOGY**

### **3.0 Introduction**

The study methodology is discussed in this chapter. The pertinent areas covered in this chapter include: research design, target population, sample and sampling technique, data collection and pretesting of research instrument. Other areas covered include validity, reliability, data analysis and ethical considerations.

### **3.1 Research Design**

Descriptive cross-sectional survey design was appropriate for the study because the information collected about the subjects represents what is going on at one point in time (Cooper & Schindler, 2003). Cross-sectional examination includes accumulation of information at a solitary point in time. Babbie (2010) sees that numerous graphic examinations are cross-sectional in nature. This examination configuration necessitates that factors are not controlled by the researcher hence giving the freedom required by the managing philosophical tenets.

The aim of a descriptive research design is to gather data as it is without manipulating it, it's also non-intrusive and deals with phenomenon that has occurred naturally and variables exist naturally, free from the researchers control (Mugenda & Mugenda, 2003). This design involved collecting data through questionnaire and interviews administration to the selected respondents for the study. The descriptive cross-sectional design was suitable as it intended to describe the influence of strategic orientation on performance of public owned hotel enterprises in Kenya. The merits of the design included; ability for

the data collection methods to gather in-depth quantitative information and information on beliefs, attitudes, behaviours and habits of members of a target audience. Also, as explained by Berg (2012) a descriptive survey focuses on coming up with statistical information and provides a chance for generalizing of the findings.

### **3.2: Study Area**

The study was carried out in all the public owned hotels spread throughout the country namely Nairobi, Mombasa, Taita Taveta, Kakamega, and Baringo Counties. During Kenya's first post-independence decade, the Kenya government through the Kenya Tourism Development Corporation (KTDC) made financial investments in hotels and lodges so as to alleviate the acute accommodation shortage in Kenya and specifically Nairobi, the Parks and at the Coast (Sindiga, 2009). Later on, KTDC decided to invest in geographically dispersed locations in the country with the hope that this would stimulate tourism in those areas: These included; Homa Bay Hotel, Mount Elgon Lodge, Meru Mulika Lodge, Marsabit Lodge and Maralal Safari Lodge.

### **3.3 Target Population**

Population is defined as the aggregate of individuals in the study (Cooper & Schindler, 2003). In research, population would refer to the group of elements in which a study problem exists. There were ten (10) existing public owned hotels in Kenya however, one hotel (serana mountain lodge) was excluded from the list since it was used for pre-testing thus the nine hotels as listed in table 3.1 were considered. Therefore the target population comprised of all the general managers and line managers thus a total of 6 managers in charge of the following departments formed the target population; housekeeping, food

and beverage, sales and marketing, front office and human resource as well as the general manager.

**Table 3.1: Target Population**

<b>Department</b>	<b>Number of Respondents from Each Hotel Department</b>	<b>Population</b>
General Manager	1	9
Housekeeping	1	9
Food And Beverage	1	9
Sales And Marketing	1	9
Front Office	1	9
Human Resource	1	9
<b>Total</b>	<b>6</b>	<b>54</b>

### **3.4 Sample and Sampling Technique**

Census sampling was used to select all the nine (9) public owned hotels enterprises while purposive sampling was used to select a sample of 6 respondents from each hotel i.e. one General Manager and five heads of departments from each of the hotels. As noted by Cresswell and Plano Clark, (2011) purposive sampling is a technique widely used to collect qualitative data and it involves identifying and selecting individuals who are knowledgeable about or have experience with the phenomenon under investigation. Purposive sampling was used to select the general managers and line managers of the six identified departments because, by virtue of their positions in the hotels, it was believed that they would provide information that was being sought by the study. Therefore the sample size consisted of 54 respondents. The unit of analysis of the study was the general managers and line managers of the hotels as listed in table 3.2 below.

**Table 3.2: Sampling frame**

	<b>Name of Hotel</b>	<b>Town</b>	<b>Sample Size</b>
1.	Utalii Hotel	Nairobi	6
2.	Mombasa Beach Hotel	Mombasa	6
3.	Sunset Hotel	Kisumu	6
4.	Voi Safari Lodge	Voi	6
5.	Ngulia Safari Lodge	MtitoAndei	6
6.	Golf Hotel	Kakamega	6
7.	The Kisumu Hotel	Kisumu	6
8.	Kabarnet Hotel	Kabarnet	6
9.	North Coast Beach Hotel	Mombasa	6
	<b>Total</b>		<b>54</b>

**Source: Kenya Gazette on Hotels Classification (2018)**

### **3.5 Research Instruments**

The study adopted the use of a structured questionnaire for middle level managers and an interview schedule for the nine (9) general managers who were sampled purposively. Particularlry, the structured questionnaires contained questions on a five-point likert scale touching on all the variables under investigation i.e. resource, entrepreneurial, market and technological orientation as well tenets on performance of the hotels thus facilitating collection of quantitative data. An interview guide was used to collect qualitative data from the nine General managers of all the hotels under study thus provided additional information to support the quantitative information gathered through questionnaires.

### **3.6 Data Collection Procedure**

Primary data was collected in this study. Primary data was collected using questionnaire and interviews. The questionnaire was administered with the help of trained enumerators

with the supervision of the researcher using drop and pick later method. Before commencement of the actual data collection exercise, the research assistant was familiarized with the title of study, problem being investigated, objectives of study and the research instruments. This was done to ensure that the research assistant adequately grasped the spirit of the study and facilitate seamless administration of the research tools. Additionally, the researcher developed the questionnaire and each question in the questionnaire was designed to address the specific objectives so that the information generated addressed the research problem. To ensure high response rate, the researcher observed care and control by maintaining a register of the questionnaires issued and those received back. For the questionnaires that had not be returned the researcher followed up to remind the respondents to fill in and return them.

Interview schedules were used to collect data from General Managers. Because of their busy schedule, the researcher made prior appointments with them. The researcher personally conducted the interviews with the general managers of the publicly owned hotels.

### **3.7 Pretest**

Pretesting of the questionnaire was done in one of the hotels before conducting the actual study. Pre-test enabled the researcher to spot possible challenges that might be encountered in conducting the actual study. Such challenges included clarity and difficulty in understanding the questions. Pre-test was carried out at Serena Mountain Lodge where the government has 39.11% shareholding. The study used a pre-test group of six (6) respondents; comprising of the General Manager and five (5) line managers

each drawn from the departments of housekeeping, food and beverage, sales and marketing, front office and human resource. This represented approximately 9.3% of actual study sample. This is in line with Kothari (2009) who stated that the sample size for a pre-test should be 5 to 10 per cent of study sample. The findings of the pre-test were excluded from the final study.

### **3.7.1 Validity**

Validity was measured by seeking opinions of experts in the hospitality industry. The experts included general managers of two public owned hotels and one hospitality lecturer. The study only focused on content validity where only the contents of the instrument was assessed as to whether it measures what it ought to measure.

### **3.7.2 Reliability**

Reliability was measured because the instrument used multiple rating scale questions which is 5 point likert scale. Many scholars recommend a minimum cut off of 0.7 as appropriate for data analysis (Nunnaly 1978) and this study adopted the same cut off in assessing the questionnaire items. Using Cronbach's alpha, a reliability coefficient of zero indicates that the test scores are unreliable while the higher the reliability of coefficient, the more reliable or accurate the test scores. From the findings presented in Table 3.3, technology orientation had cronbach alpha value of 0.740, entrepreneurial orientation had 0.776, market orientation had alpha value of 0.785, resource orientation had alpha value of 0.850, and lastly performance had cronbach alpha of 0.847. From the findings it is evident that all the variables had cronbach alpha value of 0.70 and above suggesting that all the variables were reliable

**Table 3.3: Reliability Analysis**

<b>Scale</b>	<b>Cronbach's Alpha</b>	<b>Number of Items</b>
Technology Orientation	0.740	5
Entrepreneurial Orientation	0.776	7
Market Orientation	0.785	14
Resource Orientation	0.850	14
Performance	0.847	6

### **3.8 Data Analysis**

The research adopted both qualitative and quantitative analysis. Quantitative data collected was analyzed using descriptive statistics such as means and standard deviations for all the four objectives of study. Content analysis was used to analyze qualitative data gathered through interviews. Results were presented in tables, graphs and pie charts. Linear and standard multiple Regression analysis were used to test the hypotheses of the study as depicted in table 3.4 below:



**Table 3.4: Test of Hypotheses**

<b>Hypothesis</b>	<b>Analysis Method and Justification</b>	<b>Model Applied</b>
<p>H01: Resource orientation has no significant influence on the performance of public owned hotels in Kenya.</p>	<p><b>Linear Regression Analysis:</b>            Linear regression analysis provides an opportunity to establish a relationship between an independent and dependent variable such that, when one unit of the independent variable changes, a researcher is in a position to tell the amount of change that would occur to the dependent variable. As such, regression analysis can be a powerful tool to predict and explain the causal influence on a population outcome (Jeon, 2015).</p>	<p>The regression model was specified as:</p> $Y = a + \beta_1 X_1 + e$ <p>Where; Y=Performance of public owned hotels in Kenya            a= Constant/ Intercept  <math>\beta_1</math>=Slope (beta coefficient for resource orientation)            X<sub>1</sub>= resource orientation.            e=error term</p>
<p>H02: Entrepreneurial orientation doesn't significantly influence performance of public owned hotels in Kenya.</p>	<p><b>Linear Regression analysis</b>            (Joen, 2015)</p>	<p>The regression model was specified as:</p> $Y = a + \beta_1 X_1 + e$ <p>Where; Y=Performance of public owned hotels in Kenya            a= Constant/ Intercept  <math>\beta_1</math>=Slope (beta coefficient for entrepreneurial orientation)            X<sub>1</sub>= entrepreneurial orientation.            e=error term</p>
<p>H03 Market orientation does not significantly influence performance of</p>	<p><b>Linear Regression analysis</b>            (Joen, 2015)</p>	<p>The regression model was specified as:</p>

public owned hotels in Kenya.		$Y = a + \beta_1 X_1 + e$ <p>Where; Y=Performance of public owned hotels in Kenya  <math>a</math>= Constant/ Intercept  <math>\beta_1</math>=Slope (beta coefficient for market orientation)  <math>X_1</math>= market orientation.  <math>e</math>=error term</p>
H04: Technological orientation does not have a significant influence on performance of public owned hotels in Kenya.	<b>Linear Regression analysis</b> (Joen, 2015)	<p>The regression model was specified as:</p> $Y = a + \beta_1 X_1 + e$ <p>Where; Y=Performance of public owned hotels in Kenya  <math>a</math>= Constant/ Intercept  <math>\beta_1</math>=Slope (beta coefficient for technological orientation)  <math>X_1</math>= technological orientation.  <math>e</math>=error term</p>
Overall hypothesis of study: Strategic has no significant influence on the performance of public owned hotels in Kenya.	<b>Standard Multiple Regression Analysis</b> Multiple regression allows a more sophisticated exploration of the interrelationship among a set of variables thus making it ideal for the investigation of more complex real-life, rather than laboratory-based research (Tabachnick and Fidell (2007))	<p>The multiple regression model was specified as:</p> $Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$ <p>Where;  <math>Y</math> =performance of public owned hotels  <math>a</math> (Alpha) =the Constant or intercept  <math>\beta_1</math> =the Slope (Beta coefficient) for resource orientation  <math>X_1</math>= resource orientation  <math>\beta_2</math> =the Slope (Beta coefficient) for entrepreneurial orientation  <math>X_2</math>= entrepreneurial orientation  <math>\beta_3</math> =the Slope (Beta coefficient)</p>

		for market orientation $X_3$ =market orientation $\beta_4$ =the Slope (Beta coefficient) for technological orientation $X_4$ =technological orientation e= Error term
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Additionally, Table 3.5 below delineates further how the various tenets under each variable were measured.

**Table 3.4: Measurement of variables**

<b>Variable</b>	<b>Indicators</b>	<b>Scale</b>	<b>Research Approach</b>	<b>Tools of Analysis</b>	<b>Type of Statistics</b>
Technology orientation	<ul style="list-style-type: none"> <li>• ICT adoption</li> <li>• Technological innovation</li> <li>• Technological capabilities</li> <li>• Responsiveness to technological change</li> </ul>	Nominal	Quantitative & Qualitative	Percentages, Standard deviation, variance, Mean & Thematic analysis	Descriptive and Inferential
Entrepreneurial orientation	<ul style="list-style-type: none"> <li>• Competitive aggressiveness</li> <li>• Innovativeness</li> <li>• Risk taking</li> <li>• Autonomy &amp; Proactive</li> </ul>	Nominal	Quantitative & Qualitative	Percentages, Standard deviation, variance, Mean & Thematic analysis	Descriptive and Inferential
Market orientation	<ul style="list-style-type: none"> <li>• New product/service innovation</li> <li>• Customer focus</li> <li>• Market intelligence</li> <li>• Competitor analysis</li> <li>• Responsiveness to market dynamics</li> </ul>	Nominal	Quantitative & Qualitative	Percentages, Standard deviation, variance, Mean & Thematic analysis	Descriptive and Inferential
Resource orientation	<ul style="list-style-type: none"> <li>• Resource heterogeneity</li> <li>• Physical resources (assets)</li> <li>• Financial resources</li> <li>• Knowledge-based resources</li> </ul>	Nominal	Quantitative & Qualitative	Percentages, Standard deviation, variance, Mean & Thematic analysis	Descriptive and Inferential
Performance	<ul style="list-style-type: none"> <li>• Profits</li> <li>• Turnover of customers</li> <li>• Service quality</li> <li>• Star rating &amp; market share</li> </ul>	Direct measure & Nominal	Quantitative	Percentages, Standard deviation, variance, Mean & Thematic analysis	Descriptive and Inferential

### **3.9 Logistical and Ethical Consideration**

Ethics are norms guiding human interactions and it involves differentiating between wrong and right behavior. According to Bryman (2007), it is the duty of the researcher to determine any possible harm that may be generated in conducting the research and devise ways of eliminating or minimizing the harm.

The issue under study is core business of the firms, it is considered sensitive hence the requirement to observe strict confidentiality and reporting in general terms without mentioning the name of the respondent or that of the hotel enterprise. Respondents were assured that the information they provide will be used for academic purpose only. The researcher also sought clearance from NACOSTI and the university to conduct the study.

## **CHAPTER FOUR: FINDINGS**

### **4.0 Introduction**

This chapter presents the results of the analysis of the collected data based on the objectives of the study as captured in the research instruments. The study sought to establish the influence strategic orientation on performance of public owned hotels in Kenya .

### **4.1 Survey Response Rate**

A total of 54 questionnaires were administered to respondents in 9 public owned hotels in Kenya. The researcher was able to receive back only 44 questionnaires. This represents a response rate of 81.48%. As explained by Creswell and Creswell (2017) if rate of response is 70-85%, it is considered to be good response, whereas Yin (2017) indicated that a response of 50% was adequate, 60% is good and above 70% very good. On the other hand, Awino (2011) asserts that for a study like ours, a response rate of 65% is acceptable. Given that this study attained a response rate of 81.48%, it was therefore considered very good and adequate for the analysis to be conducted.

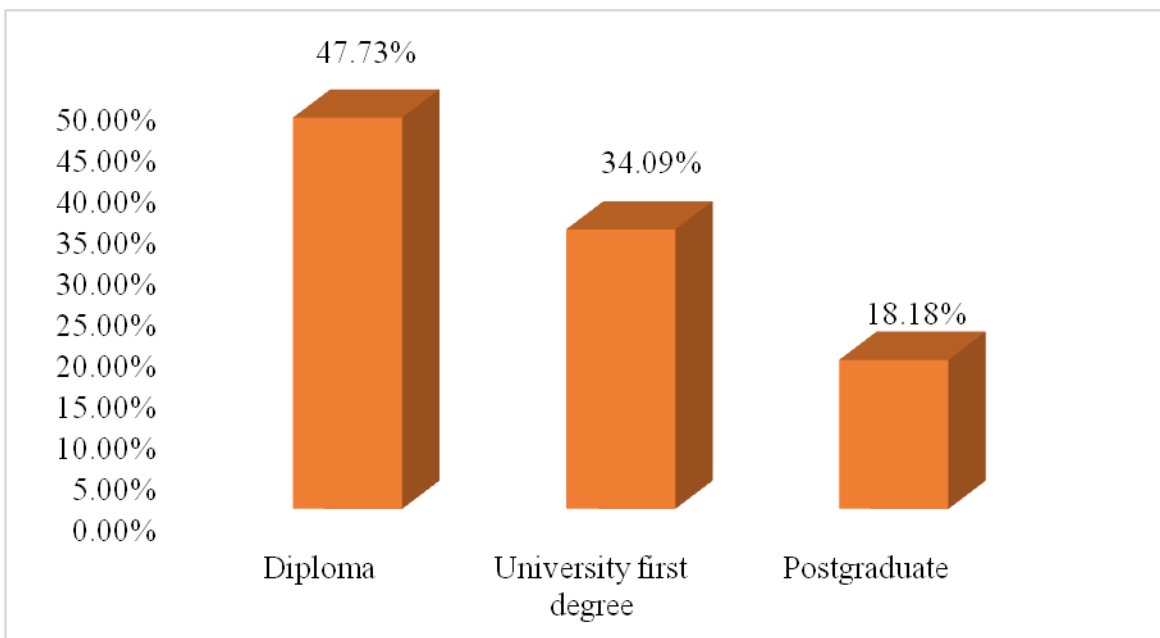
### **4.2 Demographic Characteristics of the Respondents**

This study sought to establish the demographic information of the respondents which include; level of education, gender, age, years worked in the hotel. The study further sought to find out the years in which the hotel had been in operation. According to Ray and Rubenstein (2020), collecting primary data allows for the determination of whether a sample is representative to ensure that there is no under-or –over representation thus facilitate generalization of the findings to the population from which the sample was

drawn. It also facilitates future comparison of research findings by guiding researchers on the composition of the study respondents to ensure meaningful statistical comparisons.

#### 4.2.1 Highest Level of Education

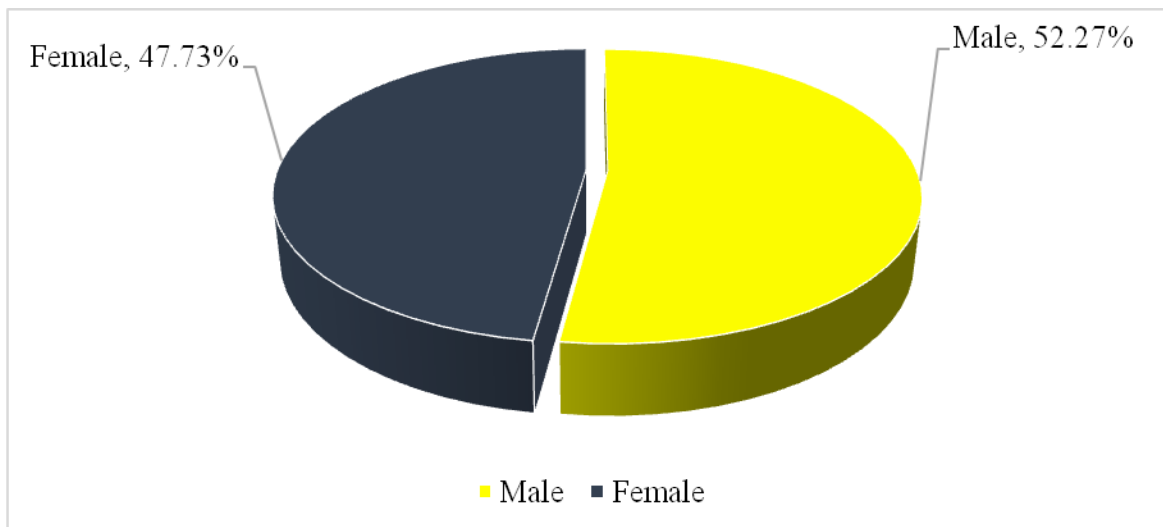
In terms of the level of education, Figure 4.1 established that most (47.73%) were diploma holders, 34.09%, had university degrees while 18.18% had postgraduate qualification. The findings show that the respondents had high levels of education to be able to respond appropriately to the questions sought by this study. The respondents were therefore in a position to provide information on the influence of strategic orientation on performance of their hotels. The findings concurs with Lumpkin and Dess (2016) who established that companies whose managers were highly educated has a stronger strategic orientation and therefore high levels of performance because they were in apposition to combine strategic and entrepreneurial postures.



**Figure 4.1: Highest level of education**

#### 4.2.2 Gender

The gender analysis of the respondents is presented in Figure 4.2. The majority (52.27%) were male while 47.73% were female. It is evident that the difference between male and female respondents was small implying that the public owned hotel enterprises were gender responsive in hiring the managers. This agrees with the findings of a study conducted by Knotts, Jones and LaPreze (2016) that male- and female-owned companies had similar performance levels in getting their products reviewed. This study therefore considered the views of both genders hence the findings is representative of both genders in establishing the influence of strategic orientation on performance of public owned hotel enterprises in Kenya.

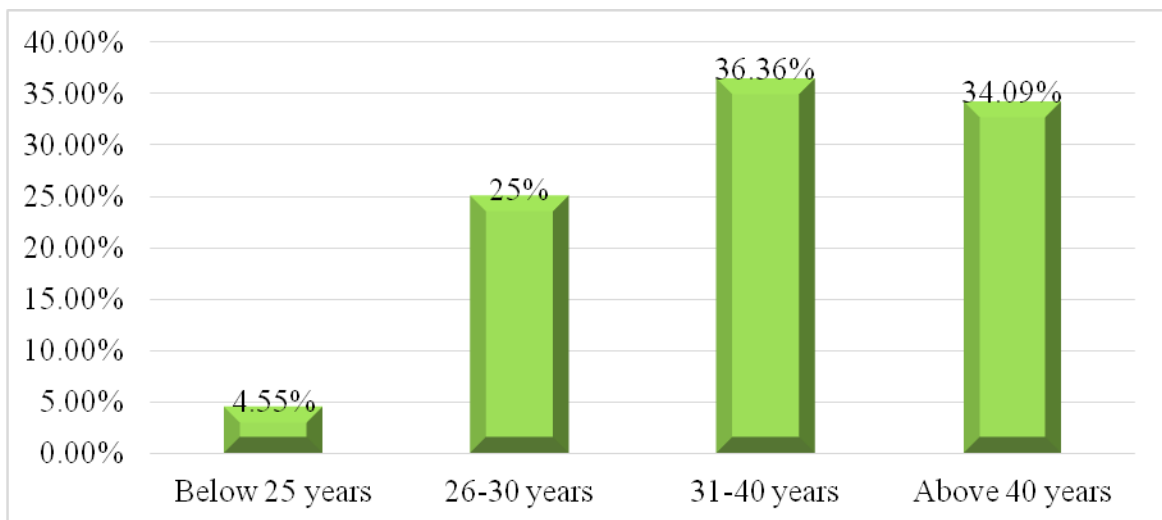


**Figure 4.2: Gender of Respondents**



### 4.2.3 Age of Respondents

The study also analyzed the age of the respondents where it was established that 36.36% were between 31 and 40 years old. Further findings indicated that 34.09% were above 40 years, 25% between 26 and 30 years while only 4.545% were below 25 years. This is an indication that the study selected respondents of varied ages. The findings also suggest there is age diversity among management employees in public owned hotels in Kenya.

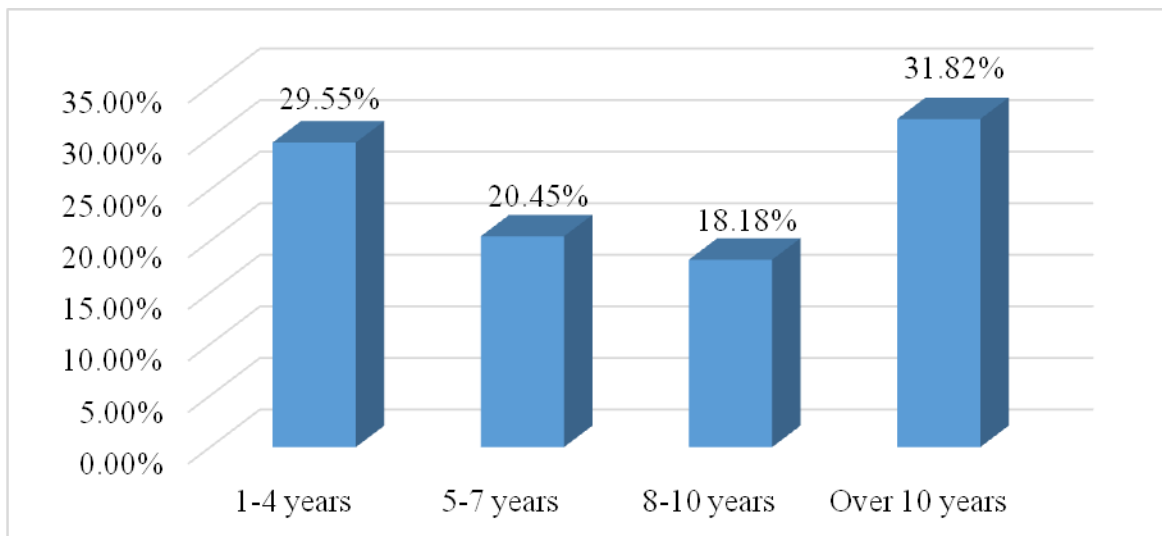


**Figure 4.3: Age of Respondents**

### 4.2.4 Years worked in the hotel

In terms of the years worked in the hotel, Figure 4.4 shows the findings of the study. It is seen that 31.82% had worked in the hotel for over 10 years, 29.55% had worked for 1-4 years, 20.45% for 5-7 years while 18.18% had worked for 8-10 years in the hotel they were currently worked in. The findings imply that the respondents had enough experience in the hotel industry to be able to provide information on ways in which strategic

orientation affects performance of their institution. The study agrees with the findings of Miles et al. (2017) who found that strategic orientation positively affected performance levels of companies and that companies that large companies tend to perform better than the small companies but the age their age do not significantly affect their performance levels.



**Figure 4.4: Years worked in the hotel**

### 4.3 Resource Orientation

The first objective of the study was to examine the influence of resource orientation on the performance of public owned hotels in Kenya. Given that the statements for this objective were on a likert scale, descriptive statistics was used because data on such scales is normally ordinal hence require unique data analysis methods and descriptive statistics is highly recommended (Boone and Boone, 2012). On this objective, the middle level managers were requested to rate on scale of 1 to 5 the role played by resources in the operations of their hotels with the value of one (1) representing ‘not at all’ and five

(5) representing 'very great extent'. Therefore, values closer to five (5) represented the strongest values. The results are as displayed in the table 4.1 below:

**Table 4.1: Resource Orientation**

	<b>Mean</b>	<b>Std. Deviation</b>
The hotel's land and buildings are adequate for carrying out planned activities	3.6364	1.12252
Equipment, tools and machineries in the organization are adequate to perform planned activities	2.9091	.91036
Financial resources in the hotel are sufficient and therefore facilitate conducting of strategic activities during the course of the year	2.6364	.89159
Current assets not including financial assets in the organization are adequate to conduct strategic activities through the entire year	2.6818	.85651
Staff in the hotels are adequate to carry put the functions of the organization	3.1364	.87845
The hotel has constantly acquired new knowledge related to its operations	3.4091	.97213
The hotel has made it possible to have knowledge sharing in various departments	3.3409	1.14004
Maximal use has been made of all fixed assets	3.4091	1.01885
Optimal use has been made of financial resources.	3.3409	1.03302
Engagement of employees in different roles have been fully engaged	3.6818	1.07342
Deliberate combination of different resources has been undertaken with ease in the hotel	4.4091	4.18923
Reconfiguration of hotel resources is easy when fresh needs are required	3.3864	.94539
Integration of resources in hotels follow a certain pattern	3.4545	.99894
The processes of hotels are effective and the procedures that are there combine various resources	3.5000	1.13096

**Source: Field Survey, 2019**

Based on the results, the respondents agreed to a large extent that deliberate combination of different resources has been undertaken with ease in the hotel (M=4.4091). They also agreed that a large extent that engagement of employees in different roles have been fully engaged and the hotel's land and buildings are adequate for carrying out planned activities (M=3.6818 and 3.6364 respectively). All the other questionnaire items relating to resource orientation were rated as moderate by the respondents. Most notably the respondents were neutral on financial resources in the hotel are sufficient and therefore facilitate conducting of strategic activities during the course of the year (M=2.6364, SD=.89159) and whether current assets not including financial assets in the organization are adequate to conduct strategic activities through the entire year (M=2.6818, SD=.85651).

#### **4.3.1 Influence of Resource Orientation on Performance**

The study hypothesised that resource orientation has no significant influence on the performance of public owned hotels in Kenya. To test this hypothesis, linear regression analysis was conducted applying the model the following model:-

$$Y = a + \beta_1 X_1 + e$$

Where; Y=Performance of public owned hotels in Kenya

$a$ = Constant/ Intercept

$\beta_1$ =Slope (beta coefficient for resource orientation)

$X_1$ = resource orientation.

$e$ =error term

The findings were as presented in three tables (Table 4.2, 4.3 and 4.4) discussed here-  
under.

**Table 4.2: Model Summary for Resource Orientation**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	.683 <sup>a</sup>	.466	.459	.07244

a. Predictors: (Constant), Resource Orientation

The first table to consider in linear regression analysis is the model summary table above (Table 4.2) which provides the R and R<sup>2</sup> values. The R represents the simple correlation which in this case is 0.683 (the “R” column) which indicates a moderate degree of correlation between resource orientation and performance of public owned hotels. The R<sup>2</sup> value normally indicates how much of the total variation in the dependent variable (which in this case is performance of public hotels) can be explained by the independent variable (resource orientation). In this case, 46.6% can be explained.

The next table to consider is the ANOVA table 4.3 below: -

**Table 4.3: ANOVA for Resource Orientation**

<b>Model</b>	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Regression	.783	1	.783	149.304	.000 <sup>b</sup>
1 Residual	.220	42	.005		
Total	1.004	43			

a. Dependent Variable: Performance  
b. Predictors: (Constant), Resource Orientation

The ANOVA table normally reports how well the regression equation fits the data (i.e. predicts the dependent variable). This is usually determined by looking at the “regression” row, “sig” column. From this row, it shows that “sig” =0.000 which is less than 0.05, this indicates the statistical significance of the regression model that was

applied. The value of  $P=0.000$  implies that the regression model statistically significantly predicts the outcome variable (i.e. it is a good fit for the data).

The next table to consider is the coefficients table 4.4 below: -

**Table 4.4: Coefficients for Resource Orientation**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.667	0.078		8.551	.000
1 Resource Orientation	0.565	0.074	0.683	7.635	.000

a. Dependent Variable: Performance

The third table to consider in linear regression analysis is the coefficients table that provides the regression equation. Ideally, the coefficients table provides necessary information to predict whether resource orientation statistically contributes to the model (by looking at the “sig” column)

From the table, the regression equation can be presented as: -

$$\text{Performance} = 0.667 + 0.565(\text{resource orientation})$$

This regression equation shows that for every additional element of resource orientation, performance of the public owned hotels will be expected to increase as per the values indicated in the “B” column. Further, the low P value (0.000) implies that this finding can be generalized to the population from which the sample was drawn. The findings from the regression analysis imply that resource orientation has a statistically significant influence on the performance of public owned hotels in Kenya. Therefore, the null hypothesis was rejected and the alternative accepted.

#### 4.4 Entrepreneurial Orientation

Second study objective was to assess the influence of entrepreneurial orientation on performance of public owned hotel in Kenya. To address this objective, the middle level managers were requested to rate on a scale of 1 to 5 the extent entrepreneurial constructs had been used in their hotels to improve performance with a value of one (1) denoting 'not at all' while a value of five (5) denoted 'very great extent'. The objective tenets were then analyzed using descriptive statistics and the results are displayed in table 4.5. below:-

**Table 4.5: Entrepreneurial Orientation**

	<b>Mean</b>	<b>Std. Deviation</b>
In recent past, several new services have been launched in the hotel	3.023	0.927
Service transformations are usually of importance	3.432	1.087
When it comes to development of innovations, our hotels outperforms competitors	3.159	0.963
The attitude of our organizations to competitors is usually aggressive	3.523	1.023
When it is matters of profitability, our organization tend to take risks	2.841	1.010
During high uncertainties, our organization embraces aggressive and brave attitude to exploit emerging chances	3.136	0.852
Reviewing of products and services is periodically done in our organization to make sure that it meets the needs and wants of customers	3.568	1.169

**Source: Field Survey, 2019**

The results in table 4.5 above show that, the respondents agreed to a moderate extent that Reviewing of products and services is periodically done in our organization to make sure that it meets the needs and wants of customers (M=3.5682). To a great extent respondents were of the opinion that the attitude of their organizations to competitors is usually aggressive (M=3.5227). To a moderate extent, in recent past, several new services have been launched in the hotel (M=3.0227, SD=.92733), service transformations are usually of importance (M=3.4318, SD=1.08687), when it comes to development of innovations, our hotels outperforms competitors (M=3.1591, SD=.96311), when it is matters of profitability, our organization tend to take risks (M=2.8409, SD=1.01025) and that during high uncertainties, our organization embraces aggressive and brave attitude to exploit emerging chances (M=3.1364, SD=.85156).

From interviews with managers, the study sought to determine whether they had developed new products or/and services over the past year. These were some of general managers opinion that

*“being a government facility, very few changes have taken place and this has affected the number of customers” “despite there being technological innovations in the market, this hotel is yet to fully embrace the technology; most of our resources are outdated”*(Survey respondents).

Majority of the hotels indicated that they have stuck with their old services and products they offer to their customers. Most of them lacked the innovativeness and the technology required. Very few hotels indicated that over the past one year they embraced new services for their products as a result of changes in customer preference and needs.



Another manager further explained that their hotels have embraced pervasive wellness which specializes in weight loss and total wellness designed to transform their clients during and after their stay; they have also introduced health camps as they were rebranding around wellness, recognizing the concept and focusing on fitness. This new services helped these hotels to venture into new markets.

#### 4.4.1 Influence of Entrepreneurial Orientation on Performance

The study regressed entrepreneurial orientation with performance and the findings were presented in three tables discussed here-under. This also helped to test the second hypothesis of the study i.e. Entrepreneurial orientation doesn't significantly influence performance of public owned hotels in Kenya.

**Table 4.6: Model Summary for Entrepreneurial Orientation**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.514 <sup>a</sup>	.264	.253	.10821

a. Predictors: (Constant), Entrepreneurial Orientation

The amount of variation in performance that could be explained by changes in entrepreneurial orientation was determined by computing model summary. From findings in Table 4.6, adjusted R<sup>2</sup> is 0.253 which suggests that 25.3% variation in performance of public owned hotel enterprises in Kenya can be explained by entrepreneurial orientation. The remaining 74.7% suggest that there are other factors other than entrepreneurial orientation that can be used to explain variations in performance that were not included in the model. The findings further show that entrepreneurial orientation and performance have a strong positive relationship as indicated by correlation coefficient (R) value of 0.514.

**Table 4.7: ANOVA for Entrepreneurial Orientation**

<b>Model</b>	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Regression	.512	1	.512	43.736	.000 <sup>b</sup>
1 Residual	.492	42	.012		
Total	1.004	43			

a. Dependent Variable: Performance

b. Predictors: (Constant), Entrepreneurial Orientation

Through ANOVA, testing of model significance was done and this was tested at 5% level of significance. From the findings in table 4.7, the p-value obtained was 0.000 which is below 0.05. It shows that the model developed was significant. Further, the findings show that the F-calculated value (43.736), from the ANOVA table, was large than F-critical value ( $F_{1,42} = 4.073$ ), from the f-distributions table. These findings support the significance of the model and therefore entrepreneurial orientation can be used to predict performance of public owned hotels in Kenya.

**Table 4.8: Coefficients for Entrepreneurial Orientation**

<b>Model</b>	<b>Unstandardized Coefficients</b>		<b>Standardized Coefficients</b>	<b>t</b>	<b>Sig.</b>
	<b>B</b>	<b>Std. Error</b>	<b>Beta</b>		
(Constant)	0.961	0.091		10.560	.000
1 Entrepreneurial Orientation	0.285	0.043	0.514	6.628	.000

a. Dependent Variable: Performance

From the findings presented in Table 4.8, the following regression equation was presented as follows;

$$\text{Performance} = 0.961 + 0.285 (\text{entrepreneurial orientation}) + \epsilon.$$

It can be seen that when entrepreneurial orientation is held to a constant zero, performance of public owned hotel enterprises in Kenya will be 0.961 units. Entrepreneurial

orientation is seen to have significant influence on performance ( $p\text{-value}=0.000<0.05$ ). Additionally, entrepreneurial orientation positively influence performance ( $\beta=0.285$ ). These findings suggest entrepreneurial orientation positively and significantly affect performance of public owned hotel enterprises in Kenya. Thus increasing entrepreneurial orientation by a single unit will lead to increased performance of public owned hotels in Kenya by 0.285 units. This finding implies that entrepreneurial orientation statistically significantly influenced the performance of public owned hotels in Kenya. The null hypothesis was therefore rejected and the alternative accepted.

#### **4.5 Market Orientation**

The third objective of the study was to determine the influence of market orientation on performance of public owned hotels in Kenya. On this objective, the middle level managers were asked to rate on a scale of 1 to 5 the extent to which their hotel focused on the various tenets of market orientation with a value of one (1) representing 'not at all' and a value of five (5) representing 'very great extent'. The responses were then analyzed using descriptive statistics and the results are as presented in Table 4.9 below:-

**Table 4.9: Market Orientation**

	<b>Mean</b>	<b>Std. Deviation</b>
When competitors threaten us with their actions we respond quickly	3.4091	.92304
The main focus of our business is to meet the needs of our customers	4.1591	.86113
In areas we have the potential of developing competitive advantage we target customer groups and individual customers	3.9091	.83019
On strategies used by competitors, employees in the organization share information they have	3.4455	.87483
Strengths and strategies used by competitors are frequently discussed by managements team	3.7500	1.03710
Commitment levels and customer needs orientation are constantly monitored	3.7955	.85125
The basis of competitive strategy in our organization is clearly understanding the needs of customers	3.9545	.83400
In all our business functions, we communicate freely on good customer experiences we have had	3.6364	1.01365
Our management team clearly understand the significant contribution of individual employees towards creation of customer values	4.0000	.91499
Integration of functional areas in our organization is done in a manner that meets the target market needs	3.5909	.81606
The beliefs of our organization drives our strategies and also influences the ways we can apply to create greater good for clients	3.8864	.75378
There is regular interaction between managers in different functional areas with customers both prospects and current	3.5909	1.04143
The working of functional departments is thorough and collaborative to ensure the needs of customers are met	4.0227	.87574
Attention directed to our sales service is close	4.0227	.97620

*Source: Survey findings, 2019*

The respondents agreed to a great extent that; the main focus of our business is to meet the needs of their customers (M=4.1591, SD=.86113), the working of functional

departments is thorough and collaborative to ensure the needs of customers are met (M=4.0227, SD=.87574), and that attention directed to their sales service is close (M=4.0227, SD=.97620) and that their management team clearly understand the significant contribution of individual employees towards creation of customer values (M=4.0, SD=.91499). It was noted that to a moderate extent, when competitors threaten them with their actions they respond quickly (M=3.4091, SD=.92304) and on strategies used by competitors, employees in the organization share information they have (M=3.4455, SD=.87483).

Through interviews with managers of the hotel industries, the study sought to identify the strategies applied by these organization in engaging their competitors to achieve competitive advantage in the market. One manager said:-

*“If your cost is lower than the rest of the players in the market, you will definitely attract more customers”. “our business is focused on specific customers, international clients and this makes it easy to target them and meet their needs”*(Survey Respondents).

The Respondents explained that they use the strategy of cost leadership to attract more customers; they focus on specific niche, and through differentiation. They also explained that by creating authentic relationships through guest feedback and modernization staying ahead with high-tech solutions. The respondents also noted that devolution had created na opportunity for them to extend their markets as one respondent noted as follows:

*“Devolution of the government has been very beneficial to us because infrastructure in our region has improved” (Survey respondent)*

The public owned hotel enterprises have benefited from evolving new markets such as County Governments (Workshops and retreats conducted by County Assemblies and County Executives), education sector (colleges, universities and schools) and foreign market which include Polish Market of Eastern Europe.

#### **4.5.1 Influence of Market Orientation on Performance**

The study hypothesized that market orientation does not significantly influence performance of public owned hotels in Kenya thus a linear regression analysis was done by regressing market orientation with performance and the findings were presented in three tables discussed here-under.

**Table 4.10: Model Summary for Market Orientation**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	.652 <sup>a</sup>	.425	.419	.08097

a. Predictors: (Constant), Market Orientation

The amount of variation in performance of public owned hotel enterprises in Kenya as a result of changes in market orientation was determined using model summary. The finding presented in Table 4.10, R<sup>2</sup> was 0.419 which implies that market orientation can explain 41.9% variations in performance. The remaining 58.1% suggest that there are other factors other than market orientation that can explain variations in performance of public owned hotel enterprises in Kenya. The findings also show that performance and market orientation have a strong direct link as indicated by correlation coefficient (R)

value of 0.652. This concurs with the findings of Lita and Faisal (2018) that market orientation has positive influence on performance of companies.

**Table 4.11: ANOVA for Market Orientation**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	.729	1	.729	111.112	.000 <sup>b</sup>
1 Residual	.275	42	.007		
Total	1.004	43			

a. Dependent Variable: Performance

b. Predictors: (Constant), Market Orientation

ANOVA was used to test whether the model developed was significant. Significance of the model was tested at 5% level of significance. From the findings presented in Table 4.11, the significance of the model was 0.000 which is less than 0.05. This is an indication that the model was significant. Further, the findings show that the F-calculated value (111.112), from the ANOVA table, is large compared to F-critical value ( $F_{1,42}=4.073$ ), from the f-distributions table. These findings support the significance of the model and therefore market orientation can be used to predict performance of public owned hotel enterprises in Kenya.

**Table 4.12: Coefficients for Market Orientation**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.056	0.155		6.813	.000
1 Market Orientation	0.346	0.071	0.552	4.873	.000

a. Dependent Variable: Performance

From the findings presented in Table 4.12, the following regression equation was generated as follows:-

$$\text{Performance} = 1.056 + 0.346 (\text{Market orientation}) + \epsilon.$$

The equation above shows that when market orientation is held to a constant zero, performance of public owned hotel enterprises in Kenya will be 0.346 units. Also market orientation has significant influence on performance ( $p\text{-value}=0.000<0.05$ ). In addition, market orientation is seen to have positive influence on performance ( $\beta=0.346$ ). These findings suggest that market orientation positively and significantly affects performance of public owned hotel enterprises in Kenya. Thus, increasing market orientation will cause performance to increase by 0.346 units. Based on these findings, the null hypothesis was rejected and the alternative accepted.

#### **4.6 Technology Orientation**

The fourth objective was to establish the influence of technological orientation on performance of public owned hotels in Kenya. To analyze this objective, the respondents were requested to rate their level of agreement with how they felt technology orientation would affect performance on a scale of 1 to 5 with a value of one (1) denoting 'strongly disagree' and a value of five (5) representing 'strongly agree'. Descriptive statistics was then used to analyze the various tenets under this objective and the findings were as presented in Table 4.13 below:-



**Table 4.13: Technology Orientation**

	<b>Mean</b>	<b>Std. Deviation</b>
The policy of our company is adopting updated technology	3.818	1.018
The technology used and bought in our company is to allow our organization to attain competitive advantage	3.455	1.044
Most times our company is the first one to try new technology and techniques	3.068	1.065
There is improvement in internal processes in our organization; this includes management of information reliability and speed	3.682	0.883
Allocation of resources in our company is done for new technology and expected technological changes in the future	3.432	1.228

In Table 4.13, the respondents agreed that the policy of our company is adopting updated technology ( $M=3.8182$ ,  $SD=1.01781$ ). Also, they agreed that there is improvement in internal processes in our organization; this includes management of information reliability and speed ( $M=3.6818$ ). Respondents had neutral opinion on whether the technology used and bought in their company is to allow their organization to attain competitive advantage ( $M=3.4545$ ,  $SD=1.04447$ ), most times our company is the first one to try new technology and techniques ( $M=3.0682$ ,  $SD=1.06526$ ) and whether allocation of resources in their company is done for new technology and expected technological changes in the future ( $M=3.4318$ ,  $SD=1.22755$ ).

From interviewed managers on whether their hotels had policies on technology adoption and utilization, they explained that ICT and computerization is guided by government ICT policy because public owned hotel enterprises are state corporations. Generally the

hotels use ICT to increase efficiency and productivity, identify and seal revenue leakages, reduce manual processes, enhance accountability and increase profitability. The study further wanted to establish the forms of technologies that hotels organizations have embraced to enhance delivery of service and production processes. The use of ICT has been adopted in the following areas; online bookings, Point of Sale Systems, computerized purchasing, front office and control among others. Most respondents interviewed tended to agree that adoption of technology had improved their hotel operations to some extent. As one respondent put it:-

*“Communication within the organization is easy; through emails management is able to pass information to its employees immediately and vice versa”. “There is easy accountability of organization performance through various softwares like the human resource management system that makes management of employees easy”. “Use of computers have reduced errors and enhanced efficiency”. “Accounting of organizational resources has become easy because all transactions are recorded”*(Survey Respondent).

Managers were also asked to explain how the performance of their organization had been affected by technology over the past five years. They explained that technology had enhanced efficiency and effectiveness of service delivery which in turn saw the organization improve its performance. Through online booking, the company was able to reach more customers and therefore increased its customer base. They also explained that technology in record keeping has enhanced efficiency and accountability and therefore losses have reduced through transparency and efficient record keeping. Companies that

make use of technological orientation are open to embracing new ideas and technology and their investments on research and development is high. Therefore, such companies have the tendency of adapting innovative management styles because of their technological knowledge and therefore adapt more digital methods of management.

#### 4.6.1 Influence of Technological Orientation on Performance

The study hypothesized that technological orientation does not have a significant influence on the performance of public owned hitesl in Kenya. To test this hypothesis, technological orientation was regressed with performance and the findings were presented in three tables discussed below.

**Table 4.14: Model Summary for Technological Orientation**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.553 <sup>a</sup>	.306	.301	.08070

a. Predictors: (Constant), Technology Orientation

The amount of variation in performance that could be explained by changes in technological orientation was determined by computing model summary. From findings in Table 4.14, value of adjusted  $R^2$  is 0.301 which suggests that 30.1% variation in performance of public owned hotels in Kenya can be explained by changes in technological orientation. The remaining 69.9% suggest that there are other factors other than technological orientation that can be used to explain variations in performance that were not included in the model. The findings further show that technological orientation and performance have a strong direct link as indicated by correlation coefficient (R) value of 0.553.

**Table 4.15: ANOVA for Technological Orientation**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	.730	1	.730	112.134	.000 <sup>b</sup>
1 Residual	.274	42	.007		
Total	1.004	43			

a. Dependent Variable: Performance  
b. Predictors: (Constant), Technology Orientation

In Table 4.15, the significance of the model was 0.000 which is less than 0.05 an indication the model was significant. Further, the findings show that the F-calculated value (112.134), from the ANOVA table, was large compared to F-critical value ( $F_{1,42}=4.073$ ), from the f-distributions table. These findings support the significance of the model and therefore technological orientation can be used to predict performance of public owned hotels in Kenya. The findings showed that the model was significant and that the F-calculated value was greater than the F-critical value.

**Table 4.16: Coefficients for Technological Orientation**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.479	0.199		7.432	.000
1 Technology Orientation	0.271	0.063	0.553	4.302	.000

a. Dependent Variable: Performance

From the findings presented in Table 4.16, the following regression equation was presented as follows:-

$$\text{Performance} = 1.479 + 0.271 \text{ technology orientation} + \epsilon.$$

It can be seen that when technological orientation is held to a constant zero, performance of public owned hotel enterprises in Kenya will be 1.479. Also, technological orientation

has significant influence on performance (p-value = 0.000 < 0.05). In addition, technological orientation is seen to have direct impact on performance ( $\beta=0.271$ ). These findings suggest that technological orientation positively and significantly influences performance of public owned hotels in Kenya. Thus, increasing technological orientation will cause performance of public owned hotels in Kenya to increase by 0.271 units. Based on these findings, the null hypothesis was therefore rejected and the alternative accepted.

#### 4.7 Performance of Public Owned Hotels

Performance of the hotel enterprises over the last three years relative the closest competitors was sought. Table 4.17 presents the findings where Means (M) and standard deviations (SD) have been used to interpret them.

**Table 4.17: Performance of Public Owned Enterprises**

	Mean	Std. Deviation
Profits	2.7907	.77331
Star rating	2.8140	.58781
Market share	3.0233	.77116
Service quality	3.6512	.71991
Employee turnover	3.1163	.95641
Customer loyalty	3.6512	.84187

**Source: Field Survey, 2019**

The findings shows that the public owned hotel enterprises had performed greatly in terms of service quality (M=3.6512, SD=.71991) and customer loyalty (M=3.6512, SD=.84187). The hotels however performed moderately in terms of profits (M=2.7907, SD=.77331), star rating (M=2.8140, SD=.58781), market share (M=3.0233, SD=.77116) and employee turnover (M=3.1163, SD=.95641).

#### 4.7.1 Influence of Strategic Orientation on Performance

The overall objective of the study was to establish the influence of strategic orientation on performance of public owned hotels in Kenya. The study therefore regressed the four factors of strategic orientation with performance. Multiple regression analysis was used to show the combined effect of the four independent variables on the dependent variable. The findings were presented in three tables discussed here-under.

**Table 4.18: Model Summary**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	.896 <sup>a</sup>	.803	.783	.2193

a. Predictors: (Constant), Resource Orientation, Technology Orientation, Market Orientation, Entrepreneurial Orientation

In this model summary (Table 4.18), the R square shows the explanatory power of the model or the relationship between the combined independent variables (technology orientation, entrepreneurial orientation, market orientation, resource orientation) and dependent variable (performance of public owned hotel enterprises). The model indicates that 80.3% of performance of public owned hotel enterprises in the study was explained by the four variables and only 19.7% by other factors not captured in the model.

**Table 4.19: ANOVA<sup>a</sup>**

<b>Model</b>		<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
1	Regression	7.469	4	1.867	38.831	.000 <sup>b</sup>
	Residual	1.827	38	.048		
	Total	9.297	42			

a. Dependent Variable: Performance  
b. Predictors: (Constant), Resource Orientation, Technology Orientation, Market Orientation, Entrepreneurial Orientation

ANOVA is used to develop an explanation for the observed data. It has basic assumptions that; observations are independent, samples are drawn from a normally distributed population and variance of groups is the same. In Table 4.19, the sum of squares of the regression was 7.469, degree of freedom (4), F test (38.831) and significance level (.000). Since the p-value was less than 0.05, the F test was significant and was concluded that the strategic orientation influences performance of public owned hotel enterprises.

**Table 4.20: Model of Coefficients**

<b>Model</b>		<b>Unstandardized Coefficients</b>		<b>Standardized Coefficients</b>	<b>t</b>	<b>Sig.</b>
		<b>B</b>	<b>Std. Error</b>	<b>Beta</b>		
1	(Constant)	0.195	0.054		3.611	0.012
	Resource Orientation	0.283	0.105	0.221	2.695	0.040
	Entrepreneurial Orientation	0.381	0.165	0.303	2.309	0.036
	Market Orientation	0.093	0.029	0.064	3.207	0.030
	Technology Orientation	1.002	0.142	1.002	7.056	0.000

a. Dependent Variable: Performance

Coefficient of correlation is the measure of strength and direction between variables in a linear association. Coefficient can be positive or negative and ranges between -1 to +1. A

coefficient of zero means no relationship exists between variables. In this study, an association between independent variables (technology orientation, entrepreneurial orientation, market orientation, resource orientation) and performance of hotel was tested. The prediction equation in the coefficient Table 4.20 shows;

$$\text{Performance} = 0.195 + 0.283 (\text{resource orientation}) + 0.381(\text{entrepreneurial orientation}) + 0.093 (\text{market orientation}) + 1.002 (\text{technology orientation}) + \epsilon.$$

The coefficient results in table 4.20 shows that there was a positive association between strategic orientation and performance of public owned hotel enterprises. The regression equation shows that taking all factors into account (technology orientation, entrepreneurial orientation, market orientation, resource orientation) at zero, performance of public owned hotel enterprises would be 0.195 at 95% confidence level.

The findings further show that resource orientation is statistically significant to performance of public owned hotel enterprises ( $\beta = 0.283$ ,  $P = 0.040$ ). This shows that resource orientation had significant positive relationship with performance of public owned hotels. Therefore, a unit increase in resource orientation while holding the other factors constant would lead to an increase in performance of public owned hotels by a factor of 0.283. This findings therefore conclude that strategic orientation statistically significantly influences the performance of public owned hotels. Additionally, in as much as all the factors appeared have a statistically significant influence on performance, technology orientation was the best predictor variable with the highest coefficient of ( $\beta = 1.002$ ,  $P = 0.000$ ).



## **CHAPTER FIVE: DISCUSSION OF FINDINGS**

### **5.1 Introduction**

In this chapter the study discusses the findings in chapter four. Discussion of findings was done based on the specific objectives of the study. Objectives of the study were; to examine the influence of resource orientation on performance of public owned hotels in Kenya; to establish the influence of entrepreneurial orientation on performance of public owned hotels in Kenya; to determine the influence of market orientation on performance of public owned hotels in Kenya and to establish the influence of technological orientation on performance of public owned hotels in Kenya. These four objectives were translated into four hypotheses namely; Resource orientation has no significant influence on the performance of public owned hotels in Kenya; Entrepreneurial orientation doesn't significantly influence performance of public owned hotels in Kenya; Market orientation does not significantly influence performance of public owned hotels in Kenya; and Technological orientation does not have a significant influence on performance of public owned hotels in Kenya.

### **5.2 Influence of Resource Orientation on Performance**

The findings by objective revealed that the respondents appeared to concur that through resource orientation, the hotel businesses can be able to develop and utilize resources that are rare and valuable to drive competition hence superior performance. According to Brown et al. (2013) resources in a firm can exist in different forms such as human, tangible, intangible, physical, financial and operational and are essential for carrying out operations in organizations. When resources are available, firms are likely to venture into

a business to take advantage of the existing gap. Based on the findings, it was clear that resources in the hotel businesses can have positive influence on performance levels of the business.

From interview with managers on whether their organization have sufficient resources for conducting planned activities and what resource challenges they face; they emphasized that the hotels had inadequate funding coupled with lengthy, bureaucratic procurement processes owing to the need for compliance with legal and regulatory framework in the public sector.

*“We are really careful on efficiently utilizing our resources”; “I consider our employees to be the most important resource that we can have”; “Recently we changed our employees and employed those with required qualifications, and offered them training and the results were pleasing because our performance has improved”* (Survey Respondents).

The above results imply that public owned hotels are not resource endowed. It was established that they lacked adequate financial and other current assets hence the dismal performance. Resources in a firm can exist in different forms such as human, tangible, intangible, physical, financial and operational. Resources help organizations in carrying out its operations. This agrees with Hakala and Kohtamaki (2011) that when resources are available, firms are likely to venture into a business in order to take advantage of the existing gap in the market. Therefore, existence of an opportunity on its own does not hold any value and it’s only through utilization of resources by applying the correct

strategy that gives opportunity the value. Capabilities are therefore derived from exploitation of resources differentiating a firm from its rivals.

The test of hypothesis through linear regression analysis revealed that resource orientation had a significant influence on the performance of public owned hotels in Kenya. This implies that the effects brought about by resource orientation affects performance of the hotels. The managers interviewed revealed that if their organizations had high resource orientation, then their performance would improve given that resource orientation has a direct relationship with hotel performance. These study findings agree with Kohtamaki (2011) that when resources are available, firms are likely to venture into a business to take advantage of the existing market. Existence of an opportunity on its own does not hold any value and it's only through utilization of resources by applying the correct strategy that gives opportunity the value. Therefore, firms should be able to possess, utilize, manage and exploit resources to create superior performance. As explained by McEvily and Chakravarthy (2010), knowledge based resources are crucial in assisting firms to develop competitive advantage and that they are difficult to copy, hence causing superior performance.

### **5.3 Influence of Entrepreneurial Orientation on performance**

The results of the objective by descriptive analysis revealed that respondents agreed to a moderate extent that reviewing of products and services was periodically done in their hotels. The main reason why this is done is to ensure that the needs and wants of customers are met. By doing so, the hotel prevents its customers from moving to their competitors. Most of the hotels are usually aggressive when dealing with competitors.

This is because companies that processed high levels of competitor orientation, national brand focus and selling orientation performed better than their counterparts (Noble, Sinha, & Kumar, 2018).

Also, introduction of new services, transformation of services, development of innovation and aggressive and brave attitude toward exploitation of emerging chances are some of the techniques that hotels are using to outperform their competitors. Though entrepreneurial orientation, hotels have been able to develop strategies that offer firms foundation for making decisions pertaining to entrepreneurship. It has also allowed hotels to be in a position of tailoring their operations in a business environment that is dynamic, transforming and shaping the environment and having resource commitment for exploiting uncertain opportunities. Strong entrepreneurial orientation allows the business to benefit by having the ability to identify ways where new products can satisfy customer requirements that are yet to be satisfied. Businesses are also in a better position in demonstrating ways in which newly developed products can be diverse in the eyes of its customers by showing its reasonable contribution to their needs. These findings agree with Hartsfield et al. (2017) that firms with EO are innovative and taking of risk which avoids the conventional, strict hierarchical structures that hinder joint learning among the firms.

The Managers' opinions also appeared to agree with Gupta (2015) who established that having a strong entrepreneurial orientation allows the business to benefit by having the ability to identify ways where new products can satisfy customer requirements that are yet to be satisfied. It also allows the company to be in a better position in demonstrating

ways in which newly developed products can be diverse in the eyes of its customers by showing its reasonable contribution to their needs.

The findings by interviews showed that the public owned hotel enterprises are not innovative and risk takers hence the low levels of entrepreneurial orientation. The test of hypothesis by linear regression analysis revealed that entrepreneurial orientation statistically significantly influenced the performance of public owned hotels in Kenya. This implies that strong entrepreneurial orientation allows the business to benefit by having the ability to identify ways where new products can satisfy customer requirements that are yet to be satisfied. Businesses are also in a better position in demonstrating ways in which newly developed products can be diverse in the eyes of its customers by showing its reasonable contribution to their needs. These findings agree with Hartsfield et al. (2017) that firms with entrepreneurial orientation are innovative and risk taking which avoids the conventional, strict hierarchical structures that hinder joint learning among the firms. As such, entrepreneurial firms encourage flexibility and allow its employees the liberty to be creative and front innovative ideas (Lumpkin & Dess, 2011).

### **5.3 Market Orientation**

The findings by analysis of objective revealed that majority of respondents indicated that the various tenets of market orientation when applied adequately would go along way in enhancing hotel performance. The test of hypothesis also revealed that market orientation significantly influenced the performance of public owned hotels in Kenya. This is probably because market orientation emphasizes on the significance of buyer value creation and therefore ensures that the company changes with the change in market needs

and focusing mainly on the needs of its customers. The major strategic element that any company can embrace to enhance the ability of its organization to adapt in dynamic market environment is market orientation. Any company that is market oriented is committed to understanding the needs of its customers, sharing any information that relates to the customer across the entire organization and building coordination in all the functional areas to create best values for its clients. This finding agrees with Farrell and Oczkowski (2012) that higher performance has a significant impact by level of firm's market orientation. The study however disagrees with findings of Mavondo, Chimhanzi, and Stewart (2013) that market orientation influence only financial performance.

To achieve competitive advantage in the market, companies offer lower costs compared to those of their competitors. They use the strategy of cost leadership to attract more customers; they focus on specific niche, and through differentiation. This is also achieved by focusing on specific customers and therefore becomes much easier to target their needs and satisfy them. By creating authentic relationships through guest feedback and modernization staying ahead with high-tech solutions the hotels can outperform their competitors. Government devolution has been beneficial to hotels through improved infrastructure. Also, there has been an evolved market in the counties which has benefited public owned hotel enterprises. Devolution also opened new markets through education sector (colleges, universities and schools) and foreign market which include Polish Market of Eastern Europe.

Market orientation makes innovation much easier and can enhance performance levels of the organization. Market orientation demonstrates organizations wide receptiveness to

information in the market; it is believed that market orientation is prerequisite to innovation. Therefore, market orientation can act as innovation channel because it opens up the company to new customer needs and business processes. Market orientated firms are able to appropriately responds to changing market needs and therefore act as a source of sustainable competitive advantage. This concurs with Slater et, al. (2012) who avers that market orientation allows the company to be more customer focused by gathering information regarding competitor abilities and customer preferences.

#### **5.4 Technology Orientation**

The results of descriptive analysis revealed that most respondents tended to agree that technological oreination had an influence on the performance of public owned hotels in Kenya. The test of hypothesis by linear regression also revealed that technological orientation had a significant influence on the performance. This could be the most probable reason why most, public owned hotels in Kenya are adopting advanced technology. This has allowed them to improve their internal processes including management of information with speed and much more reliability. Also, the advancement in technology has allowed companies to attain competitive advantage. A company that is technology oriented is an innovative firm with heavy investment in research and development. Such firms adopt new technologies and come up with new services and products. A company that is technologically oriented is in a position to utilize its skills to offer a technical solution that meets customer needs. Additionally, firms that are technology orientation combine values of customers and innovations in technology and therefore have a greater chance to maintain high levels of returns and performance. This

also agrees with Sirawit et al. (2011) that utilization of information and communication technology is at the center of hotel enterprises because it contributes to superior performance in many ways such as improving managerial activities which improves organizational performance.

Public owned hotels in Kenya also have policies on technology adoption and utilization. ICT and computerization is guided by government ICT policy because public owned hotel enterprises are state corporations. Generally the hotels use ICT to increase efficiency and productivity, identify and seal revenue leakages, reduce manual processes, enhance accountability and increase profitability. The use of ICT has been adopted in the following areas; online bookings, Point of Sale Systems, computerized purchasing, front office and control among others. The new technology adopted in the company has made it much easier to communicate within the organization through emails. Also, the management is able to pass information to its employees immediately and vice versa. There is easy accountability of organization performance through various softwares like the human resource management system that makes management of employees easy. Use of computers reduce errors and enhance efficiency. Accounting of organizational resources becomes easy because all transactions are recorded.

Technology enhances efficiency and effectiveness of service delivery which in turn improves performance. Through online booking, the company can reach more customers and therefore increase its customer base. Technology in record keeping enhances efficiency and accountability and therefore losses have reduced through transparency and efficient record keeping. Companies that make use of technological orientation are open



to embracing new ideas and technology and their investments on research and development is high. Therefore, such companies have the tendency of adapting innovative management styles because of their technological knowledge and therefore adapt more digital methods of management.

Technological orientation, the company is in a position to adopt and implement new ideas earlier than their competitors can. Companies that make use of technological orientation are open to embracing new ideas and technology and their investments on research and development is high. The findings have shown that public owned hotel enterprises have adopted technologies in its operations though it is to a small extent. It was also concluded that the public hotels enterprises were not proactive in adopting and utilizing new technologies to drive innovation in developing new product lines hence the poor performance witnessed over the years. This findings corroborates Sirawit et al. (2011) who indicated that utilization of ICT is at the centre of hotel enterprises because it contributes to superior performance in many ways such as improving managerial activities which improves organizational performance (Ham et. al., 2005).

### **5.5 Influence of Strategic orientation Performance of Public Owned Hotels**

Public hotel enterprises have performed dismally over the years. This can be explained by the fact that they haven't fully embraced strategic orientation in their operations. Most of the government hotels have recorded low performance for many years and the trend hasn't changed. They still face challenges with finances and this has prompted the government to have restructuring through investment sales. This agrees with Sandberg (2019) who considered performance to the ability of a business to survive, grow and

contribute in creating jobs and alleviating poverty. A company that is able to develop an appropriate strategy covering various operational angles is expected to maintain its competitiveness both in short term and long term. As explained by Zhou and Li (2018) company performance is dependent on capacity of matching market demands with internal business operations by embracing modern technology and entrepreneurial posture for the purpose of achieving enhanced performance in comparison to competitors.

The findings of the multiple regression analysis concluded the study by revealing that strategic orientation statistically significantly influenced the performance of public owned hotels in Kenya with technology orientation being the best predictor of performance given that it yielded the highest beta coefficient. The most probable explanation for this could be that strategic orientation affects business performance through development process for new creative ideas because of the competition faced from competitors. Organization experience fluctuating performances over the years. The change in organization performance is dependent on country's economic growth and political stability. Whenever the country is politically stable, performance is enhanced. This concurs with findings of Lee, Choi, and Kwak (2015) that technology, entrepreneurial, and learning orientations have significant effect on performance levels of the companies. Additionally, innovativeness of the company mediates the relationship between the strategic orientation and performance of the companies.

## **CHAPTER SIX: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **6.1 Introduction**

This chapter summarizes the results of the study and draws conclusion from the findings. The chapter also suggests recommendations and areas for further research/study.

### **6.2 Summary of findings**

On resource orientation, the study found that resource orientation positively and significantly influenced performance. The study also established that deliberate combination of different resources has been undertaken with ease in the hotel. Also, that engagement of employees in different roles has been fully engaged and the hotel's land and buildings are adequate for carrying out planned activities. All the other questionnaire items relating to resource orientation were rated as moderate by the respondents. Most notably the respondents were neutral on financial resources in the hotel are sufficient and therefore facilitate conducting of strategic activities during the course of the year and whether current assets not including financial assets in the organization are adequate to conduct strategic activities through the entire year. The key informants emphasized that the hotels had inadequate funding coupled with lengthy, bureaucratic procurement processes owing to the need for compliance with legal and regulatory framework in the public sector. The above results imply that public owned hotel enterprises are not resource endowed. Regression findings showed that resource orientation had significant positive relationship with performance of public owned hotel enterprises.

On entrepreneurial orientation, the study found that entrepreneurial orientation positively and significantly influences performance of public owned hotel enterprises in Kenya. The findings also showed that Reviewing of products and services is periodically done in our organization to make sure that it meets the needs and wants of customers. Also, to a great extent, the attitude of their organizations to competitors is usually aggressive. To a moderate extent, in recent past, several new services have been launched in the hotel, service transformations are usually of importance, when it comes to development of innovations, our hotels outperforms competitors, when it is matters of profitability, our organization tend to take risks and that during high uncertainties, their organization embraces aggressive and brave attitude to exploit emerging chances. From the regression findings, entrepreneurial orientation had significant positive relationship with performance of public owned hotel enterprises.

Regarding market orientation, the study established that market orientation had positive and significant influences on performance of public owned hotel enterprises in Kenya. The respondents agreed to a great extent that; the main focus of our business is to meet the needs of our customers, the working of functional departments is thorough and collaborative to ensure the needs of customers are met, attention directed to their sales service is close, and that their management team clearly understand the significant contribution of individual employees towards creation of customer values. It was noted that the respondents agreed to a moderate extent that when competitors threaten them with their actions they respond quickly and on strategies used by competitors, employees in the organization share information they have. The public owned hotel enterprises have

benefited from evolving new markets such as County Governments (Workshops and retreats conducted by County Assemblies and County Executives), education sector (colleges, universities and schools) and foreign market which include Polish Market of Eastern Europe. Regression findings showed that market orientation could be used to predict performance. Further, it was found that Regression findings showed that market orientation had significant positive relationship with performance of public owned hotel enterprises.

On technology orientation, technological orientation positively and significantly influences on performance of public owned hotel enterprises in Kenya. The respondents agreed that the policy of their company is adopting updated technology. Also, they agreed that there is improvement in internal processes in our organization; this includes management of information reliability and speed. Respondents had neutral opinion on whether the technology used and bought in their company is to allow their organization to attain competitive advantage, most times our company is the first one to try new technology and techniques and whether allocation of resources in their company is done for new technology and expected technological changes in the future.

In addition, the focus on ICT and computerization is guided by government ICT policy because public owned hotel enterprises are state corporations. Generally the hotels use ICT to increase efficiency and productivity, identify and seal revenue leakages, reduce manual processes, enhance accountability and increase profitability. The use of ICT has been adopted in the following areas; online bookings, Point of Sale Systems, computerized purchasing, front office and control among others. Further, the regression

findings showed that technology orientation affects performance. Specifically, it was found that technology orientation had significant positive relationship with performance of public owned hotel enterprises.

### **6.3 Conclusions**

From the analysis of objectives and tests of hypotheses as well as the analysis of qualitative data through content analysis, four conclusions were drawn from this study:-

First, the findings revealed that resource orientation significantly influenced the performance of public owned hotels in Kenya. However, the qualitative findings revealed further that the public owned hotels were not resource endowed since they lacked adequate financial and other current assets hence the dismal performance over the years.

Second, although entrepreneurial orientation was found to have a significant influence on performance of public owned hotels, the qualitative findings revealed that public owned hotels were not innovative and risk takers hence the low level of entrepreneurial orientation.

Third, the findings revealed a significant influence of market orientation on performance hence market oriented firms are usually able to respond appropriately to changing market needs and therefore act as a source of competitive advantage. However, the qualitative findings brought to fore that public owned hotels in Kenya were not able to adequately respond to changing market needs due to a lot of bureaucracies and red tape that stifles any attempt to venture into new markets as soon as changes occur.

Fourth, the results also revealed that technology orientation influenced performance of public owned hotels and was the best predictor of performance among the four variables under investigation. This is because, firms that are technology oriented combines values of customer and innovations in technology and therefore have a greater chance of maintaining high levels of returns and performance.

## **6.4 Recommendations**

### **6.4.1 Recommendations for Policy and Practice**

1. There is need for the government to provide resources to the public owned hotels to ensure that they are resource endowed thus enable them ompete on the same platform with their private counterparts.
2. It is imperative that the management of these hotels is encouraged to be innovative and take risks probably through capacity building and sensitization of the top management to undergo management development programs.
3. To effectively and efficiently respond to changes in the operating environment there is need for the unnecessary bureaucracies and rep tape to be removed so that the managers of these hotels are flexible enough to swiftly respond to these changes without the consequences of facing legal challenges as a result of their actions.
4. Given that technology orientation was the best predictor of performance among the other variables under investigation, there is need for the public owned hotels to continually innovate and adapt technological changes to move with the changing pace of technology thus remain relevant in the market place.

#### **6.4.2 Recommendations for Further Research**

1. Future studies should include the effect of internal and external variables that may moderate the relationship between strategic orientation and performance.
2. Future research should probably adopt a longitudinal survey methodology to validate the findings of this study and therefore eliminate any errors in application of findings in the event that such studies yield similar findings.



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## **Appendix I: Introductory Letter**

Lesabile, Moses Lentu

### **Re: Request to Collect Data for Academic Research Project**

I'm an Msc student from Kenyatta University. I am doing a research on **influence of strategic orientation on performance of publicly owned hotel in kenya**. I wish to request you to kindly answer the questionnaire with honesty. All the information you provide will be used solely for academic reasons and therefore confidentiality will be observed.

Your response will be highly appreciated.

Thank you.

Yours Faithfully,

Lesabile, Moses Lentu

T129/21832/2012

## Appendix II: Questionnaire for Middle Level Managers

### Section A: General Information

1. Name of the Department.....

2. Position of the person filling the questionnaire.....

3. Please indicate your highest level of formal education

Diploma  University first degree  Post graduate

4. What is your gender?

Female  Male

5. Please indicate your age bracket

Below 25 yrs  26-30yrs  31-40 yr  Above 40 yrs

6. How many years have you worked in this hotel?

1-4  5-7  8-10  Over 10

7. How many years has this hotel been in operation?

Up to 5 years  6-10 years  11-15 years  16-20 years   
Over 20 years

8. How many employees are currently permanently employed in your firm?

### Section B: Technology Orientation

9. The statements below are concerned with the effects of technology orientation on performance of public owned hotel enterprises. Please tick the one that best describes

your opinion. Use the following scale. **1- Strongly disagree, 2- disagree, 3- neutral, 4- agree and 5- strongly agree.**

Statement	1	2	3	4	5
The policy of our company is adopting updated technology					
The technology used and bought in our company is to allow our organization to attain competitive advantage					
Most times our company is the first one to try new technology and techniques					
There is improvement in internal processes in our organization; this includes management of information reliability and speed					
Allocation of resources in our company is done for new technology and expected technological changes in the future					

10. In your own view, what is the contribution of technology orientation on performance of public owned hotel enterprises in Kenya?

.....

.....

**Section C: Entrepreneurial Orientation**

11. To what extent has the following entrepreneurial orientation constructs been used by your hotel to improve its performance? Use 1-Not at all, 2-Small extent, 3-Moderate extent, 4-Great extent and 5-Very great extent.

Statement	1	2	3	4	5
In recent past, several new services have been launched in the hotel					
Service transformations are usually of importance					
When it comes to development of innovations, our hotels outperforms competitors					
The attitude of our organizations to competitors is usually aggressive					
When it is matters of profitability, our organization tend to take risks					
During high uncertainties, our organization embraces aggressive and brave attitude to exploit emerging chances					

Reviewing of products and services is periodically done in our organization to make sure that it meets the needs and wants of customers					
---	--	--	--	--	--

12. How does entrepreneurial orientation influence performance of public owned hotel enterprises in Kenya?

.....  
 .....

**Section D: Market Orientation**

13. Please indicate with a tick (✓) the extent to which your firm focuses on the following:  
 Use 1-Not at all, 2-Small extent, 3-Moderate extent, 4-Great extent and 5-Very great extent.

Statement	1	2	3	4	5
When competitors threaten us with their actions we respond quickly					
The main focus of our business is to meet the needs of our customers					
In areas we have the potential of developing competitive advantage we target customer groups and individual customers					
On strategies used by competitors, employees in the organization share information they have					
Strengths and strategies used by competitors are frequently discussed by managements team					
Commitment levels and customer needs orientation are constantly monitored					
The basis of competitive strategy in our organization is clearly understanding the needs of customers					
In all our business functions, we communicate freely on good customer experiences we have had					

Our management team clearly understand the significant contribution of individual employees towards creation of customer values					
Integration of functional areas in our organization is done in a manner that meets the target market needs					
The beliefs of our organization drives our strategies and also influences the ways we can apply to create greater good for clients					
There is regular interaction between managers in different functional areas with customers both prospects and current					
The working of functional departments is thorough and collaborative to ensure the needs of customers are met					

14. What is the effect of market orientation on performance of public owned hotel enterprises in Kenya?

.....  
.....

**Section E: Resource Orientation**

15. One aspect of this study is the resource orientation. On the basis of the role played by resources in the operations of your hotel, please provide answers to questions in this section. Use the following key. Use **1-Not at all, 2-Small extent, 3-Moderate extent, 4-Great extent and 5-Very great extent.**

<b>Statement</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
The hotel's land and buildings are adequate for carrying out planned activities					
Equipment, tools and machineries in the organization are adequate to perform planned activities					
Financial resources in the hotel are sufficient and therefore facilitate					

conducting of strategic activities during the course of the year					
Current assets not including financial assets in the organization are adequate to conduct strategic activities through the entire year					
Staff in the hotels are adequate to carry put the functions of the organization					
The hotel has constantly acquired new knowledge related to its operations					
The hotel has made it possible to have knowledge sharing in various departments					
Maximal use has been made of all fixed assets					
Optimal use has been made of financial resources.					
Engagement of employees in different roles have been fully engaged					
Deliberate combination of different resources has been undertaken with ease in the hotel					
Reconfiguration of hotel resources is easy when fresh needs are required					
Integration of resources in hotels follow a certain pattern					
The processes of hotels are effective and the procedures that are there combine various resources					

16. How does resource orientation affect performance of public owned hotel enterprises in Kenya?

.....  
.....

**Section F: Performance**

Over the last three years relative to your closest competitor, indicate how your firm has performed with respect to the following performance outcomes (Tick as appropriately).



<b>Statement</b>	<b>Very great extent</b>	<b>Great extent</b>	<b>Moderate extent</b>	<b>Low extent</b>	<b>No extent at all</b>
Profits					
Star rating					
Market share					
Service quality					
Employee turnover					
Customer loyalty					

## **Appendix III: Interview Schedule for General Managers**

### **General Information**

1. Name of Hotel enterprise
2. Age of the respondent
3. Gender of the respondent
4. Level of Education of the respondent
5. Work experience

### **Influence of Strategic Orientation on Performance of Public Owned Hotel Enterprises**

6. What is your company policy on technology adoption and utilization?
7. Which technologies has your organization adopted to improve service delivery and production processes?
8. How has the adoption of such technologies affected the performance of the hotel in the last five years?
9. Have you developed new products and services over the past one year? If yes please outline them.
10. Has your organization ventured into new market in the last five years?
11. What are the strategies applied by your organization to engage with the competitors to achieve competitive advantage in the market?

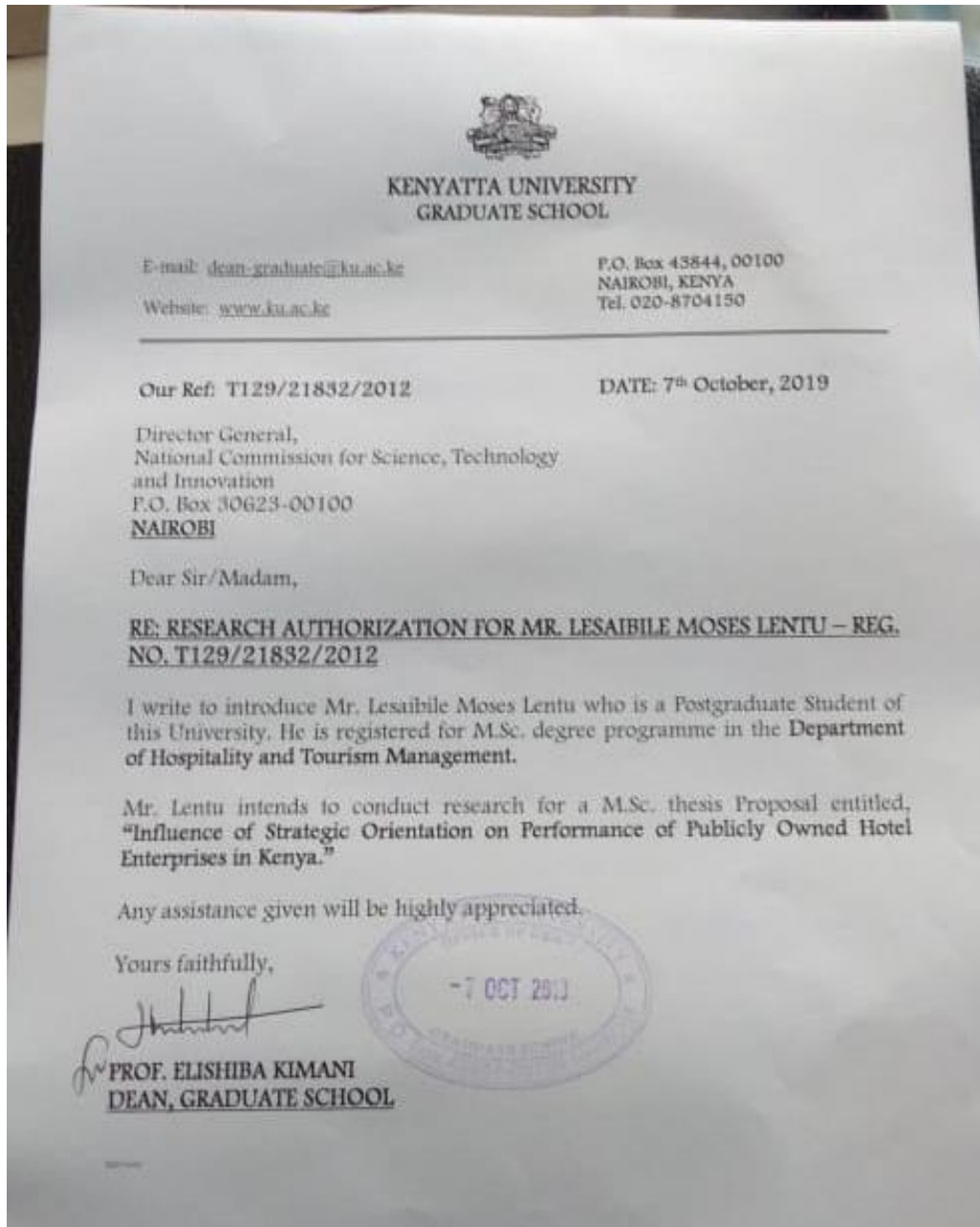
12. Does your organization have sufficient resources to carry out planned activities?
13. What resource challenges face your organization that affects performance?
14. In your own view, how does resource orientation affect performance of public owned hotel enterprises in Kenya?
15. Comment on performance of your hotel for the last five years.

#### **Appendix IV: Publicly Owned Hotel Enterprises**

	<b>Name of Hotel</b>	<b>Town</b>
1.	Utalii Hotel	Nairobi
2.	Mombasa Beach Hotel	Mombasa
3.	Sunset Hotel	Kisumu
4.	Voi Safari Lodge	Voi
5.	Ngulia Safari Lodge	MtitoAndei
6.	Golf Hotel	Kakamega
7.	The Kisumu Hotel	Kisumu
8.	Kabarnet Hotel	Kabarnet
9	North Coast Beach Hotel	Mombasa

**Source: Kenya Gazette on Hotels Classification (2018)**

**Appendix V: Research Authorisation Letter from Kenyatta University**




**Appendix VI: NACOSTI Research License**

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