

**EFFECT OF STRATEGIC INTERNAL MARKETING ON PERFORMANCE
OF FIVE STAR HOTELS IN NAIROBI COUNTY**

BY

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DECLARATION

Declaration by Candidate

I declare that this thesis has not been previously submitted and approved for the award of a degree by this or any other University.

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Declaration by the Supervisors

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DEDICATION

This thesis is dedicated in loving memory of my husband, Ernest, whose strength continues to inspire me. To my children, for their boundless love and patience. And with heartfelt gratitude to my siblings, particularly Robert, for his generous financial support, without which this thesis would not have been realized.

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ABSTRACT

The hotels invest in addressing the concerns of their stakeholders such as customers, investors and suppliers to the exclusion of the internal customers or rather employees; therefore, there is little emphasis on internal marketing which contribute to performance of hotels. The study sought to examine the effects of strategic internal marketing on performance of five-star hotels in Nairobi City County. The study was anchored on social exchange theory and balanced score card and adopted concurrent triangulation research design. The target population was 1181 employees and 10 managers working in 10 five-star hotels in Nairobi, out of which 290 employees and 10 managers formed the sample size. A census of the 10 hotels were conducted while systematic random sampling was used to select employees and purposive sampling for the hotel managers. Questionnaires were used to collect quantitative data, which was analysing using descriptive and multiple linear regression. Interviews were used to collect qualitative data from hotel managers, which was analysed using thematic analysis method. The regression attained $R^2 = 0.353$ which implies strategic internal marketing explains 35.3% of the variation in performance. The interviewees acknowledged that strategic internal marketing enhanced hotel performance. The results revealed that strategic rewards ($\beta=0.184$; $t=2.416$, $p=.016$) and internal communication ($\beta=0.675$; $t=7.715$, $p=0.001$) had a positive and significant effect on performance while training ($\beta=0.057$; $t=0.815$, $p=0.416$) had no significant effect on performance. The interviewed managers implored the importance of employee recognition, fair compensation, sharing information, feedback, updates, teamwork and capacity building to performance. The study concluded that strategic rewards and internal communication affect performance while training does not. The study recommended the use of both financial and non-financial strategic rewards, vertical and horizontal communication and feedback mechanism.

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ABBREVIATIONS

AA	:	Automobile Association
AAA	:	American Automobile Association
ADR	:	Average Daily Rate
COVID-19	:	Coronavirus Disease 2019
ETB	:	English Tourism Board
GDP	:	Gross Domestic Product
IH & RA	:	International Hotel and Restaurant Association
NASCOTI	:	National Commission for Science, Technology and Innovation
RAC	:	Royal Automobile Club
RevPAR	:	Revenue per Available Room
ROI	:	Return on Investment
TRB	:	Tourism Regulatory Board
US	:	United States
WTO	:	World Tourism Organization

OPERATIONAL DEFINITION OF TERMS

- External Customers:** stakeholders who pay to acquire the goods and services of an organization and are not directly related to the organization (Birir et al., 2022).
- Five-star Hotels:** hotels provide luxury accommodations, exceptional service, premium amenities, fine dining, and superior hospitality, ensuring an unforgettable, upscale experience for guests (Yuan et al., 2022).
- Front Line Staff:** hotel staff including security guards, receptionists, valet parking drivers, housekeepers, bell-boys, sales staff, and the front desk or service desk staff (Nzisa et al., 2021).
- Internal Customers:** stakeholders that work for the organization and need assistance from others within to get their job done (Dixit et al., 2021).
- Internal Marketing:** the consideration of employees as the internal customers of the organization and therefore coming up with strategies aimed at increasing their satisfaction levels (Brown, 2022).
- Strategic internal marketing:** aligning and motivating employees with the company's vision, goals, and brand values through targeted communication and engagement initiatives to enhance internal commitment and performance (Foroudi & Akbari, 2024).
- Hotel Performance:** the financial and non-financial indicators that reflect the position of a hotel business in its market and industry (Chepkwei, 2021).

- Occupancy Rate:** the percentage of the available rooms occupied over a specific period (Sharaf-Addin & Fazel, 2021).
- Rewards:** benefits or incentives given in recognition of loyalty or achievement, often used to encourage continued engagement or performance (Ouma & Mutinda, 2022).
- Strategic Rewards:** the organizational functions that deal with motivating the employees in terms of benefits and remuneration (Duarte & Veiga, 2021).
- Training:** the process or program of developing the capacity of employees through upscaling their knowledge, skills and expertise (Sharaf-Addin & Fazel, 2021).

CHAPTER ONE

INTRODUCTION

1.1 Overview

This chapter presents the background of the study, problem statement, research objectives, research hypothesis, assumptions and justification of the study.

1.2 Background of the Study

The hotel industry faces a lot of challenges both within the industry and in the operating environment because of globalization and a dynamic business environment. It is even more complicated with service marketing as it is based on built relationships rather than tangible products (Hinson, Mensah, Amoako, Mensah, Coffie, & Khosa, 2024). The hospitality industry is characterized by intangible, heterogenic, and perishable simultaneous service production and consumption (Gursoy, Buttle, & Bowie, 2022). This, therefore, implies that a solid marketing strategy is critical for brand building, maintenance of customer loyalty, and attraction of new customers amidst competition and the influence of the external environment (Gursoy et al., 2022; Hinson et al., 2024). In this background, we cover the performance of hotels which was the dependent variable in this study and internal marketing, which was the independent variable in this study.

Hospitality organizations measure their performance in terms of online rating, occupancy percentage, average daily rate (ADR), revenue per available room (RevPAR), customer satisfaction (loyalty, guest engagement, and referrals), and advertising Return On Investment among other performance metrics (Chowdhary & Prakash, 2023; Gehrels, 2022). Hotels are often classified based on accommodation facilities which have been conventionally categorized into classes or grades according to the physical location and service quality as per the World Tourism Organization

(WTO) and International Hotel and Restaurant Association (IH & RA). Hotel classification and grading vary with various rating systems using different rating symbols. For instance, the American Automobile Association (AAA) is well known for diamond hotel ratings in the US while the English Tourism Board (ETB) in England rates hotels in crowns (Mishra, 2022).

Online guest reviews are examples of measures of hotels' market promise. Online guest reviews have been integrated into hotel classification systems (Dixit, Lee, & Loo, 2021). Online guest reviews are critical in the measurement of marketing promise realization where the reviews contribute to the overall improvement of the organization-customer relationships and customer experience (Wörndl, Koo, & Stienmetz, 2021). In the wake of technological advances, most customers rely on online organizational information to meet their desired hotel attributes (Marques & Marques, 2023). In most instances, hotel attributes and positive comments available online have the highest impact on customer demand and hotel performance (Dixit et al., 2021; Marques & Marques, 2023). They argue that online rating and online guest reviews can therefore not be overlooked since they positively influence the performance of hotels. Online rating and guest reviews are a result of the marketing promise and customer experience in the organizational-customer relationships in the various touch points. Hence, the higher the rating and the more positive guest reviews the better the performance of the hotel (Stringam, 2020; Wörndl et al., 2021).

The other key measure of hotel performance is the occupancy rate. Occupancy rate can be considered as the percentage of the available rooms occupied over a specific period. This indicates that the higher the occupancy percentage, the better the performance of the hotel (Mahmut et al., 2021). ADR is the average price paid per room on a given day, is an ongoing performance metric calculated as the ratio of the total number of

rooms' revenue to the number of rooms occupied (Polemias et al., 2023). REVPAR on the other hand is the ratio of the total number of rooms' revenue to the total number of rooms available. Higher ADR and REPAR imply the performance of the hotel (Mahmut et al., 2021). The rate of occupancy in hotel was also used as a measure of hotel performance in this study. A best performing hotel is expected to have higher occupancy rates in terms of the frequency of guests in the hotel. This alludes to better services and guest experiences that are being provided by the hotel (Polemias et al., 2023).

Furthermore, hotel performance can be measured based on customer satisfaction. Notably, satisfied customers tend to be loyal, spend more time, and refer people to the hotel as well as agree to hotel engagement in terms of customer feedback (Mahmut et al., 2021). Although most frequent travelers are loyal to a particular hotel brand, more than 50% of the leisure and business travelers denied that they are loyal to a particular chain of hotels. This implies that loyalty is a competing factor among hotels and satisfied customers will always be loyal (Polemias et al., 2023). About 46% of the hotel guests refer the hotel services while 69% of the travelers always rely on references from friends and relatives on hotel services and products. Besides, satisfied customers agree to hotel engagement but dissatisfied customers rarely complain (Mahmut et al., 2021; Polemias et al., 2023).

This study adopted customer satisfaction as a measure of hotel performance. The key element that accounted for customer satisfaction included number of guest referrals that a particular hotels records. This is because guest reference is a measure of customers' confidence in the service that the hotel provides and it is also easily measurable in numerical terms as compared to customer loyalty. Therefore, the three indicators of hotel performance, namely online rating and reviews, hotel occupancy and guest

referrals were examined in the light of how they are affected by internal marketing strategies.

In most cases, the marketing strategies have been focused on external customers, yet internal customers play an equally significant role in brand building and the overall profitability of hotels. In this case, internal marketing plays an integral role in attracting and retaining the loyalty of the internal customers, who are essentially the employees of the company. Modern businesses have found it indispensable to relook inwards and take inventory of their operations and have as a result found that it is quite essential for them to comprehend their human resource view (Foroudi & Akbari, 2024). There has emerged a radical shift in mind-set, largely informed by research, which has forced companies to begin considering their employees as customers who need to be served since the quality of the service that they provide significantly influence the success of the company (Mishra, 2022).

It is therefore important for businesses to consider the interests of their internal customers considering that they play a critical role in influencing the purchasing behavior and satisfaction levels of the external customers. Various scholars have come up with a different appreciation of the concept of internal marketing (Brown, 2022; Chowdhary & Prakash, 2023; Foroudi & Akbari, 2024; Mishra, 2022). Internal marketing strategy is a concept that is focused on driving the internal firms' product that is personified as the employees. The concept is quite similar to that of management by objective whose major aim is to integrate the goals and objective of the employees into the overall objectives of the firm to achieve congruency (Duarte & Veiga, 2021). Firms cannot maximize their goals without actualizing their personnel objectives: even when the firm may seem to have realized their goals without taking into account those

of the employees, the results end up being insubordination, fraud, and nepotism as the employees devise their strategies for achievement (Mahmut et al., 2021).

Internal marketing as considering the employees as the internal customers of an organization. This leads to viewing jobs as the internal products that satisfy the needs and wants of these particular internal customers even as they help to realize the objectives of the firm (Duarte & Veiga, 2021). Internal marketing as that which can be considered as the planned efforts that adopt market-like approaches for overcoming the resistance to change by the organizational members, more particularly the employees (Mishra, 2022). The approaches, therefore, align, motivate, and coordinate the internal procedures and processes of an organization and also integrates the employees as regards the effective implementation of the functional and corporate strategies (Foroudi & Akbari, 2024).

One of the most basic ways for organizations to develop employee satisfaction is by treating their employees as customers. The main objective of internal marketing is to, therefore, get employees who are both motivated and customer-conscious; it also helps develop sound coordination between the employees as they directly deal with external customers (Brown, 2022). This makes it imperative for companies to come up with ways through which they can sell their internal products to their internal customers so that they can successfully realize the objectives of the company and also deliver high-quality services to the external customers (Foroudi & Akbari, 2024).

Notably, all these scholars concur that employees are an invaluable resource for the organization and have therefore, places them at the center of the internal marketing strategies as a way of motivating them to provide better services to external customers. Implicit in this definition is the acknowledgement that just as much as organizations

invest in external marketing strategies to reach and satisfy their customers, they also need to fund internal marketing strategies to reach and satisfy their employees.

Internal marketing is a critical component business in the service industry and more particularly the hospitality industry. Kavoura et al., (2020) argue that in the hotel industry internal marketing involves the front-line service employees who represent the face of the organization as they are the first people to get into direct contact with the public or external customers. They, therefore, include the security guards, receptionists, valet parking drivers, housekeepers, bell-boys, sales staff, and the front desk or service desk staff. These employees have clearly defined roles and responsibilities that involve intensive interaction with the public or customers. Most of these hotel frontline employees have a junior position within their organizations and some of their roles are also non-professional. In most cases, they are provided with a considerable amount of structured training once they are employed and are given quite limited opportunities to make decisions and innovate ways of getting their work done. Brown, (2022) concurs that it is these frontline employees in the hotel industries that are closest to supporting and serving the customers; they, therefore, get an unfiltered view of how the hotel's customers interact with the products and services that are provided. It is, therefore, imperative for hotels to come up with robust internal marketing strategies that ensured that they develop the loyalty and customer satisfaction of these internal customers. This is because the frontline employees are a critical component of the hotel company's bottom line both in terms of profitability and external customers' satisfaction. This study, examined the influence of internal strategic marketing on the performance of the hotels.

Internal marketing is made up of three key dimensions (Mishra, 2022). These include strategic rewards, training, and internal communication (Duarte & Veiga, 2021).

Strategic rewards are the organizational functions that deal with motivating the employees in terms of benefits and remuneration (Kavoura et al., 2020). An effective reward system drives the performance of the organization by motivating the employees to achieve higher levels of performance and also attract and retain the workers to give their best (Duarte & Veiga, 2021). Training involves the building of competencies of the employees to enable them to better undertake their roles and responsibilities (Foroudi & Akbari, 2024). The training aims to improve their current work skills and behaviours, whereby their development seeks to increase their abilities regarding some future job or position, and especially the managerial roles of positions (Brown, 2022). Internal communication can be regarded as the creation of an atmosphere that respects all the employees in the organization (Mishra, 2022). Internal communication can also be considered as integrated communication within the organization involving informal and formal communication at all levels of the organization (Foroudi & Akbari, 2024). Internal communication plays a critical role in the organization considering that use of effective communication strategies the organization increases its prospects of achieving coordination, synergy, and innovation, which are essential in improving productivity and profitability (Foroudi & Akbari, 2024; Mishra, 2022).

This internal marketing mix was used in this study to determine its influence on the improvement of the performance of the five-star hotel. Therefore, the key indicators for internal marketing in this study included rewards, training, and internal communication. The study sought to establish the rewards regime that the hotel establishments have put in place; their training programs and their internal communication mechanism. The study then examined how these elements of internal marketing mix are influencing the performance of the hotel establishments in terms of online rating and reviews, hotel occupancy and guest referrals.

1.3 Statement of the Problem

There is a growing concern about the performance of hotels considering the global competitiveness in the industry. Most hotel establishments have come up with strategies aimed at enhancing their performance. These strategies have focused on factors including changing customer expectations (Nzisa et al., 2021; Veiga et al., 2020), increased competition (Chepkwei, 2021), the dynamic nature of the market (Iryani et al., 2024), technology and innovation (Pirogova et al., 2023), online reputation (Birir et al., 2022), service quality (Yuan et al., 2022), and market demand (Birir et al., 2022; Yuan et al., 2022). Other factors include pricing (Pirogova et al., 2023; Veiga et al., 2020), security and safety (Foroudi & Akbari, 2024), and health and hygiene concerns (Nzisa et al., 2021). Notably, these factors are majorly focused on attracting and retaining consumers and are thus associated with external marketing. The activities have, therefore, ignored the hotel employees who play an integral role in ensuring effective and efficient delivery of quality service, thereby enhancing guest experience.

This study seeks to investigate the effect of strategic internal marketing practices on the performance of five-star hotels in Nairobi County. Nairobi, the capital city of Kenya, is a major business hub in Africa and hosts a significant number of international conferences, business meetings, and tourists (Kisio & Teresia, 2024; Maina, 2023). The city's hotel industry is highly competitive, with numerous five-star hotels striving to attract a global clientele (KIPPRA, 2023). Understanding how internal marketing practices impact hotel performance in this context is crucial for enhancing competitiveness and sustainability.

Additionally, this study aims to fill the knowledge gap regarding the relationship between internal marketing and hotel performance in the Kenyan hotel industry. Existing literature on internal marketing does not adequately capture the local Kenyan

scenario, particularly regarding the implementation of strategic rewards in hotels (Auma & Ondoro, 2023; Mukolwe, 2023; Ouma & Mutinda, 2022). Moreover, previous studies on hotel performance have focused on predictors other than internal marketing. Notably, Ali et al., (2020) looked at organizational learning; Mule, (2022) examined social media marketing; and Abdille, (2022) focused on firm orientation. This study, therefore, seeks to fill this knowledge gap by examining the relationship between internal marketing and hotel performance in Nairobi County.

1.4 Objectives

1.4.1 Main Objective

To determine the effect of internal marketing on the performance of five-star hotels in Nairobi County in Kenya.

1.4.2 Specific Objectives

- i. To establish the effects of strategic rewards on the performance of five-star hotels in Nairobi County.
- ii. To examine the effects of training on the performance of five-star hotels in Nairobi County.
- iii. To determine the effects of internal communication on the performance of five-star hotels in Nairobi County.

1.5 Research Question

- i. What are the ways in which internal marketing enhance the performance of five-star hotels in Nairobi County?

1.6 Research Hypotheses

H₀₁: There is no effect of strategic rewards on the performance of five-star hotels in Nairobi County.

H₀₂: There is no effect of internal training on the performance of five-star hotels in Nairobi County.

H₀₃: There is no effect of internal communication on the performance of five-star hotels in Nairobi County.

1.7 Justification of the Study

This study seeks to examine the effect of strategic internal marketing on the performance of five-star rated hotels in Nairobi City County. Hotels must differentiate themselves to achieve superior performance in an increasingly competitive hospitality industry (Ouma & Mutinda, 2022). Strategic internal marketing, which focuses on aligning employees' attitudes and behaviors with the objectives of organizations and plays a critical role in enhancing service quality and customer satisfaction, both of which are pivotal to a hotel's success (Birir et al., 2022).

The study will be carried out in Nairobi City County, which is a major tourism and business hub in Africa, and also hosts numerous five-star hotels that cater to a diverse clientele (Ouma & Mutinda, 2022). These establishments are constantly striving to maintain high standards and exceed guest expectations (Ireru et al., 2023). However, achieving this requires more than just excellent facilities; it necessitates a motivated and well-trained workforce that is fully engaged with the hotel's mission and values (Ireru et al., 2023; Ouma & Mutinda, 2022). By investigating the impact of internal marketing strategies on hotel performance, this study aims to uncover how these strategies can be leveraged to foster employee commitment, improve service delivery, and ultimately enhance overall hotel performance.

Furthermore, this research will provide valuable insights for hotel managers and stakeholders, enabling them to refine their internal marketing practices to achieve better

alignment between employee performance and organizational goals. The findings will contribute to the broader understanding of the role of internal marketing in the hospitality industry, offering a framework that other hotels can adopt to boost their competitive edge. Through this study, the intricate relationship between strategic internal marketing and hotel performance will be elucidated, highlighting its significance in achieving sustainable success in Nairobi's five-star hotel sector.

1.8 Scope of the Study

This study investigated the relationship between strategic internal marketing and the performance of five-star rated hotels in Nairobi City County. The selection of Nairobi was premised on the fact that it is a prominent tourism and business destination in Africa, which boasts a range of luxurious hotels that serve a diverse clientele. To maintain their competitive edge and achieve high performance, these hotels must ensure that their internal operations, particularly employee management, are strategically aligned with their overall objectives. The study focused on the role of strategic internal marketing in driving the success of five-star hotels. The study, therefore, explored how internal marketing initiatives, such as training programs, employee motivation strategies, internal communication, and performance incentives, impact service quality and customer satisfaction, which are crucial metrics for hotel performance.

The study was conducted among selected five-star hotels in Nairobi County. It employed a mixed-methods approach, combining quantitative and qualitative data collection techniques. A sample size of 290 respondents was generated, encompassing both front office staff and hotel managers. Quantitative data was collected from front office employees through structured questionnaires, designed to capture their perceptions and experiences regarding internal marketing practices and their impact on

job performance and satisfaction. Qualitative data was gathered through in-depth interviews with hotel managers, aimed at gaining insights into the strategic implementation of internal marketing and its perceived effectiveness on overall hotel performance.

1.9 Assumption of the Study

The study made the assumption that there is a relationship between internal marketing and the performance of hotels and that this relationship is evident amongst the front office staff and managers who were engaged in data collection.

1.10 Limitations of the Study

The researcher was limited by diseases such as COVID-19 pandemic in terms of physically distributing questionnaires to the respondents or conducting interviews due to the social distancing requirements laid down by the Ministry of Health. The researcher overcame this limitation by administering the questionnaires using online platforms and conducting interviews on phone.

The study focused solely on five-star hotels in Nairobi City County, which limited the generalizability of the findings to other regions or countries. To address this limitation, the research discussed contextual factors unique to Nairobi and suggested areas for future comparative studies in different geographical locations. This approach helped to identify whether the findings can be generalized or need adaptation to local contexts.

Although the study involved 290 respondents, the sample may not have fully represented the diverse range of five-star hotels in Nairobi City County. Some hotels may have unique internal marketing practices or face different challenges that were not captured in this sample. Besides, the exclusion of other staff members, such as housekeeping or kitchen staff, could have resulted in an incomplete understanding of

the overall impact of internal marketing across all departments. This was addressed by ensuring that the sample included a diverse range of five-star hotels from different areas within Nairobi City County.

The reliance on self-reported data through questionnaires and interviews could have introduced response bias, which invariably affected the reliability and validity of the collected data. For instance, front office employees and hotel managers might provide socially desirable answers or be influenced by their perceptions of the research purpose. To address response bias, the study employed anonymous questionnaires for front office employees, encouraging honest and uninfluenced responses.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter takes discusses the literature that is relevant for this study based on the objectives of the study. The chapter also covers the theoretical framework that examines the theories that help to understand the interaction between the variables in the study. The chapter finally proposes a conceptual framework that outlines the relationship between the dependent and independent variables in the study.

2.2 Hotel Performance

Various past studies have looked at performance of hotels. Orlando, (2021) looked at the impact of the COVID-19 pandemic on the performance of one- and two-star hotels in Mombasa, Kenya. The study focused on hotel operations, management implications, and marketing strategies during the crisis. The study used a descriptive survey research design, and targeted five hotels with a total sample size of 100 respondents selected through simple random sampling. Data was collected via questionnaires, piloted for validity and reliability, and analysed using quantitative and qualitative methods, with findings presented in frequency distribution tables and measures of central tendency. Multi-regression analysis was conducted to determine the relationships between variables. The findings revealed significant challenges due to the pandemic, including massive cancellations, compulsory unpaid leave for employees, pay cuts, and multitasking due to reduced operations. Hotels had to invest in hygiene and sanitation measures such as IR thermometers and frequent fumigation. To adapt, hotels offered takeaway services and product delivery for a fee.

Mukolwe, (2023) investigated the impact of human resource practices on the performance of star-rated hotels in Mombasa County, Kenya, during crises, using the

Resource-Based View (RBV) theory. They used a Covariance-Based Structural Equation Modeling (CB-SEM) approach was used to assess the relationships between observed and latent constructs, with data collected from 198 management staff via structured questionnaires.

Ouma & Mutinda, (2022) examined the effects of competitive strategies on the performance of star-rated hotels in Nairobi County, Kenya, amid the challenges posed by the Covid-19 epidemic and intense competition in the hospitality sector. The study was based on the on the resource-based view theory and used a descriptive research design and census sampling method, targeting 83 registered star-rated hotels in Nairobi. Primary data was collected using structured questionnaires, with an 81% response rate from the management team. The findings showed that competitive strategies positively and significantly impact hotel performance. More specifically, innovative, differentiation, and market development strategies were found to enhance performance. The study, therefore, recommended that hotels leverage new market opportunities through market segmentation and niche marketing to improve customer satisfaction, retention, and market share.

Irer et al., (2023) looked at the impact of senior employees on the performance of 3-5 star hotels in Nairobi City County, Kenya. The study used a descriptive survey research design, and involved a sample size of 218 employees selected through stratified random sampling and purposive sampling. They collected the data using structured and unstructured questionnaires and interview schedules, and both qualitative and quantitative analysis methods were employed. The findings revealed that senior employees significantly contribute to hotel performance through leadership, training, and mentorship. Long-serving employees were found to possess valuable knowledge beneficial for guiding junior staff. Correlation analysis showed a significant positive

relationship between the roles of senior employees and improved performance ($r=0.746$, $p=0.000$).

2.3 Internal Marketing

Internal marketing is considered as the key towards boosting the satisfaction levels of the internal customers who are also known as the employees in the quest to realizing other organizational objectives (Čuić Tanković, Bilić, Brajković, 2022). Therefore, internal marketing strategy is a concept that is focused on driving the internal firms' product that is personified as the employees (Bilić, Brajković, 2022; Čuić Tanković, Bilić, Brajković, 2022). Internal marketing is considering the employees as the internal customers of an organization (Bilić, Brajković, 2022). Besides, internal marketing is rather the planned efforts that adopt market-like approaches for overcoming the resistance to change by the organizational members, more particularly the employees (Amimo, Gekara & Moronge, 2020; Čuić Tanković, Bilić, Brajković, 2022).

Internal marketing is essential when it comes to realizing the commitment of the employees, which is crucial for the growth and survival of businesses. It is an effective management tool for realizing organizational change and the efficient implementation of strategy (Soni et al., 2018). There are various internal marketing dimensions that have been considered in studies as representative of a comprehensive marketing mix including employee empowerment (Rohim, Fitriano & Jufrizen, 2023; Čuić Tanković, Bilić, Brajković, 2022), internal communication (Achieng & Pepela, 2023; Amimo, Gekara & Moronge, 2020; Čuić Tanković, Bilić, Brajković, 2022; Chepchumba, 2022), employee training (Barreto & Mayya, 2023; Kleefstra et al., 2020; Neupane & Khanal, (2022), reward system (Auma & Ondoro, 2023; Cwibi, (2023; Njenga & Kamaara, 2024; Rohim et al., 2023); internal promotion (Chepchumba, 2022), internal product (Amimo, Gekara & Moronge, 2020; Chepchumba, 2022), and internal distribution

(Amimo, Gekara & Moronge, 2020; Čuić Tanković, Bilić, Brajković, 2022). This study however, focused on strategic reward, training and, internal communication as the salient component for internal marketing. This study considers the three dimensions as best reflecting the internal marketing construct particularly in the hotel industry.

2.3.1 Strategic Rewards

Various studies have looked at strategic reward in hotels and how it related to the performance of these establishments. Rohim, Fitriano & Jufrizen, (2023), explored the role of reward systems in enhancing employee performance at Shangri-La Singapore Hotel. They examined how a mix of financial incentives, recognition programs, and professional growth opportunities motivates, recognizes, and retains top talent. They used a descriptive research design; targeted 200 employees and sampled 160 respondents through questionnaires. They found that Shangri-La's strategic use of compensation, recognition, professional growth, and sustainability incentives has successfully cultivated a motivated and committed workforce. This, in turn, has elevated service standards and enhanced the overall guest experience, solidifying the hotel's reputation for luxury and hospitality. The study, therefore, concluded that tailored reward systems not only boost employee performance and job satisfaction but also align individual goals with organizational objectives.

In another study, Cwibi, (2023) investigated the perception of managers regarding employee reward systems in five-star hotels in Cape Town. They also examined how the Covid-19 pandemic had influenced these systems. The study was conducted at Cape Peninsula University of Technology, and involved 14 semi-structured interviews with managers from four five-star hotels. The qualitative data collected were analyzed using Creswell's six-step method. The study found that managers provided both extrinsic and intrinsic rewards, with a preference for monetary rewards. However, the Covid-19

pandemic prompted a shift towards offering more intrinsic rewards due to financial constraints.

Njenga & Kamaara, (2024) examined the effects of reward strategies on employee retention in the hospitality industry in Nairobi City County, Kenya, focusing on employee benefits and the work environment. The study adopted a descriptive research design and generated a sample of sample of 197 respondents from a population of 408 management employees from all three-star, four-star, and five-star hotels in Nairobi. The data was collected using questionnaires and analyzed with descriptive statistics (frequencies, mean, standard deviation) and inferential statistics (Pearson correlation, Regression Analysis) using SPSS. The study found that both employee benefits and the work environment positively and significantly affect employee retention.

Auma & Ondoro, (2023) looked at how strategic organizational mission changes influence employee performance in hotels within the Western Kenya circuit. They adopted a correlational survey design and collected data from 585 hotel employees, with a sample of 116 selected through stratified random sampling. The study used questionnaires for primary data collection, while secondary data were sourced from relevant literature. The study found that changes in the organizational mission significantly impact employee performance, explaining 26.1% of the variation (Adjusted R-Squared = 0.261).

2.3.2 Training

Previous studies have demonstrated the link between training and organization performance, especially in hotel establishments. Neupane & Khanal, (2022) investigated the impact of training on employee performance in the UK hotel industry. The study focused on Marriott International hotels and examined the effectiveness of

on-the-job, off-the-job, and online training. The study collected data from 172 employees who participated in various training programs through an online questionnaire survey via Kwik Survey. The study found that both on-the-job and off-the-job training significantly enhance employee performance, with on-the-job training showing a stronger impact ($\beta = 0.846$, $p = 0.000$) compared to off-the-job training ($\beta = 0.572$, $p = 0.26$). Conversely, online training was found to have no significant impact on performance ($\beta = 0.301$, $p = 0.276$).

Kleefstra, Altan, and Stoffers (2020) explored the relationship between workplace learning and organizational performance within the Dutch hospitality industry. The study conducted 15 in-depth interviews with general and HR managers from three-star and higher hotels in the Netherlands. The findings indicate a positive relationship between workplace learning and organizational performance. Both the interviewees and existing literature suggest that effective workplace learning enhances organizational outcomes.

Mukolwe (2023) found that Talent Retention and Training significantly enhance hotel performance, indicated by a path coefficient of 0.619, and Crisis Communication and Leadership also positively affect performance, with a path coefficient of 0.355. They also found that job instruction training and coaching are essentially structured activities that seek to develop and improve the knowledge, skills, and behaviors of the staff. The training provides the staff with tools for performing job-related duties, accomplishing specific tasks, and meeting the quality requirements of the organization.

Barreto & Mayya, (2023) looked at the impact of training and development on employee performance in the hospitality and hotel industry in India. The study assessed literature on training and development in the Indian hospitality and hotel industry

published between 1990 and 2022. The findings indicated that hospitality is a key industry in India, where effective training and development programs are crucial for achieving high performance standards. Despite existing research, significant gaps remain in understanding the full impact of these programs. The study underscores the need for further research to address these gaps and enhance training practices.

2.3.3 Internal Communication

The previous studies have looked at the intersection between internal communication and performance of hospitality establishments. Čuić Tanković, Bilić, Brajković, (2022) analyzed the influence of internal communication on employee satisfaction in the hospitality industry, focusing on communication with superiors and colleagues. The study employed survey data from two hotels of the same quality rating within the same hotel chain, using a self-administered questionnaire. The questionnaire, adapted from previous studies, measured job satisfaction, formal and informal internal communication with management, and communication with colleagues using a 5-point Likert scale. The study found that both forms of communication positively impact job satisfaction, with communication with superiors having a more significant effect.

Amimo, Gekara & Moronge, (2020) looked at the factors influencing effective internal communication in hotels within Nairobi City County, Kenya. The study adopted a descriptive research design, and focused on 200 hotels listed by the Nairobi City Council. They collected primary data through questionnaires, which was analyzed with SPSS software, employing both descriptive and inferential statistics. They found that sufficient resources and organizational culture significantly affect internal communication effectiveness. Motivation strategies and communication channels also play crucial roles in enhancing communication within hotels.

Chepchumba, (2022) investigated internal communication practices in five-star hotels in Nairobi County and their impact on employee satisfaction. They analyzed communication channels, flows, and their role in enhancing job satisfaction. The study collected qualitative data through key informant interviews with managers, while quantitative data were gathered from employees via questionnaires. The findings showed that effective communication channels, such as emails, WhatsApp, newsletters, and notice boards, contribute significantly to job satisfaction. Internal communication was found crucial for employee coordination, feedback collection, productivity, and empowerment with information about hotel policies and values. The study concluded that effective internal communication enhances employee job satisfaction, improves performance, and boosts business profitability.

Achieng & Pepela, (2023) examined how communication approaches can impact hotel performance in Kenya's coastal tourism hub, focusing on classified hotels in Mombasa County. The research addressed issues such as inconsistent average check rates, insecurity, and seasonality challenges. The study adopted a descriptive research design, and targeted hotel guests from 15 classified hotels. The study also used a stratified sampling technique to generate a sample size of 384 guests. The data were collected through questionnaires and interview schedules. The findings showed that there was a significant relationship between interpersonal communication and hotel performance ($R=0.795$; $P=0.000$). This highlighted the importance of effective interpersonal communication in enhancing hotel performance. The study suggested that hotel managers should innovate their communication strategies to address performance challenges and improve guest satisfaction; thereby, emphasizing the need for better interpersonal communication to boost overall performance in Mombasa's classified hotels.

2.3.4 Research Gaps in Empirical Studies

Hotel Performance

The reviewed studies under hotel performance presented evident contextual gaps. For instance, Mukolwe (2023) focused on star-rated hotel, the study presented a contextual gap since it was conducted in Mombasa County and did not specify the level of star rating of the hotel; Orlando, (2021) was based on 2 – 3 star rated hotels in Mombasa County; while Ouma & Mutinda, (2022) was based in Nairobi County, the study did not specify the level of the star rated hotels that they focused on. Ireri et al., (2023) was also conducted in Nairobi County but featured a broad scope of star rated hotels including 3 – 5 star hotels. The current study was basically focused on 5-star hotels in Nairobi County.

Besides, the reviewed studies presented subject gaps. Mukolwe (2023) focused on the effects of human resource practices on hotel performance; Ouma & Mutinda, (2022) looked at various competitive strategies and their relationship with hotel performance; Orlando, (2021) focused on hotel operations, management implications, and marketing strategies as predictors of hotel performance. Ireri et al., (2023) focused on how senior employees affected the performance of 3 – 5 star hotels. The current study, however, looked at the relationship between internal marketing and performance of 5-star hotels. Additionally, the reviewed studies also indicated some methodological gaps. While Ouma & Mutinda, (2022); Orlando, (2021) and Ireri et al., (2023) were based on a descriptive research design; the current study used a concurrent research approach to understand the relationship between internal marketing and performance of 5-star hotels in Nairobi County.

Strategic Rewards

The studies on strategic rewards presented significant contextual gaps. Rohim et al., (2023) was conducted at Shangri-La Singapore Hotel; Cwibi, (2023) was conducted in five-star hotels in Cape Town; Njenga & Kamaara, (2024) was conducted in the hospitality industry in Nairobi City County; Auma & Ondoro, (2023) was based on hotels within the Western Kenya circuit. The current study was conducted in five-star hotels in Nairobi County. Besides, while Rohim et al., (2023) focused on the relationship between rewards system and employee performance; Cwibi, (2023) focused on managers perception regarding employee reward systems; Njenga & Kamaara, (2024) looked at reward strategies and employee retention; Auma & Ondoro, (2023) focused on strategic organizational rewards and employee performance This subject gap was filled in the current study by examining how strategic reward related with the performance of five-star hotels in Nairobi County. Furthermore, the studies also presented methodological gaps. Rohim et al., (2023) and Njenga & Kamaara, (2024) adopted a descriptive research design ad used questionnaires to collect data; Cwibi, (2023) used semi-structured interviews; and Auma & Ondoro, (2023) adopted a correlational survey design and questionnaires to collect data. The current study adopted a concurrent design in which questionnaires and semi-structured interviews were used to collect data.

Training

The subject gaps in the reviewed studies was evident. Neupane & Khanal, (2022) focused on the relationship between on-the-job, off-the-job, and online training and organizational performance; Kleefstra et al., (2020) looked at workplace learning and organizational performance; Barreto & Mayya, (2023) focused on training and employee performance. The current study focused on training and five-star hotels

performance. Additionally, while Neupane & Khanal, (2022) adopted a quantitative approach whereby online questionnaire survey were administered via Kwik Survey; Kleefstra et al., (2020) adopted a qualitative approach where 15 in-depth interviews were conducted involving general and HR managers; and Barreto & Mayya, (2023) assessed literature on training and development in the Indian hospitality and hotel industry published between 1990 and 2022. The current study adopted a concurrent research design that included both qualitative and quantitative approaches. Besides while Neupane & Khanal, (2022) was conducted in the UK hotel industry; Kleefstra et al., (2020) was conducted within the Dutch hospitality industry; Barreto & Mayya, (2023) was conducted in the hospitality and hotel industry in India. The current study was conducted within the five-star hotels in Nairobi County.

Internal Communication

The subject gaps in the reviewed were evident in studies such as Čuić Tanković et al., (2022) who focused on internal communication and employee satisfaction; Amimo et al., (2020) focused on factors influencing effective internal communication; Chepchumba, (2022) focused on internal communication practices; Achieng & Pepela, (2023) looked at communication approaches and hotel performance. The current study focused on internal communication and performance of five-star hotels in Nairobi County. Besides, while Čuić Tanković et al., (2022) adopted a quantitative approach of data collection where self-administered questionnaire were used; Amimo et al., (2020) also used questionnaires for data collection; Chepchumba, (2022) adopted a qualitative approach and used key informant interviews; and Achieng & Pepela, (2023) adopted a descriptive research design where questionnaires and interview schedules were used for data collection. This study adopted a concurrent study in which both qualitative and quantitative approaches were used. Additionally, while Čuić Tanković

et al., (2022) did not indicate its context; Amimo et al., (2020) was conducted in hotels within Nairobi City County; and Achieng & Pepela, (2023) was conducted amongst on classified hotels in Mombasa County.

2.4 Theoretical Framework

The social exchange theory and the balanced score card model was used in this study to examine the relationship between internal marketing and the performance of hotel businesses.

2.4.1 Social Exchange Theory

The social exchange theory was propounded by George Homans in 1961. The theory reiterates the significance of negotiated exchanges between parties in human relationships (Ahmad et al., 2023). The theory is particularly applicable in organizational contexts or in the workplace and involves cost-benefits alternatives, communication and obligations (Zhang & Fei, 2022). The theory therefore, focuses on the behavior of the individual organizational member that may affect the socio-economic outcomes of the organization at the marketplace (Jahan & Kim, 2020).

The process social exchange translates into satisfaction when there are fair rewards that are provided in return. The social exchange theory is helpful in understanding the employees' positive behavior towards their employers due to the reciprocity for the benefits that they are receiving or are expecting to receive (Hsiao et al., 2023). In most instances, the operationalization of this particular give-and-take process is based on the employees' evaluation of the quality of the exchange relationship (Zhang & Fei, 2022).

The social exchange theory propounds that the employees' perceived organizational support is characterized by their belief that their organization can continue to take care of their welfare. In turn, this results in reciprocity-based motivation that are associated

with employees-related outcomes such as reduced turnover intention, organizational citizenship behavior and increased job performance (Zhang & Fei, 2022). The social exchange theory is critical in developing the structures of internal marketing to both reward and satisfy the employees who in turn reciprocate through commitment to deliver quality services to the external customers (Ahmad et al., 2023; Jahan & Kim, 2020).

The social exchange theory is relevant for this study, particularly in terms of explaining the relationship between hotel performance and internal marketing components such as strategic reward, training and internal communication. In the case of the current study, the theory indicates that the better the employer treats their employees the more likely the employees can give their best to fulfil their roles and responsibility. Some of the ways the employer could afford their employees such treatment is by providing them with autonomy to do their work and make decisions as pertaining their task without fears of being reprimanded. The employees in this case own the process of service production and ensure that they give their best to enhance the performance of their organization. The employer can also provide financial and non-financial rewards to employees who have a demonstrable record of exemplary work. With the knowledge of such appreciation as being available based on merit, employees are highly likely to give their best to ensure that they are considered for such recognition. Besides, the employers could provide their employees with coaching or job description training to equip them with the skills that they need to be competent in their tasks. The employees in this case are motivated by the fact that their employers consider them important enough to invest in their skills development, which improves the prospects of their career progression. Their satisfaction and enhanced skills ends up manifesting in terms

of quality service that they provide to the customer, a factor that does not just build customer loyalty but also enhances overall performance.

Additionally, the social exchange theory is reflected in organizational internal communication whereby two-way communication is encouraged. On one hand, the management communicates the vision and goals of the organization, including the targets that the employees are expected to realize with a certain period. On the other hand, the employees communicate their ideas, challenges and grievances, which when acknowledged and acted upon by the management, improve the employees' sense of belonging to the company and motivates them to reach their tasks targets and more specifically serve the customers better. In this way, the social exchange theory is critical in understanding how the performance of hotels could be influenced by strategic rewards, training and, internal communication.

2.4.2 Balanced Score Card Model

The balanced score card model was developed by David P Norton and Robert S Kaplan in 1992. The model was developed with the aim of shifting the focus of business from the pursuit of profit to the development of human issues as well (Kaplan & Norton, 2014). The model therefore, proposes the measurement of performance based on a broader scope than businesses had previously used (Sharaf-Addin & Fazel, 2021). The model was further developed to weed out the flaws that it had presented in its early state and was later published in 1996 as a model for translating business strategy into action (Dudic et al., 2020).

The balanced scorecard model provides a framework that enables organizations to describe their strategy reliably and consistently (Benková et al., 2020). The ultimate goal of the balanced scorecard theory is measuring the factors that help an organization

to create and influence their ability to prosper (Kaplan & Norton, 2014). This model was developed based on the need of seeking to measure the performance of organizations on factors other than financial performance (Sharaf-Addin & Fazel, 2021). This model views performance in four perspectives including financial, internal processes, customer and learning, and growth perspectives (Rafiq et al., 2021). Table 2.1 shows various factors of the four aspects of the performance scorecard.

Table 2.1: Aspects of performance scorecard model

Financial perspective	Internal processes	Customer perspective	Learning and growth
-Return on assets	-Ability to keep existing customers	-Customer satisfaction	-Employee education
-Personnel cost ratio	-Speed of new product launch	Customer loyalty	-Employee satisfaction
-Return on Investment	-Time reduction in handling customer complains	-Service quality	-Employee productivity
-REVPAR	-Enhancement of efficiency in hotel management	-New customer increase rate	Average employee resignation rate
-Occupancy percentage	-Hotel products innovativeness and uniqueness	-Market share	-Employee knowledge sharing
-Average daily rate	-Ability to enhance sales promotion	-Customer relationship management	-Employee ability to use IT products
-Revenue growth rate	-Compiling information on customer background	-Traffic convenience	-Employee ability to manage emergencies
-Service cost reduction rate	-Effective problem solving		Employee effective use of marketing information
-Revenue from new customer ratio	Swift operation cycle		
-Net profit ratio			

Source: Kaplan & Norton, 2014; Benková et al., 2020; Rafiq et al., 2020

This model was relevant for this study considering that its measures cover all the independent and dependent variables that made up this study (Sharaf-Addin & Fazel, 2021). On one hand, the financial measure of the model is based on indicators such as occupancy rates, revenue growth, service cost reduction, return on assets, and net profit ratio, which are features that characterize performance in hotels (Kaplan & Norton,

2014). These measures were, therefore, be used in this study for hotel performance. The internal processes measure also presents indicators that are used to gauge performance in hotels (Rafiq et al., 2021). These indicators include effectiveness in terms of problem resolution, innovativeness, and uniqueness, and the capacity for retaining existing customers. In the same vein, the customer perspective construct of the model also reflects hotel performance indicators such as quality service, customer satisfaction, customer loyalty, and an increase in market share (Sharaf-Addin & Fazel, 2021).

On the other hand, the learning and growth construct of the model is essential for understanding the contributing of significance of training in helping the organization to enhance its performance (Kaplan & Norton, 2014). This is evident considering that learning and growth entail employee education to improve their knowledge and skills (Sharaf-Addin & Fazel, 2021; Rafiq et al., 2020). Besides, the learning and development construct of the model also covers the internal communication variable in terms of information and knowledge sharing amongst the employees, teamwork, and the use of IT products to interact and the use effective use of marketing information (Benková et al., 2020). Furthermore, this construct of the model also provides insights regarding the adoption of strategic rewards in improving organization performance through indicators such as employee satisfaction, and their ability to manage emergencies (Sharaf-Addin & Fazel, 2021).

2.5 Conceptual Framework

This conceptual framework explored the relationship between independent variable indicators related to strategic internal marketing and the dependent variable of hotel performance. The independent variable indicators included strategic rewards, training job instruction, and internal communication, each of which potentially impacts hotel performance (See Figure 1.1 below). Strategic rewards encompass employee

autonomy, remuneration, benefits, and employee recognition. These elements are designed to motivate and engage employees, which can enhance their job satisfaction and performance. Employee autonomy and recognition may lead to a more committed workforce, while competitive remuneration and comprehensive benefits are likely to attract and retain talent, this, in turn, could positively influence overall hotel performance by improving Employee Satisfaction, which is a key indicator of success in the hospitality industry.

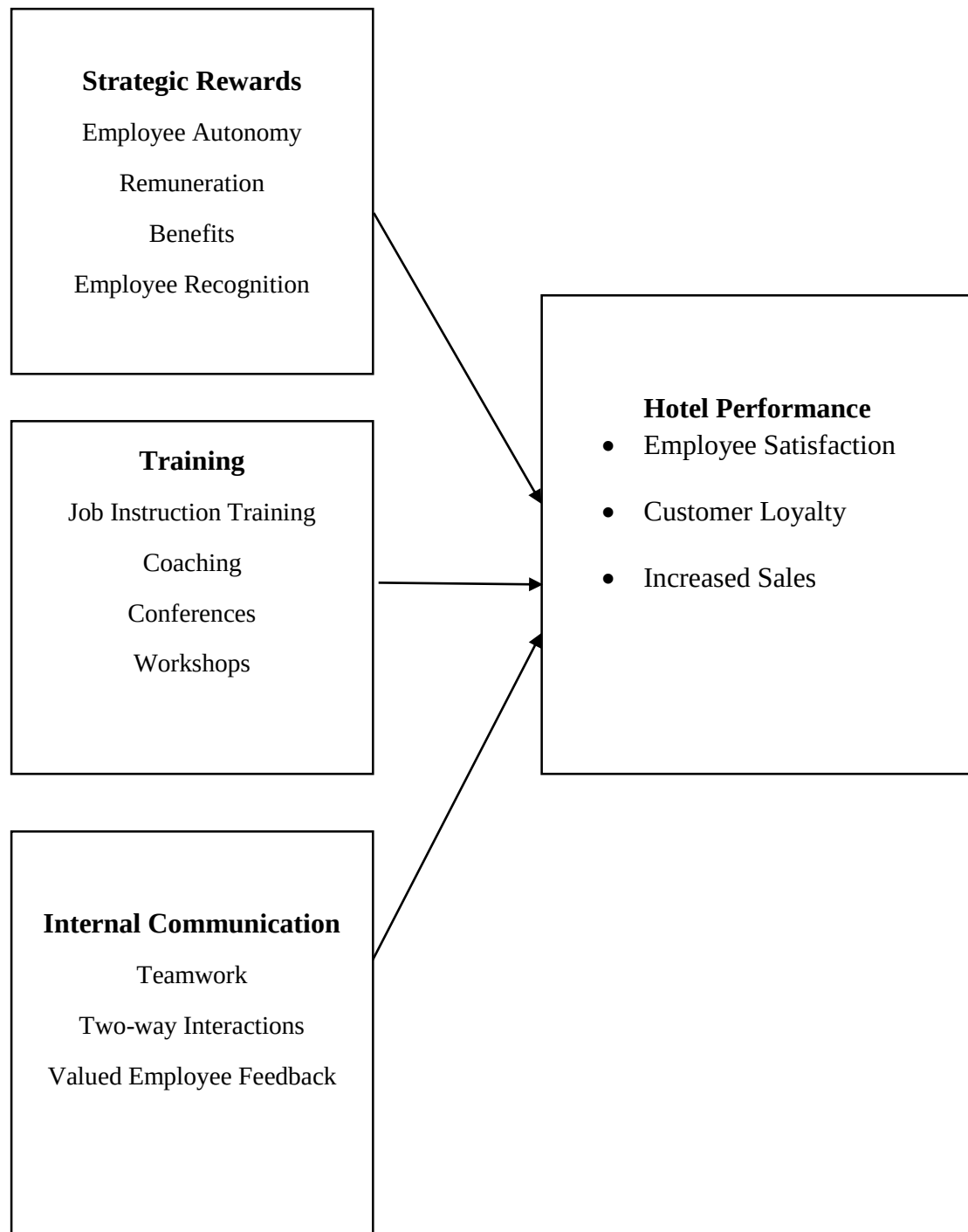
Training job instruction includes coaching, conferences, and workshops. Effective training is crucial for skill development and professional growth. Coaching offers personalized support, conferences provide broader industry knowledge, and workshops enhance practical skills. These training methods are expected to improve employee capabilities, leading to higher productivity and better service quality, which could translate into increased customer loyalty and higher sales.

Internal Communication involves teamwork, two-way interactions, and valued employee feedback. Open and effective communication fosters a collaborative work environment and ensures that employee concerns and suggestions are heard. this can lead to a more harmonious workplace, which enhances employee satisfaction and service quality. Improved communication can also help in resolving issues promptly, thereby positively impacting customer loyalty and ultimately contributing to increased sales. Therefore, the framework, generally suggests that robust employee management practices in these areas can lead to improved hotel performance, measured through employee satisfaction, customer loyalty, and increased sales.

INDEPENDENT VARIABLE (IV)

DEPENDENT

VARIABLE (DV)

**Figure 1.1: Conceptual Framework**

Source: (Adapted and modified from Nwokah& Briggs 2017)

CHAPTER THREE

METHODOLOGY

3.1 Introduction

The components of the methodology in this study included the study area, research design, research population, sample size, sample design, data collection tools and procedures, validity and reliability, data analysis, and ethical considerations.

3.2 Study Area

The study was conducted in Nairobi County in Kenya. The County is both the capital city and economic hub of Kenya and the East African region at large. It has a well-established infrastructure for the hospitality industry characterized by a museum and major parks Nairobi National Park, Nairobi Mini Orphanage, and Nairobi Safari Walk that provide the tourist with a rare foot experience for viewing wildlife. The County is also regarded as the Safari capital of the world with many spectacular hotels catering for safari-bound tourists (Nairobi County, 2017). The selection of the five-star hotels is based on the expectation that they have more structured systems for implementing internal marketing strategies to enhance their competitiveness in the hospitality industry as compared to the other categories of hotels. The hotels included Intercontinental Hotel Nairobi, CBD; Dusit D2 at Riverside Woods off Riverside Drive; Hemmingway's Nairobi at Karen Mbagathi Ridge; Tribe Hotel at the Village Market; Crown Plaza Nairobi Airport at the First Freight Lane Jomo Kenyatta International Airport; The Boma Nairobi at Bellevue, Off Mombasa Road; Sankara Nairobi at Woodvale Grove; Fairmont the Norfolk at Harry Thuku Rd; Villa Rosa Kempinsky at woodvale grove near globe round about; The Sarova Stanley at CBD; and Radisson Blue Hotel at Nairobi Upper Hill.

3.3 Research Design

A concurrent triangulation research design was adopted for this study. Concurrent research design involves a single study containing qualitative and quantitative data collection which is conducted at the same time (Sekaran & Bougie, 2016). In this study, the researcher sought to explain the relationship between internal marketing and the performance of five-star hotel businesses. According to Creswell & Creswell (2018), the use of the concurrent triangulation research design gives the researcher the ability to test hypotheses about any of the tested variables. The design is also effective in studies where the researcher can hardly control the variables as it was the case with the current study. The study adopted the mixed method approach in which the questionnaire and interviews was used to collect data.

3.4 Target Population

According to Mugenda & Mugenda (2003), a target population is a specific group of people that share characteristic is of interest to a study. They are, therefore, selected for inclusion in the study since the findings generated from their response can be generalized to the larger population. The target population of this study were staff in 10 five-star hotels in Nairobi County. The five-star hotels were considered for this study because they have consistent and clear organizational structures, which makes it possible for the researcher to generalize the results without much error since the research population is relatively homogeneous (Creswell 2014). Based on the statistics by the Tourism Regulatory Authority (2020) there are 11 five-star hotels in Nairobi County. The target population of the study was based on the total number of employees at the 10 five-star hotels, which are as follows: Dusit D2 (115), Hemmingway's Nairobi (85), Tribe Hotel (195), Crown Plaza Nairobi Airport (115), The Boma Nairobi (180), Sankara Nairobi (101), Fairmont the Norfolk (70), Villa Rosa Kempinsky (135), the

Sarova Stanley (97), and Radisson Blue Hotel (88). Therefore, the total target population of the study was 1181 employees in these five-star hotels. The target population included 10 managers from the five-star hotels.

Table 3.1: Target Population

Five-Star Hotel	Total Number of Staff
Dusit D2	115
Hemmingway's Nairobi	85
Tribe Hotel	195
Crown Plaza Nairobi Airport	115
The Boma Nairobi	180
Sankara Nairobi	101
Fairmont the Norfolk	70
Villa Rosa Kempinsky	135
The Sarova Stanley	97
Radisson Blue Hotel	88
Total Number	1181

Source: Human Resource Records, 2019)

3.5 Sample Size

The sample size of the study was determined based on the formula suggested by Mugenda & Mugenda (2003) which is as follows:

$$Nf = \frac{n}{1 + \frac{n}{N}}$$

Based on the formula above:

Nf = the desired sample size when the population is not more than 10 000

n = the desired sample size when the population is more than 10 000

N = the estimate of population size.

According to Mugenda & Mugenda (2003) the desired population should be 384 in research studies in which the target population is not more than 10 000, with a precision of 5% and a confidence level of 95%. Therefore, the sample size of this study was determined as follows:

$$= 290$$

$$Nf = \text{less than } 10000 = \frac{384}{1 + \frac{384}{1181}} = 290$$

Therefore, the sample size of the study was 290 respondents.

The sample size in this study was distributed as follows:

Table 3.2: Sample Size Distribution

Five-Star Hotel	Total Number of Staff	Sample Size
Dusit D2	115/1181 x 290	28
Hemmingway's Nairobi	85/1181 x 290	21
Tribe Hotel	195/1181 x 290	48
Crown Plaza Nairobi Airport	115/1181 x 290	28
The Boma Nairobi	180/1181 x 290	44
Sankara Nairobi	101/1181 x 290	25
Fairmont the Norfork	70/1181 x 290	17
Villa Rosa Kempinsky	135/1181x 290	33
The Sarova Stanley	97/1181 x 290	24
Radisson Blue Hotel	88/1181 x 290	22
Total Number		290

Source: Author, 2020

3.6 Sampling Design

The researcher obtained a list from the human resource managers of each hotel, then carry out census, systematic random sampling and purposive sampling to select the actual respondents within each stratum. Using this method, the researcher determines

the nth case of the population frame for inclusion into the same (Mugenda & Mugenda, 2003). The researcher therefore picked the nth respondent from the frame until the sample size of the sample obtained. The researcher further used purposive sampling to select the managers to be interviewed, where operation managers from each hotel was sampled and in the absence of the operation manager's information was obtained from any other manager in the same position as the operation manager.

3.7 Data Collection

3.7.1 Data Source

Primary data in this study was collected from sampled five-star hotels in Nairobi County using a structured questionnaire.

3.7.2 Data Collection Instruments

The questionnaire was suitable for this study considering its cost-effectiveness and time efficiency in terms of data collection and analysis (Creswell & Creswell, 2018). The questionnaire was based on close-ended questions, with some of the questions that measure the key variables using the Likert Scale, which included options such as 5=Strongly Agree, 4= Agree, 3= Neutral, 2=Disagree, and 1-Strongly Disagree. The questionnaire was divided into four parts of sections. Section I consisted of questions about the biographical data of the respondents. Section II was made up of questions that measure strategic rewards; the questions in Section III measured training while those in Section IV measured internal communication. Additionally, Section V questions measured the hotel performance construct.

Semi-structured interviews were used to collect data from hotel managers. Kothari, (2014) argues that interviews are effective for collecting in depth, textual data from the respondents, which can be used to triangulate other forms of data that are collected in

the study. These interviews were conducted based on an interview guide. An interview guide is made up of questions that the interview seeks to ask the interviewee during the interview (Creswell & Creswell, 2018). As suggested by Kothari (2014) the questions on the interview guide that was used in this study was framed based on the key objectives of the study.

3.7.3 Data Collection Procedures

The questionnaire was administered either online or offline based on the preference of the respondents. The questionnaire was accompanied with an introduction letter and a permit from NASCOTI. The introduction letter introduced the researcher to the participant, state the research title and its purpose, and outline ethical considerations that the researcher has made such as confidentiality and privacy, anonymity, and informed consent. Due to restrictions imposed by the prevailing COVID-19 pandemic, the questionnaire was distributed online using Survey Monkey, which was accessible to respondents via their mobile phones, after getting phone numbers from the research participants. The respondents were given one week to respond to the questionnaire. Where this was not possible, the researcher made follow up calls after the one-week period elapses, reminding the respondents to respond to the questionnaire.

The researcher scheduled either telephone or physical appointments based on the preferences of the interviewees. The interviews were conducted for a duration of not more than one hour. The interview begun by first informing the researcher about their ethical rights in regards to aspects such as confidentiality and anonymity and that they may be free to withdraw from the study at any point of their convenience. The researcher also sought permission from the interviewee before making records of the interview.

3.8 Validity and Reliability

3.8.1 Validity

The validity of a research tool entails the meaningfulness and accuracy of the results that it yields (Creswell & Creswell, 2018). The questionnaire in this study was subjected to content validity tests. According to Kothari (2014), a content validity test is the measure of the degree to which the collected data represents the domain of content or indicators of a particular research subject. The commonly used procedure for assessing content validity is by involving experts or professionals in a particular field. In this case, the researcher sought the supervisors' opinion on the suitability of the content in the questionnaire as accurate measures of the indicators for both internal marketing and hotel performance.

3.8.2 Reliability

The Cronbach's coefficient alpha was computed to test the correlation of the items on the questionnaires after the two tests. According to Mugenda & Mugenda (2003) a Cronbach's alpha score of above 0.7 is an appropriate indicator of an instrument's reliability. Therefore, the computation of a score of 0.7 and above from the test-retest exercise was considered to indicate the questionnaire's reliability.

3.9 Data Analysis

The quantitative data collected in this study was analysed cleaned to ensure their relevance for analysis in this study. The data was coded numerically and be input in the Statistical Package for Social Statistics for further analysis. Both descriptive and inferential analysis was used. The descriptive analysis included frequency, means, and standard deviation. The data was presented using graphs, pie charts, and tables.

The inferential statistics included correlation and regression analysis. Correlation analysis sought to establish the degree of relationship between the variables in the study. The multiple regression analysis determined whether the independent variables in the study (i.e. strategic reward, training, and internal communication) predict the dependent variable (performance) of the hotels. The regression model, therefore, used the following form:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Where Y is the Hotel Performance

X_1 = Strategic Rewards

X_2 = Training

X_3 = Internal Communication

In this model, β_0 = the constant term whereas the coefficients β_1 , β_2 , and β_3 measure the sensitivity of Y (i.e. the dependent variable) to the unit change in the predictor, whereas e represents the error that captures the unexplained variations in the model. The assumption of the regression model is that an increase in the elements of internal marketing such as strategic rewards, training and internal communication are expected to increase the hotel performance.

The qualitative data was analysed using the thematic analysis steps proposed by Braun & Clarke, (2018). The researcher familiarized with the data in the transcribed interviews by reading and re-reading the transcripts. The researcher then made notes on the emerging impressions in the data. The second step involved the generation of the initial codes, where the researcher organized the data in a systematic and meaningful way. In this stage, the researcher reduced the data into smaller, manageable volumes. The third step involved searching for preliminary themes. The fourth step involved the

review, modification and further development of the themes. Thereafter, the researcher refined the themes and come up with a write up on the findings.

3.10 Ethical Considerations

The ethical issues concerning research participants in this study included confidentiality and privacy, informed consent, and anonymity. The researcher protected the participants by keeping the information they provided confidential and therefore, not accessible to any third parties. Besides, participation in the study was based on voluntary and informed consent. The participants were only involved in the study after the researcher has explained to them and they have understood the purpose of the study, their role in the study, and their rights as participants. Additionally, the researcher ensured that the anonymity of the participants is protected by the use of numbers to mark the questionnaires that they responded to. (Mugenda & Mugenda, 2003). The logistical ethical research issues regarding this study involved the acquisition of permits from the from the university.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents the descriptive and inferential results and interpretation of the survey that was conducted in the study. There were 290 questionnaires that were distributed in the study. A total of 238 questionnaires were successfully completed. This represented a response rate of 82%, which was more than the 70% that Mugenda & Mugenda (2003) considers adequate for analyzing and reporting social research data. The 82% response rate was therefore, considered adequate to represent the research population and therefore, generalizable. Besides, the chapter also presents the findings of the interviews that were conducted in the study.

4.2 Descriptive Analysis Results

The descriptive analysis in the study was applied on the demographic information of the respondents, including gender, age, duration of working in the hotel industry, department in the hotel, and the duration of working in the in the current position. The demographic descriptive results captured the frequencies and percentages. The descriptive analysis was also conducted on the key variables of the study including strategic rewards, training, internal communication, and hotel performance, and were presented as means and standard deviations.

4.2.1 Demographic Information of Respondents

Table 4. 1: Descriptive Summary of Demographic Information of the Respondents

Variable	Details	Frequency & Percentages
Gender	Male	(122) 51.3%
	Female	(116)48.7%)
	Total	(238) 100%
Age	18 – 25 years	(17) 7.1%
	26- 30 years	(33) 13.9%
	31-35 years	(47) 19.7%
	36- 40 years	(54) 22.7%
	41-45 years	(37) 15.5%
	Above 45 years	(50) 21%
	Total	(238) 1000%
Duration of Work	Less than 1 Year	(33)13.9%
	1-5 Years	(132)55.5%
	6-10 Years	(50)21.0%
	Over 10 Years	(23)9.7%
	Total	(238)100.0%
Departments	Reservation	(83)34.9%
	Guest Service	(17)7.1%
	Check-in and Check-out	(34)14.3%
	Finance and Cashering	(17)7.1%
	Foreign Exchange	(18)7.6%
	Room Assignment	(51)21.4%
	Inquiry	(18)7.6%
	Total	(238) 100%
Duration Working in Current Position	Less than 1 Year	(69)29.0%
	1-5 Years	(100)42.0%
	6-10 Years	(69)29.0%
	Total	(238)100.0%

Source: Survey Data (2023)

The results shown that 51.3% of the respondents were male while 48.7% were female. This implied that the views of male and female employees at the hotel industry informed with the findings of the study. The results showed that 7.1% of the respondents were aged between 18 and 25 years; 13.9% were aged between 26 and 30 years; 19.7% were aged between 31 and 35 years; 22.7% were aged between 36 and 40 years; 15.5% of were aged between 41 and 45 years. The results indicated that the participants were drawn from various age groups, which included younger employees and older employees. The age group that represented most respondents (22.7%) was that of employees aged between 36 and 40 years, which indicated that most of the respondents engaged in the study had possibly worked in it for longer as compared to other age groups.

The results of the study showed that 13.9% of the respondents and worked in the hotel industry for less than one year; 55.5% had worked for a duration of between 1 and 5 years; 21% had worked between 6 and 10 years; and 9.7% had worked for more than 10 years. This result implied that the findings of the study were informed by the perspectives of respondents who included those who were new to the industry and those who had long experience in the industry.

The results showed that 34.9% of the respondents were from the reservation department; 7.1% from the guest service department; 14.3% from the check-in and check-out department; and 7.1% from the finance department. Besides, 7.6% but the respondents were from the foreign exchange department; 21.4% were from the room assignment department; and 7.6% were from the inquiry department. Therefore, the findings of the study were informed by respondents drawn from various departments in the hotels, even though most of them were from the reservation department (34.9%) and the room assignment department (21.9%).

Most of the respondents (42%) had worked in their current position for a duration of between 1 and 5 years; 29% of the respondents had worked in their current position for less than one year and another 29% had worked between 6 and 10 years. This indicated that respondents of various experiences and expertise were included in the study, with most of them having worked in their position for a duration of between 1 and 5 years, and therefore, could provide informed perspectives about their positions.

4.2.2 Descriptive Statistics for Strategic Rewards

The first objective of the study was to investigate the relationship between strategic reward and performance of five-star hotels. The respondents were therefore required to indicate their level of agreement or disagreement regarding the relationship between the two variables.

Table 4. 2: Descriptive Statistics Summary of Strategic Rewards

Statement	N	Frequency & Percentage
I have freedom to choose the order of completing my tasks	238	(143) 61.1%
I am free to decide the pace of my work	238	(141) 61.1%
I have the freedom to plan and execute my tasks with minimal supervision	238	(131) 55.0%
I feel that I have control over my job tasks	238	(147) 61.8%
The remuneration is commensurate with the work	238	(145) 61.8%
The remuneration is proportionate with my skills	238	(147) 61.8%
The remuneration matches my experience	238	(136) 57.6%
The hotel has wellness benefits such as medical insurance, transport	238	(141) 59.2%
The hotel has a retirement plan that will benefit me	238	(129) 54.2%
The hotel has flexible working hours	238	(120) 50.4%
Employees are promoted for performing jobs well	238	(146) 61.3%
The management verbally thank and appreciate employees for work well	238	(124) 52.1%
Management recognize and celebrate employees for outstanding work	238	(129) 54.2%
Valid N (listwise)	238	

Source: Survey Data (2023)

The findings showed that most of the respondents (61.1%) agreed that they had the freedom to choose the order in which they completed their tasks. Most of the

respondents (61.1%) also agreed that they were free to decide the pace of their work. Most of the respondents (55.0%) agreed that had the freedom to plan and execute their tasks with minimal supervision. Most respondents (61.8%) agreed that they felt that they had control over their job tasks.

The results showed that most respondents (61.8%) agreed that the remuneration was commensurate with their work while another (61.8%) agreed that the remuneration was proportionate with their skills. Most respondents (57.6%) agreed that the remuneration matched their experience. Besides, the results indicated that most respondents (59.2%) agreed that the hotel had wellness benefits such as medical insurance. Most respondents (54.2%) agreed that the hotel had a retirement plan that benefited them. Most respondents (50.4%) agreed that the hotel had flexible working hours. Most respondents (61.3%) agreed that they were promoted for performing jobs well. Additionally, most respondents (52.1%) agreed that their management verbally thanked and appreciated them for work well. Most respondents (54.2%) also agreed that their management recognized and celebrated employees for outstanding work.

The interviewed participants also acknowledged that they provide strategic rewards in form of compensation to motivate their staff to give their best. P1 noted that *“they have structured their remuneration to reflect a true compensation of the input that the employees give to the organization.”* According to P5, they consider factors such as *“education, experience and competence when setting the pay of the employees.”* Interviewee P4 said that they provided the employees with *“medical cover”* to ensure that *“they do not have to worry about medical bills when they become sick.”* Interviewee P3 claimed that *“recognizing the employees who are giving their best pushes them to be consistent in their top-notch output.”*

The interviewees also indicated that strategic rewards were essential for promoting hotel performance. P1 observed that *“when employees are rewarded, they feel like they trust their employer and feel supported, that is powerful,”* and due to this *“they are achieve the desired performance outcomes.”* According to P5 strategic rewards are *“essential for building trust between employees and employers,”* and that in this way, *“are more likely to have a clear understanding of what is expected of them and go ahead to achieve them.”* P3 further noted that *“rewarding an employee for a job well done increases productivity”* and that employees are *“highly likely to view the process as fair when rewards are distributed based on objective data.”*

4.2.3 Descriptive Statistics for Training

The second objective of the study was to investigate the relationship between training and performance of five-star hotels. The respondents were therefore required to indicate their level of agreement or disagreement regarding the relationship between the two variables.

Table 4. 3: Descriptive Statistics Summary of Training

Statement	N	Frequency and Percentages
The hotel has manuals that instruct employees on performing their job	238	(129) 54.2%
Management instruct employees on their jobs	238	(127) 53.4%
Instructions on job roles are clearly spelt	238	(163) 68.5%
Management share their skills and experience to help employees develop	238	(124) 52.1%
Management provide guidance to help employees reach their full potential	238	(138) 58.0%
Employees attend seminars to enhance their skills	238	(148) 62.2%
The hotel organizes internal seminars on operational areas	238	(127) 53.4%
Employees participate in workshops to improve their competencies	238	(125) 52.2%
Employees are given the opportunity to attend workshops to enhance their	238	(130) 54.6%
Valid N (listwise)	238	

Source: Survey Data (2023)

The results of the study showed that most respondents (54.2%) agreed that the hotel had manuals that instructed them on performing their job. Most respondents (53.4%) agreed that the management instructed employees on their jobs. Most respondents (68.5%) agreed that the instructions on job roles were clearly spelt. Most respondents (52.1%) agreed that the management shared their skills and experience to help them develop their competence.

The results of the study also showed that most respondents (58%) agreed that the management provided them with guidance to help them reach their full potential. Most respondents (62.2%) agreed that they attended seminars to enhance their skills. A majority of the respondents (53.4%) agreed that their hotel organize internal seminars on operational areas. Most respondents (52.2%) agreed that they participate in workshops to improve their competencies. Besides, most respondents (54.6%) agreed that they are given the opportunity to attend workshops to enhance their skills.

The findings from the interviewed participants reflected a relationship between training and performance of hotels. Interviewees such as P4 acknowledge the relevance of training in making *“employees to understand what is expected of them in particular roles and be given the capacity to actually discharge those duties.”* P2 also noted that *“training programs have provided invaluable when it comes to clarifying roles and responsibilities to the employees”* in their organization. According to P3 is attained by structuring the training programs so that they take into account the *“skills need assessment, technological advancement, and organizational goals and objectives.”*

The interviewed participants reiterated the need for training as a way of enhancing hotel performance. According to P1 hotels have *“increasingly acknowledged the need for equipping their staff with the requisite knowledge and skills,”* which are essential, *“for*

making them productive and effective in their duties.” According to P5 some of the training programs provided by hotels have targeted communication skills such as *“greeting customers, active listening and phone etiquette.”* P6 also noted that hotels provide customer service training targeting to impart skills such as *“creating a positive and authentic customer experience”* for the guests. The other trainings have covered aspects such sales and more particularly *“upselling hotel products and services”* and *“safety and security protocols.”*

The findings also indicated that the management provided the employees with clear instructions of the job roles, which helps employees to understand what is expected of them in particular roles. Besides, the management shared their skills and experience to help them develop the employees’ competence. Consistent with these findings, previous studies such as Barreto & Mayya, (2023) also found that through training employees acquire knowledge, skills, and motivation that empower them to carry out their roles and responsibilities effectively. This is essential considering that the organization and performance of hotels are largely dependent on its employees due to their input into the business and healthy interaction with the customers, which contributes to the enhanced image of the hotel as being reliable, efficient, and effective in terms of addressing the needs of the guests. Mukolwe (2023) also found that trainings such as job instruction training and coaching are essentially structured activities that seek to develop and improve the knowledge, skills, and behaviors of the staff. The training provides the staff with tools for performing job-related duties, accomplishing specific tasks, and meeting the quality requirements of the organization.

The findings revealed that the management provided the employee with the guidance that they needed to help them reach their full potential. According to interviewed participants, this was realized by structuring the training programs so that they take into

account the skill needs assessment, technological advancement, and organizational goals and objectives. Previous studies such as Neupane & Khanal, (2022) and Mukolwe (2023) reported similar findings whereby Neupane & Khanal, (2022) established that whenever the management provide the employee with effective guidance through coaching, mentoring and constructive feedback they invariably identify the areas of improvement and the strength. In this way, the employees enhance their knowledge and skills and are able to perform their tasks more effectively. The guidance by management also clarifies the goals and expectations for the employees, thereby, providing them with a roadmap that they can use to align their focus and efforts accordingly. In their study, Mukolwe (2023) found that conducting skill needs assessment was essential in identifying the specific knowledge, skills and competencies that the employees required to perform their roles efficiently and effectively. The skill needs assessment helps the management to establish the existing skill gaps and customise the training programs to address the identified gaps. In this way, the training program becomes relevant and directly applicable in the development of the employee's skills with regard to their respective job roles.

The findings showed that the employees attended seminars and workshops to enhance their skills in areas such as operations, housekeeping, customer service and communication skills including active listening and phone etiquette, which makes them productive, hence increasing the hotel performance. Previous studies such as Neupane & Khanal, (2022) and Kleefstra, Altan, and Stoffers (2020) reported similar findings. In particular, Neupane & Khanal, (2022) found that training programs such as conferences and workshops communicate to the staff that they are cared for, which in turn results in significantly higher levels of employee satisfaction. They also established that conferences and workshops are modelled to include group activities, collaborative

learning experiences and team-building exercises, which collectively promotes robust relationship among employees, teamwork and cohesion among the hotel teams. The training dynamics involved cultivate better communication and service delivery, which eventually contribute towards the quality of guest experiences. Kleefstra, Altan, and Stoffers (2020) found that training seminars about hotel employees provide opportunities for growth and development through engagement among the staff and this is associated to positive qualities such as increase motivation and job satisfaction since the employees feel that they are supported and valued by the organisation. They also established that providing employees with conferences and workshops could help hotel organisations to align them with the specific values and goals that they espouse. The alignment in this case ensures that the staff are provided with targeted knowledge and skills that is relevant to at their respective roles and the objectives of the hotel.

The findings showed that the customer service training targeted impart competence that would help the employees create a positive and authentic customer experience for the hotel guests; the sales training aimed at upselling hotel products and services whereas health and safety training focused on enhancing the hotel's safety and security protocols. The interviewed participants revealed that training was essential for the hotels to provide quality services to their guests. These findings concurred with those reported by previous studies such as Barreto & Mayya, (2023) and Mukolwe (2023). In particular, Barreto & Mayya, (2023) established that providing employees with customer service training enable them to acquire effective communication skills that enable them to respond appropriately to their concerns and needs of their customers. Customer service training empowers employees to use positive language and be patient and empathetic with customers. In their study, Mukolwe (2023) found that customer service training enables employees to better understand the product and services of the

organisation and this enables them to provide accurate answers to customer questions, provide customers with relevant information and also make appropriate recommendations. Furthermore, customer service training equips employees with decision making and plan solving skills, which enables them to analyse issues, identify their causes and prescribe appropriate solutions.

4.2.4 Descriptive Statistics for Internal Communication

The third objective of the study was to investigate the relationship between internal communication and performance of five-star hotels. The respondents were therefore required to indicate their level of agreement or disagreement regarding the relationship between the two variables.

Table 4. 4: Descriptive Statistics Summary of Internal Communication

Statement	N	Frequency and Percentages
Employees stay focused on the hotel goals even when conflicts occur	238	(123) 51.7%
The team is dedicated to pursue the goals with a unified purpose	238	(147) 61.8%
I am adequately informed about my job performance	238	(128) 53.8%
Information is shared among employees	238	(129) 54.2%
There is free interaction among employees and management	238	(135) 56.7%
The management encourage feedback from employees	238	(140) 58.8%
The management respond and appreciate feedback	238	(138) 58.0%
There are clear mechanisms for giving feedback	238	(129) 54.2%
Valid N (listwise)	238	

Source: Survey Data (2023)

The results indicated that most respondents (51.7%) agreed that employees stay focused on the hotel goals even when conflicts occur. Most respondents (61.8%) agreed that their teams are dedicated to pursue the goals with a unified purpose. Most respondents (53.8%) agreed that they are adequately informed about my job performance.

Additionally, most respondents (52.4%) agreed that information in their organization is shared among employees.

The results also showed that most respondents (56.7%) agreed that there was free interaction among employees and management. Most respondents (58.8%) agreed that the management encouraged feedback from employees. Most respondents (58%) agreed that the management responded and appreciated feedback. A majority of the respondents (54.2%) also agreed that they were clear mechanisms for giving feedback.

The interview findings outlined various intersections between internal communication and hotel performance. More specifically, the interviewed participants indicated similar views about the use of internal communication in their organizations. P7 claimed that internal communication facilitated the *“sharing of information,”* which enabled them to *“reach goals together through teamwork.”* P2 noted that through internal communication *“crises that could disrupt hotel operations are duly addressed in such a manner that their effects are minimized.”* P4 noted that internal communication is necessary *“for informing the employees about what is expected of them in terms of output,”* and that *“improved performance is assured if the performance metrics are realistic and achievable.”*

The interviewed participants also shared similar views about the communication channels in their organization. P6 said that *“the open-door policy adopted in their organization is aimed at encouraging the employees to communicate any complaint, concerns or ideas with the managers.”* P5 noted that the *“feedback from the employees is given much prominence particularly considering that they are the one who interact with hotel guest most of the time.”* Besides, according to P2, *“the cohesion between*

teams relies on open communication” without which, “it becomes difficult to communicate the hotels goals and objectives or resolve problems when they arise.”

4.2.5 Descriptive Statistics Results for Hotel Performance

Table 4. 5: Descriptive Statistics Summary of Hotel Performance

Statement	N	Frequency and Percentages
There is consistent occupancy rate	238	(130) 54.6%
There is reduction in the cost of service	238	(119) 50.0%
The response to customer complaints is swift	238	(143) 60.1%
Problems are solved effectively	238	(123) 51.7%
There is increased customer satisfaction	238	(130) 54.6%
The service quality is good	238	(126) 52.9%
There is employee satisfaction	238	(138) 58.0%
Employee productivity is high	238	(133) 55.9%
Valid N (listwise)	238	

Source: Survey Data (2023)

The results with regard to hotel performance showed that most respondents (54.6%) agreed that there was consistent occupancy rate at the hotel. Most respondents (50%) also agreed that there was reduction in the cost of service. Most respondents (60.1%) agreed that the response to customer complaints was swift. Besides, most respondents (51.7%) agreed that problems were solved effectively. The results of the study also showed that most of the respondents (54.6%) agreed that there was increased customer satisfaction. Most respondents (52.9%) agreed that the service quality was good. Most respondents (58.0%) agreed that there was employee satisfaction. Most respondents (55.9%) agreed that employee productivity was high.

4.3 Inferential Analysis Results

A bivariate linear regression analysis was conducted to analyse the relationship between the dimensions of the independent variable (internal marketing) and the dependent variable (hotel performance). The measured independent variable dimensions included strategic reward, training and internal communication.

4.3.1 Reliability Test

The study tested the Cronbach coefficient alpha to determine the correlation of the variable. Table 4.6 indicated a reliability coefficient of 0.819. The coefficient score represented the four variables measured in the study as showed in Table 4.7. According to Mugenda and Mugenda (2003) a coefficient score that ranges from 0.80 and above is suitable for further statistical analysis. Therefore, the variables measured in the study were reliably adequate for further analysis.

Table 4. 6: Reliability Statistics

Cronbach's Alpha	N of Items
.819	4

Source: Survey Data (2023)

Table 4. 7: Item-Total Statistics

	Scale Item Deleted	Mean if Item Deleted	Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
SR		5.7392	.905	.617	.783
HP		5.7531	.959	.506	.835
T		5.7440	.925	.626	.779
IC		5.7253	.812	.837	.678

Source: Survey Data (2023)

4.3.2 Regression Assumption Tests

Regression assumption tests were conducted on the data ahead of the multiple regression analysis. These included linearity test, normal distribution test for the

dependent variable; homoscedasticity test, multicollinearity and autocorrelation test. Table 4.8 shows the results of the linearity test between hotel performance (HP) and strategic rewards (SR) with a p-value of 0.02. The table shows the results of the linearity test between hotel performance (HP) and training (T) with a p-value of 0.000. Besides, the table indicates the results of the linearity test between hotel performance (HP) and internal communication (IC) with a p-value of 0.000. Kothari, (2018) point out that there must be a linear relationship between the independent (predictor) variable and the dependent (outcome variable). The p-value were less than 0.05 thereby, indication linearity between the independent variables (SR, T and IC) and the dependent variable (HP).

Table 4.8: Results of Linearity Test

ANOVA Table						
			Sum of Squares	df	Mean Square	F Sig.
HP * SR	Between Groups	(Combined)	7.24	24	.302	2.145 .002
		Linearity	4.12	1	4.12	29.304 .000
		Deviation from Linearity	3.12	23	.136	.964 .514
	Within Groups		29.98	213	.141	
	Total		37.22	237		
			Sum of Squares	df	Mean Square	F Sig.
HP * T	Between Groups	(Combined)	8.34	17	.491	3.738 .000
		Linearity	6.23	1	6.23	47.471 .000
		Deviation from Linearity	2.11	16	.132	1.005 .453
	Within Groups		28.88	220	.131	
	Total		37.22	237		
			Sum of Squares	df	Mean Square	F Sig.
HP * IC	Between Groups	(Combined)	14.58	15	.972	9.535 .000
		Linearity	12.50	1	12.50	122.636 .000
		Deviation from Linearity	2.07	14	.148	1.456 .129
	Within Groups		22.64	222	.102	
	Total		37.22	237		

Source: Survey Data (2023)

The study conducted a test on the normal distribution of the dependent variable (HP). According to Kothari, (2018) a multiple regression requires the dependent variable to be non-normal distributed, which in this case presents a non-significant p-value for both the Kolmogorov-Smirnov and the Shapiro-Wilk tests. The results in Table 4.9 below shows p-value for both tests were statistically significant and thus the dependent variable was not normally distributed. Kothari, (2018) however, observes that the dependent variable does not need to be normally distributed especially for studies which large sample sizes and this was applicable in the current study that had a sample of 238 respondents.

Table 4.9: Test of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	df	Sig.
HP	.096	238	.000	.979	238	.001

a. Lilliefors Significance Correction

Source: Survey Data (2023)

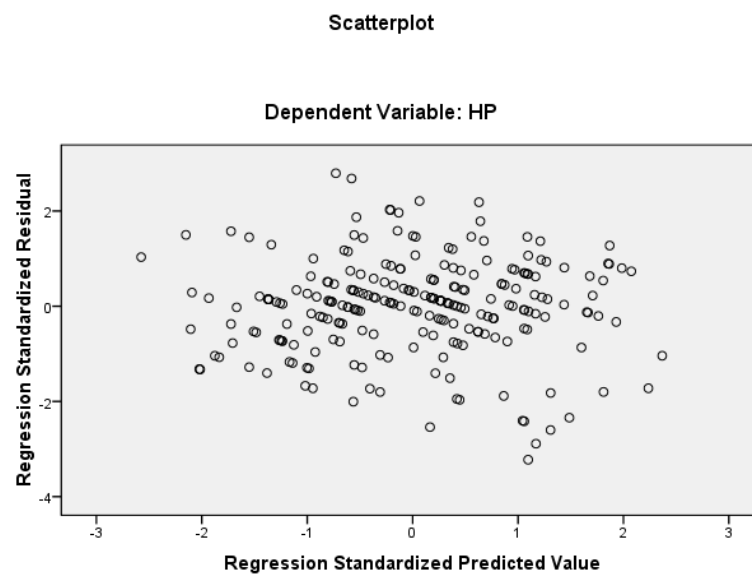
The other assumption tested was for collinearity between the independent variables. According to Kothari, (2018) notes that the Pearson correlation between the independent variables should be less than 0.7 for there to be no multi-collinearity which recommended for regression analysis. Table 4.10 shows that the Pearson correlation between SR and T is 0.504; and between SR and IC is 0.623 and between T and IC is 0.659. Therefore, there was no multi-collinearity between the predictor variables making them appropriate for the regression models. Kothari, (2018) further notes recommend for the Pearson correlation value between the independent and dependent variables to be 0.3 and above. Table 4.10 shows that the Pearson correlation between SR and HP is 0.333; between T and HP is 0.409 and between IC and HP is 0.580, which meet the non-collinearity assumption of regression analysis.

Table 4.10: Pearson Correlation Statistics

		HP	SR	T	IC
Pearson Correlation	HP	1.000	.333	.409	.580
	SR	.333	1.000	.504	.623
	T	.409	.504	1.000	.659
	IC	.580	.623	.659	1.000
Sig. (1-tailed)	HP	.	.000	.000	.000
	SR	.000	.	.000	.000
	T	.000	.000	.	.000
	IC	.000	.000	.000	.
N	HP	238	238	238	238
	SR	238	238	238	238
	T	238	238	238	238
	IC	238	238	238	238

Source: Survey Data (2023)

The homoscedasticity test was conducted to determine the distribution of the residual values of the dependent variable. Figure 4.1 below shows that the residual values amongst the dependent variable were evenly or equally distributed, which fulfil the regression analysis assumption that the dependent variable should indicate homoscedasticity.

**Figure 4.1: Scatter Plot for Homoscedasticity Test (Source: Survey Data, 2023)**

4.3.3 Regression Analysis

Table 4.11 shows the model summary of the regression analysis. The R Square of 0.3543 indicated that the model explains 35% of variance in the dependent variable, which is statistically significant with a p-value of 0.000. The results therefore, showed that hotel performance is influence by 35% of the independent variable that include dimensions such as strategic reward, training and internal communication.

Table 4. 11: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.594 ^a	.353	.345	.32075	.353	42.633	3	234	.000

a. Predictors: (Constant), IC, T, SR

b. Dependent Variable: HP

Source: Survey Data (2023)

The analysis of variance between strategic internal marketing and hotel performance was calculated to ascertain if the model used was significant to determine the outcome. Table 4.12 shows that the analysis yielded (F =42.633 and p-value =0.00), which therefore, indicated that the relationship between strategic internal marketing and hotel performance was statistically significant.

Table 4.12: ANOVA for Strategic Internal Marketing and Hotel Performance

ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.159	3	4.386	42.633	.000 ^a
	Residual	24.074	234	.103		
	Total	37.233	237			

a. Predictors: (Constant), IC, T, SR

b. Dependent Variable: HP

Source: Survey Data (2023)

The regression coefficient between strategic rewards and hotel performance was calculated to ascertain the relationship between the variables and the level to which the

predictor influences hotel performance. The results in Table 4.13 indicated that the relationship between strategic rewards and hotel performance was ($\beta = 0.184$; $t = 2.416$, $p < .016$), which implied that increased strategic rewards led to the improvement in hotel performance.

The regression coefficient between training and hotel performance was calculated to ascertain the relationship between the variables and the level to which the predictor influences hotel performance and resulted to ($\beta = 0.057$; $t = 0.815$, $p < 0.416$), which implied that increased training led to the enhancement of hotel performance.

The regression coefficient between internal communication and hotel performance was calculated to ascertain the relationship between the variables and the level to which the predictor influences hotel performance. The results yielded the score of ($\beta = 0.675$; $t = 7.715$, $p < 0.000$), which implied that increased training led to the enhancement of hotel performance. The beta values showed that the contribution of Internal Communication to hotel performance was higher ($\beta = 0.675$) as compared to that of strategic reward ($\beta = 0.184$) and training ($\beta = 0.057$).

Table 4. 13: Regression Coefficient for Strategic Internal Marketing and Hotel Performance

		Unstandardized Coefficients		Standardized Coefficients		Correlations			
Model		B	Std. Error	Beta	t	Sig.	Zero-order	Partial	Part
1	(Constant)	.754	.125		6.049	.000			
	SR	.189	.078	.184	2.416	.016	.333	.156	.127
	T	.061	.075	.057	.815	.416	.409	.053	.043
	IC	.721	.093	.675	7.715	.000	.580	.450	.406

a. Dependent Variable: HP

Source: Survey Data (2023)

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents and discusses the summary of the findings of the study, discussion of the study, the conclusions and recommendations of each research objectives.

5.2 Summary

The main purpose of the study was to determine the effect of strategic internal marketing on the performance of five star hotels in Nairobi County in Kenya. The specific objectives of the study included establishing the effects of Strategic rewards on the performance of five-star hotel Nairobi County; examining the effects of training on the performance of five star hotels in Nairobi County and determining the effects of internal communication on the performance of five star hotels in Nairobi County. A total of 238 participants were involved in the study accounting for a response rate of 82%. About 48.7% were female and 51.3% were male respondents. A majority of the respondents (22.7%) who are aged between 36 to 40 years. Besides, a majority of the respondents (55.5%) had worked in their respective hotels for a duration of between 1 and 5 years; most of the respondents worked in the reservation department (34.9%) and a majority (42%) had worked in their current positions for a duration of between 1 and 5 years.

The study developed three hypothesis test on the objectives of the study. The first hypothesis H_{01} indicated that there is no significant effect of strategic rewards on the performance of five-star hotels in Nairobi County. The regression analysis findings indicated a positive and significant relationship between strategic rewards and hotel performance ($\beta = -0.184$; $t = -2.416$, $p < .016$), which implied that increased strategic

rewards led to the improvement in hotel performance. Therefore, the study rejected the hypotheses that there is no significant effect of strategic rewards on the performance of five-star hotels in Nairobi County.

The second hypothesis H_{02} claimed that there is no significant effect of internal training on the performance of five-star hotels in Nairobi County. The findings showed that the relationship between internal training and hotel performance was positive but not statistically significant ($\beta = 0.057$; $t = 0.815$, $p < 0.416$), which implied that increased internal training affects hotel performance but not significantly. The study therefore, accepted the hypothesis that there was no significant effect of internal training on the performance of five-star hotels in Nairobi County.

The third hypothesis H_{03} postulated that there is no significant effect of internal communication on the performance of five-star hotels in Nairobi County. The findings indicated that the relationship between internal communication and hotel performance was positive and statistically significant ($\beta = 0.675$; $t = 7.715$, $p < 0.000$), which implied that increased training led to the enhancement of hotel performance. Therefore, the study rejected the hypothesis that there was no significant effect of internal communication on the performance of five-star hotels in Nairobi County.

5.3 Discussion

5.3.1 Effects of Strategic Rewards on the Performance of Five-Star Hotels

The first objective of the study involved establishing the effects of strategic reward on the performance of five-star hotels in Nairobi County. The regression analysis findings indicated that the relationship between strategic reward and hotel performance is positive and statistically significant. The descriptive and thematic analyses findings revealed that the elements of strategic reward include the freedom to plan and execute

tasks with minimal supervision; having control over job tasks and the freedom to decide the working pace. The findings reflect those by Rohim, Fitriano & Jufrizen, (2023) who established that most employees feel more motivated when they are allowed the freedom to think, analyse, decide, and take action. They also found that providing employees with such intrinsic motivation enhances their job satisfaction, which manifests in the form of employee enjoyment and a sense of satisfaction of doing their job that translates into increased productivity. This is reflective of the social exchange theory, which Cwibi, (2023) also noted that it is critical in developing the structures of internal marketing to both reward and satisfy the employees who in turn reciprocate through commitment to deliver quality services to the external customers. Njenga & Kamaara, (2024) also established that when employees are provided with workplace autonomy they develop a sense of ownership and responsibility over their job tasks, which significantly contributes to increased engagement and job satisfaction since they directly influence the outcomes.

The findings also showed that strategic rewards include remuneration that is commensurate with work output; employee skills and experience as this motivates the employees to give their best. This finding reflects the provisions of the social exchange theory. According to relationships Ahmad et al., (2023) the process social exchange translates into satisfaction when there are fair rewards that are provided in return. The social exchange theory is helpful in understanding the employees' positive behavior towards their employers due to the reciprocity for the benefits that they are receiving or are expecting to receive. In most instances, the operationalization of this particular give-and-take process is based on the employees' evaluation of the quality of the exchange relationship. This implies that education, experience and competence should be considered when determining the pay of the staff. This agreed with previous findings

by Njenga & Kamaara, (2024) who established that by aligning the education, experience and competence to the employees' remuneration organizations develop performance-driven culture, which incentivizes employees to give their best so that they can better compensated. The findings also showed that the employees were also promoted for better performance and this indicated that the management acknowledged their efforts. The management also verbally appreciated the best performing employees, which encourages them to give their best consistently. These findings are consistent with those by Auma & Ondoro, (2023) who found that rewards and recognition are amongst the most critical internal marketing components that are related to employees' satisfaction. They also established that based on the reward prospective employees need to align their compensation to performance, an approach that goes a long way in increasing the performance of the employees.

The findings showed that strategic rewards also cover wellness benefits such as medical insurance; flexible working hours and retirement plans. This is reflected in the precepts of the social exchange theory where according to Cwibi, (2023) employees' perceived organizational support is characterized by their belief that their organization continue to take care of their welfare. In turn, this results in reciprocity-based motivation that are associated with employees-related outcomes such as reduced turnover intention, organizational citizenship behavior and increased job performance. Therefore, the strategic rewards are essential for building trust between employees and employers, since rewarding an employee for a job well done increases productivity. These findings agree with those by Njenga & Kamaara, (2024) who established that providing employees with flexible working hours enable them to achieve a work-life balance and this makes them productive in their respective job tasks. Similar findings were reported by Auma & Ondoro, (2023) who also found that a well-structured retirement plan indicates the

commitment by the organisation to support the long-term well-being and financial security of their employees. In this way the plan serves as a strategic reward as it returns competent talent, especially among individuals who value long-term job security and financial planning.

The social exchange theory is helpful in understanding the employees' positive behavior towards their employers due to the reciprocity for the benefits that they are receiving or are expecting to receive (Hsiao et al., 2023). In most instances, the operationalization of this particular give-and-take process is based on the employees' evaluation of the quality of the exchange relationship. This implies that education, experience and competence should be considered when determining the pay of the staff.

5.3.2 Effects of Training on the Performance of Five-Star Hotels

The second objective involved examining the effects of training on the performance of five-star hotels in Nairobi County. The regression analysis findings demonstrated that there was a positive but insignificant relationship between training and the performance of five-star hotels. The descriptive findings showed that the hotels had developed manuals that instructed the employees on how to perform their jobs. The available training programs have proved invaluable when it comes to clarifying roles and responsibilities to the employees.

The findings also indicated that employees are adequately informed about my job performance and that that information in their organization is shared among employees. This was evident considering that internal communication facilitated the sharing of information, which enabled them to reach goals together through teamwork. Besides, internal communication crises that could disrupt hotel operations are duly addressed in such a manner that their effects are minimized. Previous studies such as Čuić Tanković,

et al., (2022) and Amimo, Gekara & Moronge, (2020) which reported similar findings. On one hand, Čuić Tanković, et al., (2022), established that internal marketing should be spearheaded by the top management and be communicated down to the staff at all levels of the organization. For instance, when the staff is aware of the new service-oriented strategies that their organization has adopted they are well placed to communicate the same to the customers. Insufficient information sharing results in ambiguity, uncertainty, and other organizational challenges such as the decline in employees' job satisfaction and productivity. On the other hand, Dudic et al., (2020), also found that hotel managements need to provide their staff with encouragement and sound interaction; they should encourage the staff to come forward with innovative ideas and measurements for improving any problems that the hotel is facing. The managements should provide their staff with training that focus on equipping the staff with skills in communication to enhance cooperation and coordination, which translates into quality service delivery that is reflected in improved productivity and profitability.

The findings of the study showed that there was free interaction among employees and management and that the management encouraged feedback from employees. The managements have established clear mechanisms for giving feedback and that they responded and appreciated feedback. The hotels adopted the open door policy adopted in their organization aimed at encouraging the employees to communicate any complaint, concerns or ideas with the managers. The feedback from the employees was given much prominence particularly considering that they are the one who interact with hotel guests most of the time. The cohesion between teams relies on open communication through which the hotel's goals and objectives are communicated and also through which arising problems can be resolved. The feedback mechanism adopted is reflective of the constructs of the social exchange theory whereby successful internal

communication involve two-way communication (Sharaf-Addin & Fazel, 2021): the management communicates the vision and goals of the organization, including the targets that the employees are expected to realize with a certain period; the employees communicate their ideas, challenges and grievances, which when acknowledged and acted upon by the management, improve the employees' sense of belonging to the company and motivates them to reach their tasks targets and more specifically serve the customers better marketplace (Dudic et al., 2020). Besides, the learning and development construct of the balanced score card model also covers the internal communication variable in terms of information and knowledge sharing amongst the employees, teamwork, and the use of IT products to interact and the use effective use of marketing information (Sharaf-Addin & Fazel, 2021).

Previous studies such as Amimo, Gekara & Moronge, (2020) and Chepchumba, (2022) reiterated the importance of feedback in supporting robust internal communication in organizations. Amimo, Gekara & Moronge, (2020) found that effective internal communication results in the establishment of a robust feedback mechanism between the staff and their supervisors or managers, which in turn culminates in responsiveness within and between the hotel department which favors effective and efficient service delivery to guests. Consequently, departments can coordinate to speedily address challenges that the hotel guest experiences thereby creating an image of responsiveness and reliability. Chepchumba, (2022) also established that feedback is the hallmark of effective internal communication, which translates into delivering effective, timely, quality products and services to the employees in other teams and departments, which in turn boost the quality and efficiency of service delivery to the external customers.

5.3.3 Effects of Internal Communication On the Performance of Five-Star Hotels

The third objective of the study sought to the effects of internal communication on the performance of five-star hotels in Nairobi County. The regression analysis findings indicated that there was a positive and significant relationship between internal communication and five-star hotel performance. The descriptive findings revealed that employees stay focused on the hotel goals even when conflicts occur and that teams are dedicated to pursue the goals with a unified purpose. This finding concurred with that by Čuić Tanković, Bilić, Brajković, (2022) that sound internal communication developed feelings of openness, trust, support, impartiality, safety, and security. This motivates the staff to give their best in whatever roles and responsibilities that they are assigned, which translates into productivity and profitability in hotel establishments.

The findings also indicated that employees are adequately informed about my job performance and that that information in their organization is shared among employees. This was evident considering that internal communication facilitated the sharing of information, which enabled them to reach goals together through teamwork. Besides, internal communication crises that could disrupt hotel operations are duly addressed in such a manner that their effects are minimized. Previous studies such as Amimo, Gekara & Moronge, (2020) and Chepchumba, (2022), which reported similar findings. On one hand, Amimo, Gekara & Moronge, (2020), established that internal marketing should be spearheaded by the top management and be communicated down to the staff at all levels of the organization. For instance, when the staff is aware of the new service-oriented strategies that their organization has adopted they are well placed to communicate the same to the customers. Insufficient information sharing results in ambiguity, uncertainty, and other organizational challenges such as the decline in employees' job satisfaction and productivity. On the other hand, Chepchumba, (2022),

also found that hotel managements need to provide their staff with encouragement and sound interaction; they should encourage the staff to come forward with innovative ideas and measurements for improving any problems that the hotel is facing. The managements should provide their staff with training that focus on equipping the staff with skills in communication to enhance cooperation and coordination, which translates into quality service delivery that is reflected in improved productivity and profitability.

The findings of the study showed that there was free interaction among employees and management and that the management encouraged feedback from employees. The managements have established clear mechanisms for giving feedback and that they responded and appreciated feedback. The hotels adopted the open-door policy adopted in their organization aimed at encouraging the employees to communicate any complaint, concerns or ideas with the managers. The feedback from the employees was given much prominence particularly considering that they are the one who interact with hotel guests most of the time. The cohesion between teams relies on open communication through which the hotel's goals and objectives are communicated and also through which arising problems can be resolved. The feedback mechanism adopted is reflective of the constructs of the social exchange theory whereby successful internal communication involve two-way communication (Zhang & Fei, 2022): the management communicates the vision and goals of the organization, including the targets that the employees are expected to realize with a certain period; the employees communicate their ideas, challenges and grievances, which when acknowledged and acted upon by the management, improve the employees' sense of belonging to the company and motivates them to reach their tasks targets and more specifically serve the customers better marketplace (Hsiao et al., 2023). Besides, the learning and development construct of the balanced score card model also covers the internal

communication variable in terms of information and knowledge sharing amongst the employees, teamwork, and the use of IT products to interact and the use effective use of marketing information (Benková et al., 2020).

Previous studies such as Achieng & Pepela, (2023) and Chepchumba, (2022) have also reiterated the importance of feedback in supporting robust internal communication in organizations. Achieng & Pepela, (2023) found that effective internal communication results in the establishment of a robust feedback mechanism between the staff and their supervisors or managers, which in turn culminates in responsiveness within and between the hotel department which favors effective and efficient service delivery to guests. Consequently, departments can coordinate to speedily address challenges that the hotel guest experiences thereby creating an image of responsiveness and reliability. Chepchumba, (2022) also established that feedback is the hallmark of effective internal communication, which translates into delivering effective, timely, quality products and services to the employees in other teams and departments, which in turn boost the quality and efficiency of service delivery to the external customers.

5.4 Conclusion

Strategic rewards have a positive and statistically significant relationship with hotel performance of five-star hotels. Strategic rewards encompass elements such as job autonomy; fair remuneration that is commensurate to employee's skills, knowledge and experience; fair promotion that is based on meritorious output; and enhanced wellbeing of the employees at the workplace. The provision of these strategic rewards develops trust and loyalty amongst the employees and also motivates them to give their best output in the quest to realizing the goals and objectives of the organization. Strategic rewards also contribute towards the enrichment of guest experience since the employees feel valued by their employer and are incentivized to go out of their way to meet and

even exceed the expectations of the hotel guests. This translated into improved hotel guest experience.

There is a positive relationship between training and five-star hotel performance, even though the relationship is not statistically significant. The trainings are provided in the form of coaching, mentorship, seminars, conferences and workshops. The hotels have developed training manual that are customized to factor in the skill needs of the employees. The structuring of the training programs also takes into account the need for technological advancement, and organizational goals and objectives. This is considered pertinent when it comes to upscaling the knowledge, skills and competencies of the employees. Through the training the roles and responsibilities of each employee are clarified, and they are also provided with the guidance that they need to reach their full potential. Some of the key areas of competence covered in the trainings include customer service, and housekeeping through which employees are equipped with decision-making and problem solving skills.

The relationship between internal communication and the performance of five-star hotels is positive and significant. Sound internal communication addresses both the vertical and horizontal communication needs in the organization. The horizontal communication involves interactions between staff within teams and/or departments, which results in sharing of ideas on how to better the services rendered or solve emergent problems. Effective intra and inter team communication result in effective and efficient service delivery. The vertical communication involves the interactions between the employees and their supervisors or managers. Through this approach the employees and managers share feedback on various organizational issues, which facilitate quick resolutions to emergent problems and increased cooperation and

coordination, which translates into quality service delivery that is reflected in improved productivity and profitability.

5.5 Recommendations

The provision of strategic rewards is necessary for enhancing the performance of five star hotels. Therefore, hotels should develop a wholesome mix of strategic rewards that include elements such as job autonomy, fair remuneration, fair job promotion, and promotion of employees' welfare and wellbeing. This will encourage the employees to develop trust and loyalty to their employers and become productive in their respective roles and responsibilities.

The use of training to enhance performance in five-star hotel should be premised on a skill needs assessment, which will help the hotel establishment to identify the areas of knowledge and skills amongst the employees that should be addressed through providing training programs. The provided training should adopt a variety of training approaches to include coaching, mentorship, seminars, conferences and workshops, which will ensure that training is an ongoing process rather than one off event. All provided training should aim at equipping the employees with decision making and problem solving skills so that they can become autonomous and productive in their respective job roles.

Hotel establishment should establish robust structures that will encourage healthy vertical and horizontal communication within their organizations. Vertical communication is encouraged through the adoption of an open-door policy whereby the employees are free to approach their supervisors and managers with work-related ideas, concerns or complaints. This enables the establishment of a feedback mechanism that help the organization to resolve emergent challenges speedily and adopt innovative

ideas that will support productivity and profitability. Horizontal communication between individual employees and teams should also be encouraged as it is essential for engendering collaboration and cohesion, which results in synergy required to enhance hotel performance.

5.6 Suggestions for Future Studies

This study focused on strategic rewards, training and internal communication as the elements or components of internal marketing. Further studies looking at the relationship between strategic internal marketing and five star-hotel performance should focus on other internal marketing elements such as employer branding, and performance management.

This study focused on performance in five-star hotels. Further studies should investigate the intersection between strategic internal marketing and the performance of other lower cadre hotels based on strategic internal marketing dimensions such as strategic rewards, training and internal communication.

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APPENDICES

Appendix I: Introduction Letter

TO WHOM IT MAY CONCERN.

My name is Caroline Jerotich Koech, a student at Moi University, School of Hospitality, Tourism and Events management. I am conducting a study on ***“Effects of Strategic Internal Marketing Strategies on Performance of Five Star Hotels in Nairobi County.”*** Whatever information you shall provide will be kept strictly confidential and used only for the purposes of this study. Participation in the study is voluntary and you can choose not to answer any individual question or all of the questions.

Thank you very much for your participation,

Yours faithfully,

Caroline Koech (Researcher)

Appendix II: Questionnaire

1. Gender

MALE ☐ FEMALE ☐

2. Age

18 – 25 years ☐ 26- 30 years ☐
 31-35 years ☐ 36- 40 years ☐
 41-45 years ☐ Above 45 years ☐

3. How long have you worked in this hotel?

Less than one year ☐ 1 -5 years ☐ 6 - 10 years ☐ Over 10 years ☐

4. Please indicate which department you work in at the hotel

Reservation ☐ Guest service ☐ Check-in & Check-out ☐, Finance & Cashiering ☐
 Foreign Exchange ☐ Room Assignment ☐ Inquiry ☐

5. Indicate how long you have been working in your current position

Less than one year ☐ 1 to 5 years ☐ 6 to 10 years ☐ Over 10 years ☐

SECTION B: STRATEGIC REWARDS

6. Indicate your agreement or disagreement regarding strategic rewards. Indicate only one appropriate option where 5=Strongly Agree, 4= Agree, 3= Neutral, 2=Disagree, 1-Strongly Disagree.

	1	2	3	4	5
I am motivated to solve the challenges that our guests experience because my efforts are often rewarded.					

I am committed to meet the expected standards of service delivery because my dedication will be acknowledged.					
I well understand the expected performance and this helps me to strive to achieve them.					
The reward system in our organization is proportionate to our skills and services.					
Going an extra mile to provide services to our customers is likely to get one promoted.					
I feel valuable to the hotel for the services I render due to my pay and other benefits.					
I am motivated to be more diligent in my tasks by the prospects of promotion.					
The freedom to plan and execute my tasks with minimal supervision makes me more satisfied with my work.					
I am inspired to do my best when I am given a challenging task to complete.					
The working environment in my organization allows us to be effective and productive.					

SECTION C: TRAINING

7. Indicate your agreement or disagreement regarding training. Indicate only one appropriate option where 5=Strongly Agree, 4= Agree, 3= Neutral, 2=Disagree, 1-Strongly Disagree.

	1	2	3	4	5
Training is important in enabling us to upgrade our knowledge and skills.					

The available training is designed to address the job areas where we need knowledge and skills upgrading.					
The training provided empower us to become effective in our roles and responsibilities at the hotel.					
The provided training enables us to provide quality services to hotel guests.					
The knowledge and skills we acquire during training enhance our prospects for promotion at the hotel.					
My assigned tasks enable me to apply what I learn from the training programs.					
The provided training enables me to perform better in my job.					
The provided job training promotes team spirit and collaboration amongst the employees.					
The exposure we acquire through training boosts our self-confidence at the workplace.					
The provided training enhances our competence making us able to maximize organization resources.					

SECTION D: INTERNAL COMMUNICATION

8. Indicate your agreement or disagreement regarding the internal communication in your organization. Indicate only one appropriate option where 5=Strongly Agree, 4= Agree, 3= Neutral, 2=Disagree, 1-Strongly Disagree.

	1	2	3	4	5
I am informed of how my work helps the hotel to meet its performances goals and objectives.					
I am well informed about the vision and mission of the hotel.					
I am well aware about the operational policies of the hotel.					
I am adequately informed about my job performance, which help me to make adjustments where need be.					
I am satisfied with the feedback from the management whenever my performance is impressive.					
The hotel management responds promptly and positively whenever I need assistance in my tasks.					
The hotel management provide adequate information about any critical changes that can affect our work.					
There are established channels for resolving any emergent issues quickly.					
The hotel management has established an environment where information is shared without fear of victimization.					
There are clear structure of where to get information whenever need arises.					

SECTION F: HOTEL PERFORMANCE

9. Indicate your agreement or disagreement regarding hotel performance. Indicate only one appropriate option where 5=Strongly Agree, 4= Agree, 3= Neutral, 2=Disagree, 1-Strongly Disagree.

	1	2	3	4	5
Higher employee satisfaction levels boost the performance of the hotel					
Increased and consistent occupancy rate is an indicator of good hotel performance.					
An increase of loyal hotel guest reflected better hotel performance.					
Better hotel performance is indicated by increased hotel guests' satisfaction.					
The swift response to customer complaints is a key feature of better hotel performance.					
The increase in sales reflect increased hotel performance.					
The productivity of each employee contribute to the overall performance of the hotel.					
Realizing the hotel's performance targets rely on the input from the management.					
Effective marketing of the hotel services is essential in attaining performance targets.					

Hotel performance relies on quality service provision which attracts and retains customers.					
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Thank you for your participation

Appendix III: Interview Guide

SECTION A: HOTEL PERFORMANCE

1. How is performance measurement important for your organization?
2. What are some of the financial ways that you use to measure performance in your organization?
3. What are some of the non-financial ways that you use to measure performance in your organization?
4. What are some of the challenges you face that affect the performance of your hotel?

SECTION B: STRATEGIC REWARDS

5. Do you provide your staff with strategic rewards?
6. What are some of your aims of providing the staff with strategic rewards?
7. How do strategic rewards influence the performance of your hotel?

SECTION C: TRAINING

8. What are some of the training programs that you provide for your staff?
9. What informs the training programs that you provide to the staff?
10. How does training influence the performance of your hotel?

SECTION D: INTERNAL COMMUNICATION

11. What are the aims of internal communication in your organization?
12. What strategies do you employ for internal communication in your organization?
13. How does internal communication influence the performance of your hotel?

Appendix IV: Work Plan

Year	2023						
	Jan – May	May	May – July	July – August	August	November	November
Proposal development							
Proposal defense							
Data collection, cleaning, analysis and presentation							
Report writing and presentation of first draft							
Corrections and presentation of second draft							
Thesis preparation, manuscript writing and publication							
Thesis defense and graduation							

Appendix V:

NO	ITEMS	SPECIFICATIONS	QUATITITY	UNIT COST IN KSH	TOTAL COST IN KSH
1.	Printing Paper for Printing Proposal Drafts, Questionnaires and Research Reports	A4 Paper Premium Quality	7 Reams	500	3500
2.	Printing Cartridge	Ink Cartridge	5 Refills	600	5000
3.	Pens, Foolscaps and Notes Books	Premium Quality	A Dozen Pens 1 Ream Foolscap 10 Note Books	20 300 30	240 300 300
4.	Food and Drinks Transport				10000 2000
5.	Internet Bundles Airtime				10000 5000
6.	Research Assistants		5	1000	5000
7.	Data Analyst		1	5000	5000
8.	Binding Final Copies Proposals Research Report		8 8	200 1000	1600 8000
9.	Contingencies				10 000
TOTAL					72 340

Appendix V: NACOSTI Research License

 REPUBLIC OF KENYA Ref No: 586515	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION Date of Issue: 31/May/2020
RESEARCH LICENSE	
	
This is to Certify that Ms. CAROLINE JEPCHEROTICH KOECH of Moi University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: EFFECTS OF STRATEGIC INTERNAL ON PERFORMANCE OF FIVE STAR HOTELS IN NAIROBI COUNTY for the period ending: 31/DECEMBER/2022.	
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Appendix VI: Plagiarism Awareness Certificate



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THESIS WRITING COURSE

PLAGIARISM AWARENESS CERTIFICATE

This certificate is awarded to

CAROLYNE JEROTICH KOECH

STHE/PGH/001/12

In recognition for passing the University's plagiarism

Awareness test for Thesis entitled: **EFFECT OF STRATEGIC INTERNAL MARKETING ON PERFORMANCE OF FIVE STAR HOTELS IN NAIROBI COUNTY** with similarity index of 1% and striving to maintain academic integrity.

Word count: 20582

Awarded by

Prof. Anne Syomwene Kisilu

CERM-ESA Project Leader Date: 05/07/2024