CHANGE MANAGEMENT STRATEGIES AND OPERATIONAL PERFORMANCE OF THE HOSPITALITY INDUSTRY IN SELECTED COASTAL COUNTIES, KENYA

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ABSTRACT

The study sought to find out the influence of change management strategies on operational performance of hospitality industry within the four counties in the coastal region of Kenya. This study considered four main drivers of change management, mainly organizational learning, staff involvement, resource allocation and strategic communication. Three theories guided the study; communication theory, dynamic capabilities and resource based theories. In this study, descriptive research design was employed to give context to the key variables of the study. The target population comprised of 320 hospitality institutions in the four selected counties of Coast region namely Mombasa, Kwale, Kilifi and Taita Taveta Counties, with a sample size was 175.Ultimately 153 questionnaires were returned. Primary data was collected through google form questionnaires emailed to the managers and staff of the hospitality players. Quantitative approach method was applied to analyze collected data. Ordinal logit regression was employed to test the hypothesized relationship. The logit regression model was preferred due to the ordered nature of the dependent variable and in addition the predictor variables were captured in a five likert scale. The problem was therefor to predict ordinal dependent variable in this case organizational performance given the four independent variables. Ordinal logit regression findings showed that organizational learning, staff involvement and resource allocation were consistent and significant predictors of organizational performance. The study's findings reinforce the interconnectedness of three significant factors, indicating that improvements in one area can positively influence others, leading to cumulative benefits for the industry. Based on the findings and the conclusions, the study recommends that the management of the hospitality industries should learn not to be reactive but rather proactive towards the changes faced by the organizations.

INTRODUCTION

Background of the Study

Organizations worldwide are in an ongoing predicament of sustaining business performance. A majority of organization managers globally are having challenges in constantly achieving performance targets owing to open market competition, globalization and dynamic nature of the industry which are characteristics of the 21st century. The word "change management" is in reference to a style of management which aims at assisting individuals and companies in dealing and adapting with the ever-changing working environment. The success of any organization in achieving its goals are dependent on the success of her employees. Things may change in various directions: for example, there might be some adjustments in an unplanned or planned manner (Schnackenberg et al., 2019).

A company redesigning of processes, services and goods enhancement, changes to organizational structure or/and culture that are considered a requirement for greater workplace performance is what defines business change (Armstrong, 2019). Structures which guide decision making processes amongst a group of individuals is conceived as organizational structure. When in a stable state a change process in an organization is considered accomplished once its benefits are accrued which is a requirement for obtaining confidence for future changes. According to Siddiqui (2017) the continuous process of an organization reinventing its direction in terms of capacity and structure aiming at addressing the changing external and internal clients and environment is change management.

Throughout the process of improving and transforming organizations, change recipient's capacity and attitude to plan successfully, execute and plan organizational change are integral to success of any improvement or transformation of a project (Anwar, 2017).

The perspective of change management is that without change recipients' participation then nothing was changed (Anwar & Qadir, 2017). Teffo (2017) opined that organizational changes many a times face resistance as a result of fears like security and disturbed habits, distraction from professional focus, existing network destruction creating insecurity and uncertainty, fear of skills not valued, frequent happening of changes, and inadequate chance for individuals to effect change. Often individual's resistance to change is due to the fear of the unknown.

A complicated series of actions incorporating knowledge and abilities are needed for an organization to function in order to generate a worthwhile consequence. As performance measurement can only be applied to objects that can be measured, it is essential for effective management and process optimization. According to Ahmed et al (2017), performance refers to how well a company reaches both its financial and market-based goals. According to, Ahmed et al (2018) an organization's performance is characterized by the achievement of the long-term goals set forth in its strategic plans.

Global Perspective of Change Management Strategies and Operational Performance of the Hospitality Industry

One way for every organization to accomplish its stated objectives is through its success. A firm's attractiveness depends on performance levels, and a structure providing proof of corporation goals while at the same time evaluating its goal performance Felizardo et all (2017)

According to Jones, et.al (2019), change management is "an organized and methodical" means for organizations to make use of its tools, resources, and knowledge in order to improve change. It can also be defined as a "strategy of deliberate and systematic change" that is accomplished through manipulating the company's structure, individual member behavior, and corporate culture (Kneer, 2018).

Khoshnood and Nematizadeh, (2017) stipulated that organizations must deliberately be sensitive to match organizational culture with worldwide trends in business, be agile strategically, and counter opportunities and challenges that result from external environment and pressure in business for them to competitively survive pressure and consistently better its results.

Performance is described as the outcome of operations of an organization to achieve its established objectives (Ahmad et al., 2019). Daily operations in management constitute performance management geared towards performance measurements (Sainaghi, 2020).

It is clear, worldwide, that the hospitality industry faces a challenging time ahead of it despite its central role in the global tourism sector Sainaghi et al (2018). In their paper, Kandampully & Hu (2017) argue that the worldwide hospitality industry has become very competitive and is well into its growth phase. There is a significant responsibility for the hospitality industry to create jobs and stimulate economic development. A number of factors, including the availability of appropriate materials, the availability of skilled staff, the requirement of expatriates and imported workforce, as well as the different imposed assessments on lodging or the visitor, have an impact on the financial impact of the hospitality business from one country to another (Konstantin, 2018).

The World Travel and Tourism Council (2022) maintains that the industry backed 333 million job positions globally in 2019, accounting for 1 in 10 of all global occupations. Regardless of government-backed job-retention strategies like furloughs and the like, an 18.6% decrease was recorded in 2020, which translates to 62 million lost jobs. The sectors contribution to worldwide economy saw a surge of 21.7% in 2021. This was coupled with an uptick in quantity of Travel & Tourism roles to 289.5 million in 2021 from 271.3 million in 2020, translating to a boost of 18.2 million jobs, an increase of 6.7%. The modification in Travel & Tourism's role in job creation is not as rapid as its contribution to the GDP, as employment rates tend to be less flexible and thus, less susceptible to fluctuations. This is due to the time-consuming process of dismissing existing employees and integrating new ones.

Regional Perspective of Change Management Strategies and Operational Performance of the Hospitality Industry

The practice of strategic change management involves the handling of changes in a systematic, thoughtful manner, how organizations can achieve their organizational goals, objectives and missions by giving them the opportunity to make the necessary changes responsibly and carefully. The strategic management process involves examining the choices and actions that an organization undertakes for it to secure competitive advantage. In order to have a competitive advantage over their competitors, strategic change management requires that industry responds to the constantly changing and unpredictable business environment.

To be successful, organizations must have a proper and supportive environment with acceptable forms of stability. These environments entail; the sociopolitical, economic and cultural factors which invariably affect the workings of an organization (Ejo-Orusa & Adim, 2018).

Oyerinde et all (2018) emphasized that the performance of most companies in Africa has been undermined by insufficient strategy to face these challenges, as well as a lack of organizational culture. The Hospitality 2022 report shows the total number of agreements signed in 2021 by hospitality chains amounted to 447 hospitalitys, with 81,291 rooms added as part of development pipelines which is almost exactly similar to year 2019. Overall, in comparison to 2021, the overall development pipeline by rooms increased by 1 % between 2022 and 2021. Yet, with six per cent of development lost in Africa alone, sub Saharan Africa lags behind North Africa. Between them, Nigeria recorded an even greater decline of 41% in the region with power houses like Ethiopia, Kenya and South Africa declining by 29%.

According to the World Travel & Tourism Council 2022 report on Economic Impact, nearly 14 million jobs was created over the coming decade in Africa's travel and tourism sector. According to World Travel and Tourism Council's forecast, which projects an average of 1.4 million new recruits per year, the sector was at the forefront in economic recovery in the region, with yearly GDP growth exceeding the overall economy in the next decade.

The analysis predicts that the GDP of the travel and tourism sector will increase at an average annual rate of 6.8% between 2022 and 2032, more than double the regional economy's overall growth rate of 3.3%, to reach close to US$ 279 billion (7.2% of the entire economy). By the end of 2022, the industry's GDP contribution is projected to increase by 20.5% to US$ 144 billion, or 5.1% of all economic GDP. The sectors employment is projected to increase by 3.1% this year to approximately 22 million jobs.

Kenyan Perspective of Change Management Strategies and Operational Performance of the Hospitality Industry

Hospitality industry is one of the major economic drivers in Kenya. According to, the Kenya Satellite Account 2019 sector accounts for 10.4% of the GDP, 5.5% of Kenya’s formal employment and contributes to 4.2% of the National Gross Fixed Capital Formation. The sector is also instrumental in the social-economic wellbeing of the country’s citizens, with multiplier effects in trade, agriculture, construction, manufacturing, and transport among others. The 2022 sector performance was impressive as compared to the year 2021. International visitor arrivals in the year 2022 closed at 1,483,752 which represent a 70.45% increase as compared to the previous year’s arrivals of 870,465. A 72% recovery level was recorded in 2022 compared to 2019. In the year 2023 tourism earnings grew up to Kshs.352.54 billion compared to Kshs. 268.09 billion in 2022 indicating a growth of 31.5% This growth can be attributed to many countries lessening their Covid-19 restrictions, opening up for travel and many initiatives as implemented by the sector and the Government. Some of these initiatives include and not limited to: - development and implementation of New Tourism Strategy for Kenya, 2021-2025; strategic destination marketing campaigns; entry of new domestic airlines and resumption of cruise tourism.

Organizational performance is a basic foundation of strategic change management (Ndiba & Mbugua, 2018). It entails gathering, analyzing, and sharing data regarding a person's output. They made the point that creating a strong commitment process by partners is ultimately a big factor in the methodology transformation. As a result, one gets more responsible and positively committed.

Sang, Komen and Korir (2017) claim that there's a certain amount of progress in all organizations at the moment. Managers, in particular behavioral change, business process design, reinforcement and all consistency improvements are a large part of these initiatives.
According to Sang et al (2017) the main achievement of the company is the management of strategic change, as it offers training to its employees. That will lead to a degree of awareness, as members are carefully instructed within this system in order to perform their tasks. Progress monitoring is a vital tool to help businesses adapt more quickly to consumers' needs, as it provides them with an appropriate structure.

Grace (2018) argues that using persons, processes and technology to gain competitive advantages is an essential element in management of strategic change. Strategic change management process is based on procedures such as showing real working practices in designing systems and achieving outcomes that are user focused.

Tourism is a significant economic sector in Kenya. According to the Kenya Tourism Satellite Account for 2019, the industry contributes 4.2% of national gross fixed capital formation, 5.5% of formal employment in Kenya, and 10.4% of the national economy. The sector plays a crucial role in social and economic stability of the nation's population, with a variety of industries benefiting, including trade, agriculture, construction, manufacturing, and transportation. As seen by recent extensions of big multinational chains and low-cost chains wanting to expand outside of the capital, investors in the hospitality business are finding room for growth in the sector (Nzioka & Njuguna, 2018). It has become crucial that all hospitalityiers design appropriate, acceptable practices that will provide them an advantage given the rapid rate at which the hospitality industry is evolving and the extended challenges they are facing.

Statement of the Problem

During the corona pandemic, the hospitality industry was worst hit by the pandemic, with many hospitalitys having to close down and due to a decrease in occupancy, thus exacerbating the situation. The Ministry of tourism (2020) reported a 22% decrease in tourists arriving in the country in the first quarter, with a 57% decrease in international arrivals as of March 2020. This translates to losses of approximately 67 million visitors and USD 80 million in receipts. With this fluctuating trend of hospitality operational performance, one would want to understand the influence of change management strategies on the fluctuating operational performance of the hospitality industry in Kenya.

Organizations are increasingly embracing the practice of using change management as a strategy in anticipation that it would translate to an improvement in their goals (Kute & Upadhyay, 2014). The Kenyan hospitality industry is facing the challenges of social change, cultural change, competition, economic reform and technological hibernation. Nzuve and Nyaega (2017) argued that implementing effective strategic change management practices is needed in order to overcome these challenges and reverse the downward trend of the Hospitality industry performance. Rick (2016) found that 70% of global change efforts fall short of achieving targeted impact, and 33% of efforts dissatisfy due to managements behavior that impedes change. 39% of efforts failed because of workforce resistance to change, 14% of efforts failed due to lack of sufficient resources or funds, and 14% failed for "other reasons."

Konstantin (2018) investigated the impact of strategic management tactics on performance. The measures of performance were profit margins and customer satisfaction. The study found that communication and leadership change were insignificant in explaining changes in performance. Osege (2018) study examined the influence of change management on organizational performance of Kenya agricultural and livestock research organization. Despite the importance of strategic change management (SCM) practices in performance, there lacks research on the impact of SCM practices on operational performance of hospitality industry. The studies were done in developed economies and focused on sectors other than hospitality industry and therefore conceptual, contextual and methodological knowledge gaps are evident. Therefore, it is alongside this background that the investigation seeks to investigate the effect of change management strategies on operational performance of the hospitality industry Kenya.

Objectives of the Study

General Objective

To determine the influence of change management strategies on operational performance of hospitality industry in Kenya.

The Specific Objectives

a) To examine the influence of organizational learning on operational performance of the hospitality industry in coast counties, Kenya.
b) To find out the influence of staff involvement on operational performance of the hospitality industry in coast counties, Kenya.
c) To establish the influence of resource allocation on operational performance of the hospitality industry in coast counties, Kenya.
d) To examine the influence of communication influences on operational performance of the hospitality industry in coast counties, Kenya.

Research Hypothesis

$H_0$1: There is no significant influence of organizational learning on performance of hospitality industry in coast counties, Kenya.

$H_0$2: There is no significant influence of staff involvement strategy on performance of hospitality industry in coast counties, Kenya.

$H_0$3: There is no significant influence of resource allocation strategy planning on performance of hospitality industry in coast counties, Kenya.

$H_0$4: There is no significant influence of communication strategy on performance of the Hospitality Industry in coast counties, Kenya.

Significance of the Study

This study is highly appealing to a variety of partners with an interest in the hospitality sector in Kenya. Operations managers of the hospitality industry, particularly hospitalitys, will benefit from the findings as they will gain insight into how to enhance their operational performance through strategic change management techniques. This is possible since the managers will examine the firms strategic change management practices decisions and how they effect on firms performance. This will help in designing a governance structure that will optimize both financial and non-financial benefits of a firm.

The research will also contribute towards policy formulation on key role strategic change management practices on operational firms' performance. These policies will provide guidelines on which appropriate policies to be employed on hospitality industry with the aim of improving competitiveness.
It will beneficial to scholars, both current and prospective, as it provides a novel approach to benchmarking to manager their examination endeavors. The research also uncovered gaps by which future scholars may discover for wanting to fill the gaps and adding to the emergent body of knowledge.

Scope of the Study

The study examined the effect of change management strategies on operational performance of hospitality industry in coastal counties, Kenya. The specific change management strategies considered were organizational learning, staff involvement, resource allocation and communication among classified hospitality industry players within the coast region of Kenya.

Limitations of the Study

The findings of the research cannot be generalized in determining the impact of change management strategies on operational performance to other organizations other than the hospitality sector and other counties. This was due to the fact that it is being conducted in Coast region of Kenya. However, the information gathered from the study were useful in assessing the effect of operational level strategies on the hospitality performance.in addition some of the respondents were not willing to fill the questionnaire due to laws governing information sharing by the hospitality, this was mitigated by assurance of privacy of the information by the researcher.

The study was done within limited timelines necessitating for proportionate sampling methods to be used. In this scenario, a representative sample was selected among the population rather than an analysis of the entire population. The researcher used the krejuice formula to select a representative sample to reduce errors in the sample size.

LITERATURE REVIEW

Introduction

This chapter addressed the theories on which the study is anchored, the conceptual framework as well as the past studies in regard to change management and the impact on the operational performance of Hospitality industry.

Theoretical Literature Review

Several theoretical models can be used to support investigation on the influence of change management strategies on performance of hospitality industries. This research study considered three main theories that include communication, dynamic capability and Resource Based View theories. The three theories provided insight into how the firms can use different resources and capability to enhance their performance.

Human Capital Theory

The theory of human capital was developed by Schultz, 1993 and is entrenched from the field of macroeconomic development theory. According to this theory, the characteristics of an individual are linked to its productivity and productive individuals are an asset leading to increased firm performance (Becker, 2009). Singh et al (2008) emphasize that men and women have different human capital, that is, knowledge, skills and experiences, leading to a competitive advantage through diversity. This gender diversity can be found in different educational and work-related experiences as well as in management and risk-taking behaviors thus, one assumption is that team success can be enhanced when different skills, experiences and behaviors are combined.

McCracken (2016) observes that if human capital is managed well, it can increase the likelihood of investment and potentially attract new talent to the organization. Furthermore, organizations with enhanced human capital may improve their corporate reputation by illustrating their commitment to employee-led corporate social responsibility initiatives. This theory was relevant to the study as it explains how an organization can measure the impact of learning initiatives on performance and identifies skill gaps, areas for future improvement through enhancing their organizational learning capabilities towards better performance.

Administrative Management Theory

The theory was developed by Fayol in 1909 and he fostered the scalar idea, which was opposed to the hierarchical structure to control administrative functions. Fayol (1909) goes on to say that extraordinary principles encouraged subordinates to deal with common concerns while managers deal with unfamiliar matters. The era of control concept states that a manager or the supervisor should not have a large number of employees less than the person in question can inspect or pay, while the rule of departmental practice is that connected capacities ought to be isolated into discrete administration units. Fayol in 1949 come up with a more realistic and effective way to build an organization. He stated that an organization strives for clarity of administrative structure, legitimacy, class division, and the transfer of power to different employees depending on their personalities.

This theory supports operational flexibility by demonstrating that the clarity of the line of management contributes to the progression of force and extent of work expected of every person, considering ceaseless observing and extra hierarchical execution with a particular objective. The goal of management theory is to develop a clever plan for setting up the entire organization. Theoretically, it is advised to have a well-organized management structure, a distinct division of labor, and to give managers power and authority in accordance with their responsibilities. The theory is utilized in this study to explain the variable of consultative management.

Resource-Based Theory

Barney's competitive advantage theory was first formulated in 1991 and serves as the foundation for cultivating a competitive firm environment. The theory states that a company's competitive advantage is based on utilization of tangible and intangible company resources in achieving set performance objectives. Barney (1991) argues that human resources, which are technical, financial, organizational and physical, are capable of giving a company sustainable competitive edge especially when those resources are not easily copied or imitated by rival firms. In order for a company to be competitive market wise, its resources must be diverse but have static characteristics. This means having valuable resources that cannot easily be duplicated or replaced. The theory also suggests that a company's resources at disposal contribute to the attainment of competitive edge, while others act as enablers to realize exceptional performance.

The resource-based theory is important for this research study as it highlights that an organization must create values that depend on its available resources as well as distinct capabilities for using those resources. In order to ensure long-term profitability, an organization must ensure that it develops successful business strategies and become competitive in the business environment (Kale et al. 2019). This requires the need to adopt the strategic agilities to improve their capability of the resource sustenance.

The theory was relevant as it informs the study on established that resources and competitive environment within the organization is beneficial for acceleration of performance and achievement of competitive advantage within the firm and at the same time also helps in management of resources effectively. This theory will also aid the study by providing information on the resources that a firm needs to have in order to be able to adjust to the changing environment.

Communication Theory

The theory was first proposed in 1949 by Weaver and Shannon, whose aim was to provide a means by which messages could be received and transmitted effectively through a well-defined channel and to evaluate communications issues. In the theory, communication consists of; sender, the initiator of a message, a means of message transmission, and a receiver. The receiver's mainly objective is message decoding with an aim of understanding its content. A successful and complete communication is one in which the intended receiver understands the message contents and comprehends the intentions of the initiator. Interestingly, communication is considered successful if the receiver entirely comprehends the sent message and reacts in accordance with the wishes of its sender. This is considered accomplished after confirmation of message receipt and comprehension by recipient through a response. Mason (1978) coined the communication model to describe the performance channels of communication.

This research embraces the communication theory in order to comprehend the necessity of communication in the hospitality industry. According to the theory, communication between two parties must be unambiguous and precise, and there must be a distinct communication channel from the sender to the recipient. In addition, there should also be a clear channel of communication the message is routed through from the source to the recipient. The route should be free from noise to guaranteeing that the message is delivered according to plan.

In hospitality settings, there must be a clear way for management and employees to communicate with each other in the event of operational changes. This allows employees to fully adapt to the changes.

Empirical Literature Review

This section provided an overview of previous researches on related topics of discussion. The analysis is necessary for identification of research gaps to provide the study with a sense of purpose. A study by Konstantin (2018) looked at how strategic management tactics affected performance. The performance indicators were profit margins, customer satisfaction, and other performance indicators. The study showed that changes in communication and leadership were not significant in explaining performance changes. The study found that communication and leadership change were insignificant in explaining changes in performance. Kamunge (2017) established that organizational performance had a positive relationship with all the Kenyan hospitality industry in Kenyan coastal counties' strategies for change management and that the change model adopted has a bearing on the achievement of the change process. Mwangi (2017) looked at strategic management drivers in relation to performance in five star hospitalitys in Nairobi. The study concluded that organizations learning driver had a statistical significant effect on performance of Nairobi County's five star hospitalitys.

Organizational Learning and Operational Performance

Gebremichael, *et. al* (2016), examined the interlinkages between organizational learning capacity mediated by technological innovation capability and business performance. The aim of the paper was to bridge the gap through conceptual framework and to validate the hypotheses with survey data collected from Ethiopia's 243 SMME companies. The relationship was scrutinized using SEM (SEM) and PCA (PPCA) methods. The results showed that organizational learning extent with technical innovation capability is conciliatory in terms of the correlation between organizational learning capacity and the efficiency of the organization. It also directly impacts on the company's efficiency. Learning coordination had a strong positive effect on technological and company innovation. The research revealed contextual, analytical and methodological gaps. Contextual gaps include need for a domestic analysis of transitional limited themes. Analytical gaps are identified by the need to shift from the company's personal, social level and use of performance metrics impartially to measure performance. The methodological gaps include the need to use inferential statistics to support valuable assumptions complementing descriptive statistics. The scientific gaps involve exploring more methods of measuring change management.

In their 2015 study, 'Does Corporate Learning Improve Company Success as a Strategic Change Management Tool?' researchers Zhou, Hu and Shi focused on a sample of 287 Chinese listed firms. They found statistically significant positive relationships between the organizational learning dimension and firm success, both in terms of objective financial performance and measure of perceptual innovation. The methodological gaps in the analysis include companies that only have access to secondary information and need to focus on companies that are also able to provide primary information. The need for a local study, as well as the need to include additional change management strategy in the research, often creates contextual as well as analytical gaps. The contextual gaps are filled by studying the performance of 5 star hospitalitys.

Wujiabudula & Zehir (2016) study focused on the impact of organizational learning through product innovation on corporate success. The main goal of the study was to move away from the mediating effects of product innovation on corporate learning and focus on how organizational learning relates to firm performance. In order to conduct this study, 295 mid and senior managers from Turkish manufacturing industries were selected. Data collected was explored using social science statistical tool, SPSS, 22. The results of this study indicated that product innovation had a moderate impact on corporate-corporate learning relationships. The findings of this study may not be applicable in Kenya as it was conducted in Turkey. The study was conducted in Turkish manufacturing firms with a mediation variable. The findings of this study focused on 5-star hospitalitys. The purpose of this study is to fill both contextual gaps identified from this study.

Staff Involvement and Operational Performance

Book et. al., (2019) did a study on "Leadership Satisfaction and Employee Engagement in the Hospitality Industry". Leadership fulfillment has a direct correlation to employee engagement, employee loyalty and retention, according to the research. Employee engagement moderates the link between leader Satisfaction, employee loyalty and intent to Stay. Ismail et al. (2018) examined how employee engagement in Lebanon affected job performance. They wanted to know if creativity was a factor in how well employees did in their jobs. They found that employee engagement had a big impact on job performance, but they also found that creativity was a major factor in how well people did. They used a bootstrapping method to figure out if creativity was the main factor in how well someone did in their job.

A study conducted by Ugwu et al. (2018) examined the link between Participatory Decision Making (PDM) and Hospitality industry Employee Performance. The study examined relationship between PDM and the performance of employees in sampled hospitalitys located in Owerri area of Imo State, Nigeria. The results of the study indicated a positive correlation between Leader behavior and Employee Commitment.

Resource Allocation and Operational Performance

Sitzmann and Bell (2017), examined the impacts of underlying goal pursuit and goal abandonment on resource allocation and task performance. The results of the study indicated that subconsciously achieving goals can lead to improved task performance, while subconsciously under-achieving goals can lead to abandonment of goals, as well as difficult conscious goals that can mitigate these effects. Furthermore, the study found that resources are seen as the resources that can be used to achieve the primary objective of performance and productivity, and that of resource allocation is primarily focused on ensuring resources are allocated in an efficient and effective manner to achieve organization's goals and objectives. Furthermore, the study outcome suggested that in many organizations, production necessitates a limited number of specific resources, and that allocation of these resources to various uses is a primary responsibility of managers, thus emphasizing the importance of equity across all aspects of the organization (Sitzmann & Bell, 2017).

A recent study by Lemarleni (2017) looked at the effects of resource allocation on strategy implementation at the Kenya Police Service (KPS) in Nairobi County. The results showed that there is a positive and negative association between predictor and dependent variables. The strongest positive associations was between organizational culture and strategy followed by finance resource strategy and implementation. The role of resource allocation in organizational performance has always been important. Therefore, it is important to have well-thought-out strategic plans which guarantees that resource allocation was achieved as planned. It is also believed that effective resource allocation will lead to organizational developments that will improve organizations performance (Lemarleni et al., 2017).

Kogan (2017) conducted a study on “Technological Innovation, Resource Allocation and Growth”. The study found that well defined and well allocated resources contribute to efficient organization management. The process of resource allocation requires careful planning as it is difficult at times. It also found that when resource allocation is not well done, it poses a challenge in implementing organization's strategy. The study also found that resource allocation automatically has a direct or indirect impact on productivity and performance. The study concluded that efficient resource allocation is integral in allowing managers to understand employees work, which it easier to allocate tasks to resources based on the skills of employees.

A recent study by Chi & Bump (2018) on resource allocation processes in multilateral organizations working on world health found little influence in recipient countries resource allocation processes, though there is some influence in narrow areas within those processes. Good resource allocation assists managers recognize when employees are undertaking a task and even assigns specific tasks based on their availability. Good resource allocation helps managers in managing employees’ workload. This means that managers can check employees list and conclude who has more tasks and who has less tasks. This will give the employee the motivation they need to improve their performance as they will not feel overworked (Chi & Bump, 2018).

Communication and Operational Performance

Shonubi and Akintaro (2018), evaluated the impact of communicating effectively on corporate performance. Their analysis was based on a collection of empirical experiments on communication and corporate performance. The results showed that effective communication is associated with effective corporate performance. They also concluded that management must leverage productive and efficient organizational performance. Concepts need to be made clear before contact occurs. A better understanding of human and physical conditions during communication is necessary.

In a case study by Kenya Power and Lighting Company (KPLC), South Nyanza, Kenya, Atambo and Momanyi (2016) launched a study on the impacts of internal communication as a tool to change management efficiency. The study aimed primarily at identifying the impact on the output of employees of the KPLC, South Nyanza on downward communication, upward communication and horizontal communication. The study target population was 256 employees, 30 percent of them selected by a stratified random sample from the South Nyanza district. In data collection, questionnaires were used. Results from the study showed that KPLC appreciated downwards contact, while information improved output in due course. It was also thought that through upwards interaction, managers could obtain feedback on progress, and that employees would make grievances to leadership, so increasing their efficiency. Lateral communication was also found to be important because interactions between departments, the formation of teams and the proper coordination of work are possible. The study thus concluded that good communication increased the efficiency of the employees. In addition to coordination and feedback, the study demonstrates methodological gaps in the need to use additional variables for change management when evaluating. The need to boost comparability through the targeting of more entities apart from the case study approach prompted the need to focus on Hospitality industry.

Aregay, (2019) investigated on internal communication impacts on employee performance. The study used a case study of the Ethiopian Ministry of Health to evaluate impacts of internal communication on employee performance. The findings indicated a positive correlation between information reliability and employee performance.

Research Gap

Mwangi, J. N. (2017) explored Strategic Management Drivers and Performance of Five Star Hospitalitys in Nairobi County. The aim of the study was to evaluate the impact of strategic management drivers on five star hospitalitys performance in Nairobi County. The study focused on three strategic management drivers: customer relationship; organization learning; competition and information communication, and found that these drivers had a notable impact on performance of five star hospitalitys in Nairobi. The scope of the study was broad. However, this study will focus on the available change management strategies and their impact on operational performance.

Wanjiku (2022), examined Strategic Change Management Practices and Five Star Hospitalitys performance in Nairobi, Kenya. The main objectives of the study were; to evaluate the impact of Communication, organizational learning, Stakeholder involvement and leadership on performance of Five Star hospitalitys in Nairobi County, Kenya. The results of the study indicated that Communication, organizational learning, Stakeholder involvement and leadership had a positive effect on performance of five-star hospitalitys. The scope of the study was broad and the target audience was limited to five star hospitalitys within Nairobi. This study will look at operational performance in the hospitality industry in four coast counties.

Rotich, N. C., & Deya, J. (2021) Influence of Change Management Practices on Performance of Hospitalitys in Nairobi County, Kenya. The study findings led to conclusions that resource dedication, employee engagement and communication have a significant positive influence on performance levels of Kenyan hospitalitys. The study was domiciled in Nairobi County and looked into performance in general terms. The current study was domiciled in four coast counties and will narrow down on operational performance of the hospitality industry.

Despite having similar goals, the reviewed studies produce contradictory results. This may be due to different operationalization of variables, data collection and analysis techniques, and data sources used for analysis. The studies were done in developed economies and focused on sectors other than hospitality industry and therefore conceptual, contextual and methodological knowledge gaps are evident. The studies present also focused on organizational performance, which is a broader term comprising financial and non-financial/operational performance. This study filled in the gap by examining the influence of change management strategies on operational performance of hospitality industry in four Coast Counties in Kenya.

Conceptual Framework

The conceptual framework for the study was as in figure 2.1 below.

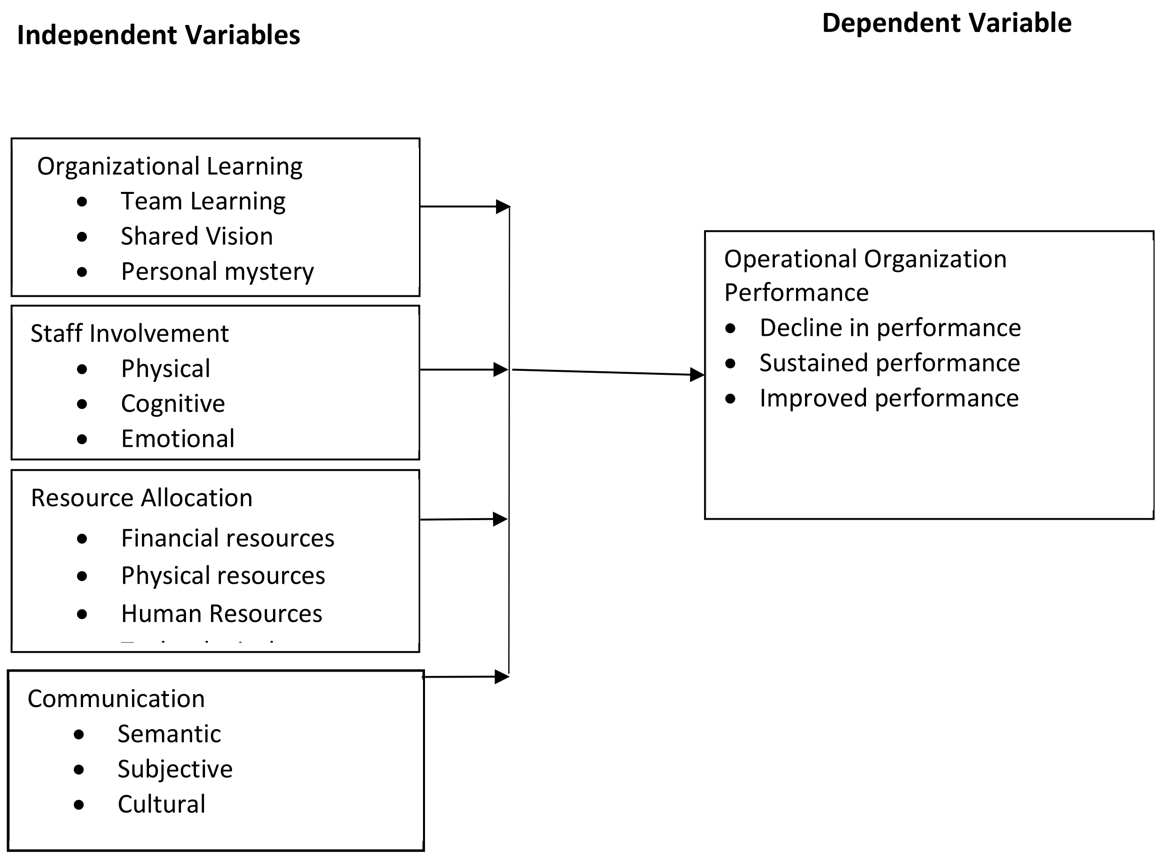

Figure 2.1: Conceptual Framework

RESEARCH METHODOLOGY

Introduction

This chapter contains the research design, sampling process, population, data collection methods, and data analysis.

Research Design

According to Kago et al. (2018), research design refers to procedures used to collect and analyze research variables under a study. In this study, the aim was to analyze impacts of change management on operational performance of hospitality industry in coastal counties in Kenya. According to Kothari (2019) descriptive research design seeks to answer what, how, when and who of a phenomenon. Furthermore, descriptive research design is considered appropriate for the as the primary objectives will to explore the relationship between variables and discuss how the factor supports the issue under-investigation. The descriptive research design allowed collection of data from primary sources so as to facilitate testing of the hypotheses.

Target Population

Mugenda and Mugenda (2010), defined a population as the entire respondents under the study focus, and it can assist the researcher in achieving the goal. All elements within the area of the study that can respond to the study are referred to as the population. The target population for this study comprised the 320 classified of hospitality industry players in Coast Counties as listed in appendix 2.The unit of observation was senior management and owners of hospitality industry players in Coast Counties of Kenya.

Sample Size and Sampling Procedure

The sample size was 175 respondents which was arrived at using Krejcie and Morgan 1970 formula as follows:

n = χ2Np (1-p)/[d^2(N-1) + χ2p(1-p)] ……………………………………… (3.1)

Where: n = the desired sample size

N = Target population

p = Population proportion (assumed to be 0.50 since this would provide the maximum sample size).

D = degree of accuracy shown by the amount of error that can be accepted in fluctuation of a size about the population and corresponds to the significance level with a standard error of the population and corresponds to the significance level with a standard error of the proportional at the corresponding confidence level =5%.

χ 2= The chi square value for one degree of freedom relative at the desired level of confidence (χ2= 3.841 at 95% confidence level)

n = ((3.841*320*0.5(1-0.5))/ [0.052(320-1) + ((3.841*0.5(1-0.5))]

=175

The study further employed proportional allocation method of stratified random sampling technique to calculate the number of players that should be selected at random from each tier group.

Table 3.1

Table 3.1: Sample Distribution of Hospitality Players

Player	Target Population	Sample Size
Hospitalitys	170	55
Night Club	50	40
Spa and Wellness	40	35
Restaurant and Bar	40	35
Events Management	20	12
Total	**320**	**175**

Data Collection Instrument and Methods

The primary data collection tool employed for this study was structured questionnaire. Structured questions helped in reduce data collection time and resources. Questionnaires were sent via google form to respondents through mails via the internet platform. Questionnaires were considered as appropriate as they are cost-effective and quick means of retrieving the data from the participants (Snyder 2019). The online google form questionnaire is capable of reaching a large base of respondents from various demographics backgrounds.

Measurement of Variables

Operational performance is the efficiency and effectiveness of a company's daily operations to meet its business goals and objectives. Operational performance was measured by customer satisfaction level, cost efficiency of operations, competitive edge of the firm and the quality of services being offered. Organizational learning was measured on team learning within the firms, shared vision and personal mystery of employees whereas staff involvement was measured by how they are physically, cognitive and emotional involved in the affairs of the organization. Resource allocation variable was measured on four parameters; financial, physical, human and technological resources while communication was measured through sematic, subjective and cultural parameters.

Pilot Test Study

According to Kultar (2017), a pilot study, sometimes referred to as pre-test or pilot test, is a small-scale exploratory study designed to measure time, cost, and feasibility to refine the design of a specific study before conducting a full-scale study or a single study. Piloting was to test the reliability and validity of the data collection tool. The pre-test sample consisted of 18 respondents (10% of the total sample size). Pilot study results was not incorporated into the main study. Furthermore, respondents included in the pilot study were excluded from the final study.

Validity of Research instrument

Validity was tested by employing face validity and content validity to ensure correctness of the questionnaire. Content validity is the extent to which the items used to represent a construct give a representative sample of the construct population (Walliman, 2017). Face and content validity for the current research was determined by experts and researcher's supervisor (Bhattacherjee, 2012). Construct validity is be determined by considering the relationship of the measure under evaluation with related variables that are related to the construct being quantified by the research tool. The test was carried out using confirmatory factor analysis (CFA) on all the variables as recommended by Rahn (2014).

Reliability of the Research Instrument

Reliability is the measure for consistency of a research instrument (Kimaku, 2021). Concerns on reliability are basically the breadth to which reliable research instrument outcomes are obtained after multiple testing. Tests were performed to verify the reliability of the testing instruments. Kothari (2011) suggests, in other words, that any extraordinary findings must not only be a once-instances finding and should also be entirely repeatable, behind the reliability of research instrumentation. The analysis tested the instrument's internal accuracy status. The research utilizes the Alpha Reliability Test of Cronbach to achieve this. Gliems and Gliem (2003) notes that in the circumstances of social science research a reliability coefficient of more than 0.70, which was used as the explanation for the reliability or not of the research instrument.

Table 3.2: Overall Reliability Coefficients (Cronbach Alpha) of the Variables

S/No.	Variable	No. of Items	Cronbach Alpha Value	Remarks
1	Organizational learning parameters	9	0.915	Excellent
2	Staff involvement	8	0.825	Very Good
3	Resource Allocation	13	0.904	Excellent
4	Communication	8	0.854	Very Good
	Dependent Variable			
5	Performance of hospitality industry	7	0.869	
	AVERAGE	**9**	**0.858**	**Very Good**

The questionnaire's reliability was evaluated using Cronbach's Alpha, resulting in a score of 0.858. This score indicates high reliability for the research instrument utilized in this study. According to George and Mallery (as cited in Kimaku 2019, Omwenga 2019, & Nzulwa 2019), such a value is considered considerably good. They also pointed out that reliability levels above 0.9 are classified as excellent, those around 0.8 are deemed very good, and values around 0.7 are rated as good.

Data Analysis and Presentation

Data analysis was carried out to determine the relationship between variables under investigations. Descriptive and inferential statistics was employed in this study. Descriptive statistics implies that mean scores, standard deviation, frequency distribution was used to describe the characteristics of key variables. Ordinal logistic regression was used to determine the nature and extent of relationship between change management and operational performance of Hospitality industry. Ordinal logistic regression was preferred given that variables were captured on an ordered scale that yielded non-continuous data set. More specifically the dependent variable had three possible outcomes namely decline in performance, performance maintained and improved performance. The independent variables were captured on a five Likert scale rating. With ordinal data set the multivariate linear regression was not appropriate, therefore ordinal logistic regression was adopted. Norusis, M, (2012) states that logit regression models are simple and effective method to capture the effects of some explanatory variables on categorical response variable and more specifically ordinal logistic regression is applied where there is a natural ordering of response categories, which is the case in this study.

The general form of the ordinal logit regression model is given as

$$Logit[P\left(Y \leq \frac{j}{\times}\right)] = a_j + \beta_i X_i$$

Where

$Logit[P\left(Y \leq \frac{j}{\times}\right)]$ = The log of a probability that Y (response variable which is ordered variable) has a value greater than the lower values given X (predictor variable) is modeled. In other words what is the change in odds in Y for each unit change in X.

a_j = Constant

β_i, = Coefficients of estimates of the predictor variables

X_1= Strategic Communication

X_2= Strategic staff involvement.

X_3= Strategic resource allocation

X_4= Organizational learning

DATA ANALYSIS, FINDINGS AND DISCUSSIONS

Introduction

This chapter presents the data analysis alongside findings and the corresponding discussions. Data analysis comprised both descriptive and inferential statistics. Descriptive statistics, mainly frequency distribution and percentages, were used, along with inferential statistics mainly ordinal logistic regression. The primary aim of the study was to explore the relationship between change management strategies and operational performance within the hospitality industry in the study area. One hundred and seventy-five questionnaires were shared online via google form with management employees of hospitality industries in the study area. 153 questionnaires were returned filled to satisfactory levels, resulting in a response rate of 87.7%. According to Mugenda and Mugenda (2013), achieving a response rate of 50% indicates a sufficient level for proceeding with research, while rates above 70% are considered excellent. With an 87.7% response rate,

Descriptive Analysis

Descriptive analysis involves the application of descriptive statistics to describe the key features of the sample and variables of the study. This will ensure the key trends and relevant information is captured. Data under consideration were mainly ordinal and categorical in nature therefore frequency distributions/ counts and percentages were the ideal descriptive statistics employed. Descriptive analysis will comprise of two sections mainly background information of the sample and second section will capture key variables of the study respectively.

Background Information

The key features examined are mainly characteristics of the respondents and features of the hospitality players in the study area as captured in table 4.2

Table 4.1: Background Information

Characteristics	Frequency	Percent
(a) Leadership Position		
Top Level Management	33	21.6
Middle Level Management	50	32.4
Supervisory Level	70	45.9
(b) Length of Service in the Organization		
Less than 5 years	42	27.7
6-10 years	89	58.3
Above 10 years	22	14.0
(c) Organization's Type of Ownership		
Owner managed	60	39.2
Private Ltd	70	45.8
Government owned	23	15.0
(d) Firm Size (Employees)		
Less than 5	52	33.9
5-10 Employees	71	46.4
More than 10 Employees	30	19.6
n=153		

From table 4.2, most (45.9%) respondents were Supervisory Level, 32.4% were Middle Level Management and 21.6% were Top Level management. These results are evidence of varied level leadership in the organizations. All of them had some skills through work that likely placed them in the position they were in their respective companies. Such respondents were therefore best to provide information on change management strategies and operational performance of hospitality industries (Omolo, 2018). It can be observed that (58.3%) of the study's respondents had served in the companies for 6-10 years , 27.72% had been in employment for less than 5 years and 14% had over 10 years of experience. This showed the chosen respondents had been employed by their respective companies for varied periods of time. Many had however served for 6-10 years, meaning respondents used had been employees of the organizations for long enough to be able to give critical information on the subject. From the data, 39.2% of the respondents were Sole proprietors, 45.8% were from private ltd, whereas 15.0% of the respondents were from Government owned organizations. 46% of the firms had 5-10 permanent employees. These employees work in key areas of the organization and are usually at supervisory and management levels.

Descriptive analysis for the Key Variables of the study

The independent variables of the study were the change management strategies. In this study four change management strategies were considered mainly organizational learning, strategic staff involvement, strategic resource allocation and communication as indicated in chapter three. For each variable the respondents were required to rate a number of items. These items or rather indicators were summed and transformed to yield a composite variable. The outcome variable was perceived organizational performance and was captured in a ordered scale of 1-3, where 1= Decline in performance, 2= Maintained performance and 3= Improved performance

Table 3.2: Descriptive Statistics of key Variables

Variable	SD	D	N	A	SA
Organizational learning (9)	19(12)	24(16)	16(10)	42(27)	50(32)
Staff Involvement (8)	36(24)	18(12)	47(31)	20(13)	12(8)
Strategic resource allocation (13)	20(13)	23(15)	13(9)	38(26)	19(12)
Strategic communication (8)	21(14)	27(18)	10(6)	31(20)	64(42)
Perceived Performance	1= 37(24)	2=41(27)	3=71(46)		
n=153					

Summary statistics computed and displayed in table 4.2 above for the composite variables indicates a skewed distribution towards agree and strongly agree for three variables namely organizational learning, strategic resource allocation and strategic communication. On the other hand 46% reported improved organizational performance arising from the implementation of change management strategies.

Inferential Analysis

Inferential analysis is carried to find relationships between the response variable and the given set of predictor variables. To carry out this there should be a set of hypothesis set at the beginning of the study, our case we have hypothesis in chapter one. It was hypothesized that there is no relationship between the four change management strategies and perceived performance of hospitality firms within the coast region. Ordinal logit regression analysis was conducted to test the hypothesized relationship. Before carrying out the ordinal logit regression, it was important to ensure the data used was fit or suitable for logit regression analysis. To do this the data was passed through rigorous testing to ensure that the various relevant assumptions necessary for conducting ordinal logit regression were met.

Normality Tests

Since it was important to ensure the data used was fit or suitable for the multinomial discriminant or logit analysis, the data was tested for normality. The initial test for normality of the data revealed that there was a significant deviation of the distribution from the standard normal distribution as shown in the test results below (*K-S (df)* $p<0.05$). at the level of recorded p-value for the K-S statistic, it is obvious that the data is significantly different from a normal distribution data.

Table 4.3: One-Sample Kolmogorov-Smirnov Test

		Overall Performance
N		153
Normal Parameters[a,b]	Mean	1.48
	Std. Deviation	.501
Most Extreme Differences	Absolute	.352
	Positive	.352
	Negative	-.329
Kolmogorov-Smirnov Z		4.358
Asymp. Sig. (2-tailed)		.000

a. Test distribution is Normal.

b. Calculated from data.

To ensure that the data was fit for the analysis, the data was standardized using the log transform to base 10 (Lee, 2022). After data normalization, the data passed the normality test as indicated by the Kolmogorov-Smirnov statistic in the table below (K-S (df) $p>0.05$). the choice of K-S test statistic over ShapiroWilk is supported by a number of references which indicate that K-S is superior where the sample size is greater than 50 while Shapiro-Wilk test statistic is superior where sample size $n<50$ (Khatun, 2021; Young & Berdine, 2021). Moreover, according to Young and Berdine (2021), the Kolmogorov-Smirnov test is a commonly utilized non-parametric method for comparing two samples. It can also measure the discrepancy between the empirical distribution function of a sample and the cumulative distribution function of a standard reference distribution.

Testing for Equality of Group Means

Tests were also conducted to assess the equality of group means, aiming to determine if there were significant differences among variable means. Wilks' Lambda statistics yielded p-values that varied around the 0.05 threshold for each variable mean. Specifically, three variables showed p-values less than 0.05, indicating significant differences among group means, namely the organizational earning ($F = 4.147$; $p = 0.046$), staff involvement, and resource allocation. Conversely, the variable X_5 did not exhibit statistically significant differences (Wilks' Lambda = 0.983; $F = 1.171$; $p = 0.053$).
Additionally, all the other variables showed statistically significant differences ($F = 4.349$; $p = 0.041$). Across all six variables, Wilks' Lambda statistics were close to 1, suggesting that some groups were not well separated while others were distinct. The varying significance values further indicated that differences among the groups were statistically significant for X_1, X_2, X_3, , whereas

X4 is not significant.

Table 4.4: Tests of Equality of Group Means

	Wilks' Lambda	F	df1	df2	Sig.
X_1	.943	4.147	1	68	.046
X_2	.975	1.731	1	68	.013
X_3	.940	4.349	1	68	.041
X_4	.973	1.872	1	68	.053
Performance	.852	11.769	1	68	.001

Based on the table testing equality of group means for the data, it is evident that three out of the four predictor variables have p-values less than 0.05, while the remaining three have values greater than 0.05. This indicates that all variables, except one X_4, may be deemed significant determinants within the model for Kenyan coastal hospitality firms' data. Therefore, X_1, X_2, X_3, appear to be significant factors influencing the performance of hospitality firms within the coastal region of Kenya.

Evaluating Correlation Matrices

The aim was to test for multi collinearly, this was carried out by performing correlation among the key variables and results captured in the correlation matrix primarily focusing on various organization performance areas including staff involvement, resource allocation, and communication. The results, presented in the table below, highlight significant findings: There is a strong positive correlation (0.947) between the organization performance variables of staff involvement, resource allocation, and communication. This indicates that these three variables contribute similar information to the model. Variables with high correlations like these may redundantly contribute to the model's explanation. In contrast, the correlation between some variables was relatively low. This suggests that these factors independently contribute differently to the model, providing unique information. Variable X_4 also showed a consistent positive correlation with every other variable tested except that the correlations were very low. Such correlations provide insights into how variables interact within the model. Variables with low or negative correlations can offer distinct explanatory power, potentially enhancing the discriminant analysis by providing diverse perspectives on the company's decision-making factors.

Comparing Means for Classification

In the current dataset, tests were conducted to compare group means, essentially examining whether there are significant differences among these means. Wilks' Lambda statistics were employed for this purpose, generating *p*-values that varied in relation to 0.05 for each variable mean. Specifically, three variables had p-values less than 0.05, indicating significant differences in their group means, while the remaining three had p-values greater than 0.05, suggesting no significant differences. Beginning with the variable X_1 (Staff involvement), there was sufficient evidence of significant differences among the group means ($F = 4.147$; $p = 0.046$). Similar conclusions were drawn for two other variables, X_2 and X_3. Conversely, the analysis of Organizational learning parameters did not indicate statistically significant differences (Wilks' Lambda = 0.9835; $F = 1.171$; $p = 0.053$). For Resource Allocation, there was evidence of statistically significant differences among group means ($F = 4.349$; $p = 0.041$). Details are provided in the accompanying table. Similar conclusions are made for communication and Performance of hospitality industry in Kenyan coastal counties.

Across all four variables, Wilks' Lambda statistic approached 1, indicating that some groups are well separated while others are less so. The varying significance values suggest that differences among groups are statistically significant for X_1, X_2, X_3, and, whereas they are not significant for X_4.

$\mu = \{((10*1) + (25*2))/35\}$

$= 1.7142857142$

≈ 1.7143

The table below provides the results for group means comparison

Table 4.5: Group Means for predictor variables

		X_1	X_2	X_3	X_4
Correlation	X_1	1.000	.947	.734	.014
	X_2	.947	1.000	.078	-.001
	X_3	.734	.078	1.000	-.007
	X_4	.014	-.001	-.007	1.000

The variables included Staff involvement, Resource Allocation, Communication, and Organizational Learning,

Covariance Matrix

When conducting a critical analysis of the covariance matrices for the data, the outcomes are presented in the Box's M table below.

Table 4.6: Covariance Matrices Test of Significance

Box's M		1.036E3
F	Approx.	93.350
	df1	10
	df2	4.068E3
	Sig.	.000

Tests null hypothesis of equal population covariance matrices.

The log determinant results indicate specific values: "*Qualified*" has a log determinant of 4.87, the "*Unqualified*" category has -2.9555 with a rank of 5, and the pooled within-groups category shows a log determinant of 5.191, also with a rank of 5. These significantly varied log determinant values justify the conclusion that the assumption of equality of covariance matrices is not met by the sample data, reflecting the diverse behaviour of variables within the function.

Table 4.7: MDA Log Determinants for the Data

Performance Classification	Rank	Log Determinant
Qualified	5	4.870
Unqualified	5	-2.955
Pooled within-groups	5	5.191

The ranks and natural logarithms of determinants printed are those of the group covariance matrices.

The failure to meet the assumption of equal covariance matrices' adequacy may undermine the reliability of the Discriminant Analysis results. However, it suffices to examine the equation's characteristics.

Ordinal Logistic Regression

The clear inadequacy of the data that is not meeting all the assumptions, an ordinal logit regression analysis was undertaken. This entailed a structured logistic regression was undertaken using IBM SPSS. This, an ordinal logistic regression analysis was undertaken to explore and determine how each the four predictor variables, influences the companies' overall organization performance individually.

Model Fitting Information

The ordinal logistic regression analysis compares a full model including independent variables to a reduced model containing only an intercept, employing a complimentary log-log link function.

Table 4.8 shows that the -2 log likelihood (-2LL) for the intercept-only model is 1414.706, whereas for the model with both intercept and independent variables, it is 0.001. The difference in -2LL between these models (Chi-square statistic) is 1414.706 - 400.674 = 1014.032, which is statistically significant (X (20) = 1014.032; *p=.029*). Consequently, these results lead to the conclusion that there exists a significant association between the dependent variable and the independent variable(s) when utilizing the complimentary log-log link function in the regression model.

Table 4.8: Model Fitting

Model Fitting Information

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	1414.706			
Final	400.674	1014.032	20	.029

Link function: Logit.

4.4.2 Goodness-of-Fit

Despite its common use in statistics for measuring the strength of linear relationships between variables, the *Pearson correlation coefficient* works alongside *Deviance,* which serves as a likelihood-ratio test within full maximum likelihood estimation, to evaluate the goodness-of-fit of a model to the data. Larger deviance values typically indicate poorer model fit, and these are often compared across different models fitted to the same dataset.

The difference between deviances follows a chi-square distribution in large samples, with degrees of freedom determined by the difference in the number of estimated parameters between the models. The null hypothesis posits that the observed data align well with the model's predictions. In this scenario, since the p-value is not significant ($p = 0.994 > 0.05$), the decision is to uphold the null hypothesis. Thus, one concludes that the observed data are in agreement with the values predicted by the fitted model.

Table 4.9: Goodness-of-Fit table

Goodness-of-Fit

	Chi-Square	df	Sig.
Pearson	31.263	35	.649
Deviance	17.555	35	.994

Link function: Logit.

Pseudo R-Square

While Cox & Snell's pseudo R-squared in the table below does not attain its maximum value of 1, 0.908 is still a high value since it implies a prediction ability of about 91% since the full model predicts the outcome with a likelihood value of 0.908. Nagelkerke's pseudo R-squared achieves a perfect prediction of the outcome with a likelihood of R-squared = 1. Similarly, McFadden's likelihood ratio suggests that the model also predicted the outcome perfectly, given the likelihood ratio of 1.

Table 4.10: Pseudo R-Square Table

Pseudo R-Square

Cox and Snell	.908
Nagelkerke	1.000
McFadden	1.000

Link function: Logit.

Parameter Estimates

Three factors as indicated in Table 4.11., were found to have a significant impact on the overall performance of hospitality businesses within the coastal regions of Kenya. These factors include X_2 (*p=0.012 <0.05*), X_3 (*p=0.026 <0.05*), and X_1 (*p=0.023 <0.05*). The variable X_4 was found to be redundant hence its effect could not be determined conclusively.

Table 4.11: Parameter Estimates Table

Parameter Estimates

		Estimate	Std. Error	Wald	df	Sig.	95% Confidence Interval	
							Lower Bound	Upper Bound
	[OP = 1]	21.258	4543.545	.000	1	.996	-8883.927	8926.443
Threshold	[OP = 2]	38.441	5064.980	.000	1	.994	-9888.738	9965.620
	[OP = 3]	42.851	5064.981	.000	1	.993	-9884.329	9970.031
	X2	2.064	.691	2.369	1	.012	-2.418	.291
	[X3=3]	3.611	3.317	1.185	1	.026	-2.891	10.114
Location	[X4=4]	0[a]	.	.	0	.	.	.
	[X1=1]	2.442	2.094	1.361	1	.023	-1.661	6.545

Link function: Logit.

a. This parameter is set to zero because it is redundant.

Test of Parallel Lines

The adequacy of the model is assessed using the Test of Parallel Lines, which examines the consistency of slope coefficients across response categories. Under the null hypothesis of the test, these coefficients are assumed to be identical across the various categories. The non-significant p-value of 1.000, surpasses the test value of 0.05, and indicates no significant variation in slope coefficients among the response categories. Therefore, the assumption of parallel lines in the model using the Complementary Log-Log link function is supported and upheld.

Table 4.12: Test of Parallel Lines Table

Test of Parallel Lines[a]

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Null Hypothesis	1400.674			
General	.000[b]	1400.674	2720	1.000

The null hypothesis states that the location parameters (slope coefficients) are the same across response categories.

a. Link function: Logit.

b. The log-likelihood value is practically zero. There may be a complete separation in the data. The maximum likelihood estimates do not exist.

The tables above show the nature of the logit model when all the variables are included. The tests of assumptions have provided evidence justifying the use of ordinal logit regression analysis from the data set

Discussion

The overall objective of the study was to find out the influence of four strategic change management strategies on organizational performance among hospitality firms within four selected counties in the coast region of Kenya. The study was conducted a few years after the covid pandemic. The study was motivated by fact that hospitality firms were undertaking reorganization in order to revitalize their activities so as to recover from the devastating effects of near collapse due to covid pandemic. Of importance in this study were the influence of organizational learning, staff involvement, resource allocation and strategic communication.

Although a number of studies reviewed may have suggested that learning organization may have a positive influence on organizational performance, this study does not. A number of reasons have been suggested for such an outcome, for instance Masudi and Javan (2005) for instance observed that organizational learning takes time to bring the desired change for a variety of reasons. One major reason is employee turnover, such a scenario implies that employees that may have under gone some training leave the organization thus necessitating training of new employees. Employee turnover distorts organizational culture that has been found to anchor organizational culture as expounded Cook and Yanow (2011). It has been observed that employee turnover in hospitality industry is significantly higher compared to other industries (Hoston ans Mushi, 2018).

Staff Involvement was found to influence organizational performance. Staff involvement is a critical element in the hospitality industry. As earlier observed, staff involvement is a clear indicator of leadership that is participatory rather that dictatorial one as pointed out by Book et al (2018). Participatory leadership boosts employee desire to give their best as they feel part and parcel of the decision making process. Kukoyi and Iwuagu (2015) pointed thatin hospitality industry, customers come into direct contact with customers since the hospitality industry is a service industry thus customer fulfilment is vital for service delivery and organizational performance.

The study findings showed that strategic communication had a significant influence on organizational performance. This finding agrees with Shinobu and Akintaro (2018), who opined that communicating effectively leads to effective organizational performance in the sense that effective communication ensures clarity of business objectives passed down from top management. Whereas Atambo and Momanyi (2016) posited that downward communication of strategic decision and feedback communication upwards promotes sustained performance of an organization and that strategic communication is a two way process. Falkheimer (2014), similarly agrees that strategic communication is a vital foundational tool for organizational development.

Closely linked to staff involvement is resource strategic allocation. Ansloff (1965) as cited in Maritan et al (2017) argues that resource allocation is a vital element in a strategic plan. An organization requires financial, physical, capital human resources for its existence. Ahuja (2017) emphatically pointed out that an organization that is well resourced and more specifically that one with research and development resources develops a competitive edge over its competitors. In Kenya hospitality industry has built resilient resources over time this includes trained hospitality human power, first class facilities(Wandago et al, 2010)

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Introduction

This chapter gives a summary of the main findings, conclusions deduced from the results shown and gives recommendations. The conclusions and recommendations given took on addressing the study's objective. The statistical analysis comprised four main steps:

(a) Data pre-processing: Mainly This phase involved preparing and cleaning the data to guarantee suitability for analysis. The structured questionnaire provided pre-coded data that was transferable to an excel sheet, which was then uploaded to SPSS where data cleaning was performed to ensure proper data capture and responses by respondents.

(b) Data reduction and subsequently transformation. The independent variables were latent in nature and several dimensions were considered as captured in the questionnaire. This necessitated data reduction and subsequently transformation to log form.

(c) Multiple Discriminant Analysis (MDA): This was performed to help evaluate internal integrity of the data and its suitability for Logit Regression through assessment of linear combinations of variables that best discriminate between categories.

(d) Logistic Regression Analysis: Logistic regression was utilised to model the probability of the predictors pushing the outcome of the main variable (firm performance) to the next category of the outcome.

Comparison of results: After performing MDA and Logit Regression, the results from both analyses were compared. These four stages cooperatively formed an organised approach to analyse and deduce from the data, to provide insights into the factors that influence performance of hospitality firms within the study area which was classified as either decline in performance, maintained performance or improved performance.

Summary of Findings

The Influence of Organizational Learning on Operational Performance of the Hospitality Firms

This variable was found to be redundant and thus its effect on performance based on the data was not clear ($\beta=0$, p-value not computed).

The Influence of Staff Involvement on Operational Performance of the Hospitality Firms

The findings indicate a significant positive relationship between staff involvement and industry performance ($\beta=2.442$, $p=0.023$). This suggests that the degree to which staff members are engaged and actively participate in the operations of hospitality establishments plays a crucial role in determining their overall performance. Moreover, the outcomes suggest that staff involvement not only affects operational metrics but also has a positive influence on financial well-being within the industry. Specifically, for every unit increase in staff involvement, there is an associated rise of 2.442 units in the performance of hospitality establishments in Kenyan coastal counties.

These results highlight the importance of fostering a culture of staff involvement and engagement within the hospitality sector in Kenya's coastal regions. By empowering and involving employees in decision-making processes, organizations can enhance both their operational efficiency and financial outcomes. Furthermore, investing in initiatives that promote staff involvement can lead to a more motivated and committed workforce, ultimately contributing to the industry's overall success and sustainability. The findings offer actionable insights for hospitality managers and policymakers aiming to optimize performance and drive growth in the Kenyan coastal hospitality sector.

The influence of resource allocation on operational performance of the hospitality Firms

The study indicates a significant positive correlation between resource allocation and industry performance (β=2.064, p=0.012). This suggests that how resources are allocated within hospitality establishments directly influences their operational effectiveness and overall performance. Furthermore, the findings reveal that decision-making processes regarding investment have a favourable impact on industry performance in these coastal regions. This implies that effective investment decision-making procedures contribute positively to the performance of hospitality establishments in Kenyan coastal counties. A unit increase in resource allocation causes an increase in performance by 2.064.

These results underscore the critical importance of strategic resource allocation and investment decision-making within the hospitality sector in Kenya's coastal counties. By prioritizing efficient allocation of resources and implementing sound investment strategies, organizations can enhance their operational efficiency and overall performance. Moreover, these findings provide actionable insights for hospitality managers and policymakers seeking to optimize performance and foster sustainable growth in the Kenyan coastal hospitality industry. Investing in robust decision-making processes surrounding resource allocation can lead to significant improvements in industry performance, ultimately contributing to its long-term success and competitiveness in the region.

The influence of communication on operational performance of the hospitality Firms

The research reveals a significant positive relationship between communication methods and industry performance (β=3.611, p=0.026). This indicates that effective communication within hospitality establishments plays a crucial role in improving operational efficiency and overall performance. Furthermore, the findings suggest that increasing communication by one unit correlates with 3.611 units increase in hospitality industry performance in Kenya's coastal counties. These results highlight the importance of nurturing effective communication cultures within Kenya's coastal hospitality sector. By emphasizing communication strategies that facilitate sharing information, collaboration, and coordination among staff and stakeholders, organizations can enhance operational outcomes and overall performance. Moreover, understanding the connection between performance and communication underscores the need to align communication efforts with broader strategic goals. This understanding can assist hospitality managers in implementing communication practices that not only enhance daily operations but also contribute to the long-term success and competitiveness of their establishments in Kenya's coastal hospitality industry.

Ordinal Logistic Regression Model

The regression model had three options comprising option 1, 2, and 3. A firm could be classified as Declining performance (1), Maintained performance (2), or Improved performance (3).
In the Logit model, companies that have overall performance scores of 21.258 or less would be classified as declining in performance. Companies with performance scores of 38.441 or less but more than 21.258 would be classified as those with maintained performance. Companies with performance scores between 38.441 and 42.851 would be classified as improved in performance. The effect of the independent variable parameters have been explained above in their respective subheadings.

Conclusion

The extensive study on the operational performance of the hospitality industry in Kenya's coastal counties has provided valuable insights. The research reveals significant positive relationship between various factors and industry performance, emphasizing their crucial roles in enhancing operational efficiency and overall success. Specifically, the findings highlight the importance of involving staff effectively, and fostering a culture of communication within hospitality establishments. Additionally, strategic resource allocation and investment decision-making are identified as critical factors influencing industry performance, underscoring the importance of sound management practices. Organization learning did not have conclusive effect on performance as the variable was found to be redundant.

These insights offer actionable guidance for hospitality managers and policymakers seeking to optimize performance and promote sustainable growth in Kenya's coastal hospitality sector. By implementing these findings, stakeholders can enhance the sector's long-term competitiveness and ensure its continued success.

Moreover, the study's findings underscore the interconnected nature of these factors, suggesting that advancements in one area can positively impact others, resulting in cumulative advantages for the industry. For example, investing in organizational learning initiatives not only boosts operational performance but also facilitates effective communication and staff engagement. Likewise, strategic resource allocation allows organizations to efficiently distribute resources, leading to improved operational results and promoting a culture of continual improvement. By acknowledging and capitalizing on these interdependencies, hospitality establishments in Kenya's coastal counties can strengthen their resilience and competitive edge in a dynamic market environment. Overall, the study establishes a robust framework for informed decision-making and strategic planning within the hospitality sector, paving the way for sustainable growth and prosperity in the region.

Recommendations

Based on the findings and conclusions drawn from the study, several recommendations emerge for the management of hospitality industries in Kenya's coastal counties:
1. Proactive Management Approach: Management should shift from reactive to proactive strategies in response to organisational changes. Anticipating changes allows for the adoption of pre-emptive

strategies that can mitigate potential negative impacts on operations and overall performance. Successful companies typically demonstrate timely responsiveness to changes.

2. Involvement of Employees in Strategy Making: It is recommended that management involve employees more comprehensively in the strategy-making process. Employees often resist changes that are not clearly communicated or for which they are not adequately prepared psychologically. Involving them fosters greater acceptance and support for implemented strategies, thereby enhancing their success.

3. Strategic Management Practices: Management should adopt a strategic approach that encompasses all key factors influencing the relationship between strategic change management practices and firm performance. This holistic approach ensures that changes are effectively integrated into the organization's operations and culture.

4. Resource Allocation: Given the pivotal role of resource management in strategic change practices, there is a critical need for effective allocation of essential resources to support quality improvement initiatives. Proper allocation ensures that resources are optimally utilized to achieve desired outcomes.

5. Continuous Improvement: Emphasising continuous improvement aligned with organizational objectives is crucial. Continuous improvement efforts should be directed towards enhancing profitability, increasing market share, and improving customer satisfaction. This ensures ongoing adaptation and competitiveness in the hospitality industry.

Implementing these recommendations can empower hospitality industry managers in Kenya's coastal regions to navigate challenges effectively, enhance organizational resilience, and foster sustainable growth and success in a competitive market environment.

Suggestions for Further Research

Based on the insightful findings and actionable recommendations provided by the study on the operational performance of the hospitality industry in Kenya's coastal counties, there are several avenues for further research:

Future research studies should aim to explore methodologies and approaches for integrating and quantifying non-financial factors more explicitly within predictive modelling frameworks, with the goal of standardizing these models. Currently, the incorporation of non-financial factors in the models is not well-defined and requires further development.

Additionally, this study can serve as a foundation for future research endeavours that compare various financial distress prediction models. The objective would be to identify the most effective combination of models for predicting financial distress among publicly listed firms. The findings suggest that the Logit model exhibited higher accuracy compared to the MDA model in this context. Future studies should validate this observation and potentially explore additional models to provide a comprehensive comparative analysis.

By advancing research in these areas, future studies can contribute to refining predictive modelling techniques, enhancing the reliability of financial distress predictions, and ultimately supporting better decision-making processes for stakeholders in the hospitality industry and beyond.

Future studies can also explore the effects of sustainability practices and performance and how integration of such practices would affect the model. Future effort should also investigate how integrating sustainability into business operations can enhance brand reputation, attract environmentally conscious consumers, and drive financial performance. Lastly, future studies should increase investigation of the impact of organizational learning as the current study did not have conclusive report on its impact on performance.

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