



## STRATEGIC AGILITY AND ORGANIZATIONAL PERFORMANCE OF FIVE-STAR HOTELS IN NAIROBI CITY COUNTY, KENYA

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### ABSTRACT

The hospitality industry, particularly hotels, face increasing uncertainty due to challenges such as terrorism, travel advisories, and canceled flights. To maintain a competitive edge and enhance performance, hotels must develop strong strategic agility. Even before COVID-19, the sector struggled with issues like low employee commitment, high turnover rates, and fluctuating performance levels. The pandemic further disrupted operations, exacerbated turnover, and led to significant financial losses, resulting in the closure of several prominent hotels in Kenya. This study examines the impact of strategic agility on the organizational performance of five-star hotels in Nairobi City County, Kenya, focusing on key dimensions: resource agility, operational agility. A descriptive survey design was employed to facilitate data collection. The target population consisted of 12 five-star hotels in Nairobi, as licensed by the Tourism Regulatory Authority (TRA). The study specifically engaged senior- and middle-level managers across departments such as administration, human resources, IT, marketing, and finance, selecting 120 respondents from these establishments through purposive sampling ensuring that participants had relevant expertise regarding the study's themes. Primary data was gathered through structured questionnaires, utilizing a five-point Likert scale to capture responses. The study applied descriptive statistics including frequency distributions, percentages, tables, and pie charts to analyze and summarize findings, as well as inferential statistics, such as correlation and regression analysis, to explore relationships between the study variables. Visualization tools such as graphs and pie charts were used for clear comparisons. To ensure the validity and reliability of research instruments, a pilot study was conducted using 10% of the population sample. The descriptive results revealed a strong positive relationship between strategic agility and the performance of five-star hotels. Correlation analysis confirmed a significant positive link between the independent variables and organizational performance, while inferential analysis demonstrated a statistically significant connection between leadership styles and hotel performance. Based on R-squared values, the model accounted for 69.3% of variations in the dependent variable, and regression results indicated that an increase in any independent variable would lead to improved hotel performance.

**Key Words:** Strategic Agility, Organizational Performance, Five-Star Hotels, Resource Agility, Operational Agility

### **Background of the Study**

In a rapidly changing world that is influenced by political, economic, socio-cultural, technological, environmental factors that impact organizations and individuals, the disruptions can be gradual or sudden (Gutiérrez-Martínez & Duhamel, 2019). An example is during the COVID-19 pandemic which has stirred huge disruptions across the world resulting to evolution of new business models. To cope, Zhou et al. (2009) suggested that organizations need to be strategically agile and react fast so as to be able to adapt to the changes for survival and sustainable performance in the long run.

The environment under which most hotels operate in, according to Gutiérrez-Martínez and Duhamel (2019) is volatile, uncertain, competitive and complex. Lubowiecki-Vikuk and Sousa (2021) noted that even before the pandemic, the hospitality industry was facing a myriad of challenges such as low employee commitment, high turnover rate as high as 60%, issues of terrorism, changing customer demands and high technological advancement. Sigala (2020) further argued that the performance of the hospitality industry adopted a new twist with the emergence of COVID-19 which marked the industry with a number of paradoxes such as uncertainty and unprecedented global social, economic and political challenges, but also as a period of transformation. Others marked the period in the hospitality industry as that with flourishing innovation (Wakelin-Theron et al. 2019) and new opportunities resulting from, among others, the fourth industrial revolution, which is associated with artificial intelligence and automation (Jamgade & Abby, 2021).

While hotels are trying to adjust to the challenges facing the industry, they also need to take advantage of the new opportunities in the industry. To sustain a stable market position in today's intensely competitive and rapidly changing environment and attain a sustainable superior performance, Hakala (2011) suggests that firms should have strong strategic agility. Steyer and Gilbert (2013) argues that strategic agility is an organization's ability to rapidly and effectively adapt its strategies, processes, and operations in response to changes in the external business environment. It is about being adaptive to changes in the business context, spotting opportunities, threats and risks, and launching new strategic initiatives rapidly and repeatedly (Weber & Tarba, 2014).

Strategic agility offers organization with opportunity to be flexible, to adapt and respond quickly to alternations and to implement actions in order to control market uncertainty and risk (Yauch, 2011). In this study, strategic agility will be described as how an organization employs resource agility, operational agility. Resource agility refers to an organization's ability to efficiently allocate and reallocate resources in response to changing market conditions, customer demands, or internal needs (Weber & Tarba, 2014). This agility enables companies to adapt quickly to shifts in the business environment, optimizing their use of resources to enhance productivity and competitiveness. By efficiently managing resources such as capital, workforce, and technology, organizations can better respond to opportunities and challenges, ultimately improving their overall performance (Sajuyigbe, Ayeni & Inegbedion, 2021).

Operational agility on the other hand is the capability of an organization to swiftly adjust its operational processes, workflows, and systems to accommodate changes in market dynamics or business requirements. This agility allows companies to streamline operations, reduce inefficiencies, and enhance flexibility in their operations (Mavengere, 2013). Organizations with high operational agility can rapidly implement new strategies, introduce products or services to the market, and address emerging customer needs, thus gaining a competitive edge and achieving higher performance levels (Khoshnood & Nematizadeh, 2017).

In the fast-paced landscape of the hospitality industry, marked by ever-evolving consumer preferences and technological advancements, agility stands as a crucial asset for hotels striving to maintain a competitive edge and sustainable performance (Darvishmotevali, Altina & Koseoglu, 2020). Flexibility and adaptability are imperative in responding swiftly to market shifts, emerging trends, and unpredictable circumstances such as global crises or changing travel patterns (Alsubaihi et al. 2020). Embracing agility enables hotels to promptly adjust their strategies, services, and operations to meet the dynamic demands of guests, thereby enhancing guest satisfaction, loyalty, and ultimately, revenue generation (Melian-Alzola et al. 2020). Moreover, in a fiercely competitive market where differentiation is key, agile hotels can innovate rapidly, introducing novel experiences, personalized offerings, and streamlined processes that resonate with modern travelers and set them apart from their rivals. Thus, fostering agility is not just a necessity but a strategic imperative for hotels aspiring to thrive in an intensely competitive industry landscape (Darvishmotevali et al. 2020).

### **Statement of the Problem**

According to KIPPRA (2021) report documented that the performance of the hotels in Kenya contracted by 83.3% by 2021, experienced a decline in operations by 72% by 2021 and experienced a high unemployment rate of up to 67%. Prior to COVID-19, the hotels were already facing performance challenges such as low employee commitment, high turnover rate as high as 60%, losses due to terrorism, travel advisories, changing customer demands and unpredictable performance (Ondieki & Kung'u, 2013). These struggles led to closure of some of the most prominent hotels in the country such as Intercontinental, Hilton and Laico Regency.

Gutierrez-Martinez and Duhamel (2019) describes the hospitality industry as volatile characterized by unpredictable timing of changes, fluctuations in customer demands happening frequently and quickly. Wang (2022) further argued that the industry is uncertain with less predictability of future outcomes as a result of factors such as terrorism, travel advisories and cancelled flights. Wang (2022) documented that attaining competitive advantage and managing performance in such an environment, requires a firm to have strong strategic agility capability. Due to these new developments, some notable hotels also closed and shut down such as Radisson Blue in Upper Hill, Treetops Hotel and Outspan both from Nyeri.

Jamgade and Abby (2021) stated that hotels with strong strategic agility can recover, survive and experience superior performance and sustainability amid uncertainty. Given the strong role of strategic agility, enabling the firms to sense and respond with speed to changes in their environment of operation thus leading to competitive advantage and superior performance (Lonial, 2015), this study seeks to establish the relationship between strategic agility and organizational performance of firms in the hospitality industry in Nairobi County, Kenya.

Furthermore, the study sought to fill existing research gaps in the previous studies. Some of the previous studies such Alalmai (2021) which established the role of operational agility as an effective approach to enhancing organizational performance of hotels during Covid-19 in Saudi Arabia, Devie et al. (2023) which established the importance of resource agility in improving performance of Hotel Industry in the Post-COVID-19 Era in Indonesia and Yildiz and Aykanat (2021) which established the impact of strategic agility on hotel firm performance in Turkey established that organizational agility improves firm performance. However, the studies focused on contexts outside Kenya (Saudi Arabia, Indonesia, Turkey) thus leading to contextual research gaps and their findings cannot be generalized to Kenya. Locally, the study by Mwachia, Kimaku and Makungu (2023) which established the influence of operational agility dimensions on performance of hotel industry in Kenyan coast counties and Kamau,

Nzioki and Senaji (2019) which established the relationship between strategic capabilities and competitive advantage in the Kenyan banking sector also emphasized the importance of organizational agility in enhancing competitive advantage and organizational performance. The study by Kamau, Nzioki and Senaji (2019) however focused on the Kenyan banking hence the findings cannot be generalized to the hotel sector. This study therefore seeks to fill these research gaps.

### **Objectives of The Study**

The main objective of the study is to investigate the influence of strategic agility on organizational performance of Five-Star Hotels in Nairobi City County, Kenya

The specific objectives are:

- i. To determine the influence of resource agility on organizational performance of Five-Star Hotels in Nairobi City County, Kenya
- ii. To establish the influence of operational agility on organizational performance of Five-Star Hotels in Nairobi City County, Kenya

## **LITERATURE REVIEW**

### **Theoretical Review**

#### **Systems Theory**

Systems theory originated with the pre-Socratic philosophers and progressed through the ages through various philosophic entities until becoming formally structured in the early 1900s. Ludwig von Bertalanffy, an Austrian biologist, believed that Driesch's discovery and other apparent contradictions could be explained by applying universal principles to all kinds of groupings of phenomena he called systems, or "set(s) of elements standing in interrelationship among themselves and with the environment." The theory is divided into three parts. The first is referred to as "systems science," which is the scientific investigation and theory of systems in numerous sciences. The second is known as "systems technology," which refers to the difficulties that arise in modern technology and society. The third part is referred to as "systems philosophy" and pertains to the reorientation of cognition and world view. Organizations use the concept of a system to comprehend their exterior and internal worlds, as well as how they relate and interact with one another. Changes in either external or internal elements will have an impact on the entire system. The focus on interactions is the primary principle of system theory. A well-organized business or organization does not exist in a vacuum. They are influenced by external factors such as the sector/industry to which they belong, society, and the economic system (Wehrich et al, 2008). They contend that an organization gets inputs, converts them, and then exports the output to the environment.

Understanding systems theory requires an understanding of the self-correcting feedback loop that an entity goes through when adopting systems theory concepts. That is, an entity can assess the outcomes of its activities in connection to all of the system's components and alter its future actions depending on those assessments. Operational agility mechanisms such as continuous improvement ensure that organizations oversee their operations and ensure that they consistently provide positive outcomes (Kometa, 2013). The theory is relevant in explaining operational agility of the study.

#### **Resource Based View**

The approach known as Resource-Based view (RBV), originated from Penrose's idea (1959). In the year 1984, Wernerfelt (1984) suggested a link between firms' resources and their performance. The theory views firms in terms of their resources and hence developed economic

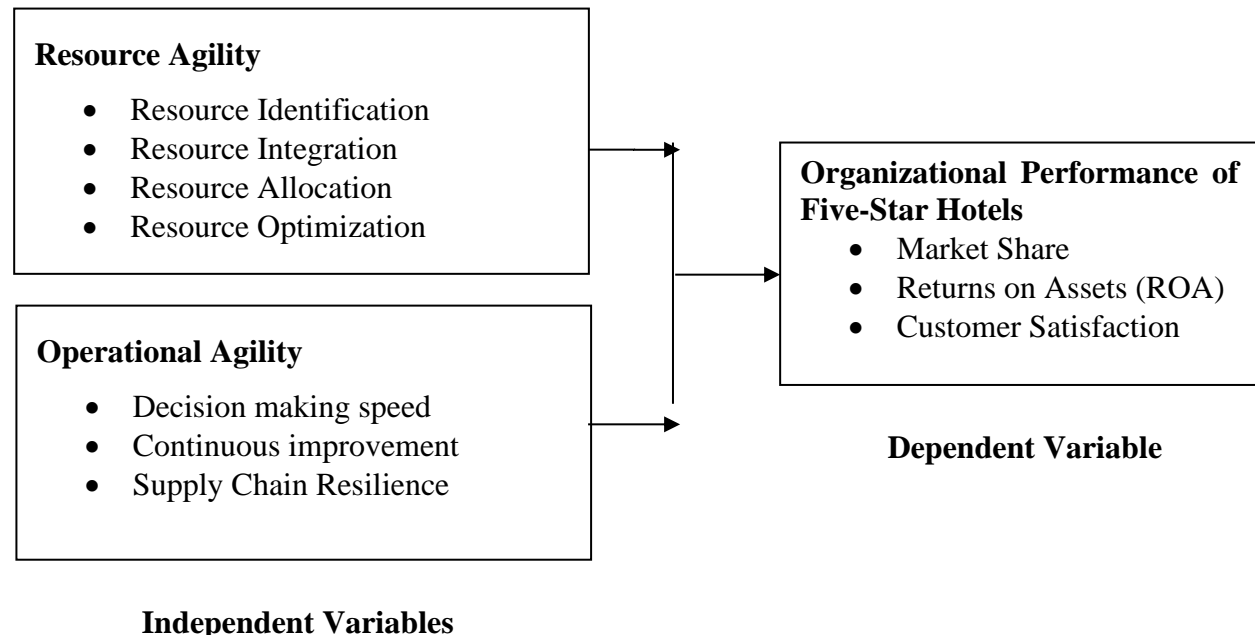
tools for examining and managing the relationship between firms' resources and their performance (Paauwe, 2024).

The theory argues that resources may be tangible or intangible and are harnessed into strengths and weaknesses by organizations and in so doing lead to improved organizational performance. It emphasizes the strategic significance of a firm's unique bundle of resources and capabilities such as tangible and intangible resources, in achieving sustained competitive advantage (Freeman Dmytriiev & Phillips, 2021).

In relevance to this study, within this framework, resource agility refers to an organization's ability to dynamically leverage and reconfigure its resources in response to changing market conditions and competitive pressures. This involves not only possessing valuable, rare, and difficult-to-imitate resources but also the capacity to rapidly deploy, redeploy, or acquire new resources as needed. Organizations that excel in resource agility can quickly adapt their resource configurations to seize emerging opportunities or address emerging threats, thereby enhancing their competitive position and ultimately improving firm performance. By continuously assessing and adjusting their resource portfolio to align with strategic objectives and market dynamics, firms can maintain relevance, innovation, and profitability in an ever-evolving business environment.

### Conceptual Framework

The formulation of the conceptual framework is usually made to create a hypothesis abstract at conceptual level in order to enable the results of the research not to be generalized beyond the specific conditions of the particular study. Conceptual frameworks proscribe what constitute the characteristics of the research questions and facts (Pandey & Pandey, 2021). The diagrammatic representation of the study variables is as indicated in Figure 2.1



**Figure 2.1: Conceptual Framework**

### Resource Agility

Resource agility refers to an organization's ability to swiftly and effectively allocate and utilize its resources in response to changing internal and external conditions. It encompasses the flexibility to adapt resource allocation strategies, reallocate resources across different functions

or projects, and leverage resources efficiently to seize emerging opportunities or mitigate risks (Saputra et al. 2022). Essentially, resource agility enables organizations to optimize their resource utilization in dynamic environments, ensuring that resources are allocated where they are most needed and can generate the highest value (Ko et al. 2022).

Agile resource management can significantly impact an organization's ability to achieve its strategic objectives and competitive advantage (El-Khalil & Mezher, 2020). By effectively allocating resources in alignment with strategic priorities and market dynamics, organizations can enhance their operational efficiency, responsiveness to customer needs, innovation capabilities, and overall performance. Moreover, resource agility enables organizations to better navigate uncertainty and disruption, enabling them to maintain resilience and adaptability in an ever-changing business landscape (Halalmeh, 2021).

### **Operational Agility**

Operational agility refers to an organization's capacity to swiftly and flexibly adapt its operational processes, systems, and practices in response to changing internal and external conditions (Alalmai, 2021). It involves the ability to anticipate and react to disruptions, uncertainties, and market shifts while maintaining efficiency and effectiveness in day-to-day operations. Operational agility entails embracing innovation, leveraging technology, empowering employees, and fostering a culture of continuous improvement to enhance responsiveness and adaptability across all levels of the organization (Rafi et al. 2022).

Agile operations can directly impact key performance metrics such as productivity, efficiency, quality, customer satisfaction, and profitability. By embracing operational agility, organizations can enhance their ability to respond promptly to customer needs, market demands, and competitive pressures, thereby gaining a competitive edge (Devie et al. 2023). Moreover, agile operations enable organizations to better manage risks, seize opportunities, and navigate turbulent business environments, ultimately contributing to sustained growth and success. As such, operational agility is increasingly recognized as a critical driver of organizational performance and long-term viability in today's rapidly evolving markets (Mwachia et al. 2023).

### **Organizational Performance**

Organizational performance in the context of hotels encompasses the effectiveness and efficiency with which a hotel achieves its strategic objectives and delivers value to its stakeholders (Ko et al. 2022). It encompasses various dimensions, including financial performance, customer satisfaction, employee productivity, operational efficiency, and market competitiveness (Halalmeh, 2021).

Financial performance metrics such as Revenue Per Available Room (RevPAR), Average Daily Rate (ADR), and Occupancy Rate (OR) are commonly used to assess the financial health and profitability of hotels (Rafi et al. 2022). Customer satisfaction metrics, such as Net Promoter Score (NPS) and online reviews, provide insights into the hotel's ability to meet guest expectations and deliver exceptional service (Mwachia et al. 2023). Additionally, measures of employee productivity and engagement, such as staff turnover rates and employee satisfaction surveys, reflect the hotel's ability to attract, retain, and motivate talent. Operational efficiency metrics, such as room turnaround time and maintenance costs, assess the effectiveness of hotel operations and resource utilization. Market competitiveness metrics, such as market share and brand reputation, indicate the hotel's position relative to competitors and its ability to attract and retain customers in a competitive environment (Darvishmotevali et al. 2020).

The linkage between organizational performance and organizational agility in hotels is significant, as agility enables hotels to adapt quickly to changing market conditions, customer

preferences, and operational challenges (Darvishmotevali et al. 2020). Organizational agility allows hotels to respond swiftly to emerging trends, capitalize on new opportunities, and mitigate risks, thereby enhancing their overall performance and competitiveness (Mwachia et al. 2023). Similarly, hotels that invest in agile processes and technologies to streamline operations and improve service delivery can enhance customer satisfaction and loyalty, leading to long-term success and sustainability in the hospitality industry (Halalmeh, 2021).

### **Empirical Literature Review**

This section discusses past studies according to the specific objectives of the study. The section reviews past literature on strategic agility and organizational performance. The review has been conducted per research variable.

#### **Resource Agility**

The study by Darvishmotevali, Altinay and Koseoglu (2020) explored the relationship between environmental uncertainty, organizational agility, and organizational creativity in the hotel industry. Data from 174 managers of five-star hotels was collected. The results suggest that resource agility moderates the negative effects of competitive and technological uncertainty on creativity. The study suggests that organizations must reduce bureaucracy to manage uncertainty challenges in dynamic and complex environments.

Devie et al. (2023) established the importance of resource agility in improving performance taking evidence from the Hotel Industry in the Post-COVID-19 Era. The study analyzing 76 three-to-five-star hotels in Indonesia found that resource agility significantly improves performance. The research used Structural Equation Modeling (SEM) and smart Partial Least Square (PLS) software to test the hypothesis. The results show that resource agility has a positive impact on performance, with competitive advantage and organizational culture acting as mediating variables.

In another context, Yildiz and Aykanat (2021) established the impact of strategic agility on firm performance. This paper investigated the mediating role of organizational innovation in the impact of strategic agility on firm performance. A survey of 216 firms in the Sakarya Organized Industrial Zone (Marmara Region, Turkey) revealed that strategic resource agility positively impacts both firm performance and organizational innovation, with organizational innovation playing a partial mediating role.

#### **Operational Agility**

Lopez-Gamero et al. (2023) established the effect of operational agility and innovation on competitive advantages and organizational performance through the lenses of the resource-based view, the dynamic capacities theory, and the stakeholder theory. A Partial Least Squares analysis was performed using information from hotels in Spain. The findings show that organizational performance is positively and significantly impacted by both agility and innovation.

In Saudi Arabia, Alalmai (2021) established the role of operational agility as an effective approach during covid-19 among Five-Star Hotels in Saudi Arabia in enhancing competitive edge and affecting organizational performance. In order to accomplish the study's objectives, 1200 questionnaires were given to a representative sample of five-star hotel employees at random, and 809 of the valid questionnaires underwent analysis with SPSS V.25. The findings demonstrated that Saudi Arabia's five-star hotels enjoy a competitive edge and are regarded as agile hotels. The outcomes further demonstrated the noteworthy and advantageous influence of operational agility on hotels' ability to maintain a competitive edge.

Locally, Mwachia, Kimaku and Makungu (2023) established the influence of operational agility dimensions on performance of hotel industry in Kenyan coast counties. The study aimed to explore the impact of operational Agility on the performance of classified hotels in Coast Counties, Kenya. The study employed a descriptive research design, collecting data from hotel managers through mailed questionnaires. The quantitative approach used various statistical techniques, including correlation and regression analyses. The results showed a strong positive correlation between Online Business and the performance of the hotel industry in Kenyan coast Counties. Additionally, the study found a positive significant effect of operational agility on the performance of the hotel industry in Kenya.

### **RESEARCH METHODOLOGY**

This study employed descriptive research designs to complement each other. A descriptive research design was suitable in description of how various phenomena relate to each other answering the what, when, how do variables relate (Dzwigol, 2018). In this particular study, the target population was five-star hotels based in Nairobi and registered with the Tourism Regulatory Authority (TRA) as at the year 2023 which is a total of 12. TRA registry is suitable since it is the only accessible database as well as the only entity mandated to license and rate hotels in Kenya. The study targeted senior level and middle level managers from various departments that is administration, human resource, IT, marketing and finance. In total, 120 respondents were targeted from all the 12 five-star hotels as broken down in Table 3.1. The choice of employees in management positions is because they participate in making key decisions involving the hotels such as strategic directions, focus, orientations and performance.

**Table 3. Target Population**

<b>Unit</b>	<b>Target Population</b>
Head of Administration	12
Assistant Administration Manager / Supervisor	12
Head of Human Resource	12
Assistant HR Manager	12
Head of IT	12
Assistant IT Manager / Supervisor	12
Head of Marketing	12
Assistant Marketing Manager / Supervisor	12
Head of Finance	12
Assistant Finance Manager / Supervisor	12
<b>Total</b>	<b>120</b>

Source: The 12 Five-star rated hotels, TRA (2023)

The study made use of both primary data that was obtained from the study respondents and secondary data on firm performance to be obtained from the records. The primary data was gathered by use of structured questionnaires and captured through a 5-point Likert scale type. The quantitative data was analyzed using descriptive statistics where the responses from the questionnaires was tallied, tabulated and analyzed in percentages, frequencies, mean and standard deviation using Statistical Package for Social Sciences (SPSS V 26) which according to Reddy (2020) is able to handle large of amounts of data and is efficient because of its wide spectrum of statistical procedures purposively designed for social sciences. Frequency tables, graphs and pie charts was used to present the data for easy comparison. Further, multiple regression analysis was conducted to establish the relationship between the strategic agility and organizational performance in the five-star hotels.



## RESEARCH FINDINGS AND DISCUSSIONS

For the final study, 108 questionnaires were used to collect data. Of those, 95 were completely filled out and returned, yielding an 88% response rate. Mugenda and Mugenda (2018) recommended that a 50% response rate is enough to produce viable results, 60% is good, and 70% and above is a very good response rate, so 88% was excellent for analysis and producing credible data for the study.

### Descriptive Statistics of study variable

To explain the distribution of measures of questions addressing each variable, the researcher utilized descriptive statistics in the study. The study's descriptive statistics were means and standard deviations. The researcher first formulated the items addressing each variable in the questionnaire and requested that respondents rate the statements on a scale of 1 to 5, denoting a range of Strongly Disagree (SD) to Strongly Agree (SA). The researcher then calculated each statement's mean response and standard deviation. The overall level of agreement with all variables was calculated by averaging the averages and standard deviations.

### Resource Agility

The first objective of the study was to establish the influence of resource agility on the performance of Five-Star Hotels in Nairobi City County, Kenya. The respondents were presented with 6 items. A Likert scale was used where the responses were coded as follows: 1=Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5 = Strongly Agree.

**Table 2: Descriptive Statistics for Resource Agility**

Statements	N	Mean	SD
The external regions of the locations are scenery and attractive to customers	108	4.481	0.641
The hotel has invested in outfitting with modern and easy-to-use equipment.	108	4.526	0.533
The hotel always thrives to have sufficient resources to provide quality services	108	4.326	0.763
The hotel ensures a proper relationship between a supplier and hotel staff.	108	3.984	0.762
There is proper coordination between the human and technical resources of the hotel	108	3.743	0.854
Top management prioritizes available resources and allocates them appropriately according to the needs of the hotel.	108	4.325	0.732
<b>Average</b>	<b>108</b>	<b>4.231</b>	<b>0.714</b>

The results of resource agility outlined in the table above shows that respondents were in agreement with the statements that the external regions of the locations are scenery and attractive to customers(Mean= 4.481), that The hotel has invested in outfitting with modern and easy to use equipment(Mean=4.526), that The hotel always thrives to have sufficient resources to provide quality services(Mean=4.326), that The hotel ensures a proper relationship between a supplier and hotel staff(Mean=3.984), that There is adequate coordination between the human and technical resources of the hotel(Mean=3.743), that the Top management prioritizes available resources and allocates them appropriately according to the needs of the hotel(Mean=4.325). All respondents on average agreed with the statements on resource agility as shown by the average response mean of 4.231and a standard deviation of 0.714 confirming that resource agility is crucial for the performance of five star hotels in Nairobi Kenya. The average response mean of 4.231 and a standard deviation of 0.714 meant that the responses

were closely spread towards the mean and that majority of the respondents had consistent and similar responses. This is supported by a smaller standard deviation.

The findings concur with Devie et al. (2023) who established the importance of resource agility in improving performance taking evidence from the Hotel Industry in the post-COVID-19 era. Darvishmotevali, Altinay, and Koseoglu (2020) also suggested that resource agility moderates the negative effects of competitive and technological uncertainty on creativity.

### **Operational Agility**

The second objective of the study was to establish the influence of operational agility on the performance of Five-Star Hotels in Nairobi City County, Kenya. The respondents were presented with 6 items. A Likert scale was used where the responses were coded as follows: 1=Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5 = Strongly Agree.

**Table 3: Descriptive Statistics for Operational Agility**

<b>Statements</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>
Employees prioritize individualized attention to hotel guests.	108	4.519	0.746
Employees ensure delivery of services within the promised time	108	3.832	0.653
The management is steadfast in making decisions that are crucial to the brand's reputation.	108	4.273	0.753
The hotel undertakes frequent training on staff members to ensure staff competency development.	108	4.316	0.762
The culture practiced at the hotel is flexible and adaptive	108	4.063	0.781
The hotel continuously invests in technologies, processes, and systems that are up to date with the hotel industry	108	3.791	0.648
<b>Average</b>		<b>4.132</b>	<b>0.724</b>

The results of resource agility outlined in the table above show that respondents were in agreement with the statements that Employees prioritize individualized attention to hotel guests (Mean=4.519), that Employees ensure delivery of services within the promised time(Mean=3.832), that The management is steadfast in making decisions that are crucial to the brand's reputation(Mean=4.273), that The hotel undertakes frequent training on staff members to ensure staff competency development(Mean=4.316), that The culture practiced at the hotel is flexible and adaptive(Mean=4.063), that The hotel continuously invests in technologies, processes, and systems that are up to date with the hotel industry(Mean=3.791). All respondents on average agreed with the statements on operational agility as shown by the average response mean of 4.132 and a standard deviation of 0.724 confirming that resource agility is crucial for the performance of five-star hotels in Nairobi Kenya. The average response mean of 4.132 and a standard deviation of 0.724 meant that the responses were closely spread towards the mean and that the majority of the respondents had consistent and similar responses. This is supported by a smaller standard deviation.

The findings concur with Alalmai (2021) who established the role of operational agility as an effective approach during COVID-19 among Five-Star Hotels in Saudi Arabia in enhancing competitive edge and affecting organizational performance, the study further demonstrated the noteworthy and advantageous influence of operational agility on hotels' ability to maintain a competitive edge.

## Organization Performance

**Table 4: Descriptive Statistics for Organization performance**

Statements	N	Mean	SD
Efficient operations and processes contribute to cost savings and enhances satisfaction	108	4.19	.769
The hotel continues to achieve satisfactory returns on investments	108	3.64	1.198
The Organization has experienced growth in number of customers over the last year.	108	3.57	1.040
The organization has experienced increased customer retention rates due to customer satisfaction.	108	3.51	.994
The organization experiences low employee turnover rates due to existing leadership	108	3.67	1.241
<b>Average</b>		<b>3.71</b>	<b>1.048</b>

The results of organization performance outlined in the table above show that respondents were in agreement with the statements that efficient operations and processes contribute to cost savings and enhances satisfaction(mean = 4.19),that the hotel continues to achieve satisfactory returns on investments(mean = 3.64), that the Organization has experienced growth in number of customers over the last year (mean = 3.57),that the organization has experienced increased customer retention rates due to customer satisfaction (mean = 3.51), that the organization experiences low employee turnover rates due to existing leadership(mean = 3.67). The average response mean of 3.71 and a standard deviation of 1,048 meant that the responses were closely spread towards the mean and that the majority of the respondents had consistent and similar responses. The findings are in agreement with the findings of Yildiz and Aykanat (2021) which established organizational agility element of strategic agility improves firm performance of hotel firm's performance in Turkey.

## Inferential Statistics

### Correlation Analysis

The correlation analysis results outlined show that there exists a positive significant correlation between the independent and the dependent variables showing that strategic agility largely affects the performance of five-star hotels in Kenya.

**Table 5 Correlation Analysis**

Variables	Measure	Performance	Resource agility	Operational agility
Performance	Pearson Correlation	1		
	Sig.			
Resource agility	Pearson Correlation	0.762	1	
	Sig.	0.000		
Operational agility	Pearson Correlation	0.847	0.873	1
	Sig.	0.000	0.014	

The findings presented in table 5 shows that there is a significant positive linear relationship between resource agility and performance of five star hotels (with  $r = 0.762$ ), Operational agility and performance of five star hotels (with  $r = 0.847$ ) at  $p < 0.05$  significance level. All the independent variables were found to be lineally related to the dependent variable.

## Regression Analysis

**Table 6: Regression Coefficients**

<i>Coefficients</i>	Unstandardized		Standardized	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.197	1.119		1.09	0.029
Resource agility	0.913	.186	.895	4.806	0.000
Operational agility	0.628	.268	.591	2.343	0.003
a. Dependent Variable: Performance					
b. Predictors: (Constant) Resource agility, operational agility					

$$Y = 1.197 + 0.193X_1 + 0.628X_2$$

The equation established that considering all other independent variables constant at zero, performance of Five-Star Hotels in Nairobi City County, Kenya, will be at an index of 1.197. Also taking all other independent variables at Zero, a unit increase in resource agility leads to 0.193 increase in performance of Five-Star Hotels in Nairobi City County, Kenya, similarly a unit increase in operational agility leads to a 0.628 increase in performance Five-Star Hotels in Nairobi City County, Kenya.

## Conclusions

Based on the findings, the study concludes that resource agility positively and significantly affects performance. Elements of resource agility such as scenery and attractive locations, investing in modern and easy-to-use equipment, and proper coordination between the human and technical resources contribute positively to the performance of five-star hotels in Nairobi County.

From the findings, the study concludes that operational agility positively and significantly affects performance. Indicators of operational agility like individualized attention to guests, prompt service delivery time, management steadfast decision making, frequent training, and investing in technology are crucial for the performance of five-star hotels.

## Recommendations for the Study

From the study conclusions, recommendations are provided to the management of the five-star hotels. The study recommends improving resource agility by prioritizing available resources and allocating them appropriately according to the needs of the hotel, and also ensuring there is proper coordination between the human and technical resources of the hotel. The study recommends that for operational agility, the hotels should ensure flexibility and quick response to customer preferences. The study also recommends frequent trainings to ensure the services offered are up to standard.

## Areas for further research

Other researchers should carry out a different study with other factors that were not included in this study. From the literature review similar studies employed descriptive research design, other researchers should carry out the same research using a different research design. Researchers can replicate the study on different sectors in a different geographical scope.

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