NATIVE THOUGHTS, CHANGE PROCESS AND PERFORMANCE OF STAR RATED HOTELS IN KENYA

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DECLARATION AND RECOMMENDATION

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

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"I/We confirm that the work reported in this thesis was carried out by the candidate under my/our supervision."

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DEDICATION

To my wife, Evelyn, children, and grandchildren for allowing me use a lot of family time for this thesis.

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ABSTRACT

When organizations are established, they endeavour to operate in a manner that meets the needs of their immediate environment. This, notwithstanding, some operate in a manner that can lead to conflict wth the communities in which they operate. However, there is scarce empirical evidence on the relationship between native thoughts - incorporation of local context in organizational strategy - and performance of organizations. This study sought to determine the relationship between native thoughts and performance, and the effect of change process on that relationship. Specifically, it sought to assess the influence of cognition of local geography, local demographics, local culture, local politics and local economic status on performance of star rated hotels in Kenya, and to evaluate the effect of change process on this relationship. A mixed-methods survey of 450 managers from 150 hotels categorized into 3, 4, and 5 star hotels was conducted using structured questionnaires while an interview guide was used to collect data from 12 key informants in the hospitality industry. Quantitative data was analyzed using SPSS software version 26 and null hypotheses tested using binary logistic regression model results. It was found that cognition of local demographics, local economic-status and local geography significantly predicted the odds for performance of rated hotels, while cognition of local culture and local politics did not significantly influence the odds for performance. Further, change process partially and significantly mediated the relationship between native thoughts and performance. Based on these findings, it is concluded that native thoughts significantly influence the organizational performance while change process partially mediate this relationship. It is recommended that the hospitality industry and policy makers take into account the local context in strategic decisions.

TABLE OF CONTENT

LIST OF TABLES

LIST OF FIGURES

ABBREVIATIONS AND ACRONYMS

AKDN   Aga Khan Development Network

APA   American Psychological Association

CP   Change Process

EMAS   Eco – Management and Audit Scheme Standards

EU   European Union

GIS   Geographical Information System

IASC   International Aloe Science Council

ISO   International Standards Organization

NT   Native Thoughts

OP   Organization Performance

PWC   Price Waterhouse Coopers

RQ   Research Questions

SCT   Social Cognition Theory

SHRM   Society for Human Resource Management

SLT   Social Learning Theory

TBL   Triple Bottom Line Theory

TMT   Top Management Team

TRA   Tourism Regulatory Authority

UET   Upper Echelon Theory

WHO   World Health Organization

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Organizations are entities or bodies that people form with a common goal, actions to achieve the goal, and leadership to provide clear and compelling direction to achieve the goal. Mullins (2016) suggests that organizations are arrangements of people that exist to accomplish an explicit purpose, mutual aims, and objectives. This is done through intentional and coordinated undertakings because their survival depends on a series of their continual exchanges and interactions with the environment, leading them to have several wide-ranging responsibilities to society in general. Further, Margolis (2021) proposes that the purpose of organizations is to make a profit, make a difference and contribute to society through work, and that is their cause.

Drawing from those descriptions Thames and Webster (2009) postulate that whether consciously or unconsciously, nearly every organization is designed to meet the needs of the environment in which it is initially established. Unfortunately, they follow the traditional view of organizations which was that they merely existed, primarily to make profits which have raised moral dilemmas and have seen many businesses struggle to attain the targeted profits. However, Li, et al. (2018) observed that by addressing organizational responsibility, some organizations have also addressed the moral dilemmas and attained expected performances.

This study focused on the local external environment of the organization, dubbed it "native," to represent the local community where the organization is located and how its needs were being addressed in the organization. Cognition (thoughts or perceptions) of this native community comes before deciding how to meet its needs, hence the 'Native thoughts'. Therefore, it is discernible that "native thoughts" (NT) refer to the sensitivity of an organization's managers to

the local environment. In other words, they are the managers' cognitions of their environment. The study used local geography, local demographics, local culture, local politics, and local economic status as the factors that make up the local environment and was anchored on Social Cognition Theory (SCT).

Further, the study assessed whether the organization becomes effective by including native thoughts in the decisions of its operations. These decisions are applied when key strategies are being formulated and implemented within the rapidly changing business environment. Successful implementation of strategy is dependent on the efficient execution of the change process. However, the change process that affects the relationship between native thoughts and organizational effectiveness has received little empirical attention. Therefore, the change process was used to moderate the relationship between native thoughts and organization performance.

Organizations are required to focus on the needs of the community. Inclusion of local community needs leads to increased jobs, where those employed acquire new business and technical skills. It also leads to the development and growth of an enterprise, where local suppliers of consumer goods and services increase due to the ready local market. Further, there is increased demand for more job creation, housing, schools, health services, and better infrastructure. Overall, the community experiences economic, social growth, and general improvement.

There are many examples of cases where local community support has lacked, and instead, a conflict between organizations and communities occurred. Some examples of such instances include Australia where resources such as oil and gas sectors have been exploited by major

companies such as Total, Chevron, and Shell. This exploitation has had a negative impact on the social and economic sustainability of the aboriginal communities (Ciaran, 2009). In Ethiopia, the same impacts have been felt, due to construction of Gilgal Gibe III Dam, that lead the government to lease tribal lands to foreign companies who engage in irrigation for sugar and cotton without consideration for the needs of the community, that would be displaced (Laura, 2017).

In Kenya, Tullow Oil drilling led to community land challenges with the Turkana community. However, an agreement with the company on the community's needs resolved the conflict, and the company continued with its operations with minimal conflict (Agade, 2014). In 2020, Nairobi commercial motorcycle operators, locally called *Boda - Boda,* were adamant about embracing the COVID -19 directives on social distancing as a measure for infection prevention, arguing that it was going to deny them business. It was clear that they did not understand its implications. Therefore, through the Ministry of Health, the Government popularized the directive and its implications through electronic and print media to try and reach out to everybody. It was only then that the motor bike operators understood and complied.

In tourism and hospitality industry, there has also been areas of conflict between the industry development and operations with communities around them. The main causes of those conflicts have been associated with perception of social exclusion of the community by organizations, social change, cultural clashes, pressure on land, over-use of resources, pollution, standardization, and gentrification of the local land to pave way for tourism and hospitality development. There are many positive aspects of tourism and hospitality that benefit the community but the negative impacts usually bring in a lot of discontent in the community and hinder cooperation between the community and developers and operators of the industry.

3

The magnitude of these conflicts is significant but many countries have put interventions after they have already occurred. This implies that measures taken have, in most cases been reactions to the conflict. Although such cases have provided other players with vital lessons, the damage to those affected leads to the need for focus in this area, so that preventive measures are put in place. For example, a report in The Guardian of 2017, highlighted that as private developers waited to seize expensive land occupied by public housing, the fate of an iconic building in inner Sydney, Australia, fueled debate over the welfare of the city's poor. In 2014, BBC World Service reported a public complaint that the character of a historic quarter in South Africa's city of Cape Town was under threat by gentrification. Defenders of the process argued that it was meant to match the tastes of a growing middle class. The Sunday Standard, a popular weekly publication in Kenya, reported that many homes in estates neighbouring the bustling Nairobi's Central Business District were dilapidated and run down and that the gentry (the wealthy) had plans of acquiring and developing under-utilized land, which made Nairobi inadvertently, a hotspot for gentrification. That report was not taken kindly by the residents of those areas who argue that prices at the expense of the rich people.

There are other examples of conflict between communities and Government or Conservation bodies where the communities feel treated as lessor stakeholders where land and other resources are involved. In mid 1990s, there was a violent conflict between investors of a hotel and Golf Course in Diani, South Coast of Kenya, and the local community who felt that their land was being grabbed. In 2011, a deadly fire caused by leakage of a petroleum pipeline belonging to Kenya Pipeline led to death of 75 poor people and serious injuries to over 100 others Nairobi's Mukuru kwa Njenga - a highly densely populated slum - where the pipeline passed. Further, Kenya's media frequently reports cases of human- wildlife conflict in areas neighbouring Game Parks and other wildlife conservation areas, in Laikipia, and Taita – Taveta, when people are attacked and sometimes killed by wild animals which are protected

by law. On the other hand, there are several cases of wild animal being killed by communities who live mainly south of Nairobi National park, when they attack their livestock. Even further, Kenya's media have highlighted that conservation laws on fishing and resource exploitation by foreign business men such as Chinese at the expense of local communities who depend on fish for their livelihood have caused a lot of conflict between those communities and conservationists and hospitality industry which is occasionally viewed as an accomplice by such communities.

The indicated examples underscore the need for organizations to be aware of what is happening around them so as to make plans that would mitigate areas of conflict with the community, and get a buy-in from them before undertaking activities that affect them. In particular, social issues such as loss of community authenticity, cultural clashes, criminal and unethical behaviour and influence and general social change due to tourism and hospitality presence are major areas which hotels can get concerned about. Further, pollution of environment, overuse of water, standardization that diminish local products as tourist buy what they know, lack of opportunities for the local people in tourism related businesses and displacements for tourism and hospitality development are major issues of concern for the local or native community. Managers must become natively thoughtful and avoid conflict with the local communities to operate sustainably and attain their expected performances.

Strategy and Strategic Management

Strategic management is the process of guiding an organization to superior performance in a changing environment. This implies that the organization should anticipate the demands placed on it by the environment and respond to them effectively using an appropriate strategy.

Strategy. Understanding strategic management starts with an appreciation of what strategy is because it is the term widely used in organizations to mean different things. Gordon (2021); Mintzberg et al. (2009) have theorized that strategy can be viewed as a plan, which suggests a futuristic course of action, a pattern which is indicative of consistency in activities over time, a perspective which suggests a central tradition in an organization, a position suggesting locating of particular products in specific markets, or a ploy to outwit the opposition. Nickols (2016) notes that the term strategy got into the management literature as a way of discussing what one did to counter a competitor's definite or anticipated moves but also opines that although a lot of research has been done on the subject, there is very little agreement on its meaning in the business world.

Although there there is a possibility that there is no straightforward way to define strategy, there are some areas where the theorists agree in principle. Mintzberg (2009) highlighted some critical areas of agreement, namely, the inseparability of the organization and environment, that strategic decisions affect the entire organization's wellbeing; that strategy includes the actions taken as well as the processes by which actions are decided and executed which involves both conceptual and analytical exercises. Drawing from those highlights, Smet et al. (2019) suggested that a strategy should be viewed as a framework within which decisions about direction on the future, and actions to be taken are made. Hence, in an organization, strategy guides direction about the future determines the actions to be taken, and helps achieve the set goals.

Strategy in organizations occurs at three levels: corporate, business, and functional levels. Corporate-level strategy deals with formulating the vision and mission and the grand strategies of the organization. In contrast, the business level indicates the firm's choices and how it intends

to compete from a business unit perspective. Finally, the functional level focuses on the competitive priorities that lead to operational excellence. For all three levels of strategy, the underlying concepts of a strategy are vision, mission, objectives, planned actions, and activities. To produce the desired outcomes requires a process, which is strategic management. Thompson et al. (2007) define a good strategy as a winning strategy that fits an organization's business environment, builds competitive advantage, and improves a company's performance.

Strategic management. This is a set of commitments, decisions, and actions needed to achieve superior performance or strategic competitiveness and earn above industry returns. In essence, strategic management comprises four processes. These are analysis, formulation, implementation, and control. Luthans and Doh (2018) described strategic management as the process of determining the organization's primary mission and the long-term objectives and implementing a plan of action to attain those objectives. Further, it is a broad discipline whose scope spans the entire decision-making structure of the organization, including management processes, decisions, and activities in all its functional units.

Strategic management is different from general management. According to Cole and Kelley (2015), the activities of the latter include planning, organizing, motivating, and controlling, while strategic management is about designing the overall strategy for the organization, which involves analysis, decisions, and actions. Johnson and Scholes (2008) stated that strategic management includes making long-term organizational decisions, and is concerned with ensuring that strategy is aligned with objectives. Further, it includes considering an organization's strategic position, long-term strategic choices, and how it intends to turn strategy into action.

The core concept of strategic management is making decisions and taking actions in an environment changing at an increasing pace and competitively fighting for scarce resources. This means performing above industry average or the next competitor. It means performing at a competitive advantage in the marketplace. To achieve competitiveness, an organization requires a good strategy.

Strategic management process comprises five stages: strategy analysis, formulation, implementation, control, and evaluation. Strategy analysis is involved with scanning both external and internal environments, strategy formulation is about making strategic choices to formulate a course of action, and strategic implementation is the process of putting the designed strategy to work. Further, strategy control deals with validation of the control assumptions and targets, while evaluation focuses on checking what was measured after completion; and how what was achieved compares with the targets that were set.

Performance. Strategy is about winning. Ireland et al. (2013) suggested that winning in a competitive marketplace means standing out amongst competitors over the long term and is achieved when a firm successfully formulates and implements a value-creating strategy. It is a measured performance from multiple perspectives, including the balanced scorecard and triple bottom line. Kaplan and Norton (2011) define a balanced scorecard as a framework that measures performance from four dimensions, namely; financial and customer perspectives, internal processes as well as learning and growth. Additionally, Elkington (2018) proposed the triple bottom line as a performance measure from the lens of three spheres of sustainability name; profit, people, and the planet.

In a knowledge economy, knowledge management is a meticulous approach that is used to optimize individual performance leading to organizational performance, hence the need for managers to have sufficient knowledge, both internal external to their organization, of the local operating context. Managers with superior cognition of the local context may succeed much more than those with inferior capability. A sufficient pool of managers with appropriate cognitive abilities constitutes a strategic resource for an organization as predicted by the firm's Resource-Based View (RBV) perspective (Barney, 1991; Penrose, 1959). In this regard, sensitivity to and knowledge of the local context constitute native thoughts. Thus, knowledge of the native community is an important aspect of organizational knowledge.

Strategy Formulation

This refers to selecting the most suitable course of action in order to realize an organization's goals and objectives, and achieve its vision. It starts from the premise that an organization has stakeholders, a business environment (internal and external), and has envisioned its performance. Therefore, its strategy needs to consider these issues. It is noted that the essence of strategy is to achieve superior performance in a turbulent environment. Further, strategy formulation is always preceded by an analysis of both the environment and a wide spectrum of stakeholders who determine the diverse meaning of performance in an organization. Hence, strategy formulation involves environmental scanning and stakeholder analysis. The outcomes of this strategic management process are the ones that lead to a conception of visions, missions, and strategic decisions.

Stakeholder analysis identifies the stakeholders doing stakeholder mapping where their value to the organization is appropriated, and the power they yield is ascertained. The next step is deciding a cause of action. On the other hand, environmental scanning focuses on internal and

external environmental analysis. To do this, managers need cognitive abilities and correct tools of strategy analysis. Managerial cognition determines management interpretation or ability to process several things to make good decisions.

Strategy formulation process has six key steps: setting long-term objectives, which enable managers to make strategic decisions; evaluating or scanning of internal and external environment which influences the decisions; setting measurable targets that back the business plan; developing a plan of action for those targets; developing performance analysis criteria for identifying the gaps between the current state and the projected state so that appropriate actions to seal them are programmed; and selecting of strategies to be instituted - a critical step in strategy formulation. Based on this, therefore, managers' cognition of environmental conditions is central to strategy formulation.

Several approaches have been suggested on how strategy is formulated. Mintzberg (2008) suggested ten schools of thought that fundamentally had important areas of agreement in strategy formulation. Some of those include the cognitive school, which looks at strategy formation as a mental process. The learning school views it as an emergent process and the configuration schools see it as a transformation process. This study adopts the cognitive school of strategy formulation by positing that managers use cognition of the local environment, referred to as native thoughts in this study, to formulate a strategy that impacts the performance of rated hotels. Further, a formulated strategic plan will amount to little if it is not successfully implemented.

Strategy Implementation

Strategy implantation describes the activities within an organization to manage the accomplishment of a strategic plan. It requires focused mobilization of human resources (employees and managers) to put the formulated strategy into action. It involves developing a culture that supports continual improvement, refocusing financial, operational, and marketing efforts, developing and utilizing information systems and other technologies, and relating incentives to organizational performance. According to Tawse and Tabesh (2020), strategy implementation is the most challenging part of the strategic management discipline, despite it being a critical constituent of organizational success and a prospective source of competitive advantage. Therefore, it requires corporate focus on managerial actions required to influence implementation, conditions for effective implementation, and dynamic management proficiency to create suitable conditions to enact the right managerial actions.

Being a strategic management stage where strategy is put to action, strategy implementation requires breaking down the broad strategic goals formulated into specific objectives that are then communicated to the stakeholders. Appropriate resources are then allocated to enable those objectives, and actors or human resources are allocated to deliver the objectives. Some of the specific activities taken include establishing objectives, formulating policies, assigning resources, managing conflict, restructuring, re-engineering, rewards, minimizing resistances to change, matching resources (including human resources) to strategies, developing human resource management, and other support functions

Strategy implementation process occurs in two stages - strategy operationalization and strategy execution. Strategy operationalization is the interface between strategy formulation and its implementation (Amoo et al., 2019) and is based on a strategic plan. It defines the whole

concept in terms of specific programs, concept design, governance structures, and its benefits. It turns abstract ideas into actionable processes. On the other hand, strategy execution is the implementation of a strategic plan developed at the operationalization stage to reach organizational goals. Without the right execution, the best strategic plans can fail (Cote, 2021). Therefore, the gap between strategy formulation/ planning and execution must be closed to avoid failure. Five execution strategies recommended by Cote (2021) include ensuring that all decision-makers and stakeholders agree on the plan, aligning jobs in the organization to the strategy, clearly communicating the plan to employees, continually assessing progress toward goals by measuring performance, and leveraging on innovation while maintaining control over the strategy implementation process. As seen from the need to implement a strategy effectively, a disciplined approach must be used to avoid failure.

It is recognized that strategy implementation is a change process and requires the right change management approach. Since any change in an organization is susceptible to resistance, an appropriate change approach is used by organizations to reinforce behaviors that enable them to continue to grow and create a culture that supports strong strategy and are solution-seeking. In this study, Kurt Lewin's three-stage model was used for the change implementation of rated hotels, where the change process was the moderating variable.

Role of Cognition in Strategy Implementation

Cognitions are views or perspectives. Mintzberg (2009) acknowledges that perspective guides all other things after making it. Therefore, it is an essential aspect in determining management interpretation. Since strategy implementation is a challenging phase in strategic management, the perspective of managers is critical in it. Managerial complexity is an important consideration in strategy implementation. It requires cognitions or perspectives of managers

involved in the process since the managers perceive and process multiple information necessary to implement the formulated strategy.

The study examined how managers interpret the local environmental factors and how they use that interpretation to make and implement decisions. This interpretation of the local conditions is an intellectual process by managers and is a cognitive process, while implementation actions comprise an operational process, a change process. Further, it is noted that the essence of strategy is to achieve a competitive advantage after a successful strategic management process and is defined by the organization's level of performance. Therefore, this study is in the strategic management discipline, specifically focusing on strategy formulation based on managerial cognition underpinned by the socio-cognitive theory (Bandura, 1986) and strategy implementation grounded by Lewin's (1946) three-stage theory/ change model.

Native Thoughts

One day, the researcher was walking along a path in his up-country home area when he noticed how his up-country folks were walking to and from with ease and freedom not seen in the city of Nairobi, where he works. He wondered how possible that was when city life makes one so tense that one would naturally not walk freely and with ease. The thought lingered on, but he dismissed it as just one of those 'native thoughts' because it was not important. He continued along the path, seeing even more amazing things that were not common in the city, but he dismissed them as 'native thoughts' each time.

When the researcher returned to Nairobi, he went back to his usual busy and crowded life. One morning, as he drove to work, he observed that pedestrians in the highly populated areas were behaving the same way as the up-country folks that he had observed earlier. They were not

tensed in any way and went about their businesses easily and undisturbed by what was happening around them. Contrary to that, he noticed that people in less populated areas of Nairobi seemed not to be relaxed as they went about their business. Again, the researcher dismissed his thoughts as just 'native thoughts,' which was strange. At that point, he realized that he had dismissed almost all his observations as native thoughts and wondered what native thoughts mean. Was it just a term coming unconsciously to him? Further, why was it coming out repeatedly? At that point, he decided to search for the meaning of those words and why they kept coming back whenever he made unconscious observations on people going about their lives in different environmental settings.

In the attempt of finding the meaning of 'native thoughts,' the researcher reasoned that the meaning would emerge from studying people in their workplaces, how they relate to the environment around them, and how such environment affects their work and work outcomes. From the findings, the researcher intended to use those studies as 'native thoughts' and theorize them as terms integrating the environments in which people live or work, as people go about their lives normally. The researcher went about his life and made some observations which led to concerns about those two words leading to a search whose findings pointed to the meaning of each word and that of the combination of the two.

The words "Native thoughts" are derived from 'native 'and 'thoughts,' whose meanings are different. The linguistic meaning is simply thoughts about the "native" or the thinking of the natives. Grubber (1991) explained that linguistics is simply understanding meaning without relying on intent and assumptions. However, pragmatics (study of how context affects meaning) reveals that meaning is something affected by and affects the word. It is something contextual with respect to language and the world, and something active towards other

meanings and the world. In this regard, "native" is contextual, and "thoughts" are active to the thinker, translating them into concepts. This study uses both contextual and active meaning of each word, and ultimately, for the combination – 'native thoughts.

According to Etymology Dictionary, the word "native" dates back to the 14th Century, from the French word "*natif*," which means natural, in-born, hereditary, created naturally, born in, raw, unspoiled by the Latin natives, to mean innate and produced by birth. Other related words in old Latin gignēre, translate to "be born" or beget with derivatives referring to production tribal groups. From the 15th Century, the word native was derived to mean "born in a particular place, of indigenous origin or growth", therefore, not exotic or foreign but occurring in a pure state in nature referring to metals and minerals in the 1690s or land, plants, food, language and culture in the 19th and 20th Century.

The word native, therefore, has had both negative and activist connotations. In old French, it meant a woman born in slavery, and in the 1600 century, original inhabitants of non - European nations such as American Indians were contemptuously referred to as "native," meaning "the locals." In the mid-19th Century, native meant "a person born in bondage, one born of a slave or within". The English etymology dictionary notes that in the 1970s, activists Indians began calling themselves "native Americans" as a reminder to whites who were on the premises first. Similarly, the white colonialists used it to refer to those they colonized (usually non-white) as natives in a derogative manner. In the Americas, indigenous red Indians were called natives, while indigenous Africans were called 'natives' in Africa and Italians as 'tribal natives' in Europe.

In contemporary times, the word native has several meanings: Oxford English Dictionary gives it meaning as a noun and an adjective and explains its application in various contexts. As a noun, it is a person born in a specific place, or associated with a place by birth, or a resident. It also refers to a local inhabitant or indigenous to a place. On the other hand, as an adjective, native means associated with the place or circumstance of one's birth, such as a Kenyan or a British. Responsively it refers to indigenous origin or growth, domestic, home-grown homemade, local, or endemic. The opposite of these words is imported.

In terms of application, the word native is used in biology in reference to animals or plants, indigenous to a place, while in food, it refers to where that type of food is planted or reared. In genealogy, it refers to where an item (adjective) is found or originated from. In computing, it refers to what the item is designed for or built into a given system, especially denoting the language indicated with a given processor computer and programs within it.

A thought is described as a process of using the mind to consider something or the product of the process. From the English Etymology Dictionary, the word thought originated from the old English, denoting the process of thinking or a thought: conception, to conceive in he, mind or to consider. Its meaning evolved to cognate with the element of memory, attention, and devotion, and then to consideration, deliberation, and then to the contemporary meaning where its adjective usage defines it in action hence thoughtful as being contemplative, prudent, moody, anxious, or showing consideration for others. These meanings have become commonplace today.

From Vocabulary.com, the dictionary definition of thoughts is organized beliefs of a period, individual or group. It also refers to them as cognitive content, a personal belief or judgment

not founded on proof or certainty. It describes thought as a past simple and past participle of think, the act of thinking about or considering something. It further suggests that it is an idea, an opinion, or a notion when taken as a noun. Its synonyms are belief, concept, conception, view, impression, conviction, or perception, all in the line of thinking. Further, when taken as a mental picture, thoughts also mean assumption, presumption, hypothesis, theory postulation, abstraction, apprehension, understanding, supposition, or conceptualization. Thoughts are further described as mental cognitions, ideas, perspectives, and beliefs about ourselves and the world around us.

An organization is set in a geographical location where realistic context is native. Thoughts about such a native location come with progressive and objectionable feelings. On the progressive side, the postulation is that the location, its people, its culture, and everything in it brings good tidings. In contrast, on the negative side, the colonial interpretation and the native identity questions arise. Therefore, as highlighted in the English Etymology Dictionary (2020), there must be sensitivity when dealing with the question of native thoughts from an organizational perspective.

In this study, the researcher proposes that "Native thoughts" denote sensitivity to the local situation. Sensitivity refers to responsiveness, vulnerability, consideration, care, thoughtfulness, diplomacy, fact, understanding, empathy, feeling, or intuition. It also means perception, discernment, insight, or *savoir fair*, which means the ability to act or speak appropriately in social situations. The bottom line of all these words and synonyms is the ability to sense, register, interpret, adapt, and respond to an external situation in a tactical diplomatic creative, and clear way. Further, the idiom which is related to Pope Clement XIV (1777), that when in Rome, do as Romans do ("*cum Romanus Eris"*), refers to the importance of adapting

oneself to customs of the people who are in certain places or circumstances and behave as they do, to avoid being visibly different or being an outlier. This can be extrapolated to organizations and their relationship with where they are situated.

Subsequent to the meanings covered, the researcher refers to native as the "local" within the external environment of the organization, and projected "thoughts" as thinking about the native which renders to sensitivity - a predisposition to a context - understood in this study as the external situation. The external is the native or local while thoughts, sensitivities, and perceptions are cognitions. Therefore, this study proposes that 'native thoughts' (NT) means 'cognition of the local context.'

Organizational Performance

Performance refers to the action of doing a specific task and is evaluated on the basis of how successfully an individual or group performs it, while organizational performance is about the analysis of an organization's performance against its set goals and objectives. Cole and Kelley (2015) suggest that organizational performance is dependent upon analysis but a more strategic and integrated approach is to increase the effectiveness of organizations, which is a measure of organizational success. It starts with the leadership setting goals, objectives strategies, and management making strategic decisions and implementing them through teams to achieve those goals and objectives sustainably.

Cole and Kelly (2015) postulate that doing the right things, even more than performing them efficiently leads to effective performance, which also involves a strategic management posture to attain sustainable competitive advantage by focusing on the organization's external environment, competitive positioning, and the internal environment where its focus is on core

competencies. However, Luo et al. (2015) suggest that organizational performance can be measured in terms of economic performance such as financial and economic markets, as well as operational performance which includes observable indices.

Ultimately, organizations are projected to perform effectively in the long term. According to Johnson (2018), organizational performance is achieved when an organization finds a balance between its employees, shareholders, customers, and the community. Further, Senaji (2011) adds that knowledge management process, particularly knowledge protection, has a significant relationship with organizational effectiveness and proposes that knowledge protection is critical for organizational effectiveness from a Resource-Based View (RBV), where they create a competitive advantage by building and applying their resources, hence improve their organizational performance. Mohammed et al. (2019) assert that knowledge management is a meticulous approach used to optimize organizational performance in a knowledge economy, leading to organizational performance. Thus, knowledge of the native community is an essential aspect of organizational knowledge.

Naylor (1996) established that the success of an organization is determined by how effective it is after assessment of its set objectives is determined and requires an evaluation criterion. In line with that argument, Elkington (2018) developed an evaluation criterion for sustainability called 'Triple Bottom Line' (TBL), which is a three-dimension accounting structure of measuring performance namely, environmental, social, and financial. Elkington argues that TBL, surpasses the traditional accounting structure of measuring shareholders' value, return on investment, and profits by including two more dimensions - social and environmental.

Following Ellington's argument, the notion of organizational effectiveness can be summarized as 'how well an organization is, in achieving its planned objectives. In this study, an organization was considered effective when indicators of social, economic, and environmental spheres show continual improvement and are sustainable. Hence, the notion of sustainability is covered in the concept of Triple Bottom Line (TBL). In this regard, sensitivity to and knowledge of the local context constitute native thoughts.

Managerial Cognitions

Managerial cognitions are thoughts or perceptions of managers, and are concerned with how managers think, internalize, determine, and make decisions. They can be understood from Social Cognitive Theory (SCT) perspective, which was established by Albert Bandura in 1986, as an extension of Social Learning Theory (SLT), which holds that a considerable part of an individual's knowledge attainment is directly related to observing others, Viewed from experiences, social interactions and outside of media influences.

SCT postulates that when people see a model doing practice on a behaviour, and observe its consequences, they clearly recollect the occurrences and utilize that information as a guide to their consequent behaviours through replication. Its core concept is explained by showing how an act of observed conduct is influenced by the interface of individual, behavioural, and environmental determinants. It has been used to indicate the difference between an individual's ability for moral competence and moral performance, where the former refers to ability to realise a moral behaviour, while the latter is the ability to follow an individual's idea of what moral behaviour is in a specific situation'. (Bandura, 2018).

Barney (1991) and Penrose (1959) posits that a sufficient pool of managers with appropriate cognitive abilities constitutes a strategic resource for an organization as predicted by the Resource-Based View perspective of the firm. Building on the thought, McShane and Gilnow (2018) describe the mental process behind decisions comprising competitive dynamics as cognitions, noting that managers with superior cognition of the local context may succeed much more than those with inferior capability. Hence the need for managers to have sufficient knowledge, both internal and external to their organization, of the local operating context. Following the concept and thinking of the social cognition theory, and examples of its application, it was envisaged that it was useful in anchoring the managers' cognition (native thoughts), in this study, and that the native thoughts would lead managers to make decisions that would lead organizations to address its responsibility and achieve the expected performances.

Change Process

The process of strategy implementation precedes organizational performance. This process is essentially a change management process and involves a substantial managerial thought process in planning and, ultimately, strategy execution. A change process requires getting a buy-in from the stakeholders to minimize resistance to change, which is the essence of any change effort. Hence, change management can be viewed as reducing or eliminating resistance during strategy implementation.

According to Stamenova (2020), change management is a series of steps to introduce and deliver change, either at the individual or organizational level, and fits within several encompassing models (frameworks) through which change is implemented. The models use steps that transition from conception to full implementation. An example of this is Kurt Lewin's

three-stage model, which was developed by Kurt Lewin in 1940. He suggested that change occurs in three stages, namely unfreeze which comes from the perception that the organization's current structure and processes seem to be frozen, and for any change to occur, they must be thawed; then change or movement, where the assumption is that people's minds are now open to change and can now move, and lastly, refreeze which assumes that people are already used to the change during movement and now crave stability.

Hospitality Industry

The hospitality industry provides hospitality products and services. Its main goal is to help customers have a comfortable and enjoyable experience and offer them any essential services they may need. In 2020, it was described in the Local Hospitality Leadership and Company Information publication as a broad category of fields that include food and beverage service, accommodation, theme parks, event development, transport, hotels, stand-alone bars, and restaurants, and categorized as tourism, travel, food, and beverage, accommodation and recreation.

Hospitality is part of the travel and tourism industry. Sofronov (2018) observes that tourism was not only one of the fastest-growing industries in the world, but also one of the most prominent, accounting for over one-third of the total worldwide service trade value. Hotel Industry - Statistics and Facts Report (2018), highlighted the performance of tourism as follows: the size of tourism was $5.3 trillion in 2017, and it keeps on expanding; the size of hotel industry was just over $ 570 billion in 2017and that there are more than seven hundred thousand (700,000) hotels and resorts scattered around the globe. In 2018, Knight Frank - a leading independent real estate consultancy in Kenya - noted that Africa is home to fast-growing cities with large populations and strong economic footing, who are increasingly drawing a record

number of tourists; therefore, international and local hotel chains have been focusing on it as a growth region owing to the relative scarcity of quality hotels and a limited supply in room provision, in the last decade. In 2018, Price Waterhouse Coopers (PWC) – one of Kenya's top Audit Firms - predicted continued growth in the hospitality industry in Kenya, with a contribution of between 10% and 13% annually on GDP. Further, Cytonn Investments observed that investors, researchers, and travellers are always searching for information on hospitality and hotels which begs the question: How much is understood of hospitality and hotels by researchers, scholars, investors, and practitioners?

Understanding what hospitality and hotel mean is important to investors, customers, and practitioners. His Highness, the Aga Khan (2006) describes a hotel as not just an attractive building but an expression of a larger strategy, that promises to produce an outstanding multiplier effect when it ripples through local communities. In this regard, multiplier effect refers to the significant social and cultural impacts exemplifying the highest standards of human resource development, strengthening artistic expressions corporate governance, nourishing cultural pride and renewing traditional values, through creative design and the activities that it supports.

Scholars and practitioners have also attempted to describe what the role of a hotel is. In broad terms, many see its role as providing paid shelter, food, refreshments and similar services and goods. Smith and Milligan (2011) suggest that a hotel is about going with the guests, the community, and the environment; about giving back to the community and to the environment, team, and guests. It is about giving and taking in a continuous circle - breathing in order to sustain itself - a constant and perfect balance. Further, Rutes et al. (2001) stressed the need to consider the use and popularity of a hotel project to the local population, highlighting the

importance of its compatibility with the surrounding uses, plans, policies, critical public services, and preservation of scenic qualities of the site and general environment.

According to Brotherton (2012) hotel provision (from an international perspective), is a phenomenon that is culturally bound as conventions which direct hospitality industry provision and the way its service providers operate consists of in-built set of assumptions. For example, in a classic hotel, location is often selected carefully to charm a certain type of use. Other examples include institutions that differentiate themselves with the food and beverage products and type of accommodation that they offer. Similarly, hotel customers and service providers are able to understand each other through given social codes, where certain behaviours are acceptable, and others are discouraged.

It is noteworthy that in some regions, a hotel means more than just another service business. Hayes et al. (2017) observe that hotels dictate how those outside the locality where the hotels are, view the area. In other words, hotels create the character of a destination. For example, in the French Quarter, New Orleans, USA, hotels located their lead ambience to the entire area, and this also applies to non-tourist areas. Another example is in South Africa, where the Visitor's Guidebook starts with a narrative, "where to stay in Kruger National Park," used to describe Kruger National Park. Further, in Kenya, a publication called 'The Report - Kenya 2018 –Tourism Overview' by Oxford Business Group, highlighted the growth of hotels between 2016 and 2017.

Hotels are interesting places to stay and to work in and in most cases, work for twenty-four hours daily, who Brotherton (2012) explains that general managers of hotels see every day as different in a hotel, which makes their jobs attractive because work is never boring, though it

brings both pleasant and unpleasant surprises. They are expected to be people persons who interact with employees, guests, and other people inside and outside of the hotel and make decisions that affect hotel operations and its stakeholders. For example, Hayes and Niemeyer (2005) observe that local administration and community leaders often look up to the local hotels' General Managers when trying to develop tourism and related business opportunities that would support or meet the needs of the local community. Therefore, the role requires a person with conceptual, interpersonal, administrative, technical, and strategic skills, which are needed for effective management. However, Stubbart (1988) notes that the missing link in strategic management and performance is managerial cognition Therefore, managers need to have cognitive skills when making important decisions.

Hotels are widespread and are known to thrive when economies are doing well. Contrariwise, they also suffer economically, when there are challenges that make people stop traveling. A case in point is in 2020, when Coronavirus that causes COVID-19 disease spread rapidly, leading to the temporary closure of travel, national borders were closed. There was also lockdown of key tourism source markets, leaving the local communities as the only sources of business for the few hotels that were still operating. Apparently, this phenomenon has observed in tourism and travel whenever there is a major crisis globally or locally. In this regard, it is important that hotel managers think about such phenomena so that they know how to react and mitigate business challenges.

In spite of the positive contributions that hotels bring to the community, they also bring in some negative impacts and influences, as by observed Jonathan et al. (2015) and gave some examples of these as the creation of a sense of dependency on the hotel customers by the local communities, increased air and water pollution, increase of large carbon print, impeding on

the life of local population due to increased congestion, noise, pollution, encouraging alcoholism, substance abuse, and prostitution. In addition, hotels can act as platforms for spreading contagious diseases can change community structure, family relationships, traditional collective lifestyles - ceremonial and morality.

In most countries, hotel classification is done by a public standardization institution based on star rating, although a unified international standard exists. Brotherton (2012) notes that accommodation establishments are legislatively, and administratively treated differently, where related variations across different countries include licensing, styles of registering, grading, and categorization. However, in nearly all countries, registration and licensing of commercial establishments are compulsory. In Kenya, hotel classification is done by Tourism Regulatory Authority (TRA), under the tourism Act no 28 of 2011. The rating process is based on compliance to set standards and the establishment's quality of service. Further, the star rating exercise is done on the basis of a pre-determined criterion for each category of the establishment, using a checklist, where the ratings start from one star to five stars, with one star being the lowest category and five the highest.

Survival of hotels in the long-term depends on how sustainable the external environment around them is. Therefore, the sensitivity of managers of hotels towards these factors is key to making the right decisions that would lead these institutions to exist in harmony with the external environment, and become sustainable. His Highness the Aga Khan, (2006), notes that the purpose of hotels internationally should be to provide leading standards of service within locations and comfort that meticulously promote craft, home-grown architecture, cultural conducts, building regional hotel capacity through human resource development, generation of

foreign exchange revenues, employ local people and which brings about environmental sensitivity to tourism industry within the regions of operation.

The researcher notes that people visit places because of the experiences that they get out of those places. Hospitality industry provides a dynamic external environment and a vibrant internal environment that cater to many visitors, suppliers, business partners and employees. This provides a great context for the study of native thoughts and its impact on performances of those hotels, hence the choice hotels in Kenya as the context of the study.

Performance of Hotels

Hotels achieve their expected performance when they exceed customers' expectations and find innovative ways to delight their customers by offering memorable experiences. Chaudhary and Nair (2018); Lashley (2015); suggest that hoteliers need to be hospitable, people-pleasing, warm and friendly, and able to meet customers' needs. Hence, hoteliers must be good communicators, entertainers and intensely knowledgeable people.

High performing hotels also strive to become sustainable by creating a balance between customers, employees, and their surrounding community. Customers keep coming back, and each time becomes a new experience for them not only when employees are friendly and skilled in customer service, but also when hotel become friendly to the environment and makes make an effort to go green. For example, Hard (2019) notes that many hotels (from the luxurious to the budget-friendly), are initiating more sustainable business practices in areas such as energy conservation, water conservation, recycling, and waste reduction.

In efforts to become sustainable, hotels have introduced integrated organic products, hormone-free meats and dairy, and spa therapies containing indigenous ingredients, that are locally sourced. They have also resorted to purchasing local in-seasonal product, and other sustainably sourced and healthier foods, unique hydration options, and conveniently located filtered water instead of plastic bottles. Tanveer (2020) lists the most sustainable hotels in the world and notes that most travellers are conscious of their carbon footprints, and so, select hotels that go to great lengths to maximize their green credentials so that they can relax in the knowledge that they are not doing any harm to the planet on their holidays. Borochoff (2020) notes that in Africa, hotel developers are opting for eco-friendly building practices, which are more expensive, upfront but pay off in the end, in terms of environmental impact, reduced operating costs, and good publicity, and she invites travellers to look out for these innovative buildings when in Africa.

Amelia (2018) observes that the local community has become essential in defining and differentiating the hotels. Travelers seek unique, local experiences, so it is important that hotels develop these experiences. Some of these practices include highlighting the best the locality has to offer and partnering with the local community by having joint environmentally friendly programs. This has the potential to give credibility and a positive brand impact to the hotels because the tourism industry depends on the quality of the surrounding environment. Further, empowering the community by hiring local employees can help other local businesses generate revenue, stimulate local growth, local tourism industry, and economy, reduce carbon footprint and develop positive business relationships within the community.

In hospitality the most critical indicator of performance is customer satisfaction. When customers are satisfied, they purchase more, influence other buyers, do repeat visits and stay

longer in hotels. They determine the incomes, occupancy levels, average spending per customer, customer retention, repeat business and profitability. A hotel is likely to be sustainable when it makes profits and is prudent in its financial management, resource management, and environmental management. When many hotels become sustainable, the industry sustainability is guaranteed.

Satisfied hotel employees genuinely provide high-quality service to customers which leads to happy and satisfied customers. There is a boomerang effect between satisfied employees and satisfied customers. Satisfied employees stay longer in their jobs which is employee retention. Employees who stay longer on their jobs become familiar with repeat customers who may be attracted to the property because they are known and believe that they have friends in the property. This is likely to lead to sustainable business and in effect, a sustainable hospitality industry.

The hospitality industry in Kenya is the context of this study. The environment where they are located is the subject of managerial cognitions. The decisions made by the hotel managers influence the strategies and outcomes of performance of these hotels. Further, classification of hotels is based on the physical setting of the hotels in terms of design, sensitivity of diversity of customers in terms of ease of movement, safety, security, facilities and standards. In addition, good leadership and management practices, availability of information, and knowledgeable human resource are also important considerations in the exercise and are readily visible in three, four and five star hotels.

1.2 Statement of the Problem

Organizational survival is determined by frequent exchanges and collaborations between the organization and its environs, where it acquires several broad responsibilities to the society. This is because the society expects to benefit from the organization in several areas such as provision of employment, market for local goods, provision of social services and opportunities for community recreation, among others. Unfortunately, many organizations continue to operate in a traditional way whose focus was on profits and shareholder value only, which may lead to conflict between them and the community in which they operate. This calls for managers to have a local context consideration, when making strategic decisions for organizations.

The way managers perceive the local environment and use those perceptions to make decisions is a cognitive process that is underpinned by the social cognitive theory (SCT). Native thoughts are managers' cognitions of the local context or environment in which they operate, comprising local geography, demographics, culture, politics, and economic status. The quality and timing of these decisions are the essence of competitive dynamics and are informed by the knowledge base of the managers. It is this knowledge that managers draw on to act or react to environmental cues. The more knowledgeable they are, the better the quality and timing of actions will be. Unfortunately, it is not clear in empirical literature what the prevalence of native thoughts by managers was, whether and how they were incorporated in organizational decisions, particularly in the hospitality industry, and the impact that had on organizational performance.

The need for native thoughts has been highlighted recently by the emergence of the corona virus disease of 2019, code-named COVID-19, which has brought negative impacts on all facets of life, including organizations and their immediate neighbourhoods, in far-reaching ways. Apparently, similar effects have been observed before, whenever an epidemic or a major

disruptive event takes place, to the point that it has become a phenomenon. Further, human and wildlife conflict in areas neighbouring wildlife conservation areas and game parks in Kenya, is common. Furthermore, cases of conflict between poor people occupying public land in Nairobi, and private developers are also common. In view of these examples, the extent to which businesses respond to community needs is not clear.

Upon cognition of external environment, organizations make decisions that are enacted through strategic plans which are implemented through a process of change using appropriate change models. The way the change process takes place may determine the success or failure of the change effort, hence the plan. This study used Kurt Lewin's three-stage model which has been used to guide change implementation in organizations. However, application of this model on a relationship between a cognitive process and performance is scarcely documented in empirical literature. Further, the effect of the change process on such a relationship has also received little empirical investigation. For example, Rigava (2016), Cole and Parker (2019), Levine et al. (2015) and United Nations (1992) covered characteristics, importance and impact of environmental factors to communities and Government but not how those factors affect performance. Therefore, this study addressed the existing literature gap on the link between cognitive processes and strategy, contextual gap in strategic decision making processes in organizations, theoretical gap linking cognitive processes to performance, and the knowledge gap on local context by managers in hospitality industry.

1.3 Purpose of the Study

This study focused on understanding the native community factors and having them included in important decisions of organizations. However, it is noted that decisions are always preceded by cognitions and are usually made by managers in organizations. Therefore, native thoughts

were studied through a managerial cognition perspective or lens, which was anchored by social cognition theory and aimed to investigate how native community needs are included and native factors integrated into the operation of organizations. Consequently, an attempt was made to answer the following three research questions (RQs):

RQ1. Are the hospitality industry managers natively thoughtful?

RQ2. What is the relationship between native thoughts and organizational performance of the hospitality industry?

RQ3. What is the effect of change process on the relationship between native thoughts and organizational performance of the hospitality industry?

1.4 Objectives of the Study

The main objective was to determine the relationship between native thoughts and organizational performance of rated hotels in Kenya, and the moderating effect of change process on that relationship. The specific objectives of the study are:

(i) To assess the influence of local geography cognition on organizational performance of rated hotels in Kenya

(ii) To establish the effect of local demographic cognition on organizational performance of rated hotels in Kenya

(iii) To determine the influence of local culture cognition on organizational performance of rated hotels in Kenya

(iv) To assess the impact of local politics cognition on organizational performance of rated hotels in Kenya

(v) To examine the influence of local economic status cognition on organizational performance of rated hotels in Kenya

(vi) To evaluate the moderating effect of the change process on the relationship between native thoughts and organizational performance of rated hotels in Kenya.

1.5 Research Hypotheses

In this study, six hypotheses were advanced and are presented as follows:

H_{01}: There is no significant relationship between local geographical cognition and organizational performance of rated hotels in Kenya

H_{02}: There is no significant relationship between local demographic cognition and organizational performance of rated hotels in Kenya

H_{03}: There is no significant relationship between local culture cognition and influence on organizational performance of rated hotels in Kenya

H_{04}: There is no significant influence on local politics cognition on organizational performance of rated hotels in Kenya

H_{05}: There is no significant relationship between local economic status cognition and organizational performance of rated hotels in Kenya

H_{06}: Change process has no significant moderating effect on the relationship between native thoughts and organizational performance of rated hotels in Kenya.

1.6 Justification of the Study

This study focused on understanding native community factors and including them in important decisions of rated hotels in Kenya. It also aimed at investigating the effect of change management on the relationship between those factors and organizational performance of hotels. The research was important and urgent to do because of the high number of stakeholders who may be affected by the impact of not doing it. These include:

Hospitality industry. The study was carried out in rated hotels in Kenya, but the findings are expected to provide new insights and knowledge to key stakeholders. At the outset, the hospitality industry relies heavily on the local context for attraction of the local customers, acquisition of fresh products, labour force, utilities such as water and electricity, among others; therefore, it is likely to benefit from achieving sustainability if it perceives the local context cognitively, and include it in its important decisions that lead to performance.

Corporates. It is expected that organizations are supposed to minimize negative impacts such as possible conflicts with communities where they are established; or degradation of the external environment if they focus only on their profits and ignore important community issues as has already been witnessed in some places in the world; therefore, there is need for urgent attention and action. Further, they may benefit from the adopted framework in this study for inclusion of local issues in key decisions of organizations that are looking for economic, social, and environmental sustainability, which are important for organizational survival, since every organization has a local context in its business environment.

Policy. Government and non-profit organizations can use the results of this study in their efforts to achieve the sustainable development goals (SDGs) which are prescribed by the United Nations (UN). Specifically, the study adopted organizational performance as its outcome variable on the basis of sustainability which is espoused in economic, social, and environmental sustainability and which are consistent with the SDGs' initiatives.

Research and Scholarship. This category of stakeholders is likely to have an opportunity to extend 'native thoughts' to other areas of study and application, as currently, the empirical literature on this area is largely not available. In particular, the effect of the change

process on the relationship between native thoughts and organizational performance is an area that researchers and scholars need to explore.

1.7 Limitations of the Study

First, the sample size was relatively small because Kenya has only 211 hotels, rated from 1to 5 stars by Tourism Regulatory Authority (TRA). Out of those hotels, 61 hotels are rated 1 and 2 stars, while the rest are rated 3, 4, and 5 stars. The first group is not likely to have the required structures or information to support this study. Therefore, the study focused on the next group which had 150 hotels, targeting at least three managers per hotel. Further, getting permission to do data collection in all establishments was difficult because the hospitality industry in Kenya is mainly private sector driven, and information is not shared freely because some hotels consider it classified information, which made access to data difficult. To overcome that limitation, the researcher used proxies such as qualitative key performance indicators such as the effectiveness indicators, to deduce performance levels.

Secondly, there are inadequate empirical study materials on native thoughts or the relationship between native thoughts and organizational performance and the moderating effect of the change process on this link, for reference, especially in hotels. In this regard, contextual information was sought from non-academic publications and authoritative internet articles that may not be based on research, as well as key informants, drawn from the hospitality and tourism industry.

Thirdly, the research was carried out during the COVID-19 pandemic, when there were lockdowns in many parts of the world. Due to that, data collection was done either online using

google forms, leading to reduced personalized explanation. Hence, many respondents did not complete the forms or were too slow, which resulted the process lasting over three months long.

Fourthly, there was COVID-19 has led to the near-collapse of Local travel and tourism. Due to this, many hotels were either closed or were operating at low capacity, which meant that respondents were not readily available. Some of them were working from home, while many others had already lost their jobs, leaving only a small response team on duty. These scenarios lead to low response rates as well as to responses. To supplement these efforts and boost the response rate, hand copies were also distributed, mainly in Nairobi and Mombasa. These were affected by the COVID-19 virus situation since most respondents preferred non-touch processes. However, 33 respondents completed the physical questionnaires.

1.8 Delimitations of the Study

The study left out 1 and 2 star-rated hotels, because they largely lack the necessary information and structure to support the areas covered in the study. The study excluded non-management staff of hotels as respondents because they were not part of the unit of study. Lastly, non-hospitality industry stakeholders were not included on the list of key informants because they information required was specifically from people with hospitality and tourism background and experience.

1.9 Scope of the Study

The study focused on understanding how managers perceive the native community factors and if they include such understanding or thoughts in organizations' strategic decisions. Lastly, data collection, analysis and reporting processes were expected to take six months, starting from December 2020. However, data collection was done mainly google-forms and physical copies

of questionnaires, which were difficult to administer due to challenges brought by COVID-19 pandemic which rendered many hotels closed. Hence, the exercise took four months, data analysis, one month, and reporting and presenting, two months.

1.10 Assumptions of the Study

The first assumption was that the research tools used covered sufficient and complete information to support the study. The second one was that the limitations outlined in the study were not expected to be affected the research process, the information gathered or the conclusions derived from the research. Then, the third one was that the sample size was sufficient for the study

1.11 Operational Definition of Terms

The study was about the influence of native thoughts on organizational performance and the moderating effect of the change process on that relationship for rated hotels in Kenya. The key terms are used are defined as follows:

Native thoughts. This refer to managers' cognition of the local context, comprising cognitions of local geography, demographics, culture, politics, and social status. It is theorized to explain how managers perceive the local environmental conditions and whether they include them in important organizational decisions. The constructs of native thoughts are the independent variables of the study namely; local geography cognition, local demographics cognition, local culture cognition, local politics cognition and local economic status cognition. The choice of managers is informed by Upper Echelons Theory, (Quttainah, 2015) and

cognitions by Social Cognition Theory (Nabi & Prestin, 2017). The study introduces native thoughts as new knowledge in cognition of external environment

Local geography cognition. This means perspectives or thoughts about local geography which incorporates space, place, and environment, (National Academies of Science, Engineering, and Medicine, [NASEM] 1997). It also incorporates location processes, phenomena, relationships among phenomena, flow of goods, services and ideas as well as vertical and horizontal integration (Saylor Academy, 2012)

Local demographics cognition. This refers to views about local demographics in respect to the measurable population attributes such as age, gender, birth rates, family structure, education levels, occupation, income and expenditure patterns as well as population dynamics, interactions and influences (Loretta, 2017).

Local culture cognition. This refers to beliefs about local culture with regard to characteristics and knowledge of a particular group of people, encompassing language, religion, cuisine, social habits, music and arts. (Zimmermann, 2017). It also looks at passage of knowledge and information across generations through plays, symphonies, and movies (McGee, 2012).

Local politics cognition. This is the thing about local politics in the context of political solutions such as conflict resolution, government rules and regulations, legislation, civil service management, and political inclinations (Leftwich, 2015)

Local economic status cognition. This refers to standpoints on social economic status in terms of statistics involving employment rates, stock markets, and gross domestic product (GDP) among others. It also includes social classes, incomes, standards of living, anti - social issues and other relevant issues that come with levels incomes and social classes (Evan, 2019)

Managers' cognition. This is managers' thoughts or perceptions of something or a situation that proceed decisions that include it. Oxford English Dictionary defines cognition as the mental process of acquiring knowledge and understanding thoughts, senses, and experiences and proceed decisions. McShane and Gilnow (2018) describe it as the mental process of managers that takes place before they make decisions. This study defines it as the theoretical lens through which thoughts are understood, and presents managers as the units of research. Barney (1991) and Penrose (1959) on Resource-Based View of the firm.

Organizational performance. This is also called performance management, and is a system that evaluates how well work is done by gauging whether objectives are being met, measuring achievements and performance, providing feedback to employees, and tying it to rewards. It is about efficiency or 'doing things right'. A report by Society for Human Resource Management (SHRM), in 2010 describes it as an assessment of how far stated organizational objectives have been achieved. One of the tools used to evaluate it is the Triple Bottom Line (Harvard Business Review, 2018)

Change process. This is also a change management process and refers to the logical steps used in the implementation of change in an organization. Smith (2011) explains that change management comprises team preparation and support, establishment of the necessary steps for change, and monitoring progress to ensure successful implementation.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

The focus of this chapter is on theoretical review, exploring the concepts and models, the pragmatic reviews which highlight perspectives of previous studies done on the subject areas covered, conceptual framework, and the operational framework of the study.

2.2 Theoretical Review

Organizational performance is concerned with how an organization achieves its projected goals and objects. According to Naylor (1996) it looks at an organization's work through the eyes of stakeholders and is concerned with how closely the organization met its needs and requirements. Hall and Slaper (2011) suggests that it measures the impact of the organization's activities in the world, in respect of profitability, shareholders' value, social, human, and environmental capital. This agrees with Elkington (1994) that "triple bottom line" as a sustainability concept. Accordingly, this study used the Triple Bottom - Line theory to anchor organizational performance

In organizations, management decisions are made by managers. Hambrick and Mason (1984) observed that people on top echelons of organizations greatly influence decisions, based on their interpretations of issues, and this affect the choice of their actions. They do this through their past experiences, values, and personalities. What is more, Mullins (2016) suggests that decisions and activities of management in organizations have cumulative impacts on people, other establishments, and the public. The researcher observes that to make organizational decisions, managers need cognitive thinking. Consequently, the study underpinned cognitive thinking of managers on Social Cognition Theory (SCT).

In the process of making strategic decisions, it is expected that managers would take into account the native community where the organization is established. As top executives of the organizations, managers are not only expected to take critical decisions and actions, but also influence outcomes. This fits well with Upper Echelons Theory, which accordingly was used as the anchor theory of the study.

Decisions need to be implemented for the organization is to achieve the expected performance. Implementation of decisions is done through a change management process, which a series of steps that tries to minimize resistance to change, get employees' commitment to support the change, in order to implement the strategic plan and achieve the desired performance. This study used Kurt Lewin's Three Stage Model to explain the change process.

The study was about how managers think about the local environment and how their thoughts translate into strategic decisions, and whether such decisions lead organizations to improved performance. Organizational performance is assessed through Triple Bottom Line Theory, using economic, social, and environmental sustainability bottom lines.

Upper Echelons Theory (UET)

Upper Echelon theory holds that organizational outcomes are to some extent influenced by executive contextual characteristics of the top management team. It was established by Donald and Mason in 1984. It attempts to explain a correlation between the organizational outcomes and managerial background characteristics. The fundamental principle of this theory is that values, experiences, and personalities of executives, greatly influence their interpretation of the situations they face and, in turn, affects their choices.

Organizational outcomes are seen as replications of values and cognition bases of "powerful actors" in the organization. These actors are the top leadership of these organizations. In line with this Quttainah (2015) suggests that Upper Echelon Theory was built upon strategic leadership where individuals typify and influence divergent judgements made by top management teams (TMT). Further, the effects of a community on individual characteristics of a TMT, and the eventual effects of the planned decision making, influence the organizational performance. In this regard, community means original location or the current physical location, where the individual lived or lives.

Kaplan (2005) posited that cognitions are shaped by managerial contextual characteristics, which control the way top managers analyze and respond to situations, and the strategy selected for the organization. Further, organizational decisions are also made for environmental causes, which may be controlled or encouraged by means of social pressure. Therefore, manager's cognitions on external environment is important, in order to make the right decisions.

UET has attracted a lot of discussions with some researchers agreeing with it and others arguing against it. For example, Oppong (2014) observed that it has inspired many executive managers, but researchers have questioned a number of points. First, Kee et al. (2018) argued that top managers act on the basis of subjective preferences, experiences, and principles; therefore, the same may be passed on to the organizational outcomes. Secondly, the characteristics of the whole executive team are more predictive of organizational outcomes than the characteristics of the individual executive alone. In other words, the collaborative characteristics of the entire top management can easily determine the organizational outcomes than the singular characteristics of an individual top executive. Third, the theory stresses the demographic variables of top management and ignores the psychological variables such as cognitions and

values, which also determine organizational outcomes. The graphic depiction of UET is presented on figure 2.1

Figure 2.1

A Framework of Upper Echelon's Theory

OBJECTIVE Improvement of business performance	UPPER ECHELONS BACKGROUND CHACRACTERISTICS		STRATEGIC CHOICES	PERFORMANCE Profitability, survival, Growth Variation
	Psychological Cognitive base values such as of internal and external evvironment	Observable Characteristics such as age, career experience, education, technical skills, group norms and lifestyle	Innovation, diversification, acquisition, renovation, forward and backward integration, service quality improvement, administration restructuring	

Source: Hambrick and Mason (1984)

The framework suggests that the main actors can affect the organizational performance directly by their discretion, and the strategic choices that they take. Upper Echelon's theory answers the question of who makes the ultimate decisions in organizations. This means that behaviour of organizations reflects management. If the organization does not perform, then the failure is a reflection of management performance. Since the theory postulates that decisions are made by people in the upper echelons of the organization, the the choice of managers in this study is based on them being the people in the upper echelons and the influence of perception of the local environment on the decisions that they make.

Social Cognitive Theory (SCT)

This theory postulates that learning occurs in a social environment with dynamic and communal interaction of the person, the environment, and behaviour. It was formulated by Albert Bandura in 1986 as an expansion of the "social learning theory" offers a framework for understanding how learning occurs in the social contexts and the lively interaction between the environment, the person, and behaviour. It has five constructs of social learning theory (SLT), which relate to human behaviour change, are reciprocal determinism, behavioural capability, observational learning reinforcement, expectations. When it evolved to SCT, a sixth construct - self-efficacy - which holds that to successfully perform a behaviour a person requires a level of confidence in their ability, which is influenced by a his/her specific capabilities, personal factors, and their environment, was added.

The concept of SCT is that part of an individual's knowledge achievement is associated with observing how others perform within the context of experiences and social interactions outside of media influences. The theory holds that individuals learn by observing others in action where behaviour, environment and cognition act as the key factors that influence development in a give-and-take triadic relationship. Furthermore, each behaviour observed can change the thinking of a person, which is cognition. The theory focuses on the distinctive manner in which individuals obtain, retain, carry out behaviour, and the social setting where the behaviour happens. It considers an individual's past experiences, which influences if/ how the behaviour will occur. It is noted that past experiences influence underpinnings and anticipations, which is a combination that determines if a person engages in a specific behaviour or not, and the reasons why that happens.

Since its development, SCT has been discussed widely and researchers have expressed different views on it. For example, La Morte (2019) expresses that the goal of SCT is to point how people control their behaviour by monitoring and supporting the achievement of a long term sustainable goal-directed behaviour. Further, Betz (2007) suggested that it affects behaviour and cognition through the choice of activity, setting goals, learning, and achieving goals and its success depends on the effort and persistence a person has towards a certain behaviour.

Based on Bandura (1986) the dimensions of cognition based on the framework of social cognitive theory are salience, munificence, identity and internal/external focus, and were used to measure native thoughts. Salience is the state of being important, noticeable, conspicuous, observable or prominent. Munificence is the quality or action of being extremely generous, conducive, benevolence or abundance. Identity is the fact of being who or what a person or a thing is, in terms of personality, specification, identifications, recognition, discernment, sameness, congruence, or alignment. Internal/External focus refers to thinking or paying attention to something inside the organization while external focus refers to thinking or paying attention to something outside the organization.

In organizations where SCT applied, different tools that are mainly used in psychology, are used to manage it is. According to Nabi and Prestin (2017) some of these tools include reciprocal determinism, observational learning, reinforcement, expectations and self-efficacy. Reciprocal determinism refers to the dynamic and reciprocal interactions of a person, ecology, and behavior. It suggests that a person is capable of being both an agent and a respondent of change, suggesting that change behavior can be from within or from the environment.

Observational learning means that person performs a task through knowledge and learning where knowledge and skill is acquired by observing other people, and then reproducing it. In this case, a person who views successful modeling of a task, is likely to do the task successfully.

Reinforcement refers to the exterior and interior response to a task, which influences the likelihood of continuing or stopping a behavior. It can emanate from within or from the ecology, and can be bad or good but the action is dependent on reciprocity and relationship with the environment.

Expectations are anticipated outcomes of an individual's behavior. The results of this can be correlated with health or else other elements in the environment. People measure the impact of their actions before the performance of an act, and it determines the success of the task, observing that expectations are derived from lessons learned from past experiences and vary from person to person, which means it is subjective.

Self-efficacy is the confidence a person has in his or her abilities. A person who performs a task repeatedly, and is useful in different scenarios is said to be highly productive. The theory is represented graphically on figure 2.2

Figure 2.2

Representation of Bandura's Social Cognitive Theory
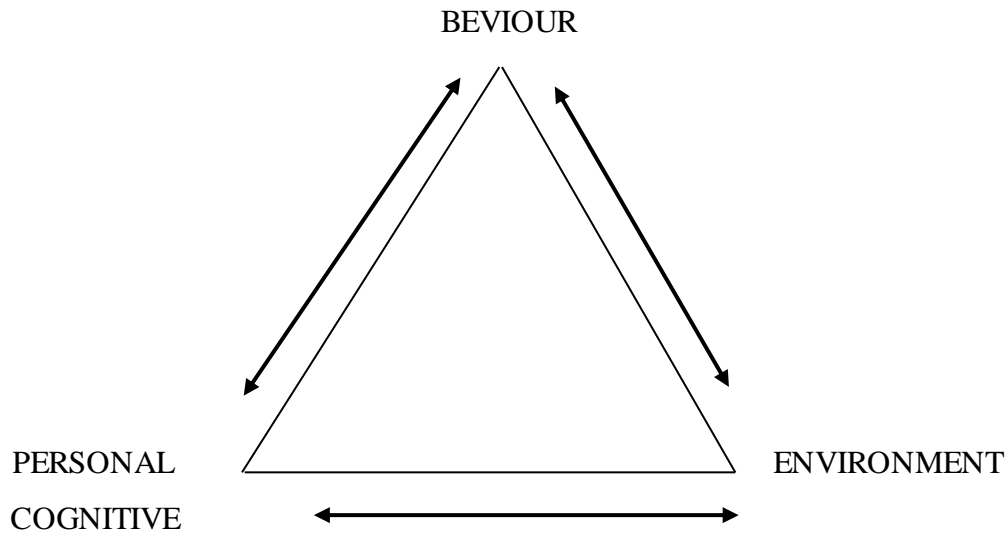
Source: Markus O. (2019)

From the illustration in figure 2.2, Bandura's social cognitive theory emphasizes on reciprocal influence of behaviour which includes responses and social interations, environment which consists of physical, family and social status, and personal cognitive factors such as physical characteristics, believes and attitudes, as indicated by the two-way arrows.

Critics of SCT have stated that the theory works on the assumption that alterations in the environment lead to personal changes, which is not valid. Additionally, the organization of the theory is not done well because it depends on the relation between people, behaviour, and ecology. There are no guidelines to ascertain the extent the variables influence each other. Thirdly, the theory concentrates on the learning process and does not consider other factors such as hormones that influence behaviour. It also fails to consider motivation and emotions, essential factors that affect behaviour. Therefore, the critics conclude that it is hard to operationalize the theory.

This theory addresses the question of how managers think about the local environment and how their thoughts lead to strategy formulation that would translate to performance of their organizations. In particular, it discourses how hotel managers perceive local geography of their environment, the local demographics, culture, politics and economic status of the environment where the hotels are established, and how such perceptions lead important decisions that lead to sustainability and good performance of these hotels, with a focus on rated hotels in Kenya.

Kurt Lewin's Model of Change

Within an organization, numerous decisions are made on issues that affect its operations, finance, sales, marketing, human resource, maintenance and sustainability, among many other. These decisions require to be implemented in order to produce results. However, implementation of decisions is a change process and requires a model. This study used Kurt Lewin's Three Stage Model to understand the change process. The model was developed by Kurt Lewin in 1947 as a tool for implementing change. The model is also called Lewin's theory of change, and involves three stages: unfreezing, movement, and refreezing.

Implementation of change involves changing the current state of organization into a desired state which occurs slowly but simultaneously. Kurt Lewin's model follows these processes in a logical sequence. Chanodkar (2020) observes that in this model, the process of change involves creating the perception that change is needed, then moving towards the new, desired level of behaviour and finally, solidifying that new behaviour as the norm. According to Robbins (2003), the model holds that successful change in an organization occurs in three stages: unfreezing of the existing state of affairs, movement to a different state and refreezing to make the change long-lasting.

Unfreezing stage involves the change efforts to overcome resistances from conformity to the change process by both individuals and groups, and aims at creating awareness of the status quo, which is the state of equilibrium the organization is at and how it is hindering the organization from progressing. This involves identifying the forces that direct behaviour from the status quo and the restraining forces that hinder movement (Cummings & Worley 2013). The process may lead to an emotionally charged, disorganized, and unpredictable state, which is constantly in flux (Creasey, 2019). It is noteworthy that at this stage, urgency and vision are necessary for successful adoption and transition.

In next stage, movement, it is assumed that after people have been unfrozen, they begin to move and transition to a new state of being. Cummings and Worley (2013) explained that this stage is characterized by fear of the unknown and uncertainty as people try to adapt to the new state, learn new behaviours and new ways of thinking. At this stage, empowerment and execution processes are necessary at this stage to enable adaptation in the new state and prevent lagging or falling back to the earlier state.

The final stage, refreezing, is where the change intervention is stabilized through balancing the driving forces and restraining forces. Cummings et al. (2013) propose that this stage involves reinforcing, stabilizing, and solidifying the new state. It ensures that people do not go back to the status quo, hence, reward is important to encourage them to stay on and avoid going backwards on change. Reward is also referred to as recognition and is an area where effort and success are recognized and rewarded.

Change management process is measured using metrics which are defined by the most important steps of the process. Prosci (2019) identifies key attributes associated with effective

change management process that can be used to measure success of each step of the process. These include urgency, vision, empowerment, execution and rewards (reinforcements) and are explained as follows:

Urgency is a combination of thoughts, feelings and actual behaviour causing one to see things as urgent and taking action now that will move the organization towards achieving its set goals. Some of the indicators of urgency include, decline in sales, emergence of competition, customer dissatisfaction, and staff turnover among others.

Vision is the picture of the desired state that the intended change will bring to the organization after it is implemented. It is best crafted with involvement of other organizational members. It should be clear, concise and well communicated in order to get a buy-in of all members.

Empowerment is a process that helps improve the ability of individuals and organizations to implement the vision by eliminating barriers to action. It involves inspiring the team, physically and psychologically by giving them autonomy to participate in the transformation process.

Execution refers to the putting the change plan into action. It starts with creating a sense of urgency, clarifying and communication the vision, and empowering staff by providing training and resources. It comprises, identifying a strong change team, creating structures and assigning change leaders. It also involves tactical and practical skills needed to put the plan into motion.

Rewards are incentives which make change implementers sustain what they have achieved. In other words, it is a strategy for ensuring that the change being implemented "sticks". It is also called re-inforcements because it reinforces success of the steps already in place. Each of these attributes fit well in the various steps of Kurt Lewin's Three Stage Model which is presented on Figure 2.3

Figure 2.3

Kurt Lewin's Three Stage Model

UNFREEZE	CHANGE	REFREEZE
Initiate motivation for change such as need for change management while addressing concerns	Develop new styles of reacting on the new information. Empower action and involve people	Stabilization and integration of change into a culture. Provide support and training and celebrate sucesses
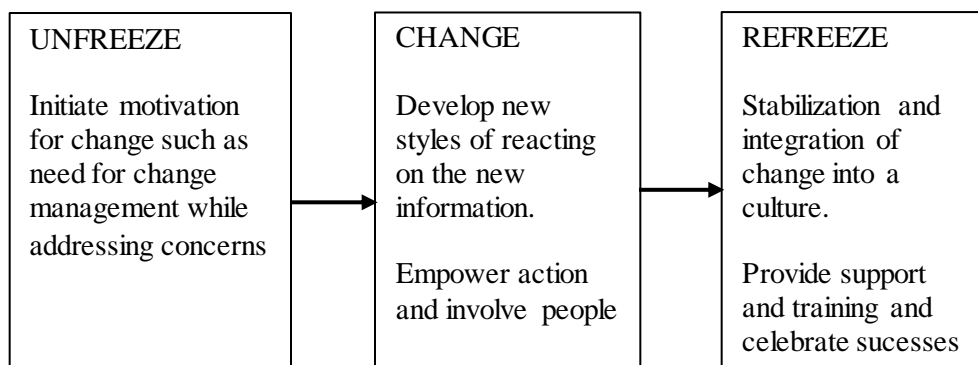
Source: Modified from Researchgate.net (2021) and 3M Consulting (2021)

Kurt Lewis's Three Stage model ensures that there is continual change, avoiding slipping back to old state. It is a progressive model whose proponents credit for its ease of application in monitoring, evaluating and changing plans in organizations, and its rapid response to both internal and external environments. In opposition, critics of Kurt Lewin's theory of change have implicated it with some shortcoming in organizations that experience complex changes. For instance, Cummings et al. (2016) argue that it is simplistic and cannot be applied in handling complex change situations, hence it is only appropriate for organizations that operates in a stable state. Also, it ignores power and politics in some organizations which greatly influence change activities and determine if change will happen or not.

Kurt Lewin's model looks at change process from the three stages, assuming that managers have already made certain decisions and are now implementing. If those decisions include local condition issues, then they are implemented based on those stages. The null hypothesis proposes that change process neither increases nor decreases the relationship between native thoughts and organizational performance of rated hotels in Kenya. The theory discourses the controlling effect of the change process on the connection between the (native thoughts and organizational performance.

Triple Bottom Line Theory (TBL)

This theory proposes that organizations must focus on the people, the planet, and profits to attain sustainability socially, environmentally, and economically. It was developed by John Elkington in 1994, as an accounting framework that integrates three dimensions of performance namely; social, environmental, and financial, in response to challenges that existed in organizations, in trying to measure the degree to which organizations were sustainable or were trying to pursue growth. Miller (2020) agrees with this theory that firms need to look at not only profits, but also people and the planet, in order to entirely account for its responsibility in doing business.

Elkington (2018) noted that TBL goes beyond the traditional accounting framework of measuring shareholder value, return on investment, and profits by including two more dimensions: social and environmental. It is a sustainability concept which holds that organizations are responsible, first and foremost, to all stakeholders, as well as the planet where we are all living. The dimensions of TBL are profit, people and the planet, whose measures are in economic, social, and environmental variables of sustainability. In those organizations that apply Triple bottom line, it is used as a framework for measuring performance of the organizations by creating a sustainability index, whose reporting goes beyond the traditional

measurement such as profits and return on investment and attempts to quantify economic and social impact of the organization.

Economic Sustainability. The focus of this sustainability bottom-line is the flow of money in the economy, the influence that an organization has towards it and also the organization's income, expenditure, employment trends, business diversity, tax trends, among others. The organization's economic responsibility is to ensure economic sustainability that focuses on creating strategies that value long term financial solidity of the organization and not short terms riches such as encouraging new business, innovation, good resource usage and good investments. It differs from the traditional one by not focusing on the earnings of an organization but on the impact of organization on the economic environment.

Measures of economic sustainability focus on an organization's income, expenditure, employment trends, business diversity, tax trends, among others. The measures evaluate whether an organization helps other businesses to stay in business and innovate and whether they stimulate economic growth as well as whether the resources used in its operations are economically good investments. Further, they focus on creating strategies that value long term profits other than the short terms riches that may cost the organization heavily.

An organization's economic sustainability is further measured using economic measures such as expenditures, incomes, taxes, diversity factors as well as employment rate (Hourneaux & Gallardo-Vázquez 2018). Some of the specific measure that the organization can use to establish it economic sustainability include, unemployment costs, revenue by sector, average income, job growth percentages as well as establishment churn

Social Sustainability. This is a bottom-line that evaluates whether an organization is impacting the growth of the local economy, supporting local initiatives, alleviating the relative poverty of the community, hiring local labour, nurturing positive relationships with that community, treating its employees, customers and all other people who interact with it, well. Its measures focus on social observable variables such as access to resources, educations, health, quality of life as well as social capital.

This bottom line does not end in fostering growth and creating income for the community but also having human respect. Ricee (2020) suggested that in social sustainability, respect comes from how organizations combines the design of the physical part with that of the social part, where it supports, social, cultural, amenities and systems for engagement of its people. It is expected that fairness and dignity are the hallmarks of how an organization ensures that it does good as it tries to reach its profit margins. Laalou and Kamsi (2018) agree and suggest that it also ensures that corporations maintain a healthy relationship with the people of the community, implying that an organization is expected to respect the community's culture, and ensure that the community lives in a safe environment that is not contaminated by its actions. The focus of social sustainability measures is social variables such as access to resources, educations, health, quality of life as well as social capital. Some of the specific measurement that can be used to measure social sustainability include unemployment rates. Crime per capita, average commute time, average life expectancy, median household income and education levels in the community (Lane, 2010). These measures can be used to directly measure the social sustainability of an organisation and equate it to organization performance

To achieve organizational performance through social sustainability, organizations need to implement strategies that value the balance between people's lives and how they live. Social

sustainability bottom line evaluates whether an organization is impacting the growth of the local economy and is supporting local initiatives. Further, it evaluates relative poverty level of the community, and if the organization is having proper hiring practices that nurture positive relationships with that community.

Environmental Sustainability. The focus of this bottom-line is the management of natural resources. Kim et al. (2018) suggests that it is achieved when an organization puts measures to ensure that its resources are used effectively and where possible, embrace recycling to avoid significant deterioration in these resources because the impact is not only on current generations but on future ones, who might be denied the same quality of life today's. One of the rudiments that undermine this effort is pollution due to its effects on people, animals, and other ecosystems (Makarenko et al., 2018). This suggests that there is a need for actions that enable natural world to renewal itself by putting in place viable pollution control measures that prevent detrimental effects.

The environmental bottom line largely focuses on the impact that businesses have on the environment. Its fundamental premise is that natural resources are limited, hence the need to utilize them sparingly in order to prevent scarcity. Its emphasis is on conservation of resources and generation of new resources that would substitute for the resources that are at risk of being scarce. To achieve environmental sustainability organizations, need to understand the environmental regulations that are implemented in the country of operation.

It measures reflect the viability of natural resources based on measures of air quality, energy consumption, water quality, land cover and waste. Some of the measurements include amount of waste generated, fossil fuel consumption, solid waste management, changes in land use,

greenhouse gas emissions, electricity consumption and hazardous waste management. A visual framework of the Triple Bottom Line model is presented on figure 2.4

Figure 2.4

Triple Bottom Line Model
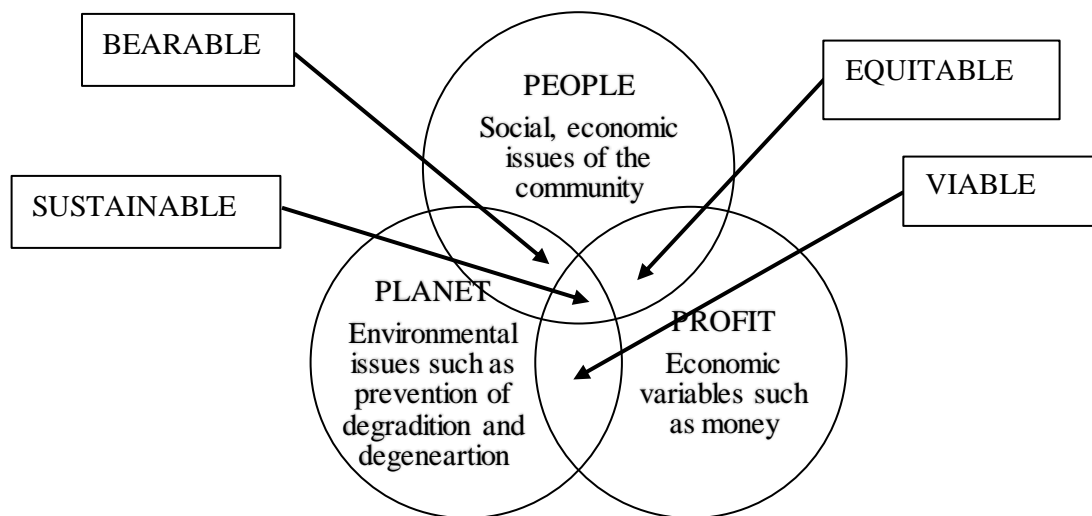
Source: Stephanclassen (2021)

The emphasis of the Triple Bottom Line is on the sustainability aspect at the point of intersection and what happens when two bottom lines meet in improvement of organizational performance.

Some of the tools used to assess the performance of organizations from a Triple Bottom Line perspective include Balanced Score Card (BSC) and Local Reporting Initiative (GRI). They both measure organizational performance on the basis of its sustainability.

BSC was developed by Kaplan and Norton in early 90s as a management system. Hourneaux and Gallardo (2018) posit that it emphaizes on financial and non-financial measures by

supplementing financial measures with operational measures such as customer satisfaction, internal practices, and structural innovation. It examines organizations from different perspectives and enables them develop measures for strategies, objectives and targets. It also allows managers to view their organizations in terms of customer, financial, internal business processes and learning and growth which link performance to measures. Gawankar et al. (2015) suggest that BSC is an indicator of whether strategy development and execution are contributing to the bottom line improvement or not.

Customer perspective focuses on how customers view the business, using customer satisfaction as the indicator of organization performance while financial perspective is concerned with whether the financial goals are being met in terms of profitability, growth, and shareholder value. Further, internal business perspective focuses on what organization must excel at or how business processes are running, and if the operations are efficient. Then, learning and growth perspective, also referred to as organization capacity, seeks to respond to how organizations can continue to improve while creating value. It measures human resource performance in terms of skills, training and company culture; human capital technology and organizational infrastructure, and establishes whether the people can use the latest technology and whether the organization is staying ahead of competition.

GRI is a reporting framework for measuring sustainability performance of organizations in terms of the impact that their operations and supply chains have on environment. Some of the performance indicators used in this framework include emissions, biodiversity, energy consumption, working and payment conditions and financial transparency. Sustainability reporting using the GRI aims to quantify the social, governance and environmental costs and benefits of an organization operations. The framework's reporting guidelines are based on

international labour practices that protect specific groups in the population as well as environmental impact.

Critic and proponents of TBL have advanced different arguments on its effectiveness: Deloitte (2018) view the model as both beneficial and enabling for businesses. Kenton (2020) observes that it gives organizations flexibility to apply the concept in a manner that fits definite organizational requirements, by focusing on the three interconnected sustainability components - economic, social and environmental. Contrariwise, Timothy and Slapper (2011) differ with the measurements, outcome and application of TBL because there is no agreed universal standard method or measure of calculating it. In support of that, Kingsley (2013) agrees that measurement of TBL is complex to measure since there is no uniform formula, which brings confusion and questions on what is to be regarded as profit maximization in the organization when considering all the three aspects. Similarly, Sridhar and Jones (2013) also argue that the model lacks integration, noting that it emphases on concurrence of the three bottom lines, but falls short of showing the interdependence or advancement of the bottom line factors.

In this study, TBL theory addresses organization's performance from social, economic and environmental sustainability lens. To achieve that, organization needed to address the local environmental conditions by having managers exhibit cognitions of such conditions and including them in strategic decisions that lead to effectiveness.

Figure 2.5

Theoritical Framework

Upper Echelon's Theory. Outcomes are seen as a reflection of powerful actors in the organization. Actions are guided by past experiences and cognitions and can affect performance	
Social Cognition Theory. People learn from observing other's behaviour and from the environment. This can influence decisions and actions which affect performance	**Triple Bottom Line Model** Performance influenced by powerful actors in the organization (managers) Outcomes from decisions based on observations and learning from environment Organizational performance due to successful strategy implementation
Kurt Lewin's Three Stage Model. Decisions are implemented through a change process stage. Quality of implementation can determine successful performance	

Source: Research (2022)

2.3 Empirical Review

This section covers previous studies done on the cognitions of the local context factors and its relationship with the performance of organizations, to help draw inferences for this study. Specifically, it reviews studies on cognitions of local geography, demographics, culture, politics and economic status and organizational effectiveness and how they are applied in different studies. It also covers research on the controlling influence of change process on the association between cognitions and performance of organizations.

Native Thoughts and Organizational Performance

Native thoughts are the manager's cognition of local environment in which they operate. It defines the sensitivity of managers towards the local environments in which they operate and

explores if the decisions they make include factors of that environment, and if such decisions help them achieve organizational performance. The factors being considered for this study in the organization's local environment include local geography, demographics, culture, politics, and economic status and the sensitivity or thoughts are the cognitions of those factors. These are measured through the attributes of social cognitions and include salience, munificence, identity and internal/external focus.

The question of sustainability of organizations has been addressed by many writers and researchers. For example, Mullins (2016) observes that for organizations to survive, they need to have a series of interactions and exchanges with the environment, which leads to several wider responsibilities to society. Thames and Webster (2009) postulate that organizations are intended to meet the needs of the environs in which they are initially established; but some of them follow the traditional view of organizations where they existed, primarily to make profits. The consequences of that has been that they have raised moral dilemmas which have seen many of them struggle to attain the targeted profits.

Li et al. (2018) observe that by addressing their responsibility, some organizations have been able to address the moral dilemmas and attained expected performances. Native thoughts or cognition of local context and including the context ito strategic decisions is about avoiding these moral dilemmas. However, most of the studies have not focused on the influence of cognitions of environmental factors on organizational performances.

Cognition of Local Geography and Organizational Performance
Geography is the study of human cognition about space, place, and environment. National Academies of Sciences, Engineering, and Medicine (MASEM) report of 1997, indicates that

geography has a finely honed set of stances and views the world through the concept of space, place, and scale. Its main domain of synthesis includes environmental-societal dynamics relating to human actions on the physical environment; environmental dynamics linking physical systems and human-societal dynamics linking economic, social, and political spheres.

Saylor Academy (2012) determined that the dominant tenet of geography is that location matters for understanding a wide range of developments and occurrences. Its focus on tangible world relationships and dependency between every phenomenon and process gives character to any location and place. It seeks to know the link between places, such as in flow of goods and ideas that strengthen diversity or increase connections. It also focuses on both vertical and horizontal integration links between places in terms of space and time scale.

Harenman and Rider (2011) state that geography encompasses place with space and lained that place is the absolute location consisting of physical features of the site, its human and organizational demography, its social systems, and its culture, On the other hand, space represents the relative location consisting of physical distances between individuals and organizations in the same sites and those in other sites. The other sites determine how much the physical features, demography, nature and culture affect individuals and organizations in the local sites.

Rigava (2016) suggests that geographical influences such as natural features, population and industries, are the ones that have great impacts on businesses. For example, changes in population growth is likely to have major implications on businesses due to the connection between population levels and growth. Further, geography influences aptness of the target market and ease of access to the business; therefore, businesses need to relentlessly monitor

their external environmental factors in order to attract customers. A sea fish dish is more likely to appeal to the customer in a beach hotel than beef or chicken dish. Likewise, convenient access to the business is an attraction to customers.

Inkinen (2014) observes that the field of geography has expanded dramatically, from the significant work of mapping the world and exploring new countries and continents to the intelligent and perplexing analysis of information technology, inspection of flows of regulatory aspects and goods, and evaluation of the constantly changing and transforming ecological functions of post-modern culture. On his part, Mate et al. (2018) expresses that geographic proximity between firms, externalities, and transportation facilities has a determinant impact on business success or failure among companies, which resonates with one of the study objectives, which is the influence of local geography on organizational performance.

Contrasting those postures Case (2021) argues that identity based on location is no longer valid because organizations have adopted remote working and eroded geographical barriers, which explains why working from home, or from anywhere and everywhere is on the rise. Nowadays, companies are created around core brand values and not physical location hence; location no longer an obstacle to turning "new normal into the new remarkable". Further, COVID-19 pandemic has brought with it renewed source of localization. Consequently, local geography cognition has no significant influence on the organizational performance.

In hospitality industry, local geography is important because a hotel is a physical premise where people visit for recreation, accommodation, dining, and meeting. Havenman and Rider (2011) emphasize that the fact that organization's identities are linked to the identity of the places in which they are located suggesting that locally initiated organizations can credibly be used local

identities to identify the organizations, which is a strong case to support the role of local geography as an influencer of the hotel business.

Previous studies on geography mainly been focused on space, place and environment and the importance of these factors to people and organizations. A report on Creative Commons, and Attribution in 2021, indicated that researchers have covered a lot of ground on cognitive geography, based on how humans view space, place and environment, and validation of factors that influence people's spatial cognition to create operational representation of space. However, how cognitive geography affects organizational performance has been scarecely covered, yet, managers need to think about the geography when making strategic decisions.

Cognition of Local Demographics and Organizations Effectiveness

Brassington and Pettit (2013) describe demographics as the measurable aspects of population structures which includes birth rates, age profiles, family structure, education levels, occupation, income, and expenditure patterns. Further, Mullins and Larreche (2019) view demographics as attributes of individuals such as age, gender, household lifecycle, income, occupation, education, anniversaries, race, ethnic origin as well as local geography. Drawing from those views, the study perceives cognitions of demographics as the cognitive perspectives on population dynamics, demographic data and demographic environment.

Demographers seek first to understand population dynamics by looking at three main demographic characteristic: birth, migration, and aging (including death), which contribute to change in populations, how people inhibit the earth, formation of societies and development of culture (Brassington & Pettit, 2013). According to Mugenda (2012), some of the vital

demographic statistics used include fertility rates, mortality rates, birth rates, population growth rates, incidences of common diseases, sex ratio, dependency ratio and age structure.

Meister (2017) explains that demographic changes can influence the underlying trend rate of economic growth, structural productivity, standards of living, saving rates, consumption, investments, unemployment rate, equilibrium rate of interest, market trends in housing and demand for financial assets. For example, a young population has a high potential for providing employees to organizations, and they can propel communities to growth while an aging population does the reverse. Loretta (2017) added differences in demographic trends across countries can influence current account balances and exchange rates. In line with this view, it is important for businesses to have cognition of local demographics, so as to make decisions that enable optimization of opportunities and mitigate the challenges that they pose.

The importance of demographics to governments and organizations cannot be over-emphasized. United nation conference (1992) identified three key action areas, to address demographic dynamics and sustainability locally including, developing and disseminating knowledge regarding the link between demographic factors and trends, and sustainable development; formulating integrated national policies for environment and development, based on demographic trends and factors; and implementing integrated environmental and development programs at the local levels, considering demographic trends and factors.

In the organization context, the role of demographics in and outside the organization to critical. Unfortunately, majority of the organizations view demographic factors from internal environment and exclude the external environment. Mullins (2016) observes that for organizations to survive, they need to have a series of continual interactions and exchanges

with the environment; which gives rise to several broader responsibilities. Therefore, it is critical that managers, cognitively think and interact with the environment and the factors that are external to their organizations, if the organization is to succeed.

The researcher drew from the various arguments and concluded that that demographics play an important role in organizations, hence the need for managers to think cognitively about it. The study appreciates the opinions discoursed on the relationship between demographics and the organizational performance, especially demographic changes. For example, in hospitality industry the changes affect both global and local and trends since this industry covers local and international guests. Some of these changes/ trends include employment trends, exchange rates, interest rates, housing, immigration issues, tax applications, fraud restriction, border controls, and visitor requirements, among others. It is prudent that managers are cognitively driven by cognition of demographics in some of their strategic decisions.

It is noted that demographers seek to understand aspects of demographics, population dynamics, importance of demographics and demographic changes. However, on demographic cognitions the emphasis has been on social demographics and cognitive performance. How cognition of demographics affects performance of organizations, particularly hospitality industry has largely not been covered either in research or in literature.

Cognition of Local Culture and Organizational Effectiveness

Many researchers and sociologists have tried to explain what culture is and have come up with different meanings. Zimmermann (2017) describes it as the characteristics and information of a gathering of people encompassing language, belief, cuisine, social habits, music, and arts; Kamal et al. (2017) view culture as the deeper meaning of transient knowledge through

generations, and about gaining knowledge on how information and stories were being passed to different generations through plays, symphonies, and movies. According to Still et al. (2012), the spirit of culture is not its artefacts, tools, or other tangible cultural elements but how the members of the groups interpret, use and perceive them; the values, symbols, interpretations and perspectives that distinguish one person from another in modernized societies.

Further Kumar et al. (2017) suggest that culture involves religion, food, attire and how we wear it, language, marriage, music, what we believe is right or wrong, how we sit at the table, we greet visitors, how we behave with loved ones, and so forth. Yet, Lumen (2020) highlights that the most crucial elements of culture are values and beliefs; norms and symbols, and language. Then Cole (2019) suggestes that elements of culture include communal organizations; customs and traditions; belief; arts and literature; systems of government and economic order.

According to Minkov and Hofstede (2010), cultural differences can act as a barrier to communication and interpersonal relationships. For example, different countries can be identified from their cultural perspectives in terms of dimensions of culture that cause cultural differences such as "individualism vs collectivism", "power distance", "masculinity vs femininity", "uncertainty avoidance", "long vs short term orientation" and "indulgence vs restraint", which have acted as recognized standards for understanding cultural differences and attempted to break the barriers to communication, thereby enhancing interpersonal relationships. Even though these dimensions apply at macro-level, they have a bearing on local cultures which in turn are likely to have an impact on organizations. Contrasting that, Owusu and Louw (2019) postulate that national culture has no direct influence on the organizational culture but it varies from one ethnic group to another.

Luthans and Doh (2018) posits that decision-making process involves choosing a course of action among alternatives, and is common business practice that is becoming more relevant for the international

manager, since localization is becoming more pervasive, and cultural differences can both inspire and motivate the process and outcomes. Mullins (2016) observes that culture is an important ingredient of effective organizational performance, and is a distinctive, intangible asset that either adds value to it or diminishes it in an organization.

These factors about culture in the discussions outlined dovetail with the factors that are emphasized in hospitality, which is about the customer care and customer experience. Viewed from this perspective then, culture should be embraced in organizations and managers should have cognitions of it, especially the local culture. Further, they should include it in their strategic decisions. In particular, culture is an all-encompassing subject that needs to have a place in organizations, because variations in views about it have not removed the fundamental meaning, applications, and effects of local culture to organizations. On account of this, managers need to have cognition of culture in their organizations. However Cole and Parker (2019) indicate that most of the studies on culture cognition have concentrated the subject on psychology and not strategy. In this regard, how cognition of culture affects organizational performance is not readily available in past researches.

Cognition of Local Politics and Organizational Performance

In ordinary life, politics is taken as activities that have the capacity to improve personal status or increase power within an organization. It is also viewed as undertakings associated with the laws and governance of a country, or a section of it. Bernard (1972) describes politics as a distinctive form of rule whereby people act together through institutionalized procedures to resolve differences, reconcile diverse interests and values, and take public policies in the pursuit of a common purpose. Further, Easton (1981) suggests that politics is about the authoritative provision of ideals for society. Hence, cognitions of politics refer to insight knowledge, thoughts, or perspectives on politics.

A political system defines the procedures for making indorsed government decisions and is usually likened to the legal, economic, cultural and other social systems. According to Easton (1981), it is the interface through which values are firmly billed for a society, noting that each system is entrenched in a society with its own political culture and they, in turn shape their societies through public policy. To Evan and Newham (1995) interactions between different political systems are the basics for local politics.

The concept of politics is applied in different forms in different parts of the world. To Kemmelmeier et al. (2003), Blackford (2006), Gagnon (2020) and Levinson (2020), concepts of politics include social equality, which promotes equal opportunities based on abilities and is equated to free-market economy left-right spectrum where the right-wing values traditions and inequality while the left-wing values progress and fairness with the center seeking a balance between the two such as social democracy, regulated capitalism or Christian democracy; political freedom which is embraced by democratic societies and; Oppression and libertarianism.

Politics presents both a progressive and an undesirable connotation, contingent on the context on which, it is practiced. Competitive politics can bring out good competitive candidates but it can also lead to divisions within the country or organization. To Leftwich (2015), politics can be used positively in the context of a political solution such as resolving a conflict in a compromising, but non-violent way or it can be used negatively in the context of the descriptive meaning of art or science of government which is usually viewed as made of rules and regulations. What is more, the political influences and attendant risks such as insecurity, corruption, civil protests, and economic threats may have serious business impacts. What is

more, civil conflict, extremism and abductions may also disrupt business operations and resource generation.

Considering the extreme impacts that are associated with political risks, it is important that managers are aware of how political risk can affect their organizations and trade (Cole & Kelly, 2015). It has the potential to disrupt labour costs, quality of outputs, profits and even lead to assets seizure (confiscation, expropriation, or nationalization). It can also affect human resources, in relation to safety, security and well-being. may be affected by political risk. It is imperative; therefore, that managers think about politics cognitively, in order to mitigate the risks and challenges posed by politics so as to deal with the resultant consequences. Even more important is cognitions of local politics where the organization is established as that is part of what determines survival of the organization.

According to Lavine et al. (2015) political cognition is the study of how people come to understand the political world, and how that understanding leads them to acquire political behaviour in areas such as attention, interpretation, decision and recollection. However, it does not cover how such understanding affects performance of the organization that such individuals might be involved in. This creates a practice gap in organizations, where the information about cognition of politics and performance is largely lacking.

Cognition of Local Economic Status and Organizational Effectiveness

Economic status refers to the way the society is affected by the economy, or the economic conditions or the financial position of the society at a specific period of time. American Psychology Association (APA) defines economic status of a country as the use of statistics involving employment rates, stock markets data and gross domestic product (GDP), among

others. Further, Hannon (2011) identifies five indicators of economic status, namely: inflation, unemployment, housing, spending, and confidence.

The concept of socio-economic status is broad and includes education attainment, occupation, income, wealth and deprivation. It is seen as a way of describing the society strata, based on the level of inequalities of these factors, which form the social class labels. According to Rose and Harrison (2007), individuals are distributed across a range of positions in the social structure in terms of social and economic power, which also concentrates the relational and distributive aspects of inequality. Further, Evans (2019) introduce the aspect of social economic class and defined as a group of people with similar characteristics such as social and economic standing, level of education, current profession, ethnic background, or heritage.

The effects of social-economic status are far reaching. Braveman and Gruskin (2003) observe that health equality issues arise from access to the social contributing factors of health such as affluence, influence, and status. People who have regularly been deprived of these three factors are significantly disadvantaged and face inferior health outcomes. On the other hand, high SES individuals occupy influential positions with greater articulacy and tend to expose their families to better education and opportunities.

Deimer and Ali (2009) postulate that anti-social behaviours and activities, often reveal inequities in access to resources, certain privileges, power, and control because they affected by these realities, leading to activism, lawlessness, criminal activities, and sometimes terrorism. Williams et al. (2005) posit that the pressure of SES is aggravated by the stigma of insufficiency - a belief that one is in control over one's circumstances, and the state of poverty is seen as almost achieved deliberately. Further, Cozzaralli et al. (2001) add that the belief in a

just world tends to imply that those of lower SES deserve to be poor, suggesting that they are failures. This tends to deepen the stigma and create barriers across different social formations.

The importance of social economic status is highlighted in many publications including one by American Psychological Association (2017) which outlined the importance of social economic status as a predictor of health, achievement, success, mortality as well as poverty levels. It also notes that public education is seen as an equalizer of all classes, since ability to gain an education is considered a birth right. Further, the paper suggests that through access to good education and other privileges, those from lower classes can live with a self-fulfilling prophecy, full of expectation and end up doing well. Williams et al. (2005) agrees that through individual effort and willpower from lower classes, poverty can be minimized. By understanding and identifying with social economic issues of the community, organizations can greatly contribute to alleviation of community poverty status.

The studies outlined, have focused mainly on interpretation, concepts, effects and importance of social economic indicators to Government and organizations. However, how cognition of social economic status affects performance of Government and organizations is scarecely covered in research, despite its importance in strategic decisions making processes.

Effect of Change Process on Native thoughts and Organizational Performance

One of the most important tasks of managers is to implement change smoothly, because an organization's success depends on how well this is done. Therefore, every good manager is expected to have the ability to anticipate changes caused by both internal and external factors and to also have the capacity to incorporate these changes into the organization. Kokemuller (2019) lists some of those factors as societal mobility, technological advancement, economic reality,

and consumer demands while some of the internal ones include innovative leadership, survival instincts and financial goals.

The effect of change and how the process of change affects performance is critical. According to Belta and Badri (2020), manager's performance determines organizational capacity for change but the moderating effect of social capital on the influence of organizational capacity for change on organizational performance is insignificant. In other words, change in organizations is due to other factors but not change process. However, the researcher observes that whether innovative or reactive, change is inevitable in companies that last. How the change process affects the link between the environmental factors and performance of the organization largely depends on how the change process is managed, and is adequately covered by Kurt Lewin's Three Stage model as explained by (Stamenova, 2020). Nevertheless, the way the change process affects the relationship between environmental factors and performance of hotels is not adequately covered in literature.

2.4 Conceptual Framework

A conceptual framework is a probable graphic depiction of an association between the characteristics the researcher wants to study. It is largely constructed on a literature review and theories about the subject. Hence, it is a systematic tool used to comprehensively comprehend a manifestation, or phenomena and is commonly used as a graphic guide to explain key concepts or variables and the relationships that require to be studied. Regoniel and Patrick (2015) call it a researcher's "map" in pursuing an investigation, defining pertinent variables and how they might relate with each other. Further, Maxwell (2013) proposes that it should be constructed from personal experience, previous studies, and published theory into a coherent graphic representation.

This study defined native thoughts as managers' cognitions of the local context comprising local geography, demographics, culture, politics, and economic status, and conceptualized that these individual constructs have a significant influence on performance, which is expressed in organizational effectiveness indicators. According to Mugenda (2012), effectiveness as the degree to which an intervention or a system has achieved its planned results in its goals, outputs, outcomes, or impact and it includes the capacity to set the right targets and achieve an overall goal or the expected effects.

The study also hypothesized that the process of change adopted during the implementation of plans, has an effect on the connection between the native thoughts and performance. The conceptual framework representing these relationships is graphically presented in figure 2.6.

Figure 2.6

Conceptual Framework

| INDEPENDENT VARIABLES | MODERATING VARIABLES | DEPENDENT VARIABLES |

- Local geography cognition
- Local demographics cognition
- Local culture cognition
- Local politics cognition
- Local economic status cognition

Organizational Performance

Change Process
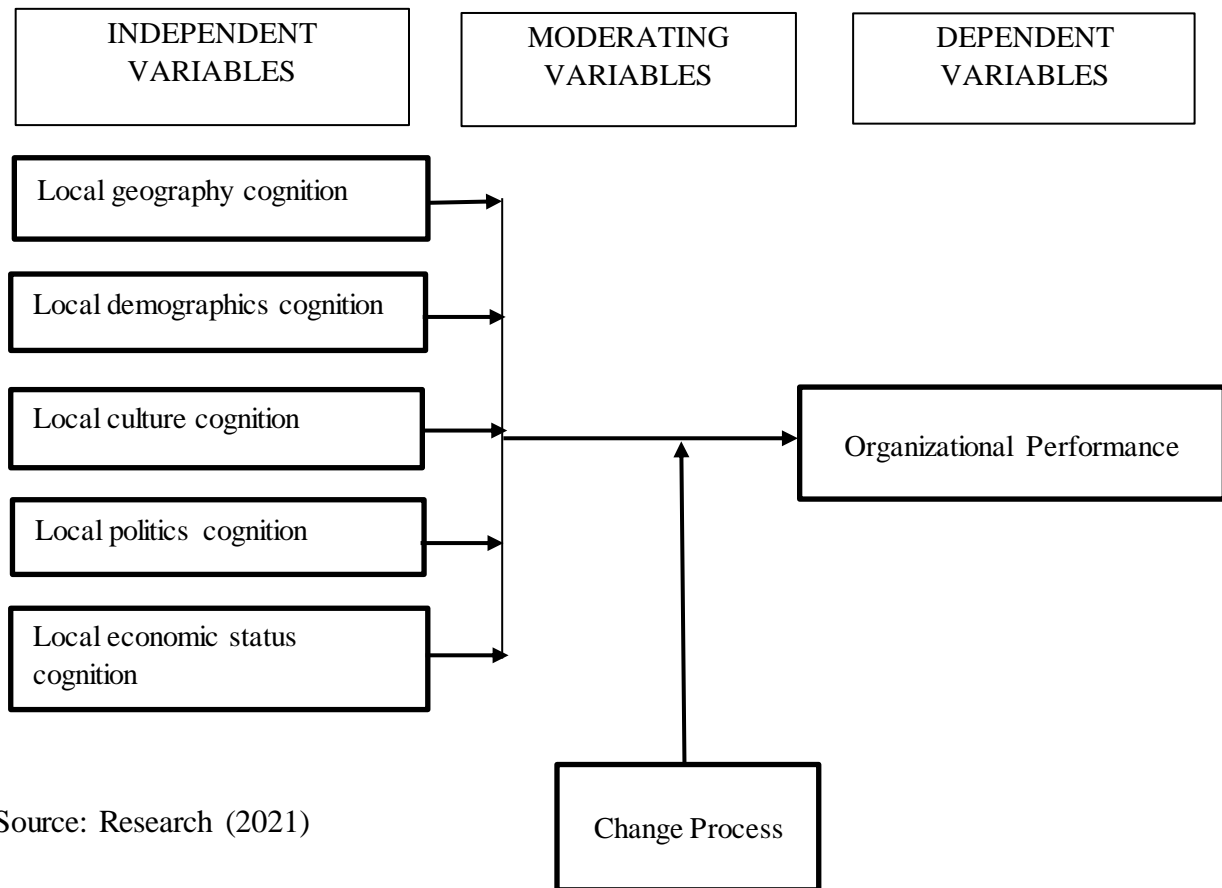
Source: Research (2021)

Figure 2.6, shows that the independent variables include cognitions of local geography, demographics, culture, politics and economic status. These variables for the native thoughts and are measured by social cognitive theory indicators which are salience, munificence, identity and internal/external focus (Bandura, 1986)

It also shows that organizational performance is the dependent variable. It is measured through effectiveness indicators which are observed through three spheres of sustainability which are social, economic and environmental, and anchored by TBL model. It is measured through

effectiveness indicators, which are anchored on the three spheres of sustainability of the TBL, which are economic, social and environmental sustainability. These measures are drawn from "Hotel Sustainability Audit Checklist", which is adopted from ISO 14000 and European Union (EU) Eco-Management and Audit Scheme Standards (EMAS) for the Effective Sustainability Management Systems (ESMS).They include: customer satisfaction, employees' satisfaction and repeat business for economic sustainability; local sourcing, local employees sourcing and planned CSR initiatives for social sustainability and energy consumption, water consumption and waste management initiatives for environmental sustainability.

Further, the change process is the moderating variable, and is based on Kurt Lewin's Three-Stage Model for change comprising of unfreezing, movement (change), and refreezing. These stages are measured through attributes of change. Some of the attributes associated with an effective change management process are urgency, vision, empowerment, execution and rewards (reinforcements). Unfreezing is mainly measured through urgency, vision and empowerment, movement through execution, and refreezing through reinforcement.

2.5 Operational Framework

IASC describes operational framework involves listing all variables and individual ideas being applied, and summarizing the key concepts for scheduling the research to the targeted populations. It is designed to assist in the researcher in finding a practical entry points for improving accountability to targeted populations through research ethics. It is derived from a methodological process and provides the researcher with specific criteria, steps, methods of the intended study. The operational framework for this study is presented on Table 2.1.

Table 2.1

Operational Framework

S/N	Type of variable	Variable Name	Operationalization	Measures
1	Independent	Local geography cognition Local demographics cognition Local culture cognition Local politics cognition Local economic status cognition	The manner in which star rated hotels perceive and incorporate local geography, demographics, culture, politics and economic status in strategic decisions	Social Cognitive Theory indicators namely salience, munificence, identity and external/ internal focus.
2	Moderating	Change Process	Strategy implementation in star rated hotels using Kurt Lewin's change theory	Principles of effective change implementation namely urgency, vision, empowerment, execution and rewards
3	Dependent	Organizational Performance	Achievement of organizational objectives according to triple bottom line indicators namely economic, social, and environmental	ECONOMIC Customer satisfaction Employees retention Repeat business SOCIAL Local sourcing Recruitment of locals CSR support ENVIRONMENTAL Sustainable energy use Water harvesting Waste management

Source: Research, (2021)

Table 2.1, shows that:

Independent variables are native thoughts factors - are cognitions of local context factors comprising local geography, demographics, culture, politics and economic status. They are Operationalized using Social Cognitive Theory (SCT) and measurements are based on the framework of SCT dimensions of salience, munificence, identity and external/ internal focus. (Anguilar, 2021).

Dependent variable is organizational performance and is understood through Triple Bottom Line Theory. It is explained using the three spheres of organizational sustainability which are economic, social and environmental bottom lines. It is measured using organizational effectiveness indicators which are adopted from Hotel Sustainability Audit Checklist (HSAC) - adopted from ISO-14000 and European Union (EU) Eco-Management Audit Scheme (EMAS).

Moderating variable is change process which is anchored on Kurt Lewin's Three Stage Model comprising unfreezing, movement and refreezing. It is measured using the attributes of change management are adopted by the "Management of Field Forces in Change Management" by Kurt Lewin.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter covers research philosophy, research design, target population, sampling procedures, pilot study, data collection, and data analysis methods and the ethical standards applied.

3.2 Research Philosophy

This is described as a system through which a researcher's view of new reliable information about the research object is obtained. A research paradigm is a worldview about conducting research and addresses the choice of both research design and methods. Mackenzie and Knipe (2006) describe it as the perspective, thinking lens, set of shared beliefs, or school of thought that informs the meaning of interpretation of research data. Further Kivunja and Kuyini (2017) define research it as the abstract lens through which a researcher observes the aspects of the methodology of their research to establish the study techniques to be applied how data would be administered and analyzed. The dominant research paradigms are positivist, interpretivist, critical, and pragmatist. The four paradigms differ in methodological implications in relation to questions, selection of participants, data collection instruments, procedures, and analysis.

The first one is positivist research paradigm determines that reality is out there to be captured, studied, and understood, or approximated. Fadhel (2002), Kivunja and Kuyini (2017) express that a research based on positivist paradigm relies on inferential rationality, hypothesis testing, operational meanings, and mathematical models to draw a conclusion. Their aim is to provide explanations and predictions that are made based on measurable outcomes

The second one is interpretivist paradigm, which is also called the constructivist paradigm. It holds the view that reality is socially constructed (Bogdan & Biklen, 2007; Kivunja & Kuyini, 2017). In other words, emphasis is on understanding the standpoint of the observed subject and not that of the observer. In this case, data are gathered and analyzed in a manner consistent with grounded theory (Strauss & Corbin, 1990; Kivunja & Kuyini, 2017).

The third is critical paradigm which is also referred to as the transformative paradigm. Kivunja and Kuyini (2017) observe that this paradigm places its study on community justice issues and tries to address the social, political, and economic issues, which cause subjugation, conflict, and power structures as they occur at various levels. Seeking to address these issues implies that it is a transformative paradigm.

Finally, the fourth one is pragmatic paradigm which advocates for a "world view" that provides methods of research viewed as the most appropriate for studying the phenomena at hand. This implies the application of more pluralistic and practical techniques allows a combination of approaches that shed light on participants' actual behaviour, beliefs that justify those behaviours, and the resultant consequences of different behaviours. Creswell (2014) suggests that the development of the pragmatic paradigm dramatically ended the two divergent positions of positivist and post-positivist, and then interpretivist on the other side.

This study adopted a positivist paradigm where the relationship between native thoughts and organizational performance and the moderating effect of the change process was studied using scientific research methods. The operational implications of how managers perceive and interpret local environment was examined, and the findings discussed, and predictions made on organizational performance of Kenya's rated hotels.

3.3 Research Design

This refers to a program of enquiry that constitutes a plan of action for data collection, measurements, and analysis of data. It comprises of a framework of what the researcher is supposed to do, including formulating a hypothesis, outlining operational implications, and data analysis. Cooper and Schindler (2013) describe a research design as an activity and time-based plan, premised on the research questions that guide a selection of sources and types of information and specifies the relationships among the study variables while outlining processes for every research activity. Specifically, formal research involves precise procedures and data source specifications; it aims to test the hypothesis or answer the posed research questions (Cooper & Schindler, 2013).

In this study, a mixed-methods approach of inquiry was applied, where structured questionnaires, and key informant interviews were used. Creswell (2014) defines the mixed methods research approach as incorporating qualitative and quantitative research. The Quantitative involved the closed ended questionnaire that required respondents to strongly agree, agree, neither agree nor disagree, disagree or strongly disagree. Then the qualitative data was in form of open-ended questions with no pre-set responses.

3.4 Target Population

Levin and Stephan (2010) define a population as all the members of a group or the total elements about which a conclusion is being drawn. In this case, the study population was drawn from 160 rated hotels in Kenya. Tourism Regulatory Authority (TRA, 2017) classified 211 rated hotels in Kenya, where 51 fall under one and two-stars and 160 under three, four, and five-stars. According to TRA, ten of the 160 hotels rated between three and five stars were either under renovations or had closed at the time of classification, leaving only 150 hotels in these

categories. Therefore, in this study, the population was 150 hotels rated three, four, and five stars. These hotels were expected to be managed professionally with clear management structures following the criteria laid down by TRA.

The sampling frame consisted of directors, general managers, senior and middle management staff. Further, hotel directors, top officials of the Tourism Board, Tourism Regulatory Authority, and local leaders from around tourism areas were the key informant interviews who will be interviewed.

3.5 Sampling Procedure

Sampling refers to the selection of some specific elements in a population to help in drawing conclusions about the entire population. However, this study set out to do a census of all 150 hotels, rated three, four- and five-stars, targeting directors, general managers, heads of departments or their representatives as respondents since they are knowledgeable and suited to give the required information. Cooper and Schindler (2013) define census as a count of all elements in the population. In order to avoid biases, three respondents per hotel were involved in the study. For better comparisons across the rating classifications, and in order to ensure better representation, a sampling frame was drawn out and is presented in table 3.1

Table 3.1

Sampling Frame

Category of hotels	No of Hotels	No of Respondents: (Estimated at 3/Hotel)	Percentage
Three-star	60	180	40%
Four – star	66	198	44%
Five -star	24	72	16%
Total	150	450	100%

Source: Research data (2021)

Besides the census of the hotel directors and managers, persons who have technical and strategic knowledge of the hospitality industry were taken through a qualitative interview. They included respondents from Tourism Board, Tourism Regulatory Authority, and local leaders from around the hotels. Guided by Creswell (2002)15-20 respondents were adequate for the research. However, since this is a deductive study where a priori formulated hypotheses were tested, only a total of 10 key informants were interviewed to obtain insights that may not have been captured by the structured questionnaires.

3.6 Instrumentation

Instrumentation refers to measuring instruments or tools used for measuring, indicating, and recording physical quantities. According to SRP Control System (2021), getting accurate measurements can be very difficult; hence the importance of instrumentation is ensuring that accurate measurements are achieved in complex situations such as the research process. In this study, the key instruments used were structured questionnaires, key informant guides, and TRA hotel classification tables.

Questionnaire

Data collection was carried out using structured questionnaires, targeting hotel directors, general managers, functional managers, heads of departments, and middle managers of three, four, and five-star rated hotels in Kenya. The questionnaires were sent out online, using Google forms. Due to the coronavirus that causes COVID-19 disease, physical contact with the respondents was limited, except for Nairobi and Mombasa, where some of them were delivered directly by the researcher.

Key Informant Guides

The study used key informant interviews (KII) to collect qualitative information from respondents. University of California, Los Angeles (UCLA), Center for Health Policy Research Health DATA Program highlights that they (KII) are meant to draw directly from knowledgeable people. Therefore, they bring in data and insights that cannot be obtained in other ways, including sometimes classified or confidential information. They are critical in indigenous research from outside the community or where the researcher requires to learn different epistemological methods of inquiries in a community. Donna et al. (2013) observed that key informants can be used to confirm accuracy or triangulate research data gathered in other ways and assemble facts that are attested by a more extensive data collection process that can be used to either validate or contradict the other information.

The researcher did in-depth interviews with target persons who have a broad knowledge of the hospitality industry or are directly involved in strategic, policy, or industry issues of hospitality in Kenya. They included executives from the Kenya Association of Hotelkeepers and Caterers, the Kenya Tourist Board, the Tourism Regulatory Authority, and influential local leaders from around the hotels. The interviews questions and manner of interviews were the same and were done privately with the individuals. The responses were arranged into the themes that they fell into, which were in line with those in the research.

3.7 Pilot study

A pilot study is an important stage in a research project which is used to determine reliability and validity of the research instruments. Its purpose is to identify potential problems and deficiencies in the research instruments and procedures prior to execution of the full study, to help the research team familiarize with procedures, and to assist the team in deciding between

competing study methods, such as use interviews or self-administered questionnaires. Hassan et al. (2006) define it as "a small study" for testing research procedures, data collection instruments, recruitment strategies, and other techniques, in preparation for a larger one.

According to Connelly (2008) and Hill (1998), a sample size of 10-20 is appropriate for a pilot study, but a higher number of 30 is more appropriate. Drawing from those recommendations, the study used 27 managers, using open ended questionnaires, distributed using google forms. The study targeted 30 hotels in Nairobi and Mombasa, where only one manager per hotel was expected to participate in the pilot, and who was not to take part in the main study. This is 20% of rated hotels classified by TRA but the response was 27 hotels or 18% response rate by hotels. Responses were also done online, where data was harvested, cleaned, imported to SPSS V22, and coded for analysis. The statistical tests were conducted and reliability and validity tests for instruments obtained.

Reliability of the Instruments

Reliability determines the degree to which a measurement is free from random error, and interference from transitory and situational factors. Fiona (2019) explains that it indicates the extent to which the instruments measure what they were intended for while De Vellis (2003) refers to it as homogeneity of items within a scale suggesting that it measures internal consistency of the observed indicator variables, where high correlations between items imply that items are measuring the same construct. It is a function of the internal qualities of an instrument, therefore, it increases when the random errors decrease. Mugenda and Mugenda (2012) observed that data are considered reliable when the data collection method and the instruments used produce similar results when used frequently over time.

Reliability is calculated by use of Cronbach's alpha value. According to Middleton (2020) value of at least $\alpha = 0.7$ is considered as reliable. The findings are that that the composite Cronbach alpha statistic values for all questions were ($\alpha > 0.7$) which suggests that the items were suitable to measure the variables, hence the measures used were consistent suggesting that the instrument was reliable.

Validity of Instruments

Validity is the degree to which inconsistencies found in the data collection tool reveal real variances among respondents being tested. Fiona (2019) identifies four types of validity. The first one is face validity which determines if the instrument tested appears to be suitable for the use it is intended for. The second one is content validity which checks if the test is fully representative of the aims that it was intended for. The third one is criterion validity which investigates if the results accurately measure the results that they were designed to measure, and the forth one is construct validity which is traditionally defined as the tentative demonstration that a test is measuring the construct it claims to be measuring

Construct validity comprises convergent validity which, according to Vipul (2016) explains the extent to which indicators of a specific construct "converge" or share a high proportion of variance in common; discriminant validity which indicates the extent to which a construct is distinct from other constructs (unidimensional), and nomological validity which determines if correlations between the constructs in the measurement theory are viable. For face, content, and construct validity, expert opinion and judgment are required. However, for criterion validity, correlation tests are done, where a higher correlation indicates that its presence.

Content validity test was done on the instruments. Respondents raised questions and made suggestions on the questionnaires, as well. For example, (a) Introduction - Explain the 'Native thoughts' and 'Managerial cognition', (b) Replace the word 'Magnanimous' with a simple word – 'generous' was used instead, (c) The question 'Our High Employee turnover is due to the availability of better jobs in this Country….' assumes that there has been high employee turnover, (d) to include the word 'our Local geography' and (e) Section E – rename to 'organization performance' – remove the word 'reference'.

3.8 Demographic Information

This refers to the various statistical characteristics about the population. In this study, it was divided into respondent's information and the hotel information as follows:

Respondents information. This included gender, age, length of service, management position, location of the hotel, type of hotel, hotel ownership, age of the hotel, category, and hotel capacity. The pilot study was conducted on 27 respondents, distributed into 14 male and 13 female managers. The most prevalent age was 31 to 45 years accounting for 55.6%, while the highest range of length of working was 11 and 20 years making 40.7% of the respondents. The highest number of respondents were heads of department making up 48.1%.

Hotel Information. Nairobi had the highest number of participating hotels at 74 % because the researcher used Nairobi for the pilot study. s proximity to the researcher. The distribution of hotels from where respondents came was 4-star hotels (74%), 3-star hotels (15%) and 5 star hotels (11%).

3.9 Methods of Data Collection

Data collection refers to a systematic process of gathering observations or measurements and allows the researcher to gain first-hand knowledge and original insights into the research problem (Bhandari, 2020). Data can either be quantitative, which means that it can be counted or measured or expressed using numbers, or qualitative which is descriptive and conceptual in nature and, therefore, non-statistical. This section dealt with data collection methods and procedures.

Data Collection Methods

Quantitative data was collected from three, four and five-star rated hotels, using structured questionnaires while qualitative data was collected from key informants using key informant interview guides.

Data Collection Procedures

The data collection process was guided by Kenya Methodist University data collection guidelines. These included applying and getting the relevant approvals, certificates, permits, and licenses to conduct the study, as follows: A Research Ethics Certificate, license to undertake research from National Commission for Science, Technology, and Innovation (NACOSTI) and approval to conduct research from management of the individual hotels.

Data collection process started in mid-January 2021. The targeted respondents were sent introduction letters, copies of the permit, where required, and the questionnaires on google forms online. The introduction letter was an assurance that the information obtained was for academic purposes only and participation was voluntary. Further the respondents were assured

that they were free to withdraw from the study any time if they felt that they did not want to continue.

The administration and distribution of the research was done by the researcher directly, owing to the movement restriction due to the COVID-19 pandemic, which was ongoing at the time of the study. The researcher got assistance from several managers in different regions in the country, who sent reminders to respondents in their region, including to the managers whose hotels were closed. A weekly progress follow-up of the excercise was done on the phone and social media. Further, hand copy questionnaires were also administered to hotels that were easily accessible in Nairobi and Mombasa. Due to the COVID-19 protocols, the process involved sanitizing the hand copies before issuing them. Likewise, the completed questionnaires had to also be sanitized as a protective measure to the researcher.

3.10 Variables and Measurements

In this study operationalization of the variables was done using multiple items, measured on a 5-point Likert scale. The independent variables were native thoughts factors comprising cognitions of local geography, demographics, culture, politics and economic status. The dependent variable was organizational performance while the moderating variable was change process.

Native thoughts factors were measured through the lens of social cognition theory, whose dimensions are salience, munificence, identity, and internal/external focus. Each of the five variables had eight items evenly distributed into these measures. On the other hand, the organizational performance was measured through TBL lens of economic, social and environmental sustainability, which are measured through the key effectiveness indicators.

Each indicator was described using eighteen items, distributed evenly in the three sustainability spheres. Economic sustainability had customer satisfaction, employees' retention, and repeat business. Social sustainability had local sourcing, local employees' sourcing, and planned CSR initiatives. Then environmental sustainability, had energy consumption, water consumption, and waste management.

Finally, change process was understood from Kurt Lewin's Three-Stage Model of change, which hold that change occurs in three stages - unfreezing, movement, and refreezing, which are measured through dimensions of change management - urgency, vision, empowerment, execution, and reward. The variable had fifteen items, which were evenly distributed in the three stages of the model.

3.11 Methods of data analysis

This refers to the process for obtaining raw data and converting it into information useful for testing hypotheses, answering research, or disproving theories. This study used both quantitative and qualitative data which were checked for completeness, edited for possible errors, and entered into statistical software to address the study's specific objectives.

Quantitative data

Quantitative data was collected in Excel, and imported to SPSS software version 26 where it was analyzed. Most of the data were collected using an online tool so, there were no missing values. The few questionnaires that were collected physically were checked for any errors during data entry, and then merged with the data collected online.

Data Reduction

The transformed data then was taken through a reduction process to a parsimonious level using **factor analysis**. This is a data reduction method, which was Deborah, (2017) termed as a numerical method for modelling observed correlated variables with a hypothetically lower number of unobserved factors. It searches for causal hidden variables that are reflected in the observed ones to reduce data. There are two most common types of factor analysis: Exploratory Factor Analysis (EFA) which is a method for exploring the underlying structure of a set of observed variables and is a crucial step in the scale development process. The second one is Confirmatory Factor Analysis (CFA), which is a method for verifying a factor structure that has already been defined adequacy for each variable in the model and the complete model itself.

According to Watkins (2018), exploratory factor analysis identifies the mutual factors that explain the order and structure among measured variables. When using this method, it is assumed that factors are the unobservable features of a construct, which appear in the score variances of that construct being measured. Further, observed measures are interconnected since they are influenced by the same underlying constructs. Specifically, the objectives of the EFA tests were (a) to determine the strength of the sampling adequacy (b) to obtain the pattern matrix that informed the validity of constructs included in the study, and (c) to identify the items on each matrix that represented a parsimonious set form the underlying construct

The difference between the two analysis is that exploratory data analysis looks for patterns while confirmatory data analysis does statistical hypothesis testing on suggested models. It is not a question of which method to use but more a matter of what stage in the data analysis one is at. If unsure of what factors to include in the model, then EFA is applied. EFA is done using

Kaiser-Meyer-Olkin test of sampling adequacy and Bartlett's test of Sphericity. Further, Total Variance Explained (TVE) presents the number of components extracted, and the percentage of sum squared loading of each component with the eigenvalue greater than 1. To get the specific questions and the factor loading on each component, the pattern matrix is performed using Promax with Kaiser Normalization for rotation.

Statistical Assumptions

The parsimonious data set was transformed into statistical data and statistical assumptions were checked to obtain the correct model to answer the study hypothesis. The assumptions were the linearity test, normality test, multicollinearity test, homoscedasticity test, and correlation tests based on linear regression assumptions. The details of these tests follow.

Normality Test. This test determines if a data-set is correctly modeled by a normal distribution and to α-check the possibility of an arbitrary variable in the data-set being normally distributed. It is done using the One-sample Kolmogorov-Smirnov Test. The result usually shows the mean value, the standard deviation values, and the resultant distribution curve. For a variable to be distributed normally, the deviation from the normal value should not be statistically significant ($p>.05$) and vice versa. Data that is normally distributed informs the use of parametric techniques in regression analysis. It was done on native thoughts and organizational performance to determine if the distribution of data was normal or skewed.

Linearity Test. The linearity test is used to determines if the function of the variables of the latter and the former lie on the line of best fit whose point of intercept gives Y-intercept value. For linearity to be present, independent and dependent variables should be statistically significant at ($p<.05$), while the deviation from linearity means that they should not be

statistically significant (*p*>.05). The presence of linear distribution calls for parametric techniques in regression analysis. The research did this test for native thoughts and organizational performance using ANOVA.

Multicollinearity Test. This test was done to determine whether native thoughts and organizational performance values were highly linearly related or had a high correlation. According to Rekha (2019), multi-collinearity is a situation where two or more predictors are highly correlated. The test uses Variance Inflation Factor (VIF) to explain the presence or absence of multicollinearity. A VIF result of 1 to 10 shows the absence of multi-collinearity. Highly multi-collated data affects the parametric technique in regression analysis.

Homoscedasticity Test. Homoscedasticity test checks for the constant variance using the standardized residuals, which are produced against the independent variables using Levin Statistics. Levine's output shows if the data were heterogeneous *(p<.05)* or homogeneous *(p>.05)*. To determine if the native thoughts had similar variances with the organizational performance on the regression values, the homoscedasticity test was done.

Model Selection

Various tests were done to determine the correct model to use for hypotheses testing using analytical model diagnostic tests for linear regression statistical assumptions. These tests included linearity, homoscedasticity, multi-collinearity and normality. If any of those tests failed, then the linear regression statistical assumptions are considered violated and the linear regression model not fit. In the study, multi-collinearity and normality tests failed. Consequently, non-parametric regression models were explored including ordinal regression which failed the test and binary logistic regression models was explored. Binary logistic

regression model is found, the independent and dependent variables are tested for correlation and association.

Model Fit Test: Hosmer – Lemeshow test (HL)

A goodness of fit test is a hypothesis test that investigates if the sample data represents the desired data that would be expected in the actual population or if it is skewed. To confirm whether the model selected was a good fit for the study, a HL test was carried out, where the observed outcomes are expected to match the estimated outcomes in a sample population. The output returns a chi-square value (x^2) and a p-value where a small p-value ($p<.05$) suggests that the model failed goodness of fit test, and vice versa. HL test was conducted on the binary logistic regression model.

Variable Relationship in the Model

The variables were tested for correlation and association in the binary logit regression model

Correlation. For data to be linearly distributed, there should be an existing connection between predictor and predicted variables. A significant relationship verifies linearity and calls for parametric techniques in regression analysis. The test was conducted for native thoughts variables and organization performance to establish the implication, strength, and degree of their connection.

Association. This is a statistical hypothesis test performed to test for a statistically significant relationship between nominal and ordinal variables in a bivariate table (cross-tabulation). It is determined by Chi-square test (X^2) using the Cramer's V test where the most commonly used types of chi-square tests include tests of goodness of fit, independence, and

homoscedasticity. A goodness of fit test is a hypothesis test that investigates if the sample data represents the desired data that would be expected in the actual population or if it is skewed. Independence refers to a situation where the occurrence of one event does not affect the probability of the other occurring and homoscedasticity is said to occur when all random variables have the same finite variance. In SPSS, the more values diverge from each other, the higher the chi-square and the more likely it is to be significant, which is also likely to lead to 'reject the null hypothesis. This would lead to the conclusion that the variables in the test have a strong association. The strength of association between two nominal variables is measured by Cramer's V which gives a value between 0 and 1, where 1 is indicative of a strong association.

Regression Analysis

Abiad and Ionescu (2020), Abrudan et al. (2020), Milovanovic and Peric (2019) and Mustafizmunir (2016) observed that different studies have used binary logit regression in the customer satisfaction aspect of organization development and its influence on organizational performance. Binary logit model gives the "trans- formation" of the dependent variable which is presented as: logit(p): ln p/(1-p) = ln (Deviance), where p is the probability of the dependent variable affected by the independent variable and 1-p, the probability of dependent variable not being affected by independent variable.

Drawing from that observation, the researcher used binary logit regression model to predict organizational performance using native thoughts variables, where organization performance was converted into a binary with the reference category as 1 was agreed, and 0 disagreed.

Native thoughts were presented by five variables - cognitions of local geography, demographics, culture, politics and economic status - hence the ln p/(1-p) = ln (Deviance) is presented by each of the dimensions which expound the equation as follows:

logit(p): ln p/(1-p) = β0 + β1x1 + β2x2 + β3x3 + β4x4 + β5x5

ln p/(1-p) = exp (β0 + β1x1 + β2x2 + β3x3 + β4x4 + β5x5)

where p is P (y =1/x1, x2, x3, x4, x5) and represents the probability that native thoughts would be affected by the five native thoughts constructs.

Binary logic was adopted from Bucur (2017).

Qualitative data

The key informant interviews were transcribed into word document, analyzed using content analysis and corroborated with the quantitative data. To do that, the researcher manually extracted the transformed data into notes and summaries based on each objective and the sub-thematic areas. Further, the themes were counter-checked with the sub-themes and the results from the quantitative data. The emerging themes were triangulated with the quantitative data sources to validate and enhance key outcomes.

3.12 Ethical Considerations

According to Webster (2021), ethics refer to conforming to accepted standards. Therefore, ethical considerations point to principles and values that should be followed by people as they deal and interact with others. They govern people in a way that prevents actions or behaviour that is harmful to individuals or society. Ethical considerations abstain people and organizations from engaging in wicked conduct.

In order to maintain ethical standards, the study aimed at maintaining a high level of confidentiality. In this regard, personal information including names or other forms of identification of respondents, were not included in the research documents. Further, classified information of the hotels being studied was also not included in the research documents.

The researcher obtained approval from the university to conduct the research, applied for a research permit from NACOSTI, and then obtained permission from the individual hotels to conduct the research with their management members. In addition, the researcher got consent from respondents for their participation. That ensured that the process was done with a high level of accountability and openness.

The researcher ensured that sources of information used were acknowledged and the research was as plagiarism free as possible. Finally, issues that whip emotions, such as those touching on religious, gender, culture, status or political orientations were avoided throughout.

CHAPTER FOUR

RESULTS AND DISCUSSION

4 .1 Introduction

This chapter covers the results and discussions of the analyzed data, where both descriptive and inferential results are presented in tables and figures. Further data collection, reliability, and validity of instruments, response rates, respondents' information, the status of managerial cognition, change process, and organizational performance are covered. Modeling of the relationship between managerial cognition and organizational performance and the analytical model diagnostics of the variables are presented. Finally, the relationship between the native thoughts and the organizational performance, and the moderation of change process on that relationship were investigated, and a summary of results of hypotheses tests was presented and discussed.

4.2 Reliability and Validity of Research Instruments

A Pilot study was conducted completely and the results for reliability and validity of the research instruments were recorded. The test involved testing reliability for each variable and for the and then for all the variables in the instrument. The results are presented and indicated on 4.2.1 and 4.2.2, respectively.

Reliability test results

A reliability test, also called composite reliability or construct reliability, is done to investigate the internal consistency of the instrument used to collect data. According to Brunner and Süß (2005) it is considered as the ratio of total amount of the true score variance to the total scale score variance. It is assessed by examining the outcomes across intervals, diverse observers, and sections of the test (correlation with itself) and how well they correspond with grounded

theories and other methods that agree with the same conception. Tavakol and Dennick (2011) suggest that the most commonly used measure of reliability is Cronbach's Alpha coefficient expressed as a number between 0 and 1. The higher the value, the more reliable the instrument for measuring a construct is. The results for each variable at the pilot test are presented in table 4.1.

Table 4.1

Reliability Test Results for Each Variable

Items		No of Items	Cronbach's Alpha	Verdict
Local geography cognition: To assess the influence of local geography cognition on organizational effectiveness of rated hotels in Kenya	Original	8	.769>.7	Reliable
	Corrected	8	.769>.7	Reliable
Local demographic cognition: To establish the effect of local demographic cognition on organizational effectiveness of rated hotels in Kenya	Original	8	.824>.7	Reliable
	Corrected	8	.824>.7	Reliable
Local culture cognition: To determine the influence of local culture cognition on organizational effectiveness of rated hotels in Kenya	Original	8	.441<7	Not Reliable
	Corrected	4	.769>.7	Reliable
Local politics cognition: To assess the effect of local politics cognition on organizational effectiveness of rated hotels in Kenya	Original	8	.520<7	Not Reliable
	Corrected	4	.735>.7	Reliable
Local economic status cognition: To determine the influence of local economic status cognition on organizational effectiveness of rated hotels in Kenya	Original	8	.550<.7	Not Reliable
	Corrected	4	.793>.7	Reliable
Change process: To examine the moderating effect of the change process on the relationship between native thoughts and organizational effectiveness of rated hotels in Kenya	Original	15	.664<.7	Not Reliable
	Corrected	13	.773>.7	Reliable

Source: Research data (2021)

The findings are that the composite Cronbach alpha statistic of all questions during the pilot test showed that all the items were suitable to measure the variables ($\alpha > 0.7$), hence the measures used were consistent suggesting that the instrument was reliable.

Main Research Instrument.

The limits for both values of internal consistency and composite reliability are dependent on the number of items on the scale. Glen (2021) observes that different authors such as Tavakol and Dennick (2011) suggest a Cronbach's alpha cut-off of 0.70 and ≤ 0.90, while Netemeyer et al. (2003) reason that a construct with five items can use a threshold of $\leq .8$ for composite reliability. The Cronbach's alpha and composite reliability results are presented on table 4.2

Table 4.2

Reliability Test Results for all Variables

Constructs	Cronbach alpha	Composite Reliability	Number of items	Items removed
Local geography cognition	.877	0.8824	8	0
Local demographics cognition	.868	0.8882	6	2
Local culture cognition	.866	0.8837	6	2
Local politics cognition	.874	0.8966	6	2
Local economic status cognition	.855	0.8717	6	2
Change process	.809	0.9373	13	2
Organization performance	.873	0.9539	16	2

Source: Research data (2021)

The results show that both Cronbach's alpha and composite reliability are, within the cut-off values of Cronbach's alpha of 0.70 and ≤ 0.90. hence, the instrument was suitable for measuring the variables. The initial items used for local geography cognition were retained after the reliability test was done. For cognitions of local demographics, culture, politics and economic status, two items each that were deleted in each, leaving six each which had a resultant Cronbach's alpha value greater than 0.70. Nonetheless, aall the variables met the limits for both composite reliability and Cronbach's alpha values of at least 0.70. The explanations for each of the results are presented as follows:

Local geography cognition. With an internal consistency of $\alpha = 0.877$, the measure for local geography cognition, was reliable since the value was at least 0.7 as recommended in literature. Some of the items used for this variable include the importance of location to the organization; consideration of geography in business decisions; how conducive the location is to business; how resourceful the location is to business; use of local geography as an identity to the business, whether the organization identifies itself with local business associations as well as whether visitors (guests) are encouraged to visit the local sites and experience the attractions or just spend their money in-house.

Local demographics cognition. This sub-construct had an internal consistency of $\alpha = 0.868$, which implies that the scale for measurement of local demographics cognition was reliable. The items used for this variable include: concern for the community's education standards; gender issues; the importance of community youth activities, and how the community relates with the organizations in terms of support and inclusion in Festive activities.

Local culture cognition. Local culture cognition measure had an internal consistency of $\alpha = 0.866$, suggesting that the scale used met the criteria for reliability. The items used for this variable included: the importance of local culture to the business; business concern for local culture in important decisions; its incorporation in organization's entertainment programs; how generously it contributes to the business; whether it is used as a key selling point; if it a critical driver of business success or it is considered a critical part of business survival and success. The importance of culture to the business, the organization's concern for it in important decisions, its generous contribution to the business, and its use as a key selling point had individual Cronbach's alpha coefficients (>.7), if items deleted. The other items achieved coefficients that were below (>.7). Therefore, they were removed. The most

important item was "Local Culture is crucial for our location," with a Cronbach's alpha coefficient of .730, while the least was the item "Local culture plays a generous contribution in our business," with $\alpha = 0.678$

Local politics cognition. This sub-construct had an internal constancy of f $\alpha = 0.874$, measured on Cronbach's alpha, signifying that the scale used was reliable. The key items used included its prominence in business operations; the organization's sensitivity to it in important decisions; support for local politicians in local projects and how beneficial the organization's contribution to local politics has been to the business, among others. The most important item was "Our contribution to local politics has been beneficial to us", with a coefficient alpha of .782, if item deleted while the least was item "We support local politicians in community projects" which had a $\alpha = 0.782$ if item deleted.

Cognition of local economy. This construct attained a coefficient alpha of 0.855 suggesting that the scale used for the measurement was reliable. The items used to measure it included prominence of social-economic-status to the organization; its significant consideration in important decisions; the organization's economic contribution to the community; local procurement by the business; inclusion of local produce in business menus and consideration of the community in business planning. The most influential item was "Our hotel buys most of our goods and services locally" $\alpha = 0.791$ and the least, with $\alpha = 0.717$, was "Our hotel supports community-based projects in our area".

Change process. The items used to measure the change process had an internal consistency of $\alpha = 0.809$ which implies that the scale used to measure it was reliable. The items used for the construct of this variable indicated similarity on the scale mean and strong item-

total correlation. The items used included: whether the organization had an established business plan; extent of project planning and supervision; employees' knowledge and application of vision; decision processes that were used; empowerment of employees to make decisions on projects and how success is celebrated.

Organizational performance. The items used to measure organizational performance had a Cronbach's alpha coefficient of 0.809. The measures that were used for it were key performance indicators, which are in TBL's three spheres of sustainability namely; economic, social, and environmental. Data were collected on whether the rated hotels in Kenya realized success in terms of attaining effective controls, motivation, customer satisfaction, attracting customers, having repeat business, sufficient utility management as well as waste management.

The items in organizational performance had a composite Cronbach's alpha of at least 0.7 and the measure for organizational performance was therefore, reliable. According to Johnson (2018), organizational performance is achieved when an organization finds a balance between its employees, shareholders, customers, and the community. It describes how well the organization is able to attain its planned goals and objectives.

Validity of Instruments

Validity test checks that the characteristic being tested is related to the reason for measuring it and the accuracy of the test measures of that characteristic. In other words, the test confirms that the instrument is actually measuring what it is intended to measure. Nunnally (1978) suggests that for criterion validity, a correlation coefficient limit value of (r >7) is acceptable. The study conducted criterion validity test for the pilot and convergent validity for the main data. The variables tested for this validity were cognition of local geography, demographics,

culture, politics, economic status, change process and organizational performance. The results are presented on table 4.3.

Table 4.3

Correlation Analysis to Test Criterion Validity

Variable	1	2	2	4	5	6	7
1. Local geography	.769						
2.Local demographics	.595**	.824					
	.001						
3.Local culture	.487**	.427*	.769				
	.010	.026					
4. Local politics	-.103	-.216	.317	.735			
	.609	.279	.107				
5. Local economic status	.029	.055	-.113	.001	.793		
	.886	.785	.574	.997			
6. Change process	.192	.143	.731**	.749**	.224	.773	
	.338	.475	.000	.000	.262		
7. Organizational performance	.377	.450*	.477*	.088	.663**	.525**	.766
	.052	.019	.012	.664	.000	.005	

n = 27, Correlation is significant at 0.01 level, and * Correlation is significant at 0.05 level
Source: Research data (2021)

The results show that local politics cognition (p=.664) and local economic status cognition (p=.000) had no correlation with cognitions of local geography, local demographics and local culture, which were significantly correlated with organizational performance at (p < .05). These results necessitated the review of questions that lacked criterion validity.

Main Research instrument.

The study conducted a convergent validity test of the instrument, using Average Variance Extracted (AVE) where factor loadings of each item measures were examined. Values > 0.5

indicate validity. (Anderson & Gerbing 1998). Values of AVE value > 0.50, indicate that at least 50% of the variance in the construct is explained by individual items on the scale (acting as independent variables) while the construct is the dependent and not due to measurement error (Hair et al., 2003). The AVE results are presented in table 4.4.

Table 4.4

Validity Test Results

Constructs	AVE
Local geography cognition	0.5087
Local demographics cognition	0.5725
Local culture cognition	0.5643
Local politics cognition	0.5944
Economic status cognition	0.5359
Organization Performance	0.5264
Change Process	0.5387

Source: Research data (2021)

The findings are that all the variables had AVE value of at least 0.5, suggesting that over 50% of variances of native thoughts was accounted for by local geography, demographics, culture, politics, and economic status. Further, change process construct was accurately measured by the items that were specified for measuring it.

Revised Data Collection Instruments after Pilot Study

After reliability and validity for the tests were analyzed, some of the questionnaire items/ sections that passed both tests were edited and incorporated into the main questionnaire. The correction log for the revised questionnaires are presented on table 4.5

Table 4.5

Correction Log of the Revised Questionnaire

11	Identification	Initial wording	Added/Replaced
Definitions	NA	Native thoughts	Native thoughts refer to cognition of local environment.
	NA	Cognitions	Cognitions are thoughts, ideas or views that come before a decision.
Respondents' and demographic information:	Hotel information	NA	Western region and Eastern region
Local geography cognition	M 1.4	Magnanimous	Generous
Local culture cognition	M 3.3	We incorporate local culture in our entertainment programs	We do not incorporate local culture in our entertainment programs i.e. local artists, traditional dances, music etc.
	I 3.6	We incorporate local culture in entertainment programs'	Our collateral, and uniform designs, as well as artefacts, borrows from local designs
	F 3.7	Our company is a critical driver of our business success	Our company culture plays a critical role on our business success
	F 3.8	Local culture has been critical for our business survival and competence	Local culture influences our business survival and competence
Local politics cognition	M 4.3	We contribute generously towards local political activities	We contribute hotels concerns to local political activities
	M 4.4	Our operations are heavily influenced by local politics	Our operations take into account local politics
	I 4.5.	We give priority to political meetings and conferences in our facilities	We allow political meetings and conferences in our facilities

Table 4.5 Correction Log on Revised Questionnaire (Continued)

Local economic status cognition	S5.1	Our hotel gives prominence to the local economic status	We consider local economic status important to our business
	S5.2	Local economic status has a significant consideration in our decisions	We take into account local economic status in our business decision
	I 5.6	Local produce features prominently in our menus	local traditional menus are popular in our hotels
(i) Change process	U6.3	Our projects take a long time to complete due to differing views from our project time	Our projects take a long time to complete due to differing views from our project team
	X6.12	Most of our plans are yet to be implemented because of money	We have incomplete project due to lack of funds

Source: Research data (2021)

4.3 Response Rate and Respondent Information

This section covers the descriptive statistics, including response rate, respondent's information, hotel information, and a summary of key informant interviews.

Response Rate

The study had 383 questionnaires distributed to hotel managers comprising directors, general managers, heads of departments, and mid-level managers, where 253 of them responded. Out of those, 4 questionnaires were not completed, hence, they were omitted from analysis. The remaining 249 accounted for a response rate of 65%, which was adequate for the study because it compares with previous similar studies such as by Fincham (2021), whose recommendation for researchers was response rate of at least 60%.

Data was collected during the COVID-19 period when 60% of hotels had closed in accordance with Ministry of Health guidelines and WHO protocols. Kenya Association of KAH&C

estimated that only 40% of hotels were operational at the time of the study, with an average occupancy of 25% and a staff establishment of less than 20%, comprising a critical response team (CRT) managed by one or two duty managers. The questionnaires were distributed online using google forms - a contactless process which was preferred to physical questionnaires due to COVID-19 pandemic as well as the elimination of possible influence on the respondents when the questionnaires are administered by the researcher. The response findings are as follows:

Management level. Managers of different levels, in the management hierarchy, responded to the survey, hence the information obtained was balanced. The 249 managers were distributed as heads of the department: 49%, middle-level management: 31.7, general managers: 17.3%, and directors: 2%. The managers came from different hotels in the country.

Location of hotels. Distribution by location of the hotel: 56.6% from Nairobi, 19.3% from Coast, 18.1% from Rift Valley, 2.8% from central Kenya, 2.0% from Eastern Kenya, and 1.2% from Western Kenya. The responses from that were spread across the country and were representative of the whole set of rated hotels in Kenya.

Star rating. Lastly, response distribution star rating: 69.1% from 4-star hotels, 18.9% from 5-star hotels, and 12.0% from 3-star hotels. The response rate, inclusion of hotels countrywide and the survey of managers at various levels show that the data met the requirements for generalization of findings to all rated hotels upon analysis of the data.

Respondents Information

The study captured respondents' demographics and hotel information, presented in table 4.6

Table 4.6

Demographic Information of the Respondents

Description	Information	Frequency	Percentage
Characteristics	Total	249	100
Gender	Male	159	63.9
	Female	90	36.1
Age	Below 30	37	14.9
	31-45	141	56.6
	46-60	69	27.7
	Above 60	2	0.8
Length of Service in years	Below 10	85	34.1
	11-20	103	41.4
	21-30	48	19.3
	Above 30	13	5.2
Position held	Director	5	2.0
	General manager	43	17.3
	Heads of department	122	49.0
	Middle management	79	31.7

Source: Research data (2021)

Gender. From table 4.6, male respondents were 63.9% while female were 36.1%, suggesting that majority of hospitality managers in Kenya were male. However, that distribution complies with the Kenyan constitutional requirement of gender balance requirement of at least a third of either gender.

Age. The respondents between 31 and 60 years were 84.3%, below 30 years were 14.9%, and above 60 years were 0.8%, indicating that the age of managers of hotels in Kenya range between 31 and 60 years. The explanation for this is that in Kenya, the practice is that managers start their post-college working careers from an average age of 25 years and then rise to through the ranks where they are promoted to senior managers at 30 years and above. Further, the practice in most hotels is to retire after attainment of 60 years.

Length of service worked. The proportion of managers who had worked for more than 10 years was 70%. This suggests that rated hotels in Kenya are managed by people with a working experience of more than ten years, and were likely to have accurate information that can be relied upon for informed decision making.

Distribution by position. Head of the department accounted for 49.0% of the respondents, middle management at 31.7% and general managers 17.3%. The least number of respondents were from the director at 2%. This indicates that respondents were drawn from different management levels, which implies that the respondents had diverse managerial perspectives which minimized chances of response bias, hence suitable for the study

Hotel Information

The information collected on the hotels is captured on table 4.7.

Table 4.7

Demographic Information of Hotels

Variable	Description	Frequency	Percentage
Items	Total	249	100.0
Location	Nairobi	141	56.6
	Coast	45	18.1
	Rift Valley	48	19.3
	Central / Western/ Eastern	15	6.0
Type	City	156	63.4
	Beach	43	17.5
	Lodge/ Country/ Urban	47	19.1
Ownership	Local/ Government	198	82.3
	Foreign	20	8.0
	Hybrid (local/foreign)	24	9.6

Table 4.7 Demographic Information of Hotels (Continued)

Age of property (years)	Below 10	88	35.3
	10-20	34	13.7
	21-30	31	12.4
	Above 30	96	38.6
Category (TRA) classification	3 star	30	12.0
	4 Star	172	69.1
	5 Star	47	18.9
Capacity (no. Of rooms)	Below 100	69	27.7
	101-200	138	55.4
	Above 200	42	16.9

Source: Research data (2021)

Distribution by the hotel location. Hotels in Nairobi, Coast Region, and Rift Valley accounted for 95% of all hotels while Central/Mt. Kenya, Eastern Kenya, and Western Kenya accounted for 6%, which is indicative of the regions where some hotels were still operating during COVID-19. It also tallies with the TRA list, (Appendix 2) which indicates that 95% of the rated hotels are located in Nairobi, the Coast region, and Rift Valley.

Distribution by type of hotel. 63.4% of the properties were city hotels, 17.5% were beach hotels and 19.1% game lodges, and county/ urban hotels. This is indicative of the categories of hotels that had the capacity to operate during the COVID-19 pandemic when the rest of the hotels were closed. However, their average room occupancy was 20%.

Distribution by ownership. Hotels owned by locals were majority and comprise 79.5%, followed by Hybrid (local/foreign) at 9.6%. The hotel's ownership is important because it may indicate differences in management practices and exposures. Foreign-owned hotel brands are likely to be exposed to international standards and major local impacts and thus

close down during major catastrophes, while local owned are likely to continue operating and source for business locally.

Due to COVID 19 pandemic, most hotel brands that depended on international tourists experienced a reduction in business because of reliance on travel trade which shut down. Therefore, they closed down all their branches until travel resumed. In contrast, locally and hybrid-owned hotels usually cater for both international and local clientele, hence some continued to operate.

Distribution by Age of Property. Hotels that were above 30 years old accounted for 39% followed by those below 10 years at 35%. This indicates that 39% of rated hotels in Kenya were established before 1990 and 35% after 2010. Further, 26% were established between 1990 to 2010 suggesting a significantly slow growth phases of Kenya's tourism industry since the 1960s when Kenya attained independence from British Colonial rule. In the first 25 years of independence, tourism was robust with many international and local hotels being set up owing to the supportive investment policies, attractiveness of the country as a tourist destination, and a peaceful environment.

Between 1990 to 2010, Kenya's tourism was adversely affected by external factors such as local politically instigated conflicts, international terrorism from extremist groups such as Al-Qaida and Al-Shabab as well as local militia/ gangs such as Mungiki and Kaya Bombo which operated in Nairobi, Coast and in Central regions of Kenya. These led to a decline of tourism and tourism-based investments, which explains the significantly high proportion of hotels that are older than 30 years compared with those that are younger than that.

Oxford Publishing Group (2018) indicates that in the last 10 years, tourism had grown locally, regionally, and internationally. The growth of tourism in Kenya can be attributed to the confidence of tourism investors in the Kenyan market which has been conducive for a long time. Further, the country has had relatively high growth in infrastructure development as well as policies that favoured economic growth. This explains the relatively high proportion of hotels aged below ten years.

Distribution by Hotel Category. Hotel category is based on five levels of star rating 1, 2, 3, 4, and 5 provided by TRA classification. According to the results, 4-star hotels constituted 69.10%, followed by 5-star at 18.9% and 3-star at 12.0% even though TRA Classification Table (Appendix 2) indicates that 3-star rated hotels make up 60% of rated hotels in Kenya. The low proportion of 3-star hotels in the sample is attributed to the COVID-9 pandemic that lead many of them to close operations at the time of data collection since they could not absorb the cost of operating at low business levels then.

It is noted that most of the international hotel brands fall under the 5-star category and had closed down at the time of the study and were not accessible for data collection. Those that were of the 3-star rating category were relatively few and depended on local conferences and seminars for survival though these were restricted due to the COVID-19 pandemic. Therefore, they had no business and had to close. Most local and hybrid-owned hotels in Kenya (69.1%) were in the 4- star category. They were able to attract local customers as they had the capacity and infrastructure to implement the Ministry of Health guidelines and measures for the prevention of contracting and/or spreading of COVID-19 disease.

Distribution by Room Capacity. More than half of the hotels had 101-200 rooms which accounted for 55.4% of the sample followed by hotels with less than 100 rooms which accounted for 27.7%. The least number of hotels (16.9%) had more than 200 rooms. This distribution of hotel room capacity was in line with the hotel categorization based on TRA classification. Since data was collected from all categories of the hotels in the country, it represented an accurate status of the rated hotels in the country.

4.4 Status of Native Thoughts, Change Process and Organizational Performance

To determine the connection between native thoughts, comprising local geography, demographics, culture, politics, and economic status, to performance; and the moderating effect of the change process on that connection, 73 items using a five-point Likert scale (1 to 5) were used. Measures of central tendency (mean, the mode, and the median) and dispersion (standard deviation) were calculated in order to describe the nature of the data.

Levin and Stephenson (2010) define the mean as the average but express that it can easily distort most typical values with extreme values - the outliers; the median as the middle value when a set of ranked data is arranged from the lowest to the highest and is a good alternative to the mean because it splits the set of ranked data into two parts that have an equal number of values and is not affected by extreme values of data; then the mode as a score with the highest frequency and one that can vary a lot in different samples. Kingoriah (2015) observes that the mode is the most occurring value in a set of observations, in research and statistics.

The standard deviation (SD) measures dispersion, which is also referred to as scatter or spread of distribution and indicates how much the items (members) of a group differ from the mean of the group. It follows variance, then it is a measure that indicates how a set of data values

fluctuates around the mean. It is the positive square root of the variance and is indicative of a greater spread of the distribution. Further, the location of members of a normal population under a normal curve lies on either side of the mean where the areas under the curve depend on the number of deviations. within one standard deviation, it is 68.26%, within two, it is 95.46%, within three, 99.73% and within four it is 99.99%.

The study actegized mean value of the items as: below 0.5 = strongly disagreed, 1.5 and 2.4 = disagree, 2.5 to 3.4 = neither Disagree/Agree, and 3.5 to 4.4 = agree, and above 4.5 = strongly agree. The result of the descriptive statistics is presented on table 4.8.

Table 4.8

Descriptive Statistics for all Variables

Native Thoughts	N	Mean X	Median	Mode M	Std. Dev. SD
Local geography cognition	249	4.12	4	4	.77
Local demographics cognition	249	3.32	3	4	.94
Local culture cognition	249	3.59	4	4	.80
Local politics cognition	249	2.80	3	3	.90
Local economic status cognition	249	3.77	4	4	.77
Change Process	249	3.59	4	4	.60
Organization Performance	249	3.78	4	4	.65

Source: Research data (2021)

The results on Table 11 shows that out of the five managerial cognition variables, local geography cognition was the most prevalent at (Median = 4, Mean = 4.12, SD = 0.77), while local politics cognition was least prevalent/practiced (Median= 3, Mean = 2.8, SD = 0.9). The second most practiced cognition was local economic status cognition (Median=4, Mean = 3.77, SD = 0.77) and then local demographics cognition (Median= 3, Mean = 3.30, SD = 0.94) in a descending order.

114

Local Geography Cognition

Local geography cognition was the most prevalent aspect of native thoughts with a modal response of 4, suggesting that managers practiced it more in their strategic decisions. Some of the statements that elicited responses included: "Our location is critical to our operations", "Local geography is one of the most important considerations in our business decisions", "We are in a generous geographical location", "Our location is our identity", and "We encourage local tours and excursions so that our guests can experience the attractions of this area".

The mean rating was high ("agree"/ "strongly agree") while variation across respondents in rating on local geography cognition was low (M = 4.12, SD = 0.77) meaning that practice of local geography cognition by managers across most rated hotels in Kenya was significantly present.

Local Demographics Cognition

Local demographics cognition was rated highly as indicated by the high number of respondents who agreed (Mode = 4). This indicates that most managers were practicing local demographic cognition and including it in the strategic decisions. The variation in responses was high (SD= .94) and the mean (M = 4) was close to the median score (Median = 3). This suggests that local demographics cognition was moderately practiced by managers in rated hotels. Examples of statements that lead to responses include: "Our local community education standards are a major consideration in our decisions", "We support local community youth activities financially", "We count on local people for support in times of crisis" and Our vision is mainly determined by local demographic issues". It is also indicative of how hotels perceived community demographic factors as a basis of decision-making for the hotel business.

Local Culture Cognition

The results show that local culture cognition is widely practiced by managers in rated hotels in Kenya (Mode = 4, Median=4, SD=.80). Some examples of these include: "local culture is crucial for our locations", local culture plays a substantial contribution in our business, and "our marketing collateral, uniform designs, and artifacts borrow from the local designs".

Local Politics Cognition

Managers in rated hotels in Kenya least practiced cognition of local politics cognition in their strategic decisions. The results (Mode =3, Median=3, M=2.8, SD = .90) indicated that most managers either disagreed or strongly disagreed than those who agreed or strongly agreed on the practice of local politics cognition in the rated hotels. Examples of statements that were used to measure this variable include: "local politics feature prominently in our operations", "we are sensitive to local politics in our decisions" or "we support local politicians in community projects.

Local Economic Status Cognition

The prevalence of local economic status among managers of rated hotels in Kenya was high at (Mode = 4, Median=4). The variation of the scores on the statements that moved responses was significantly low and was distributed normally at (M =3.77, SD = .77). Some examples of the statements that were used to measure this variable include: "we consider local economic status importance to our business"; "we take into account local economic status in our business decisions"; "our hotel supports community-based projects in our area", "we contribute generously towards charity in our area" and "the economic growth of our local community greatly impacts our budget process".

Change Process

The practice of the change process was satisfactory (Mode = 4, Median=4) since respondents agreed to the statements that elicited responses on whether the change process was being practiced. The change process was moderately practiced (M =3.59, SD = 0.60). Examples of the statements that measured the change process were: "Our company has an established Business Plan", "our company is guided by a clear vision" and "our employees know our vision statement". Others include, "technology determines our ability to plan the future with wisdom", "our employees are authorized to make decisions on critical issues affecting our customers' comfort" and our policy is clear that every employee must embrace change without questioning".

Organizational Performance

Organizational performance was rated as satisfactory as indicated by the "agree" whose mode (Mode = 4) response measures of organizational performance which included: "We have high scores on customer satisfaction" and "Our repeat customers account for over 50% of our business". Organizational performance was satisfactory based on managers' assessment of organizational performance (Mode = 4, M = 3.78, SD = 0.65). SD value less than 1 implies that there was no wide variation in the rating process under organizational performance.

4. 5 Categorized List of Key Responses from Informant Interviews

Key informants were drawn from tourism and hospitality industry. The selection was based on industry experience, affiliation and expertise. The participants included executives from Kenya Tourism Board (KTB), Tourism Regulatory Authority (TRA), Kenya Association of Hotelkeepers and Caterers (KAH&C), Kenya Union of Domestic, Hotels, Educational Instittions, Hospitals and Allied Workers (KUDHEIHA), Tours and Travel Agenets, Hotel

Schools, Investors in Hospitality, and Residents of tourist destinations. 11 people were interviewed using the same interview outline to ensure consistency of information. The interviews were done in two parts where a brief was given to the respondents on each part to ensure that they had clear understanding of the context of the interview. The information from the interviews was triangulated with quantitative findings to draw conclusions.

Part a: Influence of Native Thoughts on Performance of Hotels in Kenya

The interviewers' brief on this part was that native thoughts are the thoughts that are in the mind before a decision is made. The context was explained as thoughts (cognition) of local geographically, demographics, culture, politics, and economic status. Do managers think about these factors before making decisions? How does that affect performance?

Part b: Implementation of Decisions in Rated Hotels in Kenya

The interviewer's brief on this section was that cognitions precede decisions that are implemented through a change process that involves communicating the decisions to stakeholders, igniting a buy-in, ensuring relevant actions are taken, and monitoring progress until there is an outcome. Do managers follow these steps? Do the outcomes lead to expected performances?

Respondent 1. A tour operator and owner of a travel agency who has operated in Kenya for over 25 years. He suggested that hoteliers should focus on perceptions of insecurity; meeting customer's promise; learning and applying local geography, culture, politics, and people; be real about products and services offering because it what people want to hear before they come; understand that with the world-changing fast, hygiene, health care, involvement with climate change issues, and consumerism nature, come to focus. He suggested that hotel

managers needed have those things in mind as they make decisions, that in leading their teams, they need to have change management skills as well

Respondent 2. A Senior Director, Ministry of Tourism as a senior Director. He finds social economic statuses most important because it determines the country's ability to attract local tourists and politics because it determines the climate of business. He raised concern on the high hotel prices that locals cannot afford, yet the political class interferes with hotels by treating them like any other business.

Respondent 3. A hotel investor for over 20 years. He believes in customer service and a good return on investment to the investor.

Respondent 4. A professional hotelier and an investor who worked for 25years in various positions, including Director of Operations in a chain of hotels. He finds profit as just part of the equation, and suggests that thought about the environmental protection, location, culture, products, services CSR are important. He said politics should be kept out of our work but agreed that good change management is important at all times.

Respondent 5. A top player trade unionist in KUDHEIHA - one of the country's labour bodies expressed that his biggest concern for managers was how they treat employees because that has an effect on customers. He sees external environmental issues as secondary.

Respondent 6. A senior official in the Ministry of Tourism, sees continued lack of empowerment for women, especially from the local communities as a big problem, pointing

that they are not exposed to opportunities, hence, do not get the chance to grow in hotels. He concluded that managers seem to avoid such issues unless they are enforced in law.

Respondent 7. A teacher hospitality and tourism in one of the leading institutions of higher learning in Kenya believes that managers should think about local geography, economic status, politics, demographics, and culture in that order and explained the reasons. However, he discouraged engagement in local culture as the world has changed a lot. He also observed that hotels are international and need to focus beyond local.

Respondent 8. CEO of KAH & C believes that hotel managers should look beyond money and engage in other areas like local culture and demographic changes because lifestyles, preferences and customers' needs are changing and people seem to know what they want when they visit a country. He ranked external environmental factors in order of importance, as politics, economic status, and then geography, but regretted the poor implementation of ideas in Kenyan hotels because managers want quick results instead of following painful processes and procedures.

Respondent 9. A senior official of KTB considers Kenya as a destination, defined through its geography, as the most important factors as it has continued to be a major puller of tourists, followed by heritage, culture, demographics, and then ability to harness them economically. He saw economic status as critical, but expresses that it only improves when other areas thrive. He argued that politics is biggest impediments to growth in performance, besides epidemics and concluded that bad politics is like cancer to tourism, and the reverse is true. Further, he suggested that need to be strategic and understand that today, customers expect

more, and should therefore know their geography, what is changing, what is on offer and of course be able to anticipate their customers' needs, wants and expectations.

Respondent 10. An executive of TRA opines that what matters is that hotels are compliant with set classification standards and keep improving. According to him, decision implementation process is critical in determining performance, but thoughts about local environment are only important in improving communities around the hotels, but not improving their performance. He cited noise, pollution, rising cases of alcohol and substance dependence as caused by hotels, leading them into conflict with the communities, which validate the fact that external factors affect communities and not hotel performances.

Respondent 11. A resident in tourist destination confirmed that tourism was his community's mainstay. He saw local geography as the most important factor citing the beautiful landscape that any hotel should easily identify with, but which unfortunately, is never appreciated by hoteliers, who only see their jobs as important.

Summary of Analysis of Categorized List of Responses

The interviewees were from diverse backgrounds and played different roles in the hospitality and tourism industry, such as include including tour operators, travel agents, hotel investors, professionals, practitioners, Kenya Association of Hotelkeepers and Caterers (KAH&C), Kenya Tourism Board (KTB), Kenya Union for Hotels, Educational Institutions and Health Institutions (KUDHEIHA), Tourism Regulatory Authority (TRA) and an influential resident of a tourist destination. Therefore, the information provided is likely to be independent, diverse, and reliable.

The most common trend emerging from KIs seemed to be driven by what the respondents did in the trade. An example is KUDHEIHA officials, who believe employees come first; the tour-operators'/ travel agents, where external environmental factors such as local security, geography, culture, politics, and demographics count. However, to many, issues on local economic status were not seen as very important. To KTB, external environmental factors are viewed as necessary but political issues were perceived as impediments to growth of tourism. The KAHC concurred that external environmental issues are essential but expressed that hotel managers needed to focus on gender issues in the community as well.

Disagreeing with those views, the hotel investor observed that community factors added value to the business, but agreed that they are complemented by the business in tough times. Overall, there was consensus that hotel managers needed to have cognitions of local context and they should include them in important decisions so that hotels and local communities act as good partners, which tallies with the concept of native thoughts in this research.

The most common themes emerging from the interviews were the need to focus on local geography, demographics, and culture. The second one is awareness about politics, but the interviewees were silent on how managers would get involved. On economic status, the general feeling was that economic fortunes would be brought by hotels when they performed but not before.

The most common question coming out is the ability of managers to implement decisions through a structured change process. Interviewees indicated that skills are needed to do that, and they may be absent in many hotel establishments in Kenya. It seems that the implementation process of important decisions is not clear in rated hotels in Kenya.

The community's perspective was that hotel managers seem not to appreciate the beauty, the culture, the way of life, the products and services that the community have to offer. The community perception seems to indicate that managers just did their jobs without having thoughts about the community. It is noted that perceptions become a reality eventually when they persist, therefore, it is important for hotel managers to change those perceptions by developing cognitions of the local context and aim to interact with the local community more. They need to view their external environment as part of the business environment.

Limitations of the Key Informant Interviews

The researcher triangulated the key informant interview responses with the quantitative data from the structured questionnaire. The responses were based on the personal opinion of the respondents and verified facts. Further, some of the opinions may have been based on particular incidences and not necessarily what continuously happens in hotels.

4.6 Modelling the Relationship Between Native Thoughts and Performance

To arrive at a parsimonious set of factors on each construct of native thoughts and organizational performance, data reduction was required. **Factor analysis** - a data reduction method for modelling observed correlated variables with a hypothetically lower number of unobserved factors - was used. It searches for causal hidden variables that are reflected in the observed ones to reduce data. The study used Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA). The outcomes are explained as follows:

Exploratory Factor Analysis (EFA) for Native Thoughts

EFA determines the strength of the sampling adequacy, helps obtain the pattern matrix that informed the validity of constructs included in the study, and identify the items on each matrix

that represented a parsimonious set form the underlying construct. EFA is determined using Kaiser-Meyer-Olkin (KMO) which is measure of sampling adequacy and Bartlett's Test of Sphericity. KMO is a measure for determining how suited data is for analysis, while Bartlett's test compares observed correlation matrix with identity matrix, checks if there is redundancy between the variables and if they can be summarized with a few factors.

A KMO value > 0.5 and a significance level < 0.05 on Bartlett's test suggests that there is considerable correlation in the data and hence collinearity. According to Zach (2019), variable collinearity indicates how strong it is correlated with other variables. Native thoughts had 40 questions. The KMO and Bartlett's tests results are presented on tables 4.9.

Table 4.9

KMO and Bartlett's Test Results on Native Thoughts

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.904
Bartlett's Test of Sphericity	Approx. Chi-Square	4509.849
	Df	496
	Sig.	.000

Source: Research data (2021)

Native thoughts had KMO = 0.904; (p <.05) on Bartlett's test, hence significant and adequate for extraction.

Total Variance Explained (TVE).

Represents the number of components extracted and the percentage of sum squared loading of each component with an Eigenvalues >1. The results are shown on table 4.10.

Table 4.10

Total Variance Explained Results for Native Thoughts

Component	Initial eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings
	Totals	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	10.836	33.863	33.863	10.836	33.863	33.863	6.620
2	3.279	10.247	44.110	3.279	10.247	44.110	7.497
3	2.004	6.261	50.371	2.004	6.261	50.371	6.091
4	1.903	5.948	56.319	1.903	5.948	56.319	7.131
5	1.552	4.852	61.170	1.552	4.852	61.170	7.258
6	.979	3.058	64.228				
7	.877	2.742	66.970				
8	.872	2.727	69.697				
9	.826	2.580	72.277				
10	.724	2.263	74.540				
11	.630	1.969	76.509				
12	.622	1.944	78.452				
13	.563	1.760	80.212				
14	.533	1.666	81.878				
15	.496	1.550	83.428				
16	.481	1.503	84.931				
17	.461	1.440	86.371				
18	.436	1.361	87.732				
19	.410	1.281	89.013				
20	.402	1.256	90.270				
21	.374	1.169	91.438				
22	.367	1.145	92.584				
23	.316	.987	93.570				
24	.308	.962	94.532				
25	.300	.939	95.471				
26	.263	.823	96.294				
27	.245	.765	97.058				
28	.207	.646	97.704				
29	.202	.630	98.334				
30	.193	.603	98.937				
31	.179	.558	99.495				
32	.161	.505	100.000				

Extraction Method: Principal Component Analysis.
When components are correlated, sums of squared loadings cannot be summed to obtain a total variance.

Source: Data (2021).

The results indicate that five components extracted and had a cumulative variance of 61.170 % of the underlying construct (native thoughts) explained. These components included local geography, demographics, culture, politics, and economic status. The first component had the highest square loading variance of 33.863% while the last component had the lowest square loading variance of 4.852%. The rotation sums of squared loadings were greater than 1 (similar to Eigenvalue) which showed the five-component extracted were appropriate in representing the underlying construct, which is the native thoughts

Pattern Matrix Analysis.

This shows the loadings which are also referred to as the standardized observed variables. To get the specific item measures (questionnaire questions) on each variable and the factor loading on each component, the pattern matrix was calculated/ generated using the SPSS. The method used for rotation of the variable was Promax with Kaiser Normalization. The components represent cognitions of: LG = local geography, LD = local demographics, LC = local culture, LP= local politics, and LES = local economic status. The results are presented on Table 4.11.

Table 4.11

Pattern Matrix Results on Native Thoughts

Items		Components				
		LG	LD	LP	LC	LES
LG1	Our location is critical to our operations	0.872				
LG2	Our local geography is one of the most significant considerations in our business decisions	0.859				
LG3	Our local geography is conducive for our business	0.873				
LG4	We are in a generous geographic location	0.733				
LG5	Our location is our identity	0.648				
LG6	We are members of local Business Associations	0.61				
LG7	We encourage local tours and excursions so that our guests can experience the attraction of this area	0.486				

Table 4.11 Pattern Matrix Results for Native Thoughts (Continued)

		1	2	3	4	5
LG8	We ensure that our entertainment and services keep our guests in-house so that they can spend more	0.445				
LD1	Our community education standards are a major consideration in our decisions		0.665			
LD2	Our neighbourhood gender issues have a significant influence on our operations		0.647			
LD3	We support community youth activities financially		0.855			
LD4	We incorporate community needy areas in our decisions		0.817			
LD5	We can count on the local people for support in times of crisis		0.724			
LD6	We host our local community in many festive events		0.807			
LC1	Local culture is crucial for our locations				0.776	
LC2	We are mindful to local culture in our business decision				0.66	
LC4	Local culture plays a generous contribution in our business				0.896	
LC5	The uniqueness of our local culture is our key selling point				0.869	
LC6	Our collateral, and uniform designs as well as artefacts borrow from the local designs				0.713	
LC8	Local culture influences our business survival and competence				0.68	
LP1	Local politics feature prominently in our operation			0.817		
LP2	We are sensitive to local politics in our decisions			0.508		
LP3	We contribute hotels concerns to local political activities			0.832		
LP4	Our operations take into account local politics			0.815		
LP7	We incorporate politics in our decisions			0.766		
LP8	Our contribution to local politics has been beneficial to us			0.719		
ES1	We consider local economic status important to our business					0.525
ES3	We contribute generously towards charity in our area					0.723
ES4	Our hotel buys most of our goods and services locally					0.869
ES5	Our hotel supports community-based projects in our area					0.742
ES6	Local traditional menus are popular in our hotels					0.748
ES7	Our shareholders' expectations meet the emphasis of our business planning					0.743

Extraction Method: Principal Component Analysis. Rotation Method: Promax with Kaiser Normalization.   a. Rotation converged in 6 iterations.
Source: Research data (2021)

Managerial cognitions of local environment variables (native thoughts) included cognitions of local geography (LG), demographics (LD), culture (LC), politics (LP), and economic status (ES). The rotation converged in six iterations and five patterns were developed similar to the five-component extracted as discussed on total variance explained. The components represent the five-independent variables in the study which were cognitions of local geography, local demographics, culture, politics, and economic status. The results of the pattern matrix of organizational performance for each variable are as follows:

Local geography cognition. On the pattern matrix for this variable, the item with the highest loading was "Our geographical location is conducive for our business" (.873) while the one with the lowest loading factor was "We ensure that our entertainment and services keep our guests in-house so that they can spend more" (.445) and the question with the second-highest loading factor was "Our local geography is conducive for our business (.733). None of the questions on the local geography was removed due to lower or high factor loading, hence all the eight questions were loaded for Local geography only.

Local demographics. On this, the item highest loading was "Our neighbourhood gender issues have a significant influence in our operations" (.855) while the one with the lowest loading factor was S2.3 "We support community youth activities financially" (.665). The questions that formed new components that did not match with any other component were dropped from the pattern matrix.

Local culture cognition. For this, the question with the lowest loading factor was "We are mindful of local culture in our decisions (.660) and the question with the highest "Local culture plays a generous role in our business" (.896). The statement/item measure "We

incorporate local culture in our entertainment programs" (.856) formed a new component that did not match with any other component, therefore, it was dropped from the pattern matrix. While item "Our company is a critical driver of our business success" (.481) loaded on the fifth component and upon examination by the researcher, it did not fit on the fifth component which was the 'economic status' hence it was also dropped from the patter matrix.

Local politics cognition. On this, the question with the lowest loading factor (.508) was "We are sensitive to local politics in our decisions" and the question with the highest loading factor (.817) was "Local politics feature prominently in our operations". The question "We give priority to political meetings and conferences in our facilities" had (.696), but formed a new component that did not match with any other component hence, it was dropped from the pattern matrix. Similarly, question "We support local politicians in community projects" loaded on two components with factor loading (.613) and (.457), and was also dropped.

Economic Status Cognition. The last component of the pattern matrix was the economic status cognition, where some of the questions presenting it were "Our hotel gives prudence to the local economic status", "We all contribute generously towards charity projects in our area", "Our hotel buys most of our goods and services locally" and "Local produce feature prominently in our menus.

The question with the lowest loading factor (.525) was "Our hotel gives prudence to the local economic status" and the highest loading (.869) was "Our hotel buys most of our goods and services locally". The question "The economic growth of our local community has greatly impacted our budget process", loaded very low (.315) hence was dropped from the pattern matrix. The question "Local economic-status is part of our consideration in our decisions"

loaded on the second component (0.698), however, it did not fit on the second component which was the local demographics, hence it was dropped from the patter matrix.

Out of the forty variables, eight items were dropped and thirty-two were retained. The five native thoughts variables included cognitions of local geography and demographics, both with eight items, cognitions of local culture, politics, and economic status with six items each. All the factor loadings were at least 0.42 while the least factor loading of the transformed data was 0.445 and the average component data of the transformed data had (.731), which was strong, indicating that the pattern matrix was strong.

Exploratory Factor Analysis (EFA) for Organizational Performance

Organizational performance had a total of 18 items upon which EFA was done using Kaiser-Meyer-Olkin test of sampling adequacy and Bartlett's test of Sphericity. Further, Total Variance Explained and Pattern Matrix were also performed. The results of those test are presented on Table 4.12.

Table 4.12

KMO and Bartlett's Test Results on Organization Performance

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.863
Bartlett's Test of Sphericity	$\cong$ Chi-Square X^2	1613.885
	df	120
	Sig.	.000

Source: Research Data (2021)

The results show that orgnanizational performance factors had a KMO value 0.863 which above threshold KMO = 0.6, and Bartlett's test values $(X2\ (120) = 1613.885, p < .05)$, indicating

that the factors were significant (p<.05) were adequate for extraction Hence, there was a substantial correlation in the data which was suitable for use.

Total Variance Explained on Organizational Performance.

Presents the number of components extracted, and the percentage of sum squared loading of each component with the eigenvalue greater than 1. The results of TVE on for items extracted from organizational performance are presented on table 4.13.

Table 4.13

Total Variance Explained for Organization Performance

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		Rotation Sums of Squared Loadings	
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	6.090	38.060	38.060	6.090	38.060	38.060	4.783
2	2.241	14.007	52.067	2.241	14.007	52.067	5.115
3	1.158	7.235	59.302	1.158	7.235	59.302	2.948
4	.909	5.681	64.983				
5	.817	5.105	70.088				
6	.743	4.644	74.732				
7	.613	3.829	78.561				
8	.591	3.692	82.253				
9	.542	3.388	85.641				
10	.456	2.853	88.494				
11	.420	2.625	91.119				
12	.384	2.397	93.516				
13	.320	1.997	95.513				
14	.298	1.865	97.377				
15	.210	1.312	98.690				
16	.210	1.310	100.000				

Extraction Method: Principal Component Analysis.
Source: Research data (2021)

Three components were extracted with a cumulative square loading variance of 59.30%. The highest had 38.06% while the lowest had 7.24%. Further, the rotation sums of squared loadings were greater than 1 (similar to Eigenvalues) suggesting that the three components extracted accounted for the largest proportion of variance in the underlying construct.

Pattern Matrix Analysis on Organizational Performance.

To get the specific item measures (statements/questions) on each component of organizational performance, a pattern matrix was extracted using Promax with Kaiser Normalization method for rotation since the data was measured to scale and the dependent variables sub-constructs/components were expected to be correlated. The results are presented on Table 4.14.

Table 4.14

Pattern Matrix on Organization Performance

Code	Items	Component		
		Economic	Social	Environmental
OE1	Our controls have been responsible for our success as a hotel	0.498		
OE2	We have high scores on customer satisfaction			0.522
OE3	Our employee turnover is low	0.515		
OE4	We are sensitive to the institutional memory of our employees in our decision			0.72
OE5	We prefer new customers because they don't demand discounts	0.929		
OE6	Our repeat customers account for over 50% of our business			0.566
OE7	Our procurement for goods and services is done digitally / online			0.862
OE8	Most local suppliers miss our support because they lack an online presence	0.902		
OE9	Our company supports local employment needs	0.559		
OE10	Locally sourced employees occupy both management and non-management positions		0.964	
OE11	Our company has an adequate budget for corporate social responsibility		0.827	
OE12	We support community-based projects and initiatives	0.59		
OE13	We maintain an internal record of our energy consumption		0.525	
OE16	We recycle water for our gardens and cleaning floors	0.543		
OE17	We separate most of our garbage		0.668	
OE18	Our garbage is collected by our professional 'Green Partner'		0.656	

Extraction Method: Principal Component Analysis. Rotation Method: Promax with Kaiser Normalization. Rotation converged in 5 iterations.

Source: Research data (2021)

From table 4.14, the rotation converged in five iterations and three patterns. The first pattern represents economic sustainability with six items, where the lowest loading factor was OE1 (.498) and the highest was (OE1) (.929). The second was social sustainability with six items where the lowest loading factor was OE13 (.525), and the highest OE10 (.968). The third was environmental sustainability, where the item with the lowest loading factor was OE2 (.522) and the one with the highest was OE7 (.862).

Organization performance had two items that formed new components which did not match with any other components hence, were dropped from the pattern matrix. All the factor loadings were at least greater than 0.42 with the least having a value of 0.498. The average component of the transformed data had a factor loading of (.678), suggesting that the component loadings that informed the pattern matrix were strong.

Exploratory Factor Analysis for Change Process

The change process had a total of 15 items measured. The KMO and Bartlett's tests as well as TVE, and the Pattern Matrix analysis were done and the results presented on table 4.15.

Table 4.15

Effects of Change Process on Performance – KMO and Bartlett's Tests

		Var 1
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.843
Bartlett's Test of Sphericity	Approx. Chi-Square X^2	1014.807
	df	78.000
	Sig.	0 .000

Source: Research data (2021)

The results indicate that KMO was 0.843 and Bartlett's test results were (X^2 (78) = 1014.807, p<.05), indicating that change process factors were adequate for extraction since KMO value

was greater than 0.6 and the variances are equal (homogenous) for all samples since Bartlett's test was significant ($p<.05$).

Total Variance Explained (TVE) for Change Process.

This represents the number of components extracted, and the percentage of the sum squared loading of each component with an Eigenvalue greater than 1. The results are presented on table 4.16.

Table 4.16

Total Variance Explained for Change Process

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		Rotation Sums of Squared Loadings	
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	4.488	34.524	34.524	4.488	34.524	34.524	4.003
2	1.533	11.789	46.313	1.533	11.789	46.313	3.295
3	1.506	11.586	57.898	1.506	11.586	57.898	1.613
4	.857	6.589	64.487				
5	.820	6.305	70.793				
6	.660	5.081	75.873				
7	.561	4.317	80.190				
8	.546	4.199	84.389				
9	.479	3.681	88.071				
10	.455	3.500	91.570				
11	.426	3.274	94.845				
12	.340	2.615	97.460				
13	.330	2.540	100.000				

Extraction Method: Principal Component Analysis.

Source: Research data (2021)

From table 4.16, three components were extracted with a cumulative variance of 57.9%. The highest had 34.5% while the lowest had 11.6%. The rotation sums of squared loadings were at least 1 (similar to Eigenvalue) implying that the three-component (unfreezing, movement, and refreezing) extracted were strongly correlated with the underlying/ latent construct – the "change process".

Pattern Matrix for the Change Process.

To get the specific questions and the factor loading on each component, a pattern matrix was performed using Promax with Kaiser Normalization The results are shown on table 4.17.

Table 4.17

Pattern Matrix on Change Process

Code	Items	Component		
		Freezing	Movement	Unfreezing
CP1	Our company has an established business plan	0.783		
CP2	We review our business plan monthly			0.83
CP4	Our company is guided by a clear vision	0.852		
CP5	A employees know our vision statement	0.776		
CP6	Technology determines our ability to plan the future with wisdom	0.843		
CP7	Our employees are authorized to make decisions on critical issues affecting our customers' comfort	0.432		
CP9	Our directors personally supervise most of our projects to ensure that there are no mistakes		0.849	
CP10	Our company hires experts to implement projects most of the time to ensure efficiency		0.510	
CP11	Every important project in our company has a direct revenue profit for us			0.765
CP12	We have incomplete project due to lack of funds		0.82	
CP13	Our company pays hired project experts very well to ensure their continued support		0.71	
CP14	Our company encourages us to celebrate our big achievements		0.441	
SCP15	My contribution to the success of our company is considered part of my job since I am expected to do a good job	0.486		

Extraction method: principal component analysis.
Rotation method: Promax with Kaiser normalization
A. Rotation converged in 5 iterations.

Source: Data (2021)

The results show that the rotation converged in five iterations and three patterns were obtained on TVE which represented the three moderating variable sub-construct. From a list of 15 items that were used to measure the change process, the items which loaded on more than one sub-

construct (unfreezing, movement, or refreezing) of the change process were dropped from the pattern matrix. The values of all the factor loadings were at least 0.43.

The most important item for "unfreezing" was "Our company is guided by a clear vision" (.852) while the least important was "Our employees are authorized to make decisions on critical issues affecting our customers' comfort" (.432). On "movement", the item that had the highest loading was "Our company encourages us to celebrate our big achievements" (.414). Lastly, the most important item for "refreezing" was "We review our business plan monthly" (.830).

4.7 Analytical Model Diagnostics

In order to identify the model to be used in answering the research hypothesis, different diagnostic tests were conducted to achieve parsimonious factors for the constructs obtained from the factor analysis. The tests were based on the assumptions of the classical linear regression model. Their purpose was to evaluate the model assumptions and investigate any observations that would render the model unsuitable for modelling the relationships between the study variables. Bowerman and O'Connell (2019) list the classical linear regression assumptions as based on linearity, multi-collinearity, normality and homoscedasticity.

Linearity Test

This is done to investigate whether a linear relationship exists between the predictor and the predicted variables. Decision on linearity is based on (a) if the significance of deviation from linearity is greater than 0.05 ($p > .05$), then a linear relationship between the independent and dependent variable exists; (b) If it is less than 0.05 ($p < .05$), then the relationship is not linear. The test was done using ANOVA and the results are presented on table 4.18.

Table 4.18

Linearity Test Results

			Sum of Squares	df	Mean Square	F	Sig.
Organization Performance * NT (local geography, demographics culture, politics, and economic status).	Between Groups	Combined	81.955	187	.438	1.172	.238
		Linearity	36.877	1	36.877	98.578	.000
		Deviation from Linearity	45.079	186	.242	.648	.985
	Within Groups		22.819	61	.374		
	Total		104.774	248			

Source: Research data (2021)

The results show a deviation from linearity of 0.985 which is more than 0.05. This concurs with findings of Li et.al. (2018), which showed a positive linear relationship between an organization's moral responsibility and organizational performance outcomes when p>0.05. Hence, the conclusion was that native thoughts and the organizational performance had a positive linear relationship.

Multicollinearity Test

Multi-collinearity test is used to determine if the same underlying predictors are included more than once or are highly related using Variance Inflation Factor (VIF) which indicates how severe multi – collinearity problem is. According to Rekha (2019), multi-collinearity is a state where two or more predictors are vastly linearly related. VIF helps in the detection of multi-collinearity to prevent multi-collinearity inflating variance in the dependent variable and causing Type II error. It also measures the number of inflated variances caused by multi-collinearity (individual items' errors resulting to an inflated standard error).

Statistically, there is no multi-collinearity when the value of VIF range from 1 to 10. Adding to this Jones (2017) suggests that the tolerance level at between 5 and 10 indicates no multi-collinearity, depending on the business problem. For example, a VIF of 10 means that the variance of coefficient is 10 times more than what it is supposed to be if there is no collinearity. Tolerance below 0.25 indicates that multi-collinearity might be existing. This test was used to confirm if the values of native thoughts and organization effectiveness were different or similar. The results of multi-collinearity tests are shown on table 4.19.

Table 4.19

Multi-Collinearity Test Results

Variables	Collinearity Statistics	
	Tolerance	VIF
Local geography cognition	.623	1.604
Local demographics cognition	.539	1.857
Local culture cognition	.609	1.642
Local politics cognition	.641	1.559
Local economic status cognition	.534	1.873
a. Dependent Variable: Organization Effectiveness		

Source: Research data (2021)

The results show that VIF value for all the native thoughts sub-variables was (VIF >1), while the tolerance levels were greater than 0.25. According to Rekha (2019) an absolute correlation coefficient of at least 0.7 among two or more predictor variables is an indication of presence of threat of multi-collinearity. Therefore, the study did not find any threat multi-collinearity.

Normality Test

This test is done to verify if a data set is correctly modeled by a normal distribution, and the likelihood of a random variable in it is normally distributed. It is a form of model selection test

and compares the collected data with a normal distribution, with a view to finding out if it is significantly different from a normal distribution at 5% significance level (p=0.05). So, p>0.05 denotes 5% risk of concluding that the data does not follow a normal distribution.

Kolmogorov-Smirnov's one-sample test examines the specific distribution that the scores are likely to follow in a population. It indicates the extent to which observed scores deviate from a normal distribution. A small p-value indicates a large deviation which leads to the null hypothesis failing to be accepted. Likewise, large p-value suggests a small deviation from normal distribution; hence, accept the alternative hypothesis. K-S test was done on native thoughts variables, change process and organizational performance. The results are summarized on table 4.20.

Table 4.20

One-Sample KMO Test Results

Cognitions of local		1	2	3	4	5	CP	OP
N		249	249	249	249	249	249	249
Normal Parameters[a,b]	Mean	4.12	3.33	3.59	2.80	3.77	3.59	3.78
	SD	.77	.94	.80	.90	.77	.60	.65
Most extreme differences	Absolute	.126	.087	.135	.081	.122	.074	.088
	Positive	.126	.038	.054	.081	.088	.054	.059
	Negative	-.120	-.087	-.135	-.075	-.122	-.074	-.088
Kolmogorov-Smirnov Z		1.984	1.371	2.124	1.277	1.931	1.166	1.394
Asymp. Sig. (2-tailed)		.001	.047	.000	.077	.001	.132	.041

a. Test distribution is normal. b. Calculated from data.

Source: Research data (2021)

On Table 23, local geography is represented by 1, demographics = 2, culture = 3, politics = 4, and economic status = 5; organizational performance = OP and change process = CP.

The findings indicate that local politics cognition data had p=0.077 while change process data had p=0.132, hence a deviation from a normal distribution ($p>.05$), indicating a normal

distribution. On the other hand, cognitions of local geography, demographics, culture, economic status, and performance fell below a critical level ($p<.05$) hence a deviation from the normal distribution. Therefore, data was not normally distributed and this violated the classical linear regression model assumptions and accordingly, the normality test failed.

Homoscedasticity Test

Homoscedasticity refers to homogeneity of variance or a state where a sequence of variables has the same set variance. If a scatter diagram was to be plotted, the data would have the same scatter in the case of homoscedasticity. Yang et al. (2019) posit that homoscedasticity has a bigger impact on the validity of ANOVA than on normality because the overall differences in group means are more sensitive to it (homoscedasticity) than on normality.

In regression analysis, variance of error terms for all independent variables is expected to be the same according to classical linear regression assumptions. Uneven variances lead to subjective and erroneous test results. To determine whether the error variances of native thoughts variables were homogenous with organizational performance on the regression values, homoscedasticity test was done using Levine Statistic. This is an inferential statistic for assessing the equality of variances for two or more groups. It tests null hypothesis for the assumption that the population variances are equal. The rule of thumb is that when the ratio of the larger variance to the smaller one is <4, then it is assumed that the variances are approximately equal. The results are presented on Table 4.21.

Table 4.21

Homoscedasticity Test Results

Native Thoughts	Levine Statistic	df1	df2	Sig.
Local geography	12.927	4	216	.000
Local Demographics	1.431	4	216	.225
Local Culture	.496	4	216	.739
Local Politics	2.114	4	216	.080
Economic Status	1.436	4	216	.223

Source: Research data (2021)

The results indicate that only local geography cognition had a significant Levine statistic, ($p<.05$) which means it was heterogeneous F (4, 216) = 12.927, $p<.05$. All other native thoughts variables had no significant Levine statistic ($p>.05$) indicating that the variables had homogeneous error term variances across the whole population. Therefore, the homoscedasticity test failed on the basis that one native thought sub-variable (local geography cognition) was homogeneous.

4.8 Relationship between Native Thoughts and Organizational Performance

The relationships tested were correlation and association of native thoughts and organizational performance.

Correlation Analysis on Native Thoughts and Organizational Performance

This was done to confirm how significant the relationship between native thoughts factors and organizational performance was. The outcomes were presented on table 4.22.

Table 4.22

Correlation Test Outcomes

Variables	1	2	3	4	5	6
1 Organization performance (OP)	.873					
2 Local geography (LGC)	.521**	.871				
	.000					
3 Local demographics (LDC)	.541**	.581**	.868			
	.000	.000				
4 Local culture (LCC)	.390**	.453**	.506**	.866		
	.000	.000	.000			
5 Local politics (LPC)	.324**	.291**	.390**	.448**	.874	
	.000	.000	.000	.000		
6 Local economic status (ESC)	.480**	.412**	.521**	.520**	.569**	.855
	.000	.000	.000	.000	.000	

**. Correlation is significant at 0.01 level of significance (2-Tailed).

Source Research data (2021)

The results are: cognitions of local geography (r (249) = .521, $p<.05$), demographics (r (249) = .541, $p<.05$), economic status (r (249) = .480, $p<.05$). Further, there was positive but moderate relationship (r = .3 to .4) between organization performance and cognitions of local culture (r (249) = .390, $p<.05$), and local politics (r (249) = .324, $p<.05$). These findings indicate that organizational performance and all the native thoughts variables had a positive and significant relationship ($p<.05$).

Association between Native Thoughts and Organizational Performance

The association between these variables was determined using a Cramer's Phi V test with values between 0 and 1, where 1 is indicative of a strong association. The results are presented on Table 4.23.

Table 4.23

Association between Native Thoughts Factors and Organizational Performance

Native thoughts	Value	df	Asymp. Sig.	Phi	Cramer's V
Local geography Cognition	5272.333[a]	4800	.0	4.6	.920
Local demographics Cognition	4845.830[b]	4416	.0	4.4	.920
Local culture Cognition	5087.895[c]	4608	.0	4.5	.923
Local politics Cognition	5456.995[d]	4992	.0	4.7	.918
Local economic status Cognition	4301.272[e]	3840	.0	4.2	.949

Source: Research data (2021)

The findings are that organization performance had a strong and significant association on Phi test results of ($p < 0.05$) with all the native thoughts variables. The Phi and Cramer's V test results indicate that the associations of all variables were strong (Phi and Cramer's V > .600) as follows: local geography cognition had a strong association with organisational performance (χ^2 (4800) = 5272.33, p<.001, Cramer's V = .920); local demographics cognition (χ^2 (4416) = 4845.830, p < .001, Cramer's V = .920); local culture cognition (χ^2 (4608) = 5087.895, p<.001), Cramer's V of .923); and economic status cognition (χ^2 (3840) = 4301.995, p < .001, Cramer's V = .949). This suggests that organisational performance had a significant relationship and association with native thoughts. The details for each variable are as follows:

Local geographical cognition and organizational performance. Local geography is significantly related and associated with organizational performance (p = .871) and Cramer's V= .920). These results show that managers in rated hotels in Kenya use cognitions of local geography when making strategic decisions that lead to organizational performance. The most important aspect of local geography cognition was "Our location is critical to our business". This agrees with Harenman and Rider (2011) on the assumption that the significant belief of geography is that location matters if processes and occurrences were to be understand more.

However, Case (2021) argues that identity on the basis of location is no longer valid because businesses have adopted remote working and eroded geographical barriers.

On the influences of geography, Rigava (2016) suggests that they have some of the greatest impacts on businesses, in areas such as natural features, population, region's industries which are based on the general, specific location and placement of a business. Further, geography influences the suitability and accessibility of a business to the target market. The researcher agrees with the view that local geography is no longer the most important factor but geographical influences are because of the way they have led many people to change the way they live and work. For example, many people have resulted to work from wherever they are and can connect remotely with their organizations due to the COVID-19 pandemic which minimized the importance of physical location to most businesses. However, the researcher suggests that businesses need to constantly monitor their external environment to appeal to their customers.

Local demographic cognition and organizational performance. Local demographics are significantly related to the performance of rated hotels. The most important descriptors of local demographics are "We consider employers as our greatest assets". The least internally consistent item in this variable measure was "we incorporate community's needy areas in our decisions". Mullins and Larreche (2019), posit that demographics are attributes of individuals such as age, gender, household lifecycle, income, occupation, education, anniversaries, race, ethnic origin, which are important factors to employees. Further, (Meister, 2017) observed that a young population is a demographic consideration with a high potential for providing employees to organizations. It has potential to propel communities to growth while an aging population does the reverse.

Local culture cognition and organization performance. The importance of local culture to the business location is consistent with Kamal et al. (2017) that in order to avoid cultural differences, culture should be seen as incorporating religion, food, what we wear, and how we do it, language, music, what we believe is right, how we sit at the table, how we greet visitors and how we behave with our loved ones among others. This indicates how important it is for managers to have a cognition of local culture. On the other hand, the generous contribution of local culture to business is in tandem with the observation by Mullins (2016) that culture is an important ingredient of effective organizational performance.

Local politics cognition and organization performance. Support of politicians in community projects is basically a compromise by the organization in order to endear itself to the local community, in order to avoid dilemmas. Leftwich (2015) argues that politics can be used positively in finding a political solution such as resolving a conflict in a compromising, but the non-violent way or it can be used negatively in the context of the descriptive meaning of art or science of government which is usually viewed as made of rules and regulations. Consequently, managers must be aware of how political risk can affect their organizations and trade (Cole & Kelly, 2015). Managers need to have local politics cognition

Local economic cognition and organization performance. By engaging in social-economic activities of the local community, organizations are likely to promote social equality, community development, and the wellbeing of society. However, they are also likely to experience anti-social behaviour that would make their businesses difficult, if they do not get involved. This agrees with Deimer and Ali (2009) that anti-social behaviours and activities, often reveal the inequalities that exist in accessing resources, some important privileges, power, and control. Those affected by such realities often result in a collision with the law, when they

engage in criminal activities, activism and sometimes terrorism because they fell either short changed or disenfranchised by society. They feel disadvantaged and that left out as if they are not part of the society where they call home. This calls for managers to be cognizant of the social-economic status of the local community to avoid their organizations being caught by anti-social behaviours and activities.

Change process and organizational performance. The results show that by supporting the internal teams, positive change occurs. Though important, hired people, outside the core team) may not give the best results in a change. This supports the observation by Johnson (2018) that organizational performance is achieved when an organization finds a balance between its employees, shareholders, customers, and the community. Most of the items whose result on Cronbach's alpha were support this view. An example is the one on encouraging the celebration of success.

Goodness of Fit Test for the Logistic Regression Model

A goodness of fit test is a hypothesis test that investigates if the sample data represents the desired data that would be expected in the actual population or if it is skewed. This test was done using Hosmer – Lemeshow test to determine how well data fits the model. Peng et al. (2002) recommend that the test is done after statistical tests of individual predictors and before an assessment of the predicted probabilities. Drawing from that suggestion, the researcher carried out the tests accordingly. Hosmer - Lemeshow test investigates if observed values match the expected values in a sample population. The output returns a HL chi-square and a p-value. Small p-values ($p<.05$) indicate that the model is not a good fit (Hosmer & Lemeshow, 2000).

The tests done to investigate goodness of fit included the influence of individual native thoughts factors and change process on organizational performance; combined native thoughts factors on organizational performance, and the effect of combined native thoughts factors and change process on organizational performance. The results are on table 4.24.

Table 4.24

Goodness of Fit Findings for Logistic Regression Model

Variables	Chi-square	df	Sig.
Local geography cognition	5.861	8	.663
Local Demographics cognition	7.409	8	.493
Local Culture cognition	6.411	7	.493
Local Politics cognition	9.195	7	.239
Local Economic Status cognition	6.179	3	.103
Change Process (CP)	12.094	8	.147
Combined Native Thoughts (NT) Factors	12.314	8	.138
Combined NT and CP	6.084	8	.638

Source: Research data (2021)

The findings are that the p-values associated with Hosmer - Lemeshow were all >.05, which means that the observed odd ratios were not by chance but as a result of native thoughts variables. Hence, the native thoughts factors were significantly related with the odds of organizational performance of rated hotels indicating that the model was a good fit.

4.9 Influence of Native Thoughts on Organizational Performance

To investigate this influence of native thoughts on organizational performance, null hypotheses H_{01}, H_{02}, H_{03}, H_{04}, and H_{05}, were tested. To do these tests required determination of a correct model through testing the data on linear regression assumptions - linearity, multi-collinearity, normality and homoscedasticity. If one of these tests fail, the assumption is that classic linear regression assumptions are violated, and a non-parametric analytical model has to be explored.

In summary, linearity and multi-collinearity tests passed but homoscedasticity and normality tests failed; therefore, linear regression model was not fit for use leading to further tests for non-parametric models. Different non-parametric tests were assessed to determine the most suitable one. The first one was ordinal regression since the dependent variable (organizational performance) was in ordinal scale format but it failed the test of parallel lines (proportional odds assumptions) and it was found not appropriate to test the research hypothesis. Consequently, it was ruled out. The second test was on the binary logistic regression model which required the dependent variable to be converted into binary. The scale of values 1, 2, and 3 were coded as 0 "disagreed" and scale values 4 and 5 were coded to 1 "agreed" to make it a dichotomous, where the base category used was (disagreed) and 1 (agreed).

The research found that the dichotomous data fitted the binary logistic regression model (logit). The omnibus test of the model coefficient was significant ($p < .001$) in all the hypothesis tests. Further, the model was tested using Hosmer Lemeshow (HL) test and it was fit. The results indicated that the p-value associated with the test was >.05, suggesting that the observed odd ratios were not by chance but as a result of the predictor variables; therefore, the logit model was selected. The results of these relationships are indicated and discussed comprehensively in sections 4.8 and 4.9 respectively.

Influence of Local Geography Cognition on Organizational Performance

This relationship was determined by testing null hypothesis H_{01} – Local geography cognition has no influence on organizational performance of star rated hotels in Kenya. The results are on table 4.25.

Table 4.25

Influence of Local Geography Cognition on Performance (OP)

Null model classification Table[a][b]

Step 0 Observed (OP)	Predicted (OP)		Percent corrected
	Disagreed	Agreed	
Disagreed	0	53	0
Agreed	0	185	100
Overall %			77.7

a. Constant is included in the model. b. The cut value is .500

Local geography classification Table [b]

Step 1b Observed (OP)	Predicted (OP)		Percent corrected
	Disagreed	Agreed	
Disagreed	8	45	15.1
Agreed	2	183	98.9
Overall %			80.3

The cut value is .500

Model Summary

Step	Deviance	Cox and Snell R^2	Nagelkerke R^2
1a	227.770[a]	0.098	0.15

a. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001.

Variables in the Equation

		B	S.E.	Wald	Df	Sig.	OR	95% C.I. OR Lower	Upper
Step 1a	Local geography	1.017	0.233	19.103	1	<0.001	2.765	1.752	4.362
	Constant	-2.832	0.936	9.159	1	0.002	0.059		

a. Variable(s) entered on step 1: local geography

Source: Research data (2021)

The results of omnibus test indicate that binary logistic regression model was significant, Chi-square χ^2 (1) = 24.648, p<.001. The classification results show that 77.7% of cases were classified using the null model (organizational performance without local geography cognition)

while 80.3% were correctly classified on the full model (with local geography cognition), implying a great improvement when using the explanatory variable (local geography cognition) on the model.

The results on the model summary indicate that local geography cognition had Nagelkerke R^2 of .150 (equivalent to R^2 on the linear regression model). Hence, 15% of the cases of the local geography cognition explained organizational performance while 85% could be due to other factors not included in the study, as well as the error term.

The results of variables in the equation ($\beta = 1.017$, Wald $= 19.103$, p<.05, OR $= 2.765$), show that local geography cognition was significant (p<.05), in the model, increased the chances (odds) of satisfactory organizational performance 2.765 times, could predict organizational performance (Wald $= 19.103$) and that a unit increase in local geography cognition led to a unit improvement in performance ($\beta = 1.017$).

Since p values associated with local geography cognition was less than 0.05, then it was significant, hence, null hypothesis was rejected and the alternative hypothesis, accepted. This suggests that managers of rated hotels in Kenya exhibited local geography cognition and are more likely to achieve improvement in organizational performance. The findings agree with Sefiam et al. (2016), that location is a significant factor in determining success of a business and it may function as a higher-order concept in relation to both the placement of business within the country and choices between countries as jurisdictions.

The findings also tally with the suggestion by Rigava (2016) that geographical influences are one of the factors with a great impact on a business, especially in determining suitability to the

target market and acceptability to buyers and suppliers. Further, Mate et al. (2018) express that geographic vicinity of businesses to economic agents, firms and transportation facilities has a contributing impact to their failure. The results also tally with key informant responses by KTB, tours and travel industry, hospitality and tourism training and local residents that local geography is important and should be thought of by hotel managers.

Contrasting the findings, Case (2021) argues that the rise of people working remotely, has generally been accepted and is now established around a set of brand values and not physical location, which should no longer be a barrier to turning new normal into the new remarkable. There is no doubt that COVID-19 pandemic has brought a renewed source of globalization that seems to enable the phenomenon of people working remotely, and has become the new normal, meaning that location is no longer a major factor for organizations.

The researcher on the other hand views local geography as an important physical identifier of business arguing that an accessible location attracts customers and is an important influencer of business performance. Hospitality industry is sensitive to environmental factors especially geographical location. It is a service business where services and products are consumed together in the same geographical place.

Influence of Local Demographic Cognition on Organizational Performance

Null hypothesis H_{02}, on this influence was tested and the results are presented on table 4.26.

Table 4.26

Impact of Local Demographics Cognition on Performance (OP)

Null model classification Table[a][b]

Step 0	Observed (OP)	Predicted (OP)		Percent corrected
		Disagreed	Agreed	
	Disagreed	0	53	0
	Agreed	0	185	100
	Overall %			77.7

a. Constant is included in the model. b. The cut value is .500

Local demographics classification Table [b]

Step 1b	Observed (OP)	Predicted (OP)		Percent corrected
		Disagreed	Agreed	
	Disagreed	13	40	24.5
	Agreed	11	174	94.1
	Overall %			78.6

   a.   The cut value is .500

Model Summary

Step	Deviance	Cox & Snell R^2	Nagelkerke R^2
1	209.648[a]	0.164	0.252

b. Estimation terminated at iteration number 5 because parameter estimates changed by < .001.

Variables in the Equation

		B	S.E.	Wald	df	Sig.	OR	95% C.I.OR Lower	Upper
Step 1[a]	Local demographics cognition	1.189	0.21	32.162	1	0	3.282	2.177	4.95
	Constant	-2.429	0.637	14.528	1	0	0.088		

a. Variable(s) entered on step 1: local demographics cognition

Source: Research data (2021)

The omnibus test of model coefficient shows that binary logit regression model was significant with Chi-square χ^2 (1) = 42.771, p<.001. Classification outcomes show that 77.7% of individuals were classified using the null model while 78.6% were correctly classified on the full model indicating a significant improvement. The model summary shows that local demographics cognition results of Nagelkerke R^2 of .252, suggesting that on the full model, 25% of organizational performance of rated hotels in Kenya is attributed to local demographics while 75% is due to other factors not included in the study and the error term.

The variables in the equation show (β = 1.189, Wald = 32.162, $p<.05$, OR=3.282) indicating that local demographics cognition was significant in the model, could predict organizational performance of rated hotels in Kenya, increased the likelihood of its occurrence, and increased its odds 3.282 times. Since p values associated with local demographics cognition were less than 0.05, null hypothesis was rejected and alternative hypothesis accepted.

The outcomes suggest that local demographics cognition has a substantial influence on performance of Kenya's rated hotels, which is consistent with the findings by Jingyuan and Photchanachan (2021) that demographic variables characteristics and perceptual behaviour could have significant influence on artistic consumption behaviour and purchase intention. Further, Rvanniekerk and Nel, (2015) suggested that demographic variables, together with other factors, can be used to elaborate the differences in behaviour of effective leaders since they ultimately affect performance. Furthermore, Loretta (2017) suggests that changes in demographics can affect the economic performance of an economy.

The researcher agrees with the arguments that demographics affect performance. Some key informants such as Tours and Travel Agents, KTB and KAHC executives expressed that

demographic considerations were important influencers of hospitality as that is the area where customers and labour is sought from, buyer trends are observed and income projections made. Likewise, need for cognition of local demographics was demonstrated in 2020/21 when demographic changes due to effects of COVID-19 pandemic lead to widespread shut-down that forced people to stay at home, which adversely affected hospitality and tourism industry.

Influence of Local Culture Cognition on Organizational Performance

This relationship was established by testing null hypothesis H_{03}, and the results are presented on table 4.27.

Table 4.27

Influence of Local Culture on Organizational Performance (OP)

Null Model Classification Table [a,b]

Step 0 Observed (OP)	Predicted (OP)		Percent Corrected
	Disagreed	Corrected	
Disagreed	0	53	0
Agreed	0	185	100
Overall %			77.7

a. Constant is included in model. B. The cut value is .500

Local Culture Classification Table [b]

Step 1b Observed (OP)	Predicted (OP)		Percent corrected
	Disagreed	Agreed	
Disagreed	3	50	5.7
Agreed	3	182	98.4
Overall %			77.7

The cut value is .500

Model Summary

Step	Deviance	Cox & Snell R^2	Nagelkerke R^2
1	237.886[a]	0.059	0.091

    a. Estimation terminated at iteration number 5 because parameter estimates changed by < .001.

Variables in the Equation

		B	S.E.	Wald	df	Sig.	OR	95% C.I.OR Lower	95% C.I.OR Upper
Step 1[a]	Local culture cognition	0.737	0.198	13.84	1	0	2.09	1.417	3.083
	Constant	-1.319	0.689	3.661	1	0.056	0.268		

a. Variable(s) entered on step 1: local culture cognition
Source: Research data (2021)

The Omnibus test of the model coefficient shows binary logit model was significant with Chi-square χ^2 (1) =14.532, p<.001. The classification outcome shows that 77.7% of individuals were classified using the null model (organization performance has no significant effect) while 77.7% were correctly classified on the full model which shows no improvement between the null and improved model, hence the difference between null and improved model was statistically small.

In the model summary local culture cognition achieved Nagelkerke R^2 of .091, which implies that on the full model, it accounts for 9.1% of organization performance of the rated hotels in Kenya and remaining 90.9% can be apportioned to other factors not included in the study as well as error term. Further, the variables in the equation show that the interaction of local culture cognition and organizational performance was significant p<.05, could predict organizational performance (Wald = 13.840) and and increased the odds for performance 2.090 times. However, it reduced likelihood of its increase (β = 0 .737).

Local culture cognition had a p-value less than 0.05, hence null hypothesis was rejected and alternative hypothesis accepted. This validates Mullins (2016) that culture is an important ingredient of effective organizational performance, and a distinctive, intangible asset that either adds or diminishes value in an organization. Minkov and Hofstede (2010) also note that cultural differences are possible barriers to communication and interpersonal relationships, and have the potential to affect organizational performance. In addition, some of the key informants - a hospitality business owner, KTB and KAHC executives and a trainer in tourism and hospitality agree that culture is important for performance of hospitality business.

Contrasting that argument, Owusu and Louw (2019) argued that national culture does not have a direct influence on the organizational culture and that it varies from one ethnic group to another, concluding that it has no significant implication on organizational culture. However, this study argues that national cultures varies from one ethnic group to another and is a key indicator of local culture. This is consistent with the alternative hypothesis noting that hospitality industry perceives local culture positively. Hence, it is important for managers to be cognizant of it since it has an impact on performance of hotels.

Influence of Local Politics Cognition on Organizational Performance

The study tested null hypothesis, H_{04} to determine the influence and the findings are presented on Table 4.28.

Table 4.28

Effect of Local Politics on Organizational Performance (OP)

Null Model Classification Table [a, b]

Step 0 Observed (OP)	Predicted (OP)		Percent corrected
	Disagreed	Agreed	
Disagreed	0	53	0
Agreed	0	185	100
Overall %			77.7

a. Constant is included in the model, b. The cut value is .500

Local politics classification Table [b]

Step 1b Observed (OP)	Predicted (OP)		Percent corrected
	Disagreed	Agreed	
Disagreed	1	52	1.9
Agreed	2	183	98.9
Overall %			77.5

b. The cut value is .500

Model Summary

Step	Deviance	Cox & Snell R^2	Nagelkerke R^2
1	240.286[a]	0.05	0.076

a. Estimation terminated at iteration number 5 because parameter estimates changed by < .001.

Variables in the Equation

	B	S.E.	Wald	df	Sig.	Odds Ratio	95% C.I.for Odds Ratio Lower	Upper
Step 1[a] Local politics cognition	0.636	0191	11.04	1	0.001	1.888	1.298	2.747
Constant	-0.448	0.513	0.762	1	0.383	0.639		

a. Variable(s) entered on step 1: local politics cognition

Source: Research data (2021)

The Omnibus test shows that logit model was significant, Chi-square $\chi^2 (1) = 12.132$, p<.001.

The classification table indicates that 77.7% of respondents were classified using the null model

157

while 77.3% were correctly classified on the full model, hence, null model was better than the improved one. Model summary results are Nagelkerke R^2 of .076 (equivalent to R^2 on LR model), on local politics cognition, suggesting that on the full model, 7.6% of organization performance of rated hotels in Kenya can be explained by local politics, while 92.4% can be ascribed to other factors not included in the study, plus error term.

Results on variables in the equation (β = .632, Wald = 11.049, p<.05, OR=1.888), show that local politics cognition was significant in the model, and predicted odds for organizational performance 1.888 times. P-values associated with local politics cognition were < 0.05 hence, null hypothesis was rejected and alternative hypothesis accepted, suggesting that managers of rated hotels exhibited local politics cognition. However, local politics cognition explained only 7.6 % of performance in the model suggesting that hotels managers scored local politics "strongly disagreed". This is indicative of how they perceive local politics in their decisions.

Mark and Nwaiwu (2015) submitted that a negative influence of political environment on business performances exists, noting that in countries where governments are constantly changing, there is usually significant risks to businesses, which affects planning and impacts on stability of those organizations. Hussein (2014) observes that political stability and economic growth are interconnected, but notes that some forms of political stability are not necessarily development-friendly since economic growth is mainly dependent on the extent to which stability translates into good governance. Cepel et al. (2018) conclude that political factors are rated negatively, mainly by new businesses, when viewed from legislation level and the administrative burden it brings to the business workforce, hence there was a need to create more conducive conditions for starting a new business.

An executive of KTB viewed politics as an impediment to business progress but agreed that managers need to be aware of its negative impacts. However, the researcher observes that Kenya's political landscape has been relatively stable and hotel managers may not have witnessed negative influences of politics on tourism, and so did not think much about it. Nevertheless, the results indicate that they exhibited significant cognitions of local politics.

Influence of Local Economic Status Cognition on Organizational Performance

Null hypothesis H_{05}: on the relationship between local economic status cognition and organizational performance of rated hotels in Kenya, was tested. The findings are presented in Table 4.29.

Table 4.29

Influence of Local Economic Status on Performance

Null model classification Table [a, b]

Step 0	Observed (OP)	Predicted (OP)		Percent corrected
		Disagreed	Agreed	
	Disagreed	0	53	0
	Agreed	0	185	100
	Overall %			77.7

a. Constant is included in the model
b. The cut value is .500

Local economic status classification Table [b]

Step 1b	Observed (OP)	Predicted (OP)		Percent corrected
		Disagreed	Agreed	
	Disagreed	7	46	13.2
	Agreed	6	179	96.8
	Overall %			78.2

b. The cut value is .500

Model Summary

Step	Deviance	Cox & Snell R^2	Nagelkerke R^2
1	219.984[a]	0.127	0.195

a. Estimation terminated at iteration number 5 because parameter estimates changed by < .001.

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Odds Ratio	95% C.I OR Lower	Upper
Step 1	Local economic status cognition	1.252	0.258	23.622	1	0	3.496	2.11	5.791
	Constant	-3.297	0.929	12.583	1	0	0.037		

a. Variable(s) entered on step 1: local demographics cognition
Source: Research data (2021)

The Omnibus test of the model coefficient shows that the model was significant with Chi-square χ^2 (1) =32.434, p<.001, The classification table, indicates that 77.7% of responses were classified using the null model while 78.2% were correctly classified on the full model. The model summary results, Nagelkerke R^2 of 0.195 (equivalent to R^2 on LR model), suggests that on the full model, 19.5% of organization performance of rated hotels in Kenya is attributed to local economic status cognition of managers, while 80.5% is explained by other factors not integrated in the study, and the error term.

The results on variables in the equation ($\beta = 1.252$, Wald = 23.622, $p<.05$, OR=3.496), show that the relationship between local economic status and organizational performance was significant ($p<.05$). Further, local economic status cognition can predict (Wald = 23.622) performance and predict odds for it 3.496 times. It can also increase the likelihood of improved performance ($\beta = 1.252$). Consequently, null hypothesis, H_5, was rejected, and alternative hypothesis accepted implying that managers of rated hotels in Kenya have local economic status cognition.

Tewari (2017) suggests that employee's satisfaction has a direct impact on organizational performance, noting that employees' level of satisfaction is directly related to their family's social-economic status. Latif et al. (2013) agree that a satisfied worker is a productive worker. Further, World Business Council for Sustainable Development paper of 2021, highlights that the practice of measuring social economic impact should be integrated into business performance management seeing it as an enabler of solving local challenges, among others which is consistent with the study result and validates the findings that local economic status cognition has a significant influence on organizational performance of rated hotels in Kenya.

The researcher observes that local context provides both employees and a sizeable proportion of customers, in the case of hospitality. Key informant respondents from KUDHEIHA, Ministry of Tourism and TRA saw community economic status as critical to the safety and wellbeing of employees who in turn affect performance and suggested that hotel leadership need to get interested in the wellbeing of the community if they were to succeed.

Combined results for Influence of Native Thoughts on Organizational Performance

This influence is presented on table 4.30.

Table 4.30

Combined Results for Influence of Native Thoughts on Performance

Model Summary for Combined Variables

Steps	Variables	Deviance	Cox and Snell R^2	Nagelkerke R^2
Step 1a	Local geography cognition	227.770[a]	0.098	0.15
Step 1a	Local demographics cognition	209.648[a]	0.164	0.252
Step 1a	Local culture cognition	237.886[a]	0.059	0.091
Step 1a	Local politics cognition	240.286[a]	0.050	0.076
Step 1a	Local economic status cognition	219.984[a]	0.127	0.195

a. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001.

Regression Coefficients for all Variables Combined

Steps	Variables	B	S.E.	Wald	Df	Sig.	OR	95% C.I. OR	
								Lower	Upper
Step 1a	Local geography cognition	1.017	0.233	19.103	1	<0.001	2.765	1.752	4.362
	Constant	-2.832	0.936	9.159	1	0.002	0.059		
Step 1a	Local demographics cognition	1.189	0.210	32.162	1	0	3.282	2.177	4.950
	Constant	-2.492	0.637	14.528	1	0	0.088		
Step 1a	Local culture cognition	0.737	0.198	13.840	1	0	2.090	1.417	3.083
	Constant	-1.319	0.689	3.661	1	0.056	0.268		
Step 1a	Local politics cognition	0.636	0.191	11.040	1	0.001	1.888	1.298	2.747
	Constant	-0.448	0.513	0.762	1	0.383	0.639		
Step 1a	Local economic status cognition	1.252	0.258	23.622	1	0	3.496	2.110	5.791
	Constant	-3.297	0.929	12.583	1	0	0.037		

a. Variables in step 1: cognitions of local geography, demographics, culture, politics and economic status.

Source: Research Data (2021)

The results: on full model, combined cognitions of local economic status, demographics and geography explained 59.7% of the variations in organizational performance and predicted its odds 9.5 times, while cognitions of local culture and local politics explained 16.7 of it, and predicted its odds 4 times. However, all the variables were significant ($p < 0.05$) in the model

4.10 Effect of Change Process on the Relationship Between Native Thoughts and Organizational Performance

Null hypothesis of moderating effect of change process on the relationship between native thoughts and organizational performance was tested. The outcomes of the tests are explained in 4.9.1 and 4.9.2.

Native Thoughts and Organizational Performance

The study tested the null hypothesis, H_{06}: change process has no significant moderating effect on the relationship between native thoughts and the organizational performance of rated hotels in Kenya. The interaction effect (native thoughts * change process) was introduced, where model two investigated influence of native thoughts, change process, and the interaction effect on performance. The significance levels at 5% ($p<.05$) implies that we reject the null hypothesis, where ($p < 0.01 - 0.100$). The results are presented on table 4.31.

Table 4.31

Effect of Change Process on the Relationship Between Native Thoughts and

Organizational Performance

Null model classification Table [a, b]

Step 0 Observed (OP)	Predicted (OP)		Percent corrected
	Disagreed	Agreed	
Disagreed	20	33	37.7
Agreed	12	173	93.5
Overall %			81.2

a. Constant is included in the model
b. The cut value is .500

Change Process Classification Table [b]

Step 1 Observed (OP)	Predicted (OP)		Percent corrected
	Disagreed	Agreed	
Disagreed	22	31	41.5
Agreed	12	173	93.5
Overall %			81.9

a. The cut value is .500

Model Summary

Step	Deviance	Cox & Snell R^2	Nagelkerke R^2
1	177.334[a]	0.271	0.414

a. Estimation terminated at iteration number 6 because parameter estimates changed by <0.001

Variables in the Equation

Variables		B	S.E.	Wald	df	Sig.	OR
Step 1[a]	Local geography cognition	0.891	0.613	2.114	1	0.146	2.438
	Local demographics cognition	1.703	0.629	7.329	1	0.007	5.489
	Local culture cognition	0.577	0.555	1.081	1	0.298	1.78
	Local politics cognition	0.818	0.624	1.717	1	0.190	2.266
	Local economic status cognition	1.346	0.635	4.502	1	0.034	3.843
	Change Process	5.489	2.55	4.634	1	0.031	242.116
	NT*CP	-1.144	0.743	2.371	1	0.124	0.318
	Constant	-22.181	8.985	6.095	1	0.014	0

a. Variable(s) entered on step 1: NT*CP (native thoughts *change process

Source: Research data (2021)

The Omnibus test of the model coefficient shows Binary logit regression model was significant with Chi-square χ^2 (7) =75.084, p<.001. The classification table shows 81.1% of responses were classified using the null model (organization performance has no significant effect) while 81.9% were correctly classified on the full model which shows an improvement on the model. The model summary shows that native thoughts was had Nagelkerke R^2 of 0.414 indicating that on the full model 41.4% of organization performance of rated hotels in Kenya is attributed to all the native thoughts dimensions while the remaining 58.6% can be attributed to other factors not involved in the study and the error term.

Results for variables in the equation indicate that the interaction of local demographics cognition and economic-status cognition were significant ($p<.05$), and predicted the odds for performance in the presence of change process 5.5 times and 3.8 times respectively. However,

local geography cognition, local culture cognition and local politics cognition were not significant ($p>.05$) but predicted the odds for performance in the presence of change process - local geography cognition (OR=2.438), local culture (OR=1.78), and local politics (OR=2.266). Further, change process was significant in the model ($p<.05$), and highly predicted odds for performance (OR=242.116). However, the effect of combined native thoughts and change process on organizational performance, was not significant ($p>.05$), and it diminished its odds (OR=0.318) and ($\beta = -1.144$) and (Wald = 2.371).

Since the p-value associated with the interaction term was greater than 0.05, this result led to failure to reject the null hypothesis. Therefore, the conclusion is that there is no moderating effect of change process on the relationship between native thoughts and organizational performance of rated hotels in Kenya.

Influence of Change Process as a Moderating Variable on Native Thoughts and Organizational Performance.

The variations of effect of change process on organizational performance without the interaction term and with the interaction term were determined using coefficient of change process on the relationship being tested in two steps. Step 1, representing influence without the change process and interaction term and step 2 representing the effect with change process and the interactive term. The results are on table 4.32.

Table 4.32

Effect of Change Process as Moderating Variable on the Relationship Between Native

Thoughts and Performance

Null model classification Table [a, b]

Step 0	Observed (OP)	Predicted (OP)		Percent corrected
		Disagreed	Agreed	
	Disagreed	20	33	37.7
	Agreed	10	175	94.6
	Overall %			81.9

   a.   Constant is included in the model, b. The cut value is .500

Change Process Classification Table [b]

Step 1	Observed (OP)	Predicted (OP)		Percent corrected
		Disagreed	Agreed	
	Disagreed	20	33	37.7
	Agreed	10	175	94.6
	Overall %			81.9

    b. The cut value is .500

Model Summary

Step	Deviance	Cox & Snell R^2	Nagelkerke R^2
1	187.752[a]	0.238	0.364

Step	Deviance	Cox & Snell R^2	Nagelkerke R^2
2	186.409[b]	0.242	0.37

a.   Estimation terminated at iteration number 6 because parameter estimates changed by<.001
b.   Estimation terminated at iteration number 6 because parameter estimates changed by<.001

Variables in the equation tables for Change Process and Organizational Performance

Variables in the Equation (Table 1ª)

		B	S.E.	Wald	df	Sig.	OR
Step 1ª	Native thoughts	1.413	0.373	14.316	1	0	4.107
	Change process	1.668	0.416	16.09	1	0	5.302
	Constant	-9.271	1.685	30.271	1	0	0

Confidence intervals - 95%

		B	S.E.	Wald	df	Sig.	OR
Step 2ª	Native thoughts	4.429	2.584	2.936	1	0.087	83.818
	Change process	4.531	2.468	3.37	1	0.066	92.861
	NT*CP	-0.869	0.723	1.443	1	0.23	00.419
	Constant	-19.167	8.710	4.843	1	0.028	00.000

Confidence intervals – 95%

The Omnibus test of the step 1 model coefficient shows the model was significant with Chi-square χ^2 (2) =64.667, p<.001. Similarly, step 2 the model coefficient shows that it was also significant with Chi-square χ^2 (3) =66.009, p<.001. This indicates that in both steps, the model was suitable for use. The classification outcome shows 81.9% of individuals were classified using the step 1 model/null model (without the interaction term) while a similar number, 81.9%, were correctly classified on the full model (with the inclusion of the interaction term) which shows the similarity of both models. The results are as follows:

Step 1 model indicates the Nagelkerke R^2 of .364, indicates that on the full model, 36.4% of organization performance of rated hotels in Kenya is attributed to both native thoughts and change process (without the inclusion of the interaction term) while 63.6% can be attributed to other factors not included in the study.

Step 2 model had Nagelkerke R^2 of 0.370, shows that on the full model 37.0% of organization performance is attributed to native thoughts, change process, and inclusion of the interaction

term. The remaining 63.0% can be attributed to other factors not included in the study. The difference between the Nagelkerke R^2 values of step1 and step 2 models is 0.006 which is statistically small, indicating that the inclusion of the change process on native thoughts and organizational performance had no significant impact.

These results indicate that in step 1 model (without the interaction term), native thoughts ($\beta =$ 1.413, Wald = 14.316, $p<.05$, OR=4.107) was significant and predicted the odds for organizational performance 4.1 times. Then change process ($\beta = 1.668$, Wald = 16.09, $p<.05$, OR=5.302) was also significant and predicted odds for organizational performance 5.3 times.

In step 2 model (with the inclusion of interaction term, NT*OP), native thoughts ($\beta = 4.429$, Wald = 2.936, $p>.05$, OR=83.81) was not significant in the model and highly predicted the odds for organizational performance. (83 times) and significantly increased its likelihood. Further, change process ($\beta = 4.531$, Wald = 3.37, $p>.05$, OR=92.86) was significant in the model, highly predicted the odds for organizational performance (93 times) and significantly increased its likelihood, while NT*CP ($\beta = -0.869$, Wald = 4.843, $p>.05$, OR=0.419) was not significant in the model, it diminished the odds for organizational performance (0.419 times) and reduced its likelihood $\beta = -0.869$)

Coefficients of both native thoughts and change process in step 1 model shows that both variables were significant ($p < 0.05$), significantly influenced the organizational performance and predicted its odds, which indicates that the two variables were associated with each other. However, in presence of the interaction term (NT*CP) in step 2 model, the two variables were not significant ($p >.05$) and their influence on organizational performance was significantly diminished.

This results indicate that change process did not significantly moderate the relationship between native thoughts and organizational performance of rated hotels in Kenya. Consequently, it was tested for mediation.

Mediating Effect of Change Process on the Relationship Between Native Thoughts and Organizational Performance

The conditions for a mediation in a relationship is that the effect of predictor variable on the outcome variable disappears when the mediating variable is included. This means that the effect of predictor variable on outcome variable goes through the mediating variable to the outcome variable. Secondly, if the effect of predictor variable on outcome variable disappears completely, then there is full mediation of predictor on outcome variable. Mediation was tested using a null hypothesis, H_o, "Change process has no mediating effect on the relationship between native thoughts and organizational performance of rated hotels in Kenya". The results for mediation are presented on tables 4.33.

Table 4.33

Mediating Effect of Change Process on the relationship between Native Thoughts and Organizational Performance

Null Model Classification Table[a, b]

Step 0	Observed (OP)	Predicted (OP)		
		Disagreed	Agreed	Percentage Correct
	Disagreed	15	38	28.3
	Agreed	12	173	93.5
	Overall Percentage			79.0

a. Constant is included in the model.
b. The cut value is .500

169

Change Process Classification Table[a]

Step 1	Observed (OP)	Predicted (OP)		
		Disagreed	Agreed	Percentage Correct
	Disagreed	20	33	37.7
	Agreed	12	173	93.5
	Overall Percentage			81.1

a. The cut value is .500

Model Summary

Step 1	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square	Step 2	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
	197.359[a]	0.207	0.316		179.424[b]	0.264	0.404

a. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001.
b. Estimation terminated at iteration number 6 because parameter estimates changed by less than .001.

Variables in the Equation – without Change Process

		B	S.E.	Wald	df	Sig.	OR
	Local geography cognition	0.334	0.291	1.320	1	0.251	1.397
	Local demographics cognition	0.880	0.253	12.096	1	0.001	2.410
Step 1[a]	Local culture cognition	-0.123	0.275	0.200	1	0.655	0.884
	Local politics cognition	0.054	0.260	0.044	1	0.835	1.056
	Local economic status cognition	0.787	0.309	6.469	1	0.011	2.197
	Constant	-5.355	1.296	17.082	1	0.000	0.005

Variable(s) entered on step 1: local geography cognition, local demographics cognition, local culture cognition, local politics cognition, economic status cognition, Change Process

Variables in the Equation – with Change Process

		B	S.E.	Wald	df	Sig.	OR
	Local geography cognition	0.098	0.319	0.095	1	0.758	1.103
	Local demographics cognition	0.865	0.271	10.221	1	0.001	2.376
	Local culture cognition	-0.125	0.299	0.176	1	0.675	0.882
Step 1[a]	Local politics cognition	-0.025	0.285	0.008	1	0.931	0.976
	Local economic status cognition	0.553	0.333	2.767	1	0.096	1.739
	Change Process	1.718	0.438	15.413	1	0.000	5.575
	Constant	-9.229	1.818	25.781	1	0.000	0.000

Variable(s) entered on step 1: local geography cognition, local demographics cognition, local culture cognition, local politics cognition, economic status cognition, Change Process

The results indicate that 79.0 % of responses were classified using the null model while 81.1 % were classified using the full model. The model summary indicates that in step 1, a value of Nagelkerke R^2 (0.316) implies that 31.6% of organizational performance is attributed to native thoughts factors while 68.4% is due to other factors, including those not on the study. In step 2, a value of Nagelkerke R^2 (0.4.04) means that 40.4% of organizational performance is due to native thoughts factors and change process while 59.6% is due to other factors not in the study. The positive high β-values in both steps indicate that native thoughts and change process significantly predicted the likelihood of organizational performance.

Variables in the equation in step 1 - without change process - indicate that local geography cognition, local culture cognition, local politics cognition and local economic status were not significant (p>0.05) in the model, did not significantly predict the odds for organizational performance and decreased its likelihood. However, local demographic cognition was significant (p = 0.01 which is less than 0.05), had predictive power of organizational performance (Wald = 12.096), and predicted its odds 2.4 times. These results suggest that some native thoughts factors had influence on organizational performance without change process.

With inclusion of change process in step 2, the effect of native thoughts variables on organizational performance was the same as when it was without it. However, change process was significant (p=0.000) in the model, it significantly predicted organizational performance (Wald = 25.781), increased its odds 5.6 times and the likelihood of its occurrence (β = 1.718). This implies that change process had an effect on organizational performance, leading to failure to reject the null hypothesis. Therefore, the study concluded that change process had a mediating effect on the relationship between native thoughts and organizational performance of rated hotels in Kenya.

Change Process as a Mediating Variable on the Relationship Between Native Thoughts and Organization Performance

To determine the nature of mediation of change process on the relationship between native thoughts and organizational performance coefficients of change process were used and results presented on Table 4.34

Table 4.34

Change Process as a Mediating Variable on the relationship between Native Thoughts and Organization Performance

Null Model Classification Table [a,b]

Step 1	Observed (OP)	Predicted (OP)		Percentage Correct
		Disagreed	Agreed	
	Disagreed	10	43	18.9
	Agreed	09	176	95.1
	Overall Percentage			78.2

a. Constant is included in the model.
b. The cut value is .500

Change Process Classification Table [a]

Step 1	Observed (OP)	Predicted (OP)		Percentage Correct
		Disagreed	Agreed	
	Disagreed	20	33	37.7
	Agreed	12	173	93.5
	Overall Percentage			81.1

a.   The cut value is .500

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square	Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	206.922[a]	0.174	0.266	2	187.752b	0.238	0.364

Variables in the Equation – NT to OP

	Variable	B	S.E.	Wald	Df	Sig.	OR
Step 1[a]	NT	1.943	0.347	31.272	1	0	6.978
	Constant	-5.288	1.148	21.220	1	0	.005

a. Variable(s) entered on step 1: NT

Variables in the Equation – NT to CP

	Variables	B	S.E.	Wald	Df	Sig.	OR
Step 2[a]	NT	1.413	.373	14.316	1	.000	4.107
	CP	1.668	.416	16.090	1	.000	5.302
	Constant	-9.271	1.685	30.271	1	.000	.000

a.   Variable(s) entered on step 1: CP.

Variables in the Equation – CP to OP

	Variable	B	S.E.	Wald	Df	Sig.	OR
Step 1[a]	CP	2.176	.383	32.338	1	.000	8.809
	Constant	-6.253	1.299	23.179	1	.000	.002

a. Variable(s) entered on step 1: CP

The results show that 78.2 % of the cases were classified using the null model while 81.9 % were classified using the full model. The model summary indicates that in step 1, Nagelkerke R^2 (0.0.266) suggests that 26.6% of the cases are attributed to native thoughts while 73.4 is due to other factors including those not in the study. In step 2, R^2 (0.364) suggests that 36.4% of the cases can be explained by native thoughts and change process combined while the difference, 63.6 is due to factors not in the study. β - values both steps, native thoughts without change process (206.922) and native thoughts with change process (187.752) indicate native thoughts and native thoughts with change process highly and significantly predicted the likelihood of organizational performance.

Variables in the equation results indicate that native thoughts without change process was significant ($p < 0.05$), predicted performance (Wald = 31.272) and predicted odds for

organizational performance 6.98 times. Hence, native thoughts influenced organizational performance. With inclusion of change process, native thoughts was significant (p < 0.05), predicted performance (Wald = 14.316), predicted its odds 4.1 times, and increased its likelihood (β = 1.413). On the other hand, change process was significant, (p < 0.05), predicted performance (Wald = 21.220), increased its odds 5.3 times and increased its likelihood (β = 1.668). This shows that the regression of performance of both native thoughts and change process had significant coefficients for both native thoughts and change process. Therefore, the test demonstrated that change process partially mediated the relationship native thoughts and organizational performance of rated hotels in Kenya.

The study findings agree with Belta and Badri (2020) that social capital has no notable moderating effect of on influence of organizational capacity for change on organizational performance which validates the outcome of this study. The classic suggestion by Heraclitus, a Greek Philosopher, that change is the only constant in life, holds today. Lumen (2021) suggests that change in an organization is often a response to change in the environment which often triggers a change within organizations operating there and then affects performance. Okeke et al. (2019) further propose that change management has a positive substantial effect on organizational performance.

In practice, the change process is always expected to have an impact on performance. Key informants drawn from tourism and hospitality related organizations such as KTB, KAHC, TRA and trainers agree that change management is important in all aspects of the hotel that lead to performance. However, they did not explain beyond that suggestion, the kind of change they propose and how it should be managed.

These thoughts confirm that change is unavoidable and needs to be managed. The study highlighted management of change though Kurt Lewin's change model, noting that thoughts precede decisions which must be implemented through a change process before performance is realized. This validates the research findings that led to failure to reject the null hypothesis and accept the alternative hypothesis. However, the outcome did not demonstrate that managers follow a strategic change process. Hence, it is not clear how they make decisions, and if such decisions lead to organizational performance.

4.11 Summary of Hypothesis Test

Six null hypothesis were evaluated with each yielding a different result which was used to accept or reject the hypothesis and draw conclusions. The critical statistics were: p -values, odd ratios, Wald statistics and βeta – values, to examine the relationship between native thoughts variables and change process and the effect of change on that relationship. Table 4.35 summarizes the findings.

Table 4.35

Summary of Hypothesis Tests

Null hypothesis	Test	Output	Conclusion
H_{01}: There is no significant relationship between local geography cognition and organizational performance of rated hotels in Kenya	Binary logistic regression	There is a significant relationship between local geography cognition and organization performance of rated hotels in Kenya ($\beta = 1.017$, Wald = 19.103, $p<.05$, OR=2.765).	Reject null hypothesis (H_{01})
H_{02}: There is no significant relationship between local demographic cognition and organizational performance of rated hotels in Kenya	Binary logistic regression	There is a significant relationship between local demographics cognition and performance of rated hotels in Kenya ($\beta = 1.189$, Wald = 32.162, $p<.05$, OR=3.282).	Reject null hypothesis (H_{02})
H_{03}: There is no significant relationship between local culture cognition and organizational performance of rated hotels in Kenya	Binary logistic regression	There is a significant relationship between local culture cognition and organization performance of rated hotels in Kenya ($\beta = .732$, Wald = 13.840, $p<.05$, OR=2.09).	Reject null hypothesis (H_{03})
H_{04}: There is no significant relationship between local politics cognition and organizational performance of rated hotels in Kenya	Binary Logistic regression	There is a significant relationship between local politics cognition and organizational performance of rated hotels in Kenya ($\beta = .632$, Wald = 11.049, $p<.05$, OR=1.888).	Reject null hypothesis (H_{04})
H_{05}: There is no significant relationship between local economic status cognition and organizational performance of rated hotels in Kenya	Binary logistic regression	There is a significant relationship between local economic status cognition significantly predicted organization performance of rated hotels in Kenya ($\beta = 1.258$, Wald = 23.622, $p<.05$, OR=3.496)	Reject null hypothesis (H_{05})
H_{06}: Change process has no significant moderating effect on relationship between native thoughts and organizational performance of rated hotels in Kenya	Binary logistic regression	Inclusion of change process as moderating variable and the interaction term (MC*CP) on step 2 model, shows there is no significant influence (p>.05) on organizational performance of ranked hotels in Kenya.	Fail to reject the null hypothesis (H_{06})

Source: Research data 2021

The hypotheses test results confirm existence of a significant relationship between native thoughts and the organizational performance of rated hotels in Kenya, leading to rejection of the five null hypotheses but the effect of change process on that connection was not found. Specifically, local geographical cognition, local demographics cognition, local politics cognition and local economic status cognition have significant influences on the organizational performance of rated hotels in Kenya, but change process had no significant moderating effect on that relationship, but had partial mediating effect on the relationship.

The conclusions made for the hypothesis resonate with the opinions given by the key informants who were in agreement that cognitions of the local environment by hotel managers were important in determining the performance of hotels. Though the general perception was that economic status would be achieved after the performance is achieved, they generally agreed that it was important for managers to think about it. The key informants expressed that managers were not practicing change management in decision implementation, which left a question on how decisions were made in hotels without the use of an accepted management principle.

CHAPTER FIVE

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter covers summary of the findings, conclusions drawn from findings, contribution to the body of knowledge, recommendations and suggestions for further research.

5.2 Summary

The study sought to determine the influence of native thoughts on organizational performance and the moderating effect of change process on that relationship in rated hotels in Kenya. Native thoughts variables comprised cognitions of local geography, demographics, culture, politics and economic status, respectively. The unit of analysis was managers, understood through managerial cognition perspective. Six hypotheses were tested and the results showed that there is a significant influence of native thoughts on organizational performance of rated hotels in Kenya, but the change process has an insignificant moderating effect on that linkage. These findings answered the research questions, RQ1, RQ2, and RQ3. The specific outcomes of the investigations are summarized on 5.2.1 to 5.2.7.

Influence of Local Geography Cognition on Organizational Performance

This influence was tested by the null hypothesis was H_{01}: local geographical cognition has no major influence on organizational performance of Kenya's rated hotels. The outcome was that local geography cognition was significant in the null model with Chi-square χ^2 (1) = 24.648, p<0.001, and explains 15.0% differences in organizational performance. Subsequently, null hypothesis being rejected, proposing that managers in rated hotels in Kenya exhibited local geography cognition in their strategic decisions.

Influence of Local Demographic Cognition on Organizational Performance

This relationship that was investigated using the null hypothesis was H_{02}: local demographics cognition has insignificant influence on organizational performance of Kenya's rated hotels. The results indicate that local demographic cognition was significant in the null model with Chi-square $\chi^2 (1) = 42.771$, p<.001 and explains 25.2% variations in organization performance. Therefore, the alternative hypothesis, H_{A2}: was accepted. Hence the researcher concludes that managers in rated hotels in Kenya practice local geography cognition.

Influence of Local Culture Cognition on Organizational Performance

Null hypothesis, H_{03}: was that local culture cognition has no significant influence on organizational performance of rated hotels in Kenya. However, the findings were that local culture cognition achieved a Chi-square $\chi^2 (1) =14.532$, p<.001 on the null model, indicating that it was significant. Further, it achieved a deviance of 9.1% deviances which suggests that it explains 9.1% of the organization performance in hotels which was also significant, though weak. Therefore, the researcher noted that local culture cognition was being exhibited by managers in rated hotels in Kenya. Subsequently, alternative hypothesis H_{13}: was accepted.

Influence of Local Politics Cognition on Organizational Performance

This link was investigated using null hypothesis H_{04}: local politics has no significant impact on the organizational performance of rated hotels in Kenya. The null model result was showed that local culture cognition was significant with Chi-square $\chi^2 (1) =12.132$, p<.001 and explains 7.6% variations in organization performance of rated hotels in Kenya. Though the influence of local political cognition was significantly visible, it was weak. Consequently, the alternative hypothesis (H_{14}) was accepted, leading the researcher to conclude that managers of rated hotels in Kenya exhibit cognition of local politics.

Influence of Local Economic Status Cognition on Organizational Performance

Hypothesis H_{05}: local economic status has no weighty influence on performance of Kenya's rated hotels was tested. The results demonstrated that the impact of local economic status cognition on organizational performance of rated hotels in Kenya was significant on the null model as it achieved Chi-square χ^2 (1) =32.434, p<.001 and explains 19.2% distinctions of organization performance which is considerably high; consequently, alternative hypothesis was accepted.

Effect of Change Process on the Relationship Between Native Thoughts and Organizational Performance

This relationship was examined through testing the null hypothesis (H_{06}): change process has no significant effect on the relationship between native thoughts and organizational performance of Kenya's rated hotels. The results indicated that the moderating effect of change process on that relationship was significant p<.001on the null model but not significant p>0.05 on the relationship between native thoughts and performance implying that change process had an effect on performance of star rated hotels but not on the relationship between native thoughts and organizational performance. Therefore, null hypothesis (H_{06}) failed to be rejected and alternative hypothesis accepted. Based on that outcome then, further tests were required for that relationship. Mediation effect of change process was tested and the results was positive. It indicated that change process had a partial mediating effect on the relationship between native thoughts and organizational performance of rated hotels in Kenya.

5.3 Conclusion

The study searched for the influence of native thoughts on organizational performance, and the moderating effect of the change process on that relationship, for rated hotels in Kenya. The

findings heralded a significant influence of native thoughts on organizational performance but an insignificant moderating effect of the change process on that relationship. This answers the research questions, RQ1, that managers in the hospitality industry are natively thoughtful; RQ2, that there is a significant relationship between native thoughts and organizational performance of hospitality industry, and RQ3, that change process has no significant influence on the relationship between native thoughts and organizational performance of hospitality industry but it had a partial mediating role on the relationship.

Explicitly, the research was cantered on exploring the implications of specific influencers on the performance of Kenya's rated hotels. Those influencers are cognitions of local geography, demographics, culture, politics, and economic status and how change process affects their relationship with performance. The conclusions of those results are:

Local geography cognition. The study concludes that cognition of local geography substantially influences on organizational performance of rated hotels in Kenya, suggesting that managers of rated hotels in Kenya have cognitions of local geography and therefore have placed a significant emphasis on local geography in their strategic decisions. Geography is an identifier of hotels on GPRS and as a reference point for customers. By identifying with it, organizations are likely to be seen by the local community as belonging to the location as opposed to being an outsider. It is also likely to attract business and investments to the area and make it improve its performance.

Local demographics cognition. The conclusion was that cognition of local demographics significantly effects on organizational performance of rated hotels in Kenya which indicates that in practice, hotel managers of rated hotels in Kenya usually identify with

local demographic factors and are easily able to differentiate external and internal demographics. The closer an organization is to the local society, the higher its chances of survival, and this explains why local demographic cognition significantly influences organizational performance.

Local culture cognition. The conclusion was that cognition of local culture has a significant impact on organizational performance of rated hotels in Kenya, demonstrating why it is important for managers in rated hotels in Kenya to cognitively think about culture and include it in important organizational decisions. Local culture determines how well people relate with the society around them in terms of communication, collaboration, and stewardship towards local natural resources. Hotels are seen as the custodians of good practices such as conservation of local dances, art, craft, and food, through their use in entertainment, construction, and menus as a way of buying from the community. When they embrace such things, they get the support of the local community and improve their sustainability and, ultimately, performance.

Local politics cognition. The results led to the conclusion that cognition of local political cognition significantly impacts organizational performance of rated hotels in Kenya which expresses the fact that politics is viewed as important by managers of rated hotels in Kenya. However, it is perceived as having some positive and negative connotations, which explains why managers seem to exhibit moderate cognitions of politics in their strategic decision-making processes, as seen from the moderate score ratings. Nevertheless, Hotels are expected to accommodate customers who may have diverse views of politics without getting directly involved to avoid getting into conflict. They are expected to have adequate information about local politics to be able to respond to situations and avoid pitfalls. They also need to

consider politics in their decision-making processes to keep them free of conflicts with customers and in local politics. This has an impact on organizational performances.

Local economic status. The study concludes that cognition of local economic status significantly impacts the organizational performance of rated hotels in Kenya, which explains why managers exhibit local economic status cognition as indicated in the results. Local economic status determines the quality of life in a community, levels of poverty or wealth, spending power, and anti-social behaviour. Organizations are seen as beacons of hope in a community because society expects them to provide employment, buy local products and services, contribute to welfare and improve infrastructure. The community co-owns the organization as a key stakeholder. Therefore, managers must have cognitions of local economic status to be viewed positively by the community. This leads to the organization being sustainable and having better performance.

Change process. The conclusion was that change process had insignificant moderating influence on the connection between native thoughts and organizational performance of Kenya's rated hotels. However, it was found to have a mediating effect on the relationship. This implies that change process has an influence on performance and can predict the odds for organizational performance. It was not demonstrated that managers operationalize all their decisions through a change process because some local context factors such as local demographics cognition also influenced performance. This suggests that performance of rated hotels may be due to other factors and not the change management processes, which raises the questions: How are decisions made in hospitality industry? and how is performance measured in hotels?

Hospitality is sensitive to factors in the external environment as witnessed by several previous global changes, as well as the recent COVID 19 pandemic which has influenced change not known before. World Health Organization in 2021, expressed that the pandemic had far-reaching effects to the business environment. The study was done during the COVID-19 pandemic, where such changes were leading many bhotels to long term business closures. That might have caused managers to believe that there is no relationship between what they think about their environment and the performance of the hotels. COVID-19 pandemic was a major change catalyst and was already having a major impact on all areas of performance of the organization. Change process may not have been used for decision implementation in hotels.

The search for these answers was extended to key informants who largely agreed that cognitions of local environmental conditions by hotel managers were important. However, going by how they dwelt on their specific areas of work or professions and less on those cognitions, it is clear that more emphasis should be given on those cognitions and practiced more explicitly so that the local community perceptions about hotel managers in their locality improve. Further, the key informants' perception of hotel managers of rated hotels was that even though they were performing their duties, they needed skills in change management so that they could implement their decisions more professionally without looking like change was just happening.

In conclusion, managers of rated hotels in Kenya exhibited native thoughts (cognition of the local environment) which validate the social cognition theory, and provides a cognitive perspective of the relationship between the local community and the performance of hotels. Further, the practice of native thoughts was indicated by improved performance of hotels. This authenticates the use of triple bottom line as a suitable strategic tool for measuring performance

of hotels through effectiveness indicators of organizational sustainability. Finally, the findings that managers, cognition of the local environment led to improved performance suggests that the managers were using their cognitive abilities based on the external environment to make strategic decisions which led to that performance. This corroborates the use of Upper Echelons theory as fitting anchoring of this study.

It is envisaged that if managers embraced native thoughts and included them in strategic decisions, there would be less conflict between organizations and communities where they are established and also reduced environmental degradation. Further, by having a sufficient pool of managers with sufficient cognitive abilities, organizations would have important strategic resources for organizational growth and sustainability, with Kenya's hospitality industry leading from the front on this initiative since the study has successfully conceptualized and operationalized native thoughts, and demonstrated its importance in influencing organizational performance.

Contribution to the Body of Knowledge

The study adds to theory, methodology, and practice as follows:

Theoretical contribution:

1. The study has demonstrated the applicability of Social Cognition Theory (SCT) in strategic management discourse by linking it with Upper Echelon's Theory (UET). In particular, the prediction of social cognition theory informs senior management teams' perceptions and decisions regarding organizations, which in turn influence performance. The SCT anchors the sensing of environmental cues, which in this study is native thoughts, and the thinking

that informs managers' decisions; these decisions then shape the direction of the organizations and their performance as predicted by the upper echelon theory.

2. Native Thoughts concept has been operationalized as a suitable framework to guide strategic decisions that are necessary for the effective functioning of organizations, such as the star-rated hotels that were covered in this research. In other words, the concept can be used as a basis making decisions that are necessary for the effective functioning of organizations so that they are able to achieve their set performances.

Methodological contribution

3. The notion of "native thoughts" has been operationalized and is a psychometrically valid tool developed to guide further research on native thoughts and performance of organizations from a social cognitive lens or perspective. This implies that it has been scientifically tested as a valid and reliable for use in guiding studies on relationship between cognitions of external context and performance of organizations.

Implications for practice

4. Since the relative influences of managers' cognition of local environment dimensions/attributes, namely geography, demography, culture, politics, and economic status on performance, have been demonstrated, managers can prioritize their attention and actions based on them to improve performance.

5.4 Recommendations

The researcher recommends that the hospitality industry takes an interest in the local context issues and include them in their important decisions, as they will positively influence their

performance. Hospitality managers should embrace the native community and include their essential concerns in organizational decisions. By doing this, organizations will be reducing conflict with local communities, improving their relationships with them, and working in collaboration with them in seeking solutions to common challenges such as poverty eradication, capacity building, education, insecurity, gender-based issues, health, unemployment, and climate change, among others. By engaging in such issues, the organization is likely to achieve its set objectives sustainably.

The researcher also recommends that Government and policymakers look at the local context factors as stepping stones to achieving the SDGs which are prescribed by United Nations Environmental Program (UNEP). They can do this by liaising with the hospitality industry to implement the programs as they are largely practicing some of the goals

Further, it is suggested that researchers and scholars investigate how change process was implemented in hospitality industry and how it effected the relationship between native thoughts and organizational performance of hotels. Further, they should investigate the reasons for the various levels of significance among the factors to the organizational performance.

5.5 Suggestions for Further Research

The study established that change process had insignificant moderating effect on the link between native thoughts and organizational performance of rated hotels in Kenya but it had a partial mediating effect on the relationship. It is noted that cognitions precede decisions which, when implemented lead to realization of outcomes. Implementation of decisions happens through a change process; therefore, it was demonstrated that the influence is mediation. Drawing from this, the researcher suggests that further research should investigate how the

change process is effected and how it affects the relationship between managers' cognition of external environment and performance of rated hotels in Kenya.

Next, the research acknowledged that organizational performance was measured using primary data despite the data collection process being time-consuming and expensive. Therefore, the researcher proposes an exploration of how future research could exploit the use of available secondary data such as the hotel records on occupancy levels of rooms and restaurants and energy and water consumption rates to measure organizational performance.

Lastly, the study was conducted in star-rated hotels in Kenya. However, it is noted that all organizations have external environments, and managers of such organizations are expected to have thoughts about them. Therefore, it is anticipated that native thoughts (cognitions of the local context) are present in those organizations. Thus, the researcher proposes that the context of future research on the relationship between native thoughts and organizational performance be expanded to include other organizations.

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APPENDIX 1: QUESTIONNAIRE

INSTRUCTIONS

Please answer the questions by ticking against what is most applicable for you. Kindly respond to all questions. Tick (√) to indicate your response in the space provided.

1.0 SECTION A: RESPONDENT'S INFORMATION				
1	Your Gender	Male	Female	
2	Your Age (Years)	Below 30	31 - 45	46 - 60	Above 60
3	Length of Service	Below 10	11 -20	21 -30	Above 30
4	Your Position	Director	General Manager	Head of Dept.	Middle mgmt.

2.0 SECTION B: HOTEL INFORMATION						
1	Area Location	Nairobi	Coast	Central/ Mt Kenya	Rift Valley	Eastern	Western
2	Type of hotel	City	Beach	Lodge	Country/Urban
3	Type of Ownership	Govt.	Local	Foreign	Hybrid (Local and Foreign)
4	Age of Property (Years)	Below 10	10 -20	21 - 30	Above 30
5	Category – TRA Classification	3 Star	4 Star	5 Star	
6	Hotel Capacity (Rooms)	Below 100	101 - 200	Above 200	

In the next sections, please tick in the space provided below the answer that corresponds to the extent to which you agree or disagree with the statements provided: The scale is Strongly disagree (1), Disagree (2), Neither Disagree/Agree (3), Agree (4), Strongly Agree (5)

SECTION C: NATIVE THOUGHTS (COGNITION OF LOCAL ENVIRONMENT)

Indicate your extent of agreement with the following statements

3.0 COGNITION OF LOCAL GEOGRAPHY		1	2	3	4	5
S 1.1	Our location is critical to our operations					
S 1.2	Our Local geography is one of the most significant considerations' in our business decisions					
M1.3	Our Local geography is conducive for our business					
M1.4	We are in a generous geographic location					
I 1.5	Our location is our identity					
I 1.6	We are members of local Business Associations					
F 1.7	We encourage local tours and excursions so that our guests can experience the attraction of this area					
F 1.8	We ensure that our entertainment and services keep our guests in-house so that they can spend more					

Indicate your extent of agreement with the following statements

2.0 CCOGNITION OF LOCAL DEMOGRAPHICS		1	2	3	4	5
S 2.1	Our community education standards are a major consideration in our decisions					
S 2.2	Our neighbourhood gender issues have a significant influence in our operations					
M2.3	We support community youth activities financially					
M2.4	We incorporate community needy areas in our decisions					
I 2.5	We can count on the local people for support in times of crisis					
I 2.6	We host our local community in many festive events					
F 2.7	We consider employers as our greatest asset					
F 2.8	Our vision is mainly determined by local demographic issues					

Indicate your extent of agreement with the following statements

3.0	COGNITION OF LOCAL CULTURE	1	2	3	4	5
S 3.1	Local culture is crucial for our locations					
S 3.2	We are mindful of the local culture when making decisions					
M 3.3	We incorporate local culture in our entertainment programs					
M 3.4	Local culture plays a generous contribution in our business					
I 3.5	The uniqueness of our local culture is our key selling point					
I 3.6	We incorporate the local culture in our hotel entertainment programs					
F 3.7	Our company is the critical driver of our business success					
F 3.8	Local culture has been critical for our business survival and competence					

Indicate your extent of agreement with the following statements

4.0	COGNITION OF LOCAL POLITICS	1	2		3	4	5
S 4.1	Local politics feature prominently in our operations						
S 2.2	We are sensitive to local politics in our decisions						
M 4.3	We contribute generously towards local political activities						
M 4.4	Our operations are heavily influenced by local politics						
I 4.5	We give priority to political meetings and conferences in our facilities						
I 4.6	We support local politicians in community projects						
F 4.7	We will incorporate politics in our decisions						
F 4.8	Our contribution to local politics has been beneficial to us						

Indicate your extent of agreement with the following statements

5.0 COGNITION OF ECONOMIC STATUS		1	2	3	4	5
S 5.1	Our hotel gives prudence to the local economic status					
S 5.2	Local economic status has a significant consideration in our decisions					
M 5.3	We all contribute generously towards charity in our area					
M 5.4	Our hotel buys most of our goods and services locally					
I 5.5	Our hotel supports community based projects in our area					
I 5.6	Local produce features prominently in our menus					
F 5.7	Our shareholders' expectations meet the emphasis of our business planning					
F 5.8	The economic growth of our local community has greatly impacted our budget process					

SECTION D: CHANGE MANAGEMENT

Indicate your extent of agreement with the following statements

6.0 CHANGE PROCESS		1	2	3	4	5
U 6.1	Our company has an established business plan					
U 6.2	We review our business plan monthly					
U 6.3	Our projects take a long time to complete due to differing views from our time					
V 6.4	Our company is guided by a clear vision					
V 6.5	All our employees know our vision statement					
V 6.6	Technology determines our ability to plan the future with wisdom					
E 6.7	Our employees are authorized to make decisions on critical issues affecting our customers' comfort					
E 6.8	Our policy is clear that every employee must embrace change without questioning					
E 6.9	Our directors personally supervise most of our projects to ensure that there are no mistakes					

X 6.10	Our company hires experts to implement projects most of the time to ensure efficiency					
X 6.11	Every important project in our company has a direct revenue profit for us					
X 6.12	Most of our plans are yet to be implemented because of money					
R 6.13	Our company pays hired project experts very well to ensure their continued support					
R 6.14	Our company encourages us to celebrate our big achievements					
R 6.15	My contribution to the success of our company is considered part of my job since I am expected to do a good job					

SECTION E: ORGANIZATIONAL PERFORMANCE

Indicate your extent of agreement with the following statements

7.0 PERFORMANCE INDICATORS		5	4	3	2	1
EC 7.1	Our controls have been responsible for our success as a hotel					
EC 7.2	We have high scores on customer satisfaction					
EC 7.3	Our employee turnover is low					
EC 7.4	We are sensitive to institutional memory of our employees in our decision					
EC 7.5	We prefer new customers because they don't demand for discounts					
EC 7.6	Our repeat customers account for over 50% of our business					
SO 7.7	Our procurement for goods and services is done digitally / online					
SO 7.8	Most local suppliers miss our support because they lack online presence					
SO 7.9	Our company supports local employment needs					

SO 7.10	Locally sourced employees occupy both management and non-management positions					
SO 7.11	Our company has adequate budget for corporate social responsibility					
SO 7.12	We support community based projects and initiatives					
EN 7.13	We maintain an internal record of all our all energy consumption					
EN 7.14	We use renewable sources of energy (mainly solar and biomass)					
EN 7.15	We harvest rain water for many of our uses					
EN 7.16	We recycle water for our gardens and cleaning floors					
EN 7.17	We separate most of our garbage					
EN 7.18	Our garbage is collected by our professional 'Green Partner'					

SECTION F: KEY INFORMANT GUIDE KEY INFORMANT GUIDE

Key Informant Interview (KII) Questions

1. How do you relate to the hospitality industry?

2. How important are hotels to the community around them?

3. Which factors from this list (local geography, demographics, culture, politics or economic status) do you think are used most by investors and managers when making decisions in a hotel? Please explain your reasons.

4. From your answers, do you think those factors have any influence on performance of the hotels? Please explain your answer.

5. In which areas has this establishment impacted the community or its people mostly?

6. Are you aware of any negative influences this hotel has brought to this area?

7. What challenges that exist in this area, currently? In your opinion, what can be done about them?

8. Do you think managers of hotels that you know or have worked with implement their decisions through a change management process? From your answer, how does this affect performance of hotels?

9. What would you like to see hotel industry contribute more and why?

10.   Where do you see hospitality industry going in future?

SECTION G: MEASURES OF VARIABLES

ATTRIBUTES OF NATIVE THOUGHTS FACTORS	COMPONENTS OF NATIVE THOUGHTS (Managerial Cognitions of:)					
	Local geography	Local Demographics	Local Culture	Local Politics	Local Economic status	Total
Salience	2	2	2	2	2	10
Munificence	2	2	2	2	2	10
Identity	2	2	2	2	2	10
Ex/In Focus	2	2	2	2	2	10
Total	8	8	8	8	8	40
Scale	5 point Likert	5 point Likert	5 point Likert	5 point Likert	5 point Likert	-

Moderating Variables (MV) - Change Process

MEASUREMENTS	STAGES OF CHANGE			
	Unfreeze	Movement	Refreeze	Total
Urgency	3	0	0	3
Vision	3	0	0	3
Empowerment	0	3	0	3
Execution	0	3	0	3
Reward	0	0	3	3
Total	6	6	3	15
Scale	5 point Likert	5 point Likert	5 point Likert	-

Dependent variables (DV) Organization Performance

SUSTAINABILITY PERFORMANCE INDICATORS	TRIPPLE BOTTOM LINE FACTORS			
	Economic Sustainability	Social Sustainability	Environment Sustainability	Total
Increasing customer satisfaction	2	0	0	2
Healthy employee retention	2	0	0	2
Improving repeat business	2	0	0	2
Increasing local products/ services sourcing	0	2	0	2
Growing locally sourced employees	0	2	0	2
Developed CSR program	0	2	0	2
Increasing sustainable energy consumption	0	0	2	2
Increasing sustainable water consumption	0	0	2	2
Better waste management initiatives	0	0	2	2
Total	6	6	6	18
Scale	5 point Likert	5 point Likert	5 point Likert	-

APPENDIX 2: TRA LIST OF HOTEL ESTABLISHEMENTS

CLASSIFIED ESTABLISHMENT				
1. GREATER NAIROBI				

NO	ESTABLISHMENT	COUNTY	CAPACITY ROOMS	BEDS	RATING STARS
1	Intercontinental Nairobi	Nairobi	326	372	*****
2	Radisson Blu Hotel Nairobi	Nairobi	271	354	*****
3	The Sarova Stanley	Nairobi	217	440	*****
4	Villa Rosa Kempinskey	Nairobi	200	216	*****
5	Fairmont The Norfolk	Nairobi	170	200	*****
6	Sankara Nairobi	Nairobi	156	167	*****
7	The Boma Nairobi	Nairobi	148	178	*****
8	Crowne Plaza Nairobi Airport	Nairobi	144	209	*****
9	Tribe Hotel	Nairobi	137	154	*****
10	Dusit D2	Nairobi	101	122	*****
11	Hemingway's Nairobi	Nairobi	45	50	*****
12	Hilton Nairobi Limited	Nairobi	287	334	****
13	Crowne Plaza	Nairobi	206	254	****
14	Hilton Garden Inn Nairobi Airport	Nairobi	175	226	****
15	City Lodge Hotel At Two Rivers	Nairobi	171	200	****
16	Southern Sun Mayfair Nairobi	Nairobi	171	212	****
17	Eka Hotel	Nairobi	167	220	****
18	Sarova Panafric Hotel	Nairobi	162	324	****
19	Silver Springs Hotel	Nairobi	160	180	****
20	Nairobi Safari Club	Nairobi	146	186	****
21	The Panari Hotel, Nairobi	Nairobi	136	272	****
22	Ole Sereni Hotel	Nairobi	134	206	****
23	Windsor Golf Hotel and Country Club	Nairobi	130	205	****
24	Fairview Hotel	Nairobi	127	133	****
25	Weston Hotel	Nairobi	120	154	****
26	Golden Tulip Westlands	Nairobi	94	188	****
27	Amboseli Serena Lodge	Kajiado	92	184	****
28	Gelian Hotel	Machakos	90	136	****
29	Pride Inn Lantana Apartments and Suites	Nairobi	55	110	****
30	Executive Residency by Best Western.	Nairobi	48	106	****
31	House of Wayne	Nairobi	11	20	****
32	Carnivore Restaurant	Nairobi	0	0	****
33	Ibis Styles Nairobi Westlands	Nairobi	277	331	***
34	Maanzoni Lodge	Machakos	272	421	***

35	Azure Hotel	Nairobi	165	231	***
36	Best Western Plus Meridian Hotel	Nairobi	128	166	***
37	Ngong Hills Hotel	Nairobi	110	165	***
38	The Heron Portico	Nairobi	109	218	***
39	Pride Inn Raptha Nairobi,	Nairobi	100	200	***
40	Sportsview Hotel Kasarani	Nairobi	94	188	***
41	Kenya Comfort Suits	Nairobi	88	120	***
42	Amboseli Sopa Lodge	Kajiado	83	166	***
43	La Masion Royale	Nairobi	71	144	***
44	The Clarion Hotel	Nairobi	62	67	***
45	Kibo Safaris Camp	Kajiado	60	120	***
46	Boma Inn Nairobi	Nairobi	59	83	***
47	Utalii Hotel	Nairobi	57	114	***
48	Marble Arch Hotel	Nairobi	41	57	***
49	Fahari Gardens Hotel	Nairobi	32	64	***
50	Jacaranda Hotel Nairobi	Nairobi	128	256	**
51	Town Lodge	Nairobi	84	124	**
52	Central Park Hotel	Nairobi	80	100	**
53	After 40 Hotel	Nairobi	63	101	**
54	Summerdale Inn	Nairobi	60	75	**
55	Eton Hotel	Nairobi	58	116	**
56	Zehneria Portico	Nairobi	56	65	**
57	Kahama Hotel	Nairobi	47	51	**
58	West Breeze Hotel	Nairobi	26	34	**
59	Tea Tot Hotel	Machakos	54	66	**
	TOTAL		7061	10155	59

	2. COAST				
NO	ESTABLISHMENT	COUNTY	CAPACITY		RATING
			ROOMS	BEDS	
1	Pride Inn Paradise	Mombasa	240	480	*****
2	Leopard Beach Resort and Spa	Kwale	198	396	*****
3	Hemmingway's Watamu	Kwale	166	200	*****
4	Diani Reef Beach Resort and Spa	Kwale	143	286	*****
5	Swahili Beach Resort	Kwale	125	250	*****
6	Medina Palms Suites and Villas	Kilifi	40	70	*****
7	Baobab Beach Resort and Spa	Kwale	343	686	****
8	Sarova Whitesands Beach Resort/ Spa	Mombasa	335	435	****
9	Leisure Lodge Beach and Golf Resort	Kwale	253	506	****
10	Voyager Beach Resort	Mombasa	236	472	****

11	Severin Sea Lodge	Mombasa	188	376	****
12	Diani sea resort	Kwale	170	340	****
13	Serena Beach Resort and Spa	Mombasa	164	328	****
14	Turtle Bay Beach Club	Kilifi	145	290	****
15	Lantana Galu Beach	Kwale	47	240	****
16	Silver Palm Spa and Resort	Kilifi	40	80	****
17	Diamond Dream of Africa	Kilifi	35	70	****
18	Marina English Point	Mombasa	26	28	****
19	Msambweni Beach House and Private Villa	Kwale	5	24	****
20	Sandies Tropical Village	Kilifi	109	218	***
21	Bahari Beach Hotel	Mombasa	105	212	***
22	Indian Ocean Beach Resort	Kwale	101	180	***
23	Kenya Bay Beach Hotel	Mombasa	99	198	***
24	Royal Court Hotel	Mombasa	89	188	***
25	Mnarani Club	Kilifi	80	160	***
26	Crystal Bay Beach Resort	Kilifi	76	176	***
27	Ashnil Aruba Lodge	Taita	52	108	***
28	Isinya Resorts Limited	Mombasa	43	86	***
29	Pride Inn Mombasa	Mombasa	40	96	***
30	Azul Margarita Beach Resort	Mombasa	35	98	***
31	Sentrim Tsavo East Camp	Taita	25	50	***
32	JacyJoka Apartments	Mombasa	12	16	***
33	Bollywood Bites	Mombasa	0	0	***
34	Papillion Lagoon Reef Hotel	Kwale	150	300	**
35	Neptune Paradise	Kwale	92	184	**
36	Plaza Beach Hotel	Mombasa	88	176	**
37	Seven Islands Resort	Kilifi	84	226	**
38	Jambo Travellers Hotel	Kilifi	75	99	**
39	Castle Royal Hotel	Mombasa	68	99	**
40	Midview Hotel	Mombasa	68	136	**
41	Neptune Palm Beach Resort and Spa	Kwale	60	120	**
42	Morning Star Apartments	Kwale	50	65	**
43	Gasaro Hotel Limited	Mombasa	39	58	**
44	Kilili Baharini	Kilifi	35	70	**
45	Voyager Safari Camp	Taita	25	50	**
46	Flamingo Villas	Kilifi	20	36	**
47	Saruni Ocean Beach Resort	Kwale	10	20	**
	TOTAL		4389	8502	47

	3. SOUTH RIFT				
NO	ESTABLISHMENT	COUNTY	CAPACITY		RATING
			ROOMS	BEDS	
1	Enashipai Resort and Spa	Nakuru	140	215	*****
2	Mara Serena Safari Lodge	Narok	74	148	*****
3	Lake Elementaita Serena Camp	Nakuru	25	50	*****
4	Cottars Nineteen Twenties Safari Camp	Narok	16	40	*****
5	Olare Mara Kempinskey	Narok	12	17	*****
6	Masai Mara Sopa Lodge	Narok	100	198	****
7	Keekorok Lodge	Narok	99	225	****
8	Sentrim Elementaita Lodge	Nakuru	83	166	****
9	Lake Naivasha Sopa Resort	Nakuru	82	164	****
10	Sarova Mara Game Camp	Narok	75	150	****
11	Lake Naivasha Sawela Lodge	Nakuru	74	150	****
12	Sarova Lion Game Lodge	Nakuru	67	134	****
13	Lake Nakuru Sopa Lodge	Nakuru	62	138	****
14	Mara Intrepids Camp	Narok	60	93	****
15	Ashnil Mara Camp	Narok	56	118	****
16	Fairmont Mara Safari Club	Narok	51	102	****
17	Naivasha Kongoni Lodge	Nakuru	29	29	****
18	Neptune Mara Rianta Luxury Tented Camp	Narok	20	40	****
19	Mara Engai Wilderness Lodge	Narok	20	40	****
20	Little Governors' Camp	Narok	17	34	****
21	DBA Mara West Tented Camp	Narok	16	30	****
22	Sunbird Lodge	Nakuru	16	32	****
23	Governors' Ilmoran Camp	Narok	10	10	****
24	Mara Explorer Camp	Narok	10	20	****
25	Encounter Mara Camp	Narok	10	24	****
26	Naboisho Camp Tented Camp	Narok	9	22	****
27	Olarro Lodge	Narok	9	18	****
28	Agricultural Resource Centre (ARC) Hotel	Nakuru	90	96	**
29	Mara Simba Lodge	Narok	84	168	***
30	Lake Naivasha Simba Lodge	Nakuru	70	140	***
31	Hotel Cathay	Nakuru	62	140	***
32	Lake Nakuru Flamingo Lodge	Nakuru	60	91	***
33	Hillcourt Resort and Spa	Nakuru	43	50	***
34	The Ole Ken Hotel	Nakuru	40	54	***
35	Hotel City Max	Nakuru	40	56	**
36	Governors' Camp	Narok	37	74	**
37	Chester Hotel	Nakuru	31	36	**

38	Kabarak University Guest House	Nakuru	24	32	**
39	Mpata Safari Club	Narok	23	46	**
40	Tipilikwani Mara Camp	Narok	20	34	***
41	Sekenani Camp	Narok	15	30	***
42	Sanctuary Olonana Camp	Narok	14	28	***
43	Mara Siria Luxury Tented Bush Camp	Narok	14	35	**
44	Loldia House	Nakuru	7	19	**
45	Porini Mara Camp	Narok	6	12	**
46	Mara Bush Houses	Narok	3	18	**
47	Porini Lion Camp	Narok	10	20	*
	TOTAL		1795	3371	47

4.	WESTERN				
NO	ESTABLISHMENT	COUNTY	CAPACITY		RATING
			ROOMS	BEDS	BEDS
1	Acacia Premier Hotel	Kisumu	92	97	****
2	The Vic Hotel	Kisumu	106	122	***
3	Kisumu Hotel	Kisumu	86	120	***
4	Imperial Hotel	Kisumu	78	90	***
5	Hotel Nyakoe	Kisii	75	86	***
6	Sovereign Hotel	Kisumu	32	64	***
7	Jambo Impala Eco-lodge	Kisumu	12	24	***
8	Golf Hotel	Kakamega	62	124	**
9	Dados Hotel	Kisii	57	72	**
10	Sunset Hotel	Kisumu	50	100	**
11	St. Johns Manor-Le Savanna Country Lodges	Kisumu	49	49	**
12	Le Savanna Country Lodge and Hotel	Kisumu	39	78	**
13	Rondo Retreat Centre	Kakamega	20	40	**
14	Kiboko Bay Resort	Kisumu	10	20	**
15	Dew Church Drive Hotel	Kisumu	13	16	*
	TOTAL		781	1102	15

5.	EASTERN				
NO	ESTABLISHMENT	COUNTY	CAPACITY		RATING
			ROOMS	BEDS	
1	Mountain Breeze Hotel Ltd	Embu	60	75	***
2	Ikweta Safari Camp	Meru	15	23	***
3	Nkubu Heritage Hotel	Meru	43	88	**

4	Legacy Star Hotel	Meru	40	52	**
5	Ikweta Country Inn	Meru	38	51	**
6	Leopard Rock Lodge	Meru	15	30	**
	TOTAL		211	319	6

	6. CENTRAL and MOUNT KENYA				
NO	ESTABLISHMENT	COUNTY	CAPACITY		RATIN G
			ROOMS	BEDS	
1	Panari Resort, Nyahururu	Laikipia	100	200	*****
2	Segera Retreat Lodge	Laikipia	11	20	*****
3	Fairmont Mt. Kenya Safari Club	Nyeri	120	240	****
4	White Rhino Hotel	Nyeri	102	128	****
5	Sarova Shaba Game Lodge	Isiolo	85	170	****
6	Sweetwater's Serena Camp and Ol	Laikipia Pejeta House	62	112	****
7	Aberdare's Country Club	Nyeri	47	94	****
8	Ashnil Samburu Camp	Isiolo	30	62	****
9	Samburu Intrepids Camp	Samburu	26	56	****
10	Saruni Safari lodge, Samburu	Samburu	8	20	****
11	Sportsman's Arms Hotel	Laikipia	180	360	***
12	Green Hills Hotel	Nyeri	100	260	***
13	Samburu Simba Lodge	Isiolo	70	134	***
14	Westwood Hotel	Nyeri	57	74	***
15	Outspan Hotel	Nyeri	43	93	***
16	Serena Mountain Lodge	Nyeri	42	84	***
17	Giraffe Ark Camp Lodge	Nyeri	30	52	***

18	Mantis Mutara Tented Luxury Camp	Laikipia	15	30	***
19	Borana Lodge	Laikipia	8	16	***
20	The Ark	Nyeri	60	120	**
21	Ibis Hotel Nyeri	Nyeri	40	44	**
22	Ibis Hotel Nanyuki	Laikipia	39	44	**
23	Maxoil Hotel	Laikipia	25	50	**
24	Elephant Bedroom	Samburu	12	24	**
25	Solio Lodge	Laikipia	5	16	**
26	Ibis 2000 Hotel Karatina	Nyeri	52	57	*
TOTAL			1269	2360	26

| NO | ESTABLISHMENT | COUNTY | CAPACITY | | RATING |
	1. NORTH RIFT				
			ROOMS	BEDS	
1.	Boma Inn, Eldoret	Uasin Gishu	68	80	****
2.	The Noble Conference Centre	Uasin Gishu	53	67	***
3.	Kerio View Lodge	Elgeyo Marakwet	28	40	***
4.	Samich Resort	Elgeyo Marakwet	15	30	***
5.	Hotel Comfy and Lodge	Uasin Gishu	96	110	**
6.	Starbucks Hotel and Restaurant Ltd	Uasin Gishu	93	182	**
7.	Hotel Winstar	Uasin Gishu	85	95	**
8.	Cicada Hotel	Uasin Gishu	56	56	**
9.	The Pearl Tourist Hotel Ltd	Uasin Gishu	42	42	**
10.	Kenmosa Resort	Uasin Gishu	17	26	**
11.	Poa Place Resort	Uasin Gishu	15	35	**
	TOTAL		568	763	11
	GRAND TOTAL		16156	26786	211

APPENDIX 3: ETHICS LETTER

KENYA METHODIST UNIVERSITY

P. O. Box 267 Meru - 60200, Kenya
Tel: 254-064-30301/31229/30367/31171

Fax: 254-64-30162
Email: info@kemu.ac.ke

Our ref: NAC/PHD/1/2020/12

17th DECEMBER 2020

Commission Secretary,
National Commission for Science, Technology and Innovations,
P.O. Box 30623-00100,
NAIROBI.

Dear Sir/ Madam,

RE: DAVID K. GACHURU (BUS-4- 0489-1/2019)

This is to confirm that the above named is a bona fide student of Kenya Methodist University undertaking a **PhD in BUSINESS ADMINISTRATION.** He is conducting a research titled : RELATIONSHIP BETWEEN NATIVE THOUGHTS AND ORGANIZATIONAL EFFECTIVENESS : **A MANAGERIAL COGNITION PERSPECTIVE.**

We confirm that his thesis proposal has been defended and approved by the university.

In this regard, we are requesting your office to issue a permit to enable him collect data for his Ph.D. dissertation.

Any assistance accorded to him will be appreciated.

Yours faithfully,

Prof. Evangeline Gichunge PhD.
ASS DIRECTOR RESEARCH DEVELOPMENT AND POSTGRADUATE STUDIES

Encl.

APPENDIX 4: NACOSTI LICENCE

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Ref No: **149089**

Date of Issue: **06/January/2021**

RESEARCH LICENSE

This is to Certify that Mr.. David Kanyoi Gachuru of Kenya Methodist University, has been licensed to conduct research in Nairobi on the topic: **Relationship between Native Thoughts and Organizational Effectiveness: A Managerial Cognition perspective for the period ending : 06/January/2022.**

License No: **NACOSTI/P/21/8378**

149089

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

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Ref No: **149089** Date of Issue: **06/January/2021.**

RESEARCH LICENSE

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License No: **NACOSTI/P/21/8378149089**

Applicant Identification Number Director General

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY and INNOVATION

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CONDITIONS

1. The License is valid for the proposed research, location and specified period
2. The License any rights thereunder are non-transferable
3. The Licensee shall inform the relevant County Director of Education, County Commissioner and County Governor before commencement of the research
4. Excavation, filming and collection of specimens are subject to further necessary clearance from relevant Government Agencies
5. The License does not give authority to transfer research materials
6. NACOSTI may monitor and evaluate the licensed research project
7. The Licensee shall submit one hard copy and upload a soft copy of their final report (thesis) within one year of completion of the research
8. NACOSTI reserves the right to modify the conditions of the License including cancellation without prior notice

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