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STRATEGIC LEADERSHIP PRACTICES AND PERFORMANCE OF THREE STAR HOTELS IN NAIROBI CITY COUNTY, KENYA

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ABSTRACT

Leadership is a key determinant of organization success. The hospitality industry is changing very fast in the 21st century due to globalization, political, economic, social and technological factors. Strategic leaders are required to lead organizations towards success. The performance of Kenya's hospitality business has deteriorated over the last five years, with daily rates, occupancy levels, and revenue all decreasing. The general objective is to determine effect of strategic leadership on performance of three-star hotels in Nairobi County, Kenya. The study sought to to assess how strategic leadership practices of corporate culture, and strategic control affect performance of three-star hotels in Nairobi County. The study was guided by transformational leadership theory and Path-Goal theory. A descriptive research design was adopted. The target population was 254 senior management staff in human resource, finance, house-keeping and customer service departments. Stratified random sampling was used to sample 76 management staff. Data collection tool was a questionnaire which was tested for validity and reliability. Data analysis was done using SPSS software version 28 to yield descriptive and inferential statistics and presented in the form of tables. The regression analysis reveals significant findings regarding the predictors of hotel performance. Corporate culture demonstrates a significant positive effect on performance ($\beta = 0.415$, $p = 0.031$), highlighting the importance of fostering a conducive organizational culture for enhancing hotel outcomes. Moreover, strategic control exhibits a significant impact on performance ($\beta = 0.376$, $p = 0.002$), emphasizing the role of robust control mechanisms in driving hotel success. Based on the findings, cultivating a positive corporate culture that prioritizes employee engagement, teamwork, and ethical conduct is essential. Additionally, strengthening strategic control mechanisms to monitor performance metrics and mitigate risks can enhance operational efficiency.

Key Words: Strategic Leadership Practices, Corporate Culture, Strategic Control, Performance, Three-Star Hotels

Background of the Study

Strategic leadership practices are methods organizational leaders use to visualize and collaborate with their juniors for improved future organizations. Strategic leadership practices enable leaders to nature the establishment of strategic commitments, mission and inspire fruitful strategic activities and execution (Al Thani, & Obeidat, 2020). Leadership is a key determinant of organization success. Future of businesses depends managers' ability to adopt strategic leadership practices. Strategic leadership practices are specific managerial practices that earns a company a competitive advantage. They include setting realistic goals, setting a culture that enhances adoption of strategic changes and teamwork, strategically controlling organization resources, and leading by example. The most important aspect of strategic leadership is identifying the company's mission or vision. Strategic leaders must be able to develop a clear and achievable statement regarding organization's purpose and distinguishing characteristics (Golensky & Hager, 2020).

Strategic leaders will be empowered by the mission statement to develop and implement strategies that are aligned to the vision. Developing, articulating, and communicating the vision to the organization's human resource is a vital role for strategic leaders. The vision acts as a guide for developing and implementing strategies. If the vision is to have any influence, it must be shared and reinforced within the business all the time (Redmond, 2018). According to Northouse and Lee (2019), companies have a low success rate due to inadequate leadership practices. The hospitality industry is changing very fast in the 21st century due to globalization, political, economic, social and technological factors. Strategic leaders are required to lead organizations towards success. Strategic leadership practice is an important strategy for performance of organizations (Robinson, Phillips, & Handshaw, 2019).

Strategic leadership has been used by various firms around the world to solve different organizational issues. Nahak and Ellitan (2022) asserted that strategic leadership includes the ability to anticipate, have vision, and maintaining flexibility, empowering people others to create the necessary strategic changes. This strategy has important effect on the organization's efforts to gain competitiveness strategically and earn above-average profits. Leadership effective strategy is needed to formulate and implement strategy successfully. This paper discusses the importance of strategic leadership in supporting the success of strategic planning and organizational competitiveness. Wakhisi (2021) found that the main strategic leadership practices affecting performance of state-owned sugar manufacturing firms in western Kenya are strategic direction setting, core competence exploitation, organization culture building, and organization controls. Yegon (2018) found that strategic direction, strategic control, firm's resources and corporate culture were employed in Deloitte Kenya and that strategic leadership positively affected the organizational performance of the Deloitte Kenya. The study concluded that there were components of strategic leadership considered by Deloitte Kenya in its operations including strategic directions, strategic controls, corporate culture and firm's resources and that Deloitte Kenya used different measures to gauge the level of its performance in the industry.

Three-star hotels in Kenya compete not just with one another, but with multinational businesses on a worldwide scale. Rapid development in globalization has made the hospitality business has become more open. The rapid growth of tourism in Kenya has posed numerous hurdles to hotel industry in terms of providing lodging and dining services. Managers in service delivery firms, such as hotels, have adopted customer service improvement strategies. The study focused on effect of four strategic leadership practices namely; strategic direction setting, corporate culture, strategic control and ethical leadership.

Statement of the Problem

Every organization strives to achieve its goals. Organizational performance is projected to improve as a result of strategic leadership techniques. Organizations that do not use strategic leadership practices gradually lose public trust, resulting in poor performance or even collapse (Karuma, 2019). The performance of Kenya's hospitality business has deteriorated over the last five years, with daily rates, occupancy levels, and revenue all decreasing by 0.7%, 6.1 %, and 6.7 %, respectively. In 2020, the number of international and local conferences held declined by 87% which was due to a high decline in hotel bed occupancy (KNBS, 2021). According to the 2021 economic Survey, the hotel earnings declined by 43.9% in 2020 (Ministry of Finance, 2021). The drastic fall was mainly attributable to restriction measures such as social distancing, travel advisory to countries identified as red zones, working from home which has reduced clientele (food and conference rooms) and curfew which completely shut night operations. Even after partial opening up of the economy after some measures were lifted, requirements for issuance of COVID19 compliance certificate are a great challenge. PWC (2020) noted that 70% of hotels in Nairobi are experiencing losses because of poor customer services, low occupancy rate and reduced clientele. Various regulations changes and changing environment in the industry have resulted to adoption of strategic leadership practices aimed at reviving business.

There exist several studies on strategic leadership and organization performance in Kenya. Muteti (2019) study on effect of strategic leadership on performance of five star hotels in Nairobi County revealed that strategic leadership has a significant relationship with performance. Nyamao (2018) study on nexus between strategic leadership and SME performance showed that there exists a significant relationship between strategic leadership and SME performance. Kitonga (2017) study on effect of strategic leadership practices on the organizational performance of NGOs in Nairobi County established a significant relation between strategic leadership and organizational performance. However, there exists limited studies on effect of Strategic leadership practices in three star hotels in Nairobi hence the need to study effect of strategic leadership practices on performance of three star hotels in Nairobi County, Kenya.

Objectives of the Study

i. To examine effect of corporate culture on performance of three star hotels in Nairobi City County, Kenya
ii. To determine effect of strategic control on performance of three star hotels in Nairobi City County, Kenya

LITERATURE REVIEW

Theoretical Literature Review

Theory of Organizational Culture

Hofstede (1968) propounded that the organization culture theory which is based on four fundamental issues (power distance, risks avoidance, individualism vs. collectivism and masculinity vs. femininity) in human societies, exploring how cultures vary and shows the unexploited rules through which individuals in varying cultures reason, feel, and act in organizations. Different tasks require different strategies and structures because of varying characteristics of organizations, customers, and operating environment (Hofstede et al., 1990).

Organizational culture is a set of mutual expectations, beliefs, and values that guide how staff behave and act in their duty post. Shared values and beliefs that grow over time in organizations have a significant impact on how members function and fulfill their jobs and activities in the organization. Organizations create and maintain a distinct culture that serves as a guide and molds the behavior and duties of the organization's members. Organizational culture is governed by a number of ideas that might assist explain organizations and their members (Saad & Kaur, 2020).

One of the primary flaws of the Hofstede hypothesis is that it was based on findings from one firm hence a small and biased sample size. Consequently, the general validity and accuracy was low. Organizational culture theory is used by leaders to address various organizational difficulties. Effective organizational culture is used by leaders to influence performance and productivity (Schneider, Ehrhart, & Macey, 2023). Organizational culture is a key element that determines organizational performance and effectiveness hence the theory is applicable to this study.

Transformational Leadership Theory

The transformational leadership was created by James McGregor in 1978 and expounded by Bernard Bass in 1985. According to the theory, there are four dimensions of transformational leadership which includes: intellectual stimulation, inspirational motivation, individual consideration and Idealized influence (Bass, 1985; Bass & Riggio, 2006). Idealized leaders are regarded as transient role models for their followers who are dedicated and apprehensive about their well-being. Leaders that possess idealized characteristics are able to respect their followers and develop a shared vision. Leaders who act as trainers and consultants to their followers are known as individualized consideration. Leaders with individual accounts pay close attention to their followers' various demands (Bass, 1985; Bass & Riggio 2006). Leaders that promote critical thinking and new ways of tackling problems by questioning ordinary ideas or perceptions of a group of people are described as having intrinsic motivation and intellectual stimulation. This has a good impact on organizational performance.

Employees are influenced to perform above and beyond their expectations by transformational leaders who give alternative solutions to difficulties. This sort of leadership can be seen throughout the organization's various departments. Transformational leaders have a clear vision, are motivating, possess managerial leadership skills, and are brave and risk takers. By supporting innovativeness and creativity, a leader encourages members of the company to come up with new ideas and thoughts. Employees are inspired to come up with fresh ideas, and they are not publicly chastised for their blunders. The leaders focus on the issues rather than condemning workers for their mistakes. Transformational leader withdraws old practices if they prove to be ineffective in achieving organization goals. Transformational leaders encourage staff to be always on the lookout for most suitable ways of doing things that may contribute to client contentment and organization performance.

Conceptual Framework

Independent Variables **Dependent Variables**

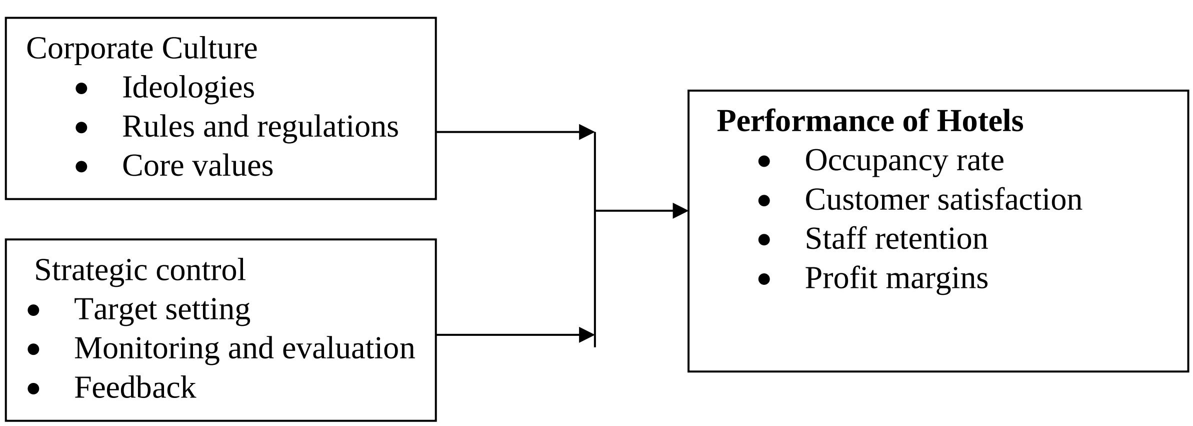

Figure 2.1: Conceptual Framework

Corporate Culture

Organizational culture, according to Robbins and Judge (2023), is a collection of shared values held by an organization's members that distinguishes it from other organizations. According to Thompson (2018), a company's organizational culture is reflected in its employees' personalities as well as how it conducts business and behaves. Organizational culture is viewed as mirror of a leader's beliefs and values about the world, organizations, and people, and other stakeholders. Every organization has a distinctive and distinct culture, according to Birsan, Susu, and Balan (2018), which outlines how it handles staff, and formal rules, processes, and operational practices it uses to provide guidelines for personnel's behavior.

Organization culture is a strategic practice that may help to change formalization and other strict measures used to enforce organizational rules (Martins & Martins, 2023). This can happen when employees become accustomed to, internalize, and accept the norms and regulations. As time passes, a new culture emerges, determining how executives and the subordinate communicate and relate to one another. The relationship between staff and the management is measured through how the managers address the staff, the amount of time they spend together, amount of time colleagues spend with one another even when they are not in the organization, and ideas sharing.

Strategic Control

Strategic control, according to Adams (2019), entails monitoring the strategic plan's implementation. According to Mutia (2019), organizational controls are formal information-based approaches used to maintain or change organizational processes. An organization requires a management team that understands the competitive environment and the dynamics in the department which they supervise to achieve an effective strategic control. Information must be exchanged through formal and informal channels throughout the organization. When strategic leaders can integrate diverse types of data to produce competitively relevant insights, the effectiveness of strategic controls improves dramatically.

Evaluation and control is the practice of checking organization operations and performance trends to make a conclusive comparison of the objectives achieved and what needs to be done in future. Firm executives at every level use data obtained to take suitable measures and address any challenge that may arise. Even though monitoring and evaluation is last phase of strategic plan, it may help to point out challenges in the prior strategic plans necessitating an overhaul of the business strategy (Hunger & Wheelen, 2021). Its significance stems from its capacity to coordinate managers' activities through performance management. According to Volberda et, al. (2021), balanced organization controls aid strategic leaders in developing trustworthiness, showing the benefit of strategies to stakeholders, promoting and supporting strategic change. According to Ndegwa (2023), strategic control is a crucial aspect of the strategic management process since it involves following up, monitoring, and reviewing the success of strategies and making changes where needed.

Empirical Review

Corporate Culture and Organization Performance

Malik (2018) examined effect of organizational culture on performance of hotels in India. Population was 20 five-star hotels and 84 managers were sampled through stratification. Findings showed that organizational culture significantly enhanced hotel performance. Wahjudi, Singgih, and Baihaqi (2023) investigated effect of organizational culture on manufacturing firms performance in Indonesia. The sample was 152 organizations. Data was collected using questionnaires. Findings proved that organizational culture significantly affect firm performance.

The performance was due to firm's leadership creation of conducive and rewarding environment for staff.

Yesil and Kaya (2023) examined effect of organizational culture on organization performance in Turkey. organizations documents were reviewed to obtain data on financial performance while data on strategic leadership practices were collected from managers using questionnaires. Findings revealed that organizational culture did not affect firm performance. Obijiaku (2019) investigated the impact of organizational culture on performance of banks in Nigeria. The targeted populace was 105,017 management staff and junior staff. Yamane sampling formula was applied to sample 400 staff. Findings showed that organizational culture serves help to gain sustainable competitive advantage.

Bahati (2023) studied impact of culture change on performance of public colleges in Tanzania. A case study design was employed. The research instruments were questionnaires, interviews and document reviews. Findings showed that organization culture change positively affected performance of the tertiary institution. Kamau and Wanyoike (2019) investigated effect of culture on performance of betting companies in Nairobi, Kenya. Target was 360 staff and a sample of 180 selected through stratification. The results revealed that customer contentment and staff efficiency were important to Casino performance. Conclusion was that corporate culture is significantly related to performance. Maina (2018) investigated influence of bank culture on its performance in Kenya with a target of 210 managers and a sample of 120 managers. According to findings, commercial banks had an organizational culture that dictated how to work, and personnel had similar ideas and values. Constancy, flexibility, and a reliable communication system guided the staff. The employees had a strong sense of self, which boosted their devotion to their jobs, and work ethics were clearly defined. Organizational culture and bank performance had a substantial favorable link.

Strategic Control and Organization Performance

Marthouret (2018) examined effectiveness of immediate feedback from superiors on staff behavior, motivation and performance of an insurance company in Sweden. The study targeted sales manager and sales staff. Analysis showed that employees wanted equal amount of positive and negative feedback, and that this quick feedback technique shapes their motivation and performance. Choon and Cheng (2018) investigated effect of goal setting on employee and organization effectiveness in Singapore. Data that was collected through intensive literature review provided enough evidence to ascertain that objective setting impacted staff effectiveness eventually contributing to organizational performance.

Chikwe, Anyanwu and Edeja (2018) examined effect of strategic control on continuous competitive advantage amongst SMEs in Ebonyi state, Nigeria. The target population was 100 top level managers and a sample of 80 respondents. Findings showed that strategic control supports competitive advantage. Agyare et. al. (2018) investigated effect staff appraisal on job-contentment and dedication in Microfinance organizations in Ghana. The sample was 200 staff selected through stratification. Findings showed that fairness of the appraisal process, connecting appraisals with career advancement, providing role clarity and feedback about their performance is significantly related to job satisfaction. Nyamao (2018) studied nexus between strategic leadership and SME performance with a target of 3,001 SMEs and a sample of 301 SMEs owners/managers. Findings showed that balanced organization enhance organization performance.

RESEARCH METHODOLOGY

The descriptive research design was adopted. According to the Association of Hotel Professionals Kenya (AHPK, 2022), there are 17 three-star hotels in Nairobi County. Therefore, the study focused on all 17 three-star hotels in Nairobi County, comprising the unit of analysis. The unit of observation consisted of senior management staff across various departments including human resources, finance, housekeeping, and customer service. Hence, the target population for the study was identified as these 254 management staff members. The study selected a sample size of 30% translating to 30% of target population. Since the target population was divided into four departments (human resource, finance, housekeeping and customer service departments); they served as strata. The study therefore adopted stratified random sampling whereby the management staff were stratified according to the department. In every strata, 19 staff were selected hence a total of 76 management staff representing 30% of the target (19 human resource managers , 19 finance managers , 19 housekeeping and 19 customer service departments). Therefore, every staff had equal chances of representing the hotel in the study. Piloting in this study involved collecting data from to 10% of the sample hence 8 questionnaires were administered to senior management staff who did not take part in the actual data collection. Data was analyzed with the help of SPSS version 26. Findings were analyzed using descriptive and inferential statistics and then presented in tables. To assess the relationship between the study variables, linear regression below was used.

RESEARCH FINDINGS AND DISCUSSION

The sample size for the study was 76 management staff in human resource, finance, housekeeping and customer service departments in three stars hotels. The selected sample was issued with questionnaires. The returned questionnaires were crosschecked for accuracy and completeness and 67 were found to be valid and reliable and could be used for further analysis and reporting. The returned questionnaires formed a response rate of 88.2%. As explained by Sekaran and Bougie (2018), a response rate of 50% and above is adequate for analysis, 60% and above is good while that of 70% and above is excellent.

Descriptive Analysis

In this section the study presents findings on the study objectives where Likert scale questions were used. They used a 5-point Likert scale where 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree. The means and standard deviations were used to interpret the findings where a mean value of 1-1.4 was strongly disagree, 1.5-2.4 disagree, 2.5-3.4 neutral, 3.5-4.4 agree and 4.5-5 strongly agree. Standard deviations greater than 1 implied great deviation in data points from the mean.

Corporate Culture

The first objective of the study was to examine effect of corporate culture on performance of three-star hotels in Nairobi City County, Kenya. Respondents were therefore asked to indicate their level of agreement on the listed statements on corporate culture. Table 1 presents summary of the findings obtained.

Table 1: Descriptive Statistics on Corporate Culture

Statements	Mean	Std. Dev.
The hotel has a unique culture that is nurtured amongst the staff	3.536	0.572
Leaders encourage staff to observe the values, principles, and ethical standards	3.653	0.664
Good values are clearly encouraged and rewarded by management	3.643	0.814
Staff have a sense of identity which increases their commitment to work	3.512	0.708
The management has clearly defined the rules and regulations	3.835	0.054
The leaders believes performance is dependent on adherence to rules	3.790	0.933
The management is strict on staff dress code while on duty	3.705	0.807
Aggregate Score	**3.658**	**0.813**

The findings show that the respondents agreed on average with the statements as shown by means above 3.5. They specifically agreed that the hotel has a unique culture that is nurtured amongst the staff (M= 3.536, SD= 0.572); that leaders encourage staff to observe the values, principles, and ethical standards (M= 3.653, SD= 0.664); and that good values are clearly encouraged and rewarded by management (M= 3.643, SD= 0.814). They were also in agreement that staff have a sense of identity which increases their commitment to work (M= 3.512, SD= 0.708); that the management has clearly defined the rules and regulations (M= 3.835, SD= 1.054); that the leaders believe performance is dependent on adherence to rules (M= 3.790, SD= 0.933); and that the management is strict on staff dress code while on duty (M= 3.705, SD= 0.807).

The findings above and supported by an aggregate mean of 3.658 (SD= 0.813) show that corporate culture affects performance of three-star hotels in Nairobi City County, Kenya. Malik (2018) examined the effect of organizational culture on the performance of hotels in India, finding that organizational culture significantly enhanced hotel performance. This study aligns with the finding that corporate culture affects performance, emphasizing the importance of organizational culture in driving positive outcomes within the hospitality industry. Also, Bahati (2023) studied the impact of culture change on the performance of public colleges in Tanzania, revealing that organizational culture change positively affected the institution's performance. This research supports the notion that corporate culture plays a significant role in influencing organizational performance across diverse sectors, including the hotel industry.

Strategic Control

The second objective of the study was to determine effect of strategic control on performance of three-star hotels in Nairobi City County, Kenya. The respondents were therefore asked to indicate their level of agreement level on the listed statements on strategic control. Table 2 presents summary of the findings obtained.

Table 2: Descriptive statistics on Strategic Control

Statements	Mean	Std. Dev.
The strategic plan directs the hotel's activities, informs the annual operating plan, and is reviewed quarterly.	3.724	0.109
The hotel's objectives, targets, timetables, and money are all addressed in the work plans.	3.731	0.877
the leaders pick and prioritize strategic plan components based on the established assumptions,	3.837	0.891
As part of the strategic management plan, the leaders undertake milestone reviews.	3.826	0.882
The leaders foresee trends and events that may have an impact on the project/goals.	3.740	0.837
The hotel has a crisis management team that responds to crises and evaluates the strategic plan's overall direction.	3.693	0.850
Leaders devise a plan to deal with the hotel's risks and difficulties.	3.687	0.849
Aggregate Score	**3.748**	**0.899**

All the mean values were above 3.5 an indication that the respondents agreed on average with the statements on the effect of strategic control. They specifically agreed that the strategic plan directs the hotel's activities, informs the annual operating plan, and is reviewed quarterly (M= 3.724, SD= 1.109); that the hotel's objectives, targets, timetables, and money are all addressed in the work plans (M= 3.731, SD= 0.877); and that the leaders pick and prioritize strategic plan components based on the established assumptions (M= 3.837, SD= 0.891). They also agreed that as part of the strategic management plan, the leaders undertake milestone reviews (M= 3.826, SD= 0.882); that the leaders foresee trends and events that may have an impact on the project/goals (M= 3.740, SD= 0.837); that the hotel has a crisis management team that responds to crises and evaluates the strategic plan's overall direction (M= 3.693, SD= 0.850); and that leaders devise a plan to deal with the hotel's risks and difficulties (M= 3.687, SD= 0.849).

The aggregate mean of 3.748 (M= 0.899) shows that the respondents agreed that strategic control affects performance of three-star hotels in Nairobi City County, Kenya. The study findings agree with Chikwe, Anyanwu, and Edeja (2018) examined the effect of strategic control on continuous competitive advantage and found that strategic control supports competitive advantage, indicating the importance of implementing effective control mechanisms to enhance organizational performance. This study's findings align with the notion that strategic control mechanisms positively influence performance outcomes within organizations. Also, Agyare et al. (2018) investigated the effect of staff appraisal on job contentment and revealed that fairness in the appraisal process, connecting appraisals with career advancement, providing role clarity, and feedback about performance significantly relate to job satisfaction. This study highlights the importance of strategic control mechanisms, such as performance appraisal systems, in influencing employee satisfaction and dedication, which can ultimately impact organizational performance positively.

Hotel Performance

The main objective of the study was to determine the effect of strategic leadership practices on performance of three-star hotels in Nairobi City County, Kenya. The respondents were therefore asked to rate hotel performance based on the listed parameters. Table 3 presents summary of the findings below.

Table 3: Descriptive Statistics on Hotel Performance

Statements	Mean	Std. Dev.
Occupancy rate	3.727	0.764
Staff retention	3.584	0.828
Profit margins	3.848	0.947
Customer satisfaction	3.964	0.896
Aggregate Score	**3.781**	**0.859**

The findings reveal that across multiple performance indicators, three-star hotels in Nairobi City County, Kenya exhibit a performance level perceived as "high" by respondents. Analysis of the occupancy rate indicates a mean rating of 3.727 (SD= 0.764), suggesting that, on average, these hotels maintain a consistent level of occupancy slightly above what is considered fair. Staff retention, an essential aspect of operational stability, garners a mean rating of 3.584 (SD= 0.828), indicating a moderate level of variability in perceptions but an overall satisfactory level of retention. Moreover, the analysis of profit margins reveals a mean rating of 3.848 (SD= 0.947), suggesting that, on average, the three-star hotels in Nairobi City County enjoy profit margins perceived to be above fair, albeit with a relatively high degree of variability in respondents' perceptions. Additionally, customer satisfaction, a vital determinant of success in the hospitality industry, receives a mean rating of 3.964 (SD= 0.896), indicating a high level of satisfaction among respondents.

When considering the aggregate score, which represents the overall performance of the hotels, the findings indicate a mean rating of 3.781 (SD= 0.859). The aggregate score suggests that, on average, the three-star hotels in Nairobi City County exhibit a performance level perceived as high by respondents, with moderate variability in their assessments across different performance indicators. The findings presented align with existing literature on the determinants of organizational performance in the hospitality industry. Studies such as those by Yuliansyah et al. (2017) and Ng'ang'a (2018) emphasize the importance of various factors, including occupancy rate, staff retention, profit margins, and customer satisfaction, in influencing hotel performance.

Correlation Analysis

The study computed Correlation analysis to determine the strength and the direction of the relationship between the variables being studied. If the correlation values are r = ±0.1 to ±0.29 then the relationship between the two variables is small, if it is r = ±0.3 to ±0.49 the relationship is medium, and when r= ±0.5 and above there is a strong relationship between the two variables under consideration. The significance of the relationship was tested at 5% level of significance with p-values less than 0.05 suggesting there exist a significant correlation between the variables. Table 4 presents the findings obtained.

Table 4: Correlation

		Performance	Corporate Culture	Strategic Control
Performance	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	67		
Corporate Culture	Pearson Correlation	.744**	1	
	Sig. (2-tailed)	.000		
	N	67	67	
Strategic Control	Pearson Correlation	.767**	.467	1
	Sig. (2-tailed)	.000	.089	
	N	67	67	67

The correlation between performance and corporate culture is also significant ($r = 0.744$, $p < 0.05$). This suggests that organizational culture plays a crucial role in influencing hotel performance. This finding is consistent with research by Barare and Wambua (2018) highlighting the impact of organizational culture on organizational effectiveness and performance. These studies highlight the impact of organizational culture on business sustainability and performance. The correlation findings reinforce the notion that a positive organizational culture contributes to higher levels of performance and operational success within hotels.

The correlation between performance and strategic control is also significant ($r = 0.767$, $p < 0.05$). This indicates that the implementation of effective strategic control mechanisms positively influences hotel performance. The correlation between performance and strategic control aligns with the research by Chikwe, Anyanwu, and Edeja (2018) and Agyare et al. (2018). These studies emphasize the importance of strategic control mechanisms in enhancing organizational performance. The correlation findings validate the significance of continuous monitoring and adjustment of strategic initiatives to achieve optimal performance outcomes in the hospitality sector.

Regression Analysis

The study computed regression analysis to test the effect of independent variables on the dependent variables. Three tables were computed and they are presented and discussed in sub-sections below.

Model Summary

Model summary was used to establish the amount of variation in dependent variable as a result of changes in the independent variables. In this study, model summary was used to test the amount of variation in performance of three-star hotels in Nairobi City County, Kenya as a result of changes in strategic direction setting, corporate culture, strategic control, and ethical leadership. Table 5 presents summary of the findings obtained.

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.822[a]	.676	.655	.37283

a. Predictors: (Constant), Strategic Control , Corporate Culture

The coefficient of determination (R Square) is 0.676, indicating that 67.6% of the variance in performance of three-star hotels in Nairobi City County, Kenya can be accounted for by the combined influence of corporate culture, strategic control. This finding suggests that these factors play a critical role in determining performance of three-star hotels in Nairobi City County, Kenya. The multiple correlation coefficient (R) of 0.822 suggests a strong positive relationship between the predictors and the dependent variable. The remaining 32.4% suggests that there are other factors that affect performance of three-star hotels in Nairobi City County, Kenya that were not included in the study.

Analysis of Variance

The study used analysis of variance (ANOVA) to test the significance of the study. The model significance was tested at 95% confidence interval. If the p-value is less than 0.05 then the model is considered significant. Table 6 presents the ANOVA findings.

Table 6: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	17.960	4	4.490	32.300	.000[b]
1	Residual	8.618	62	.139		
	Total	26.578	66			

a. Dependent Variable: Performance

b. Predictors: (Constant), Strategic Control , Corporate Culture

The ANOVA results indicate a p-value of 0.000, which is below the chosen significance level of 0.05. This signifies that the fitted model holds significant predictive power regarding the performance of three-star hotels in Nairobi City County, Kenya. Furthermore, the substantial F-critical value of 32.300 further bolsters the significance of the model, affirming its reliability in explaining variations in hotel performance.

Coefficients

The coefficients were used to fit regression model. From the findings in Table 7, the regression model was fitted.

Table 7: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	.278	.031		8.968	.036
1	Corporate Culture	.415	.188	.378	2.207	.031
	Strategic Control	.376	.115	.395	3.270	.002

a. Dependent Variable: Performance

The coefficients were used to fit regression model. From the findings in Table 4.12, the following regression model was fitted.

$$Y = .278 + 0.415\, X_1 + 0.376\, X_2$$

Where Y is the dependent variable (hotel performance); X_1 is corporate culture; X_2 is strategic control

The coefficient for corporate culture is 0.415 with a significant p-value of 0.031. This indicates that a positive organizational culture has a favorable impact on hotel performance. Studies like Enofe, Ogbeide, and Julius (2019) and Barare and Wambua (2018) highlight the significance of organizational culture in promoting business sustainability and performance, supporting this finding.

The coefficient for strategic control is 0.376 with a highly significant p-value of 0.002. This suggests that effective strategic control mechanisms positively affect hotel performance. Research by Chikwe, Anyanwu, and Edeja (2018) and Agyare et al. (2018) emphasizes the importance of strategic control in enhancing organizational performance, reinforcing this result.

Conclusions

Regarding corporate culture, the study findings underscore the importance of fostering a positive organizational culture characterized by shared values, ethical standards, and employee commitment. Such a culture promotes employee engagement, customer satisfaction, and organizational resilience. Consequently, it is concluded that corporate culture positively and significantly affects the performance of three-star hotels in Nairobi City County, Kenya.

In terms of strategic control, the findings highlight the critical role of strategic planning, milestone reviews, and crisis management processes in driving hotel performance. Effective strategic control mechanisms enable proactive decision-making, risk mitigation, and alignment of organizational activities with strategic objectives. Therefore, it is concluded that strategic control positively and significantly affects the performance of three-star hotels in Nairobi City County, Kenya.

Recommendations

the study underscores the critical role of corporate culture in driving organizational performance. To cultivate a positive and supportive work environment, hotels should focus on promoting transparency, accountability, and employee empowerment. Recognizing and rewarding behaviors that align with organizational values, along with providing ongoing training and development opportunities, will reinforce desired cultural norms and foster a sense of belonging among staff members. By fostering open communication and collaboration, hotels can harness the collective talents and insights of their workforce to drive innovation and excellence.

Strategic control mechanisms play a pivotal role in ensuring that organizational strategies are effectively implemented and aligned with overarching objectives. To enhance strategic control processes, hotels should strengthen strategic planning and monitoring mechanisms, establish clear accountability structures, and develop contingency plans to mitigate risks and disruptions. By fostering a culture of continuous improvement and learning, hotels can adapt proactively to changing market conditions and position themselves for long-term success.

Suggestions for Further Studies

The study was limited to four strategic leadership practices that explained 67.6% variation in performance. The study thus recommends future studies to focus on other factors that can explain the remaining percentage in performance. Also, the study was limited to three star hotels; future studies can thus focus on other star rated hotels to facilitate comparison and generalization of research findings. Further, future studies can consider different sectors such as financial and manufacturing.

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