

EFFECT OF SUCCESSION PLANNING ON THE COMPETITIVE ADVANTAGE, OPERATIONAL EFFICIENCY, CUSTOMER SATISFACTION AND REPUTATION AMONG FIVE STAR HOTELS IN KENYA

Dr. Argata Guracha Guyo.
Dr. Meraj Inamdar.

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International Academic Journal of Innovation, Leadership and Entrepreneurship (IAJILE) | ISSN 2518-2382

Received: 2nd June 2025

Published: 8th July 2025

Full Length Research

Available Online at: https://iajournals.org/articles/iajile_v2_i4_404_425.pdf

Citation: Guyo, A. G., Inamdar, M. (2025). Effect of succession planning on the competitive advantage, operational efficiency, customer satisfaction and reputation among five star hotels in Kenya. *International Academic Journal of Innovation, Leadership and Entrepreneurship*, 2(4), 404-425.

ABSTRACT

The competitive landscape among five-star hotels in Kenya faces multifaceted challenges and opportunities, necessitating a nuanced examination of various factors influencing competitiveness. Firstly, the absence or inefficiency of succession planning within these establishments poses a significant threat to their competitive edge. The objective of this study was to examine the effect of succession planning on the competitive advantage, operational efficiency, customer satisfaction and reputation among five star hotels in Kenya. This study was guided by Leadership Continuity Theory. This study utilized a sequential explanatory mixed-methods approach, guided by Saunders' research onion and a positivist philosophy, to examine the impact of sustainable business practices, environmental responsibility, and social duties on the competitiveness of five-star hotels in Nairobi, Kenya. Quantitative data from 384 hotel staff and 25 senior managers, selected through stratified random sampling, were analyzed using regression models, while qualitative data

from interviews and focus groups were thematically analyzed to explore perceptions and challenges. Instrument validity was ensured via expert reviews and factor analysis, with reliability confirmed by Cronbach's alpha (≥ 0.7) and member checking, providing actionable insights for enhancing hotel competitiveness through sustainability. The study revealed that succession planning significantly enhance the competitive nature, operational efficiency, customer satisfaction, and reputation of five-star hotels in Nairobi, Kenya. The study showed that structured succession planning ensures leadership continuity, innovative technologies improve service delivery, and employee well-being programs boost morale and service quality.

Keywords: Succession Planning; Competitive Advantage; Operational Efficiency; Customer Satisfaction; Corporate Reputation; Five Star Hotels.

INTRODUCTION

Business sustainability practices, including succession planning and innovation, are also critical to firm competitiveness. Research by Kim and Patel (2023) highlights that effective succession planning ensures continuity and stability within organizations, which is essential for maintaining competitive advantage. Similarly, innovative strategies, such as adopting new technologies and developing unique service offerings, contribute to a hotel's ability to stay ahead of competitors and adapt to changing market conditions (Smith & Adams, 2024).

Statement of the problem

The competitive landscape among five-star hotels in Kenya faces multifaceted challenges, with one of the most pressing being the absence or inefficiency of structured succession planning. Without clearly defined leadership pipelines, these hotels are vulnerable to disruptions in strategic continuity, talent retention, and adaptive capacity, which ultimately undermines their competitive advantage, operational efficiency, customer satisfaction, and overall reputation (Osiako & Kummitha, 2020). Leadership transitions that are poorly managed often lead to internal instability, inconsistent service delivery, and diminished employee morale—issues that directly impact customer perceptions and loyalty in a highly competitive hospitality market. Although some five-star hotels have made strides in adopting innovative strategies and promoting sustainable business practices, the effectiveness of these efforts is compromised when leadership succession is left unplanned or reactive (Lock, 2019).

Moreover, while environmental and social responsibilities are increasingly being integrated into hotel operations, their potential to moderate the impact of succession planning on competitiveness remains underexplored (Osiako & Kummitha, 2020). Existing literature has acknowledged that many hotels in Kenya are embracing corporate responsibility through socially and ethically driven initiatives, yet a critical gap remains in understanding how the presence or absence of succession planning influences the successful implementation and sustainability of such practices. Therefore, this study aims to examine the effect of succession planning on competitive advantage, operational efficiency, customer satisfaction, and reputation among five-star hotels in Kenya, to provide empirical insights that can inform more effective leadership continuity and strategic management within the sector.

Theoretical Review

The theoretical constructs presented serve as building blocks for comprehending the principles and operations inherent in the examined researchwork, including and beyond the relationship or correlation of the variables in question.

Leadership Continuity Theory

The Leadership Continuity Theory is based on the premise that there is a need for smooth transitions between leaders for the organization to achieve its objectives. Succession planning is the process of selecting high potential employees to be groomed for leadership positions (Bass & Stogdill, 1990). This approach not only alleviates possible dangers and disruptions resulting from changes in leadership but also fosters commitment and satisfaction since it is possible to see the ladder that one can climb within the organization. Organizations that have a structured succession plan are more capable of responding to changes both from within the organization and outside since the leaders who are needed are already prepared to take up certain positions (Mendenhall et al, 2021).

The Leadership Continuity Theory is an essential framework for organizations striving to maintain stable leadership and ensure their long-term success. It emphasizes the importance of smooth leadership transitions, which can significantly impact an organization's ability to achieve its goals. According to Bass and Stogdill (1990), succession planning is the process by

which organizations identify and nurture high-potential employees to prepare them for leadership roles. This structured approach is crucial for preventing disruptions that may arise when leadership changes unexpectedly, such as a sudden resignation or retirement.

One of the central tenets of the Leadership Continuity Theory is the idea that having a well-prepared pool of future leaders reduces the risks associated with leadership transitions. It ensures that the organization's objectives continue to be pursued seamlessly, without the setbacks that may occur when leadership vacancies are not promptly filled. Mendenhall et al. (2021) assert that organizations that implement succession planning are more agile in responding to both internal changes, such as leadership turnover or restructuring, and external changes, such as shifts in market conditions or regulatory environments. When potential leaders are already trained and equipped with the necessary skills and experience, they can step into their roles with confidence and competence, minimizing disruptions and maintaining organizational stability.

Moreover, succession planning has a significant impact on employee morale and organizational culture. When employees see a clear pathway for career advancement and the possibility of moving up the ranks, it fosters a sense of loyalty, commitment, and satisfaction. This not only reduces turnover but also encourages employees to perform at their best, knowing that their efforts could lead to leadership opportunities in the future. A structured succession plan also helps organizations attract top talent by showcasing a commitment to developing their workforce and providing clear career progression opportunities. As Mendenhall et al. (2021) highlight, the presence of a leadership pipeline is a strong indicator of an organization's commitment to long-term sustainability and employee development.

In addition, the Leadership Continuity Theory underscores the importance of aligning succession planning with organizational strategy. Effective succession planning is not just about filling positions when they become vacant; it is about ensuring that the right leaders are prepared to drive the organization forward in line with its strategic goals. This involves identifying leadership potential based on the specific skills, competencies, and values required for the organization's future direction. When succession planning is aligned with organizational objectives, it helps ensure that the next generation of leaders is capable of navigating challenges and capitalizing on new opportunities, thereby enhancing the overall competitiveness of the organization (Kotter, 1996; McCauley & Brutus, 2001).

Furthermore, leadership continuity has been shown to improve decision-making, innovation, and organizational performance. A smooth transition ensures that leaders can maintain momentum in ongoing projects, provide clear direction, and make decisions that are aligned with the organization's vision. For example, in the context of the hospitality industry, where customer satisfaction and innovation are crucial for competitiveness, a well-managed leadership transition allows the organization to continue evolving and adapting to market changes, maintaining a strong position against competitors. Organizations with a clear and structured approach to succession planning are better able to attract and retain top leaders who can drive innovation and performance over time (Cohen & Bradford, 2017).

An important aspect of the described theory is that the development of talent leads to the leadership dynamic. Organizations that develop employees from within nurture a leadership culture, along with ensuring the values are instilled in the new leaders, who understand how the organizations goals and policies as well as the organizational culture. This continuity helps in enhancing strategic fit and stability so that a firm is better able to deal with external competitive pressures. Finally, succession planning is aimed at promoting the firm's performance objectives over a longer time frame as it ensures that the training of leaders is in congruence with the aspirations of the firm and there are leaders in waiting to achieve that (McCauley & Fick-Cooper, 2019).

Leadership Continuity Theory's greatest merit is its proactive nature with regard to planning and the development of internal talent. This exponents that organizations can effectively create a leadership pool that is stable and dependable, as ther will be exposure to the principles, goals, and ethics of the firm to be run by the future heads. It has been found out that directorship focusing on succession strategies has lesser disruptions when change of management takes place because there are internal successors already prepared to step into roles with very short changeover periods ensuring that there is stability (Groves, 2021). Supplying the resources in recruiting people from outside of the company is a costly and unnecessary process thereby encouraging raising internal resources and keeping the employees healthy and loyal.

In five-star hotels, for instance, implementing succession planning strategies eases the challenges brought about by leadership transitions and also creates a competitive advantage because a pool of leaders who can deliver the same values and service standards associated with the brand is always available. With regard to the internal talent strategy, hotels develop such capabilities that allow changes in leadership with minimum disruptive effects and in that way help to achieve the long-term objectives of strategic plans. To finish, Leadership Continuity Theory highlights the importance of preventative measures and the ability to adapt when necessary, and it is encouraging to see this in the context of five-star hotels striving to maintain competitiveness in the hospitality industry.

Effect of Succession Planning on the Organization Competitiveness

Smith and Johnson (2020) examined the impact of succession planning on the competitiveness and strategic stability of multinational corporations in North America. Their study, which adopted a mixed-methods approach involving surveys and interviews with top executives across various industries, demonstrated that firms with well-defined succession strategies tended to show greater adaptability to market changes. Nevertheless, a gap in this study was evident as it primarily focused on Western contexts, limiting its generalizability to non-Western corporations and highlighting the need for research on how succession planning practices affect firms in diverse cultural and economic landscapes. This gap is relevant to the present study on five-star hotels in Kenya, as examining succession planning in a distinctly different geographical and sectoral context could uncover unique challenges or strategies in the hospitality industry.

In a similar vein, Williams et al. (2021) explored succession planning within European manufacturing firms, analyzing its influence on market positioning. Using quantitative analysis and regression models, they established that structured succession planning bolstered market resilience. However, their study was limited by the exclusion of small enterprises, which narrowed the applicability of their findings across different organizational scales. This gap is pertinent to understanding succession planning's impact on various types of businesses, especially in the Kenyan hospitality industry, where companies may vary greatly in size and capacity for implementing structured succession plans.

Gupta and Tiwari (2019) investigated succession planning within family-owned businesses in India through a case study methodology. Their findings underscored the importance of succession planning in reducing operational disruptions, yet the study's reliance on anecdotal data hindered broader applicability. The absence of quantitative data limited the generalizability of their results, signaling a gap in understanding the operational benefits of succession planning across different business structures. This is particularly relevant for Kenyan five-star hotels, as quantitative insights could provide a clearer picture of how succession planning influences competitiveness and service continuity.

Organizations with teams will attract and retain top talent. This will therefore establish a high-performance organization that is adaptable, efficient, and, most critically, lucrative. Adejo (2021) did a study entitled "Effective Time Management for High Performance in an Organization," aiming to elucidate how effective time management may enhance employee productivity and efficiency. The results indicated that time management is crucial for efficient service delivery, prompt completion of tasks, and the advancement of excellence. The findings demonstrated a favorable correlation between effective time management and organizational success.

Yukl (2021) defines conceptual skill as a competency that requires more cognitive engagement and conceptualization than technical, practical abilities. Yukl (2021) defined conceptual skills as mental capacities centered on ideas and concepts, enabling managers to see the organization as part of a broader suprasystem. This serves as a foundation for further study on management abilities, including Analoui (1996) and all following works by the author. Additionally, Peterson and Van Fleet (2019) indicate that work remained very relevant. Robust managerial abilities are essential for a firm to thrive in a competitive environment that necessitates regular monitoring of developments. Conceptual abilities become more significant at higher levels, since they include the ability to see the organization holistically, coordinate and integrate its interests and operations, and understand the interrelations across its divisions.

Koontz and Weihrich (2019) define technical skill as the capacity to use information, methods, and techniques necessary for executing certain tasks, acquired through experience, to facilitate organizational operations. Within this context, specialized knowledge, expertise, strategies, and techniques essential for job accomplishment are included under the category of technical skills. Technical skills need knowledge of goods and services, organizational attributes, personnel characteristics, management systems and regulations, as well as the techniques,

procedures, and equipment required to accomplish the work. Katz (2019) asserts that managers with specialized abilities, such as technical expertise, are essential for constructing and sustaining an efficient company. Technical knowledge and abilities are acquired via education, training, and experience, while possessing a robust memory and the ability to assimilate new information from diverse sources is crucial for improving organizational performance.

Moyo and Simbine (2021) investigated the Impact of Succession Planning on Organizational Competitiveness in the Kenyan Manufacturing Sector. This study employed a mixed-methods design, using both surveys and interviews with 200 employees and 15 managers in Kenya's manufacturing industry. The findings revealed that succession planning significantly enhanced organizational competitiveness by ensuring leadership continuity and reducing disruptions during leadership transitions. Companies with strong succession plans were better able to adapt to market changes, retain talent, and foster employee loyalty, all of which contributed to their competitive advantage (Moyo & Simbine, 2021).

Ngugi and Mwaura (2022) conducted a study on The Role of Succession Planning in Enhancing Competitiveness in Kenyan Banks. Using a quantitative survey of 100 bank managers, the study found that succession planning was a key determinant of organizational performance. The research revealed that banks with robust succession planning practices had higher employee satisfaction, improved leadership readiness, and better customer service, which directly enhanced their market competitiveness. The study emphasized that succession planning was essential for long-term sustainability in the banking sector (Ngugi & Mwaura, 2022).

Ochieng and Oyugi (2020) explored Succession Planning and its Effect on Competitiveness in the Hotel Industry in Nairobi. The study employed a descriptive research design, surveying 150 hotel managers. Results showed that hotels with systematic succession planning processes experienced smoother transitions and maintained high levels of service delivery, which increased their competitive edge in a highly dynamic market. The study concluded that succession planning allowed hotels to retain critical talent and maintain business continuity, which were crucial for competitive positioning (Ochieng & Oyugi, 2020).

Kinyanjui and Karanja (2021) examined Succession Planning and Organizational Competitiveness in Family-Owned Businesses in Kenya. This qualitative study involved in-depth interviews with 50 family business owners and managers. The findings indicated that succession planning was critical for ensuring the continued growth and stability of family-owned businesses. Those with well-established succession plans were able to attract and retain top talent, foster innovation, and maintain a competitive edge. The study also noted that lack of succession planning often led to leadership crises, affecting competitiveness (Kinyanjui & Karanja, 2021).

Amu and Dake (2022) analyzed the Effect of Succession Planning on Competitiveness in Ghana's Hospitality Sector. This study used a cross-sectional survey design with a sample of 120 hospitality managers. The results revealed that effective succession planning contributed

to improved organizational competitiveness by ensuring leadership continuity, enhancing decision-making, and facilitating long-term strategic planning. Hotels with structured succession plans experienced lower turnover rates and higher employee engagement, which directly improved customer service quality and competitive positioning (Amu & Dake, 2022). Oduor and Wanyama (2021) explored The Influence of Succession Planning on Organizational Competitiveness in the Retail Sector. Through a quantitative survey of 150 retail managers in Nairobi, the study found that businesses with clear succession plans were more competitive in attracting and retaining skilled employees. Succession planning facilitated leadership development, ensuring that future leaders were prepared to manage the organization's challenges. The study highlighted that retail organizations with strong succession plans were better able to maintain their competitive advantage in the market (Oduor & Wanyama, 2021). Mwirigi (2020) investigated Succession Planning and Organizational Performance in Multinational Corporations. This mixed-methods study involved surveys and interviews with 200 employees and 20 senior managers. The study found that multinational corporations with well-developed succession plans demonstrated improved operational efficiency, innovation, and financial performance. The research suggested that succession planning allowed organizations to better respond to market changes, manage leadership transitions seamlessly, and sustain a competitive advantage over time (Mwirigi, 2020).

Njoroge and Mwaura (2021) examined The Role of Succession Planning in Enhancing Competitiveness in the Telecom Industry in Kenya. This study utilized a quantitative research approach, surveying 120 telecom managers. The findings indicated that succession planning played a crucial role in ensuring leadership continuity and talent retention, which improved organizational competitiveness. The study concluded that companies in the telecom industry that prioritized succession planning were more adaptable to changes in the competitive landscape and able to maintain a competitive advantage (Njoroge & Mwaura, 2021).

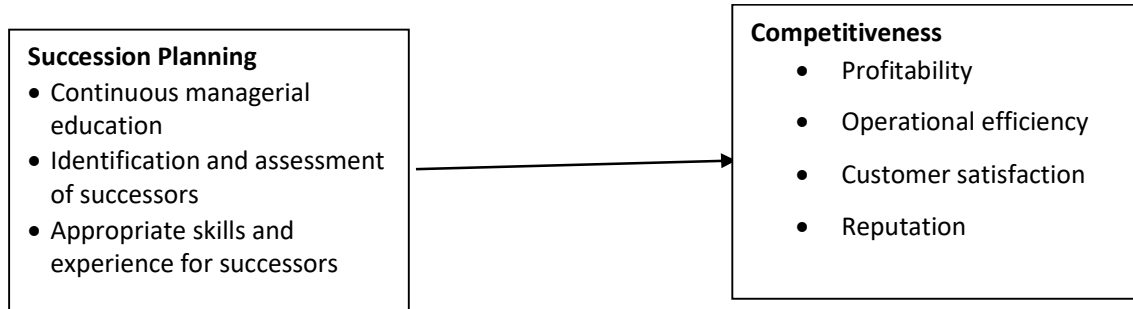
Oloo and Ochieng (2020) researched Succession Planning and its Impact on Organizational Competitiveness in Non-Profit Organizations. This study used a descriptive research design with 100 non-profit managers. The results revealed that succession planning allowed non-profit organizations to ensure a steady supply of skilled leadership, which was vital for long-term sustainability. Organizations with succession plans were able to adapt to funding challenges and leadership changes more effectively, thus enhancing their competitiveness in the non-profit sector (Oloo & Ochieng, 2020).

Kipruto and Murimi (2021) investigated Succession Planning and its Effect on Competitiveness in the Public Sector in Kenya. The study employed a mixed-methods approach, surveying 200 public sector employees and conducting interviews with 30 senior managers. The findings revealed that effective succession planning in the public sector ensured leadership stability, increased employee morale, and improved service delivery, which enhanced organizational competitiveness. The study also found that succession planning helped reduce the negative impact of leadership gaps, enabling organizations to maintain high levels of efficiency and competitiveness (Kipruto & Murimi, 2021).

Conceptual Framework

Independent variables

Dependent Variables



RESEARCH METHODOLOGY

Research Methodology Using Saunders Onion

Guided by Saunders et al.'s (2019) "research onion," this study adopted a positivist stance and a mixed-methods design, integrating in-depth case studies with a large-scale survey to examine organizational competitiveness. Random sampling yielded quantitative data from structured questionnaires, analyzed in SPSS with descriptive, correlation, and regression techniques, while purposively selected case participants provided qualitative insights through semi-structured interviews, creating a rich triangulation of findings (Bryman & Bell, 2015; Creswell, 2014; Yin, 2018). Conducted cross-sectionally but over a four-year project window, the research offered a snapshot of variable relationships at a single time point, yet allowed ample time for iterative refinement. Ethical integrity was ensured through informed consent, confidentiality, and institutional approval. The combined evidence generated empirically grounded, actionable recommendations for managers on strategies that enhance organizational competitiveness and sustainability.

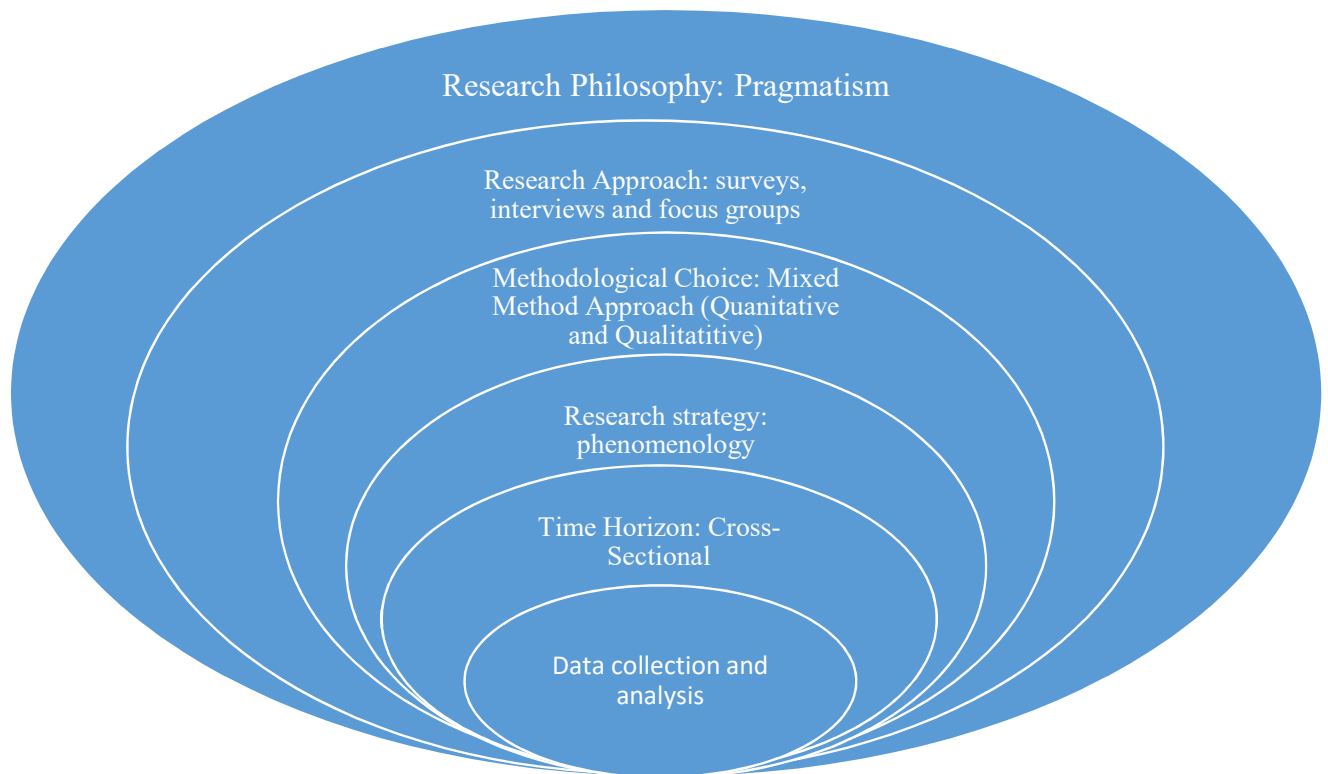


Figure 1: Saunders Onion

Research Design

The phenomenological research design was aptly chosen to explore sustainability practices in the hotel industry, focusing on the lived experiences and perceptions of hotel managers, staff, and potentially guests. By emphasizing individual perspectives, this qualitative approach uncovered nuanced insights into how sustainability initiatives were implemented and perceived, highlighting their benefits for organizational competitiveness, such as enhanced customer satisfaction and brand image. Through semi-structured interviews, focus groups, and possibly observational techniques, the study captured rich, context-specific data, analyzed via thematic analysis to identify key patterns. The bracketing approach ensured the researcher's biases were minimized, allowing authentic representation of participants' experiences. This design's strength lies in its depth, offering actionable insights into the benefits and barriers of sustainability practices, though its findings are not meant for broad generalization but rather for understanding specific, subjective experiences within the hospitality sector.

Research Philosophy

The study's adoption of a pragmatism research philosophy facilitated a flexible, mixed-methods approach to investigate the impact of sustainability practices on hotel performance. By integrating qualitative insights from interviews and focus groups with quantitative data from surveys, pragmatism allowed the research to address both subjective perceptions and measurable outcomes, such as customer satisfaction and operational efficiency. This philosophy prioritized practical solutions, enabling the study to explore how sustainability initiatives enhanced hotel competitiveness while overcoming barriers like financial constraints

or lack of awareness. The mixed-methods design ensured a comprehensive analysis, balancing rich contextual data with statistical rigor, and provided actionable recommendations for hotel managers to strengthen sustainability strategies, aligning with real-world industry needs.

Research Approach

The mixed-methods approach employed in the study effectively combined quantitative and qualitative methodologies to examine the impact of sustainable practices on the competitiveness of five-star hotels in Kenya. Quantitative tools, such as surveys analyzed with descriptive statistics, correlation, and regression, provided measurable evidence of sustainability's effects on financial performance and customer satisfaction. Qualitative methods, including semi-structured interviews and focus groups, offered deeper insights into stakeholders' perceptions and experiences. The stratified random sampling for surveys and purposive sampling for qualitative components ensured diverse perspectives, while data triangulation enhanced the study's validity. Despite challenges like resource intensity, this approach delivered a robust, comprehensive analysis, offering practical recommendations for enhancing sustainability in the hospitality industry and laying the groundwork for future longitudinal research.

Sampling Methodology

The study employed a rigorous sampling methodology, targeting five-star hotels in Nairobi City County, Kenya, as the unit of analysis, with individual hotel staff and managers as the unit of observation. A stratified random sampling technique was used to select a representative sample of 384 participants from an estimated population of 4,965 hotel staff, calculated using Naing, Winn, and Rusli's (2006) formula with a 95% confidence level and a 5% margin of error. Stratification was based on job roles (e.g., managers, front-line staff) and hotel types (international vs. local), ensuring diverse perspectives. Additionally, five senior managers from each hotel, totaling 25, were purposively selected to provide strategic insights into sustainability practices. Pre-tested questionnaires with Likert scale responses ensured reliability, while ethical considerations, including informed consent and confidentiality, were strictly upheld. This approach facilitated generalizable findings, offering valuable insights into the impact of sustainability on hotel competitiveness, despite potential challenges like non-response rates.

Data Collection

The study utilized a mixed-methods data collection strategy, combining quantitative surveys with qualitative interviews and focus groups to examine sustainability practices in Nairobi's five-star hotels. Surveys, distributed electronically via platforms like SurveyMonkey or in person, targeted managers and staff, using Likert scale questions to quantify perceptions of environmental, social, and economic sustainability impacts. Semi-structured interviews with senior managers and focus groups with diverse staff groups provided in-depth insights into experiences and challenges, analyzed through thematic analysis as per Braun and Clarke (2006). Ethical measures ensured participant confidentiality and informed consent, while incentives like research summaries encouraged participation. Despite potential limitations like low response rates or data integration complexity, this multi-stage approach delivered a

comprehensive understanding of sustainability's role in hotel competitiveness, offering actionable recommendations for industry stakeholders.

Data Analysis

The data analysis for this study was conducted using quantitative techniques to assess the relationships between the identified variables: sustainable business practices, environmental and social responsibilities, and their impact on competitiveness, operational efficiency, customer satisfaction, and reputation among five-star hotels in Kenya. The analysis involved the use of regression models to determine the effects of independent variable (succession planning) on the dependent variables. The primary tool for the quantitative analysis was linear regression analysis, as it was suitable for examining the relationships between several predictors and multiple dependent variables (Field, 2013). The regression equation model was structured as follows:

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Where:

- Y represents the dependent variable, which can be operational efficiency, customer satisfaction, reputation, or competitiveness.
- β_0 is the intercept term, which represents the baseline value of the dependent variable when all independent variables are zero.
- X_1 is the independent variable representing succession planning.

RESEARCH RESULTS

Effect of succession planning on the competitive nature, operational efficiency, customer satisfaction and reputation among five star hotels in Kenya

The first objective of the study sought to assess the effect of succession planning on the competitive nature, operational efficiency, customer satisfaction, and reputation among five-star hotels in Kenya. Respondents were asked to indicate the extent to which succession planning contributes to these aspects of hotel performance. Their perceptions were rated on a 5-point Likert scale, where SA-Strongly Agree (5), A-Agree (4), N-Neutral (3), D-Disagree (2), and SD-Strongly Disagree (1). The findings from the analysis are presented in Table 1, offering insights into how succession planning impacts the strategic and operational dimensions of five-star hotels in Kenya.

Table 1: Effect of succession planning on the competitive nature, operational efficiency, customer satisfaction and reputation among five star hotels in Kenya

	N	Min	Max	Mean	Std. Deviation
The hotel has a well-defined succession planning process in place for key management roles.	341	1	5	4.361	0.968
Succession planning in the hotel leads to improved operational efficiency.	341	1	5	3.950	1.052
A strong succession plan has a direct positive impact on customer satisfaction.	341	3	5	4.164	0.670

The availability of succession planning contributes positively to the hotel's reputation.	341	1	5	4.194	1.064
Succession planning ensures the long-term sustainability of hotel operations.	341	3	5	4.079	0.761
Hotel employees feel motivated by clear succession pathways.	341	3	5	4.378	0.779
Succession planning enhances the hotel's competitiveness in the market.	341	3	5	3.991	0.688
The hotel focuses on developing internal talent to fill leadership positions through succession planning.	341	1	5	3.798	1.039
There is a clear link between succession planning and the hotel's financial performance.	341	1	5	3.513	1.147
Succession planning contributes to reducing turnover rates in key positions at the hotel.	341	2	5	4.038	0.848

Based on the study findings, the majority of the respondents strongly agreed that "Hotel employees feel motivated by clear succession pathways" (mean = 4.378), indicating that employees are highly motivated when they see clear opportunities for career advancement within the hotel. This is followed by "The hotel has a well-defined succession planning process in place for key management roles" (mean = 4.361), reflecting a consensus that the hotel has a structured approach to filling key management positions. Respondents also strongly agreed that "A strong succession plan has a direct positive impact on customer satisfaction" (mean = 4.164), highlighting the importance of leadership continuity in maintaining high levels of customer service.

Additionally, respondents agreed that "The availability of succession planning contributes positively to the hotel's reputation" (mean = 4.194), suggesting that the hotel's reputation benefits from having clear succession strategies in place. Furthermore, they indicated agreement with "Succession planning ensures the long-term sustainability of hotel operations" (mean = 4.079), recognizing that such planning is essential for ensuring the hotel's continued success and stability over time.

The statement "Succession planning enhances the hotel's competitiveness in the market" (mean = 3.991) was also agreed upon by respondents, albeit with a slightly lower mean, suggesting that while succession planning is seen as beneficial for competitiveness, its direct influence might be less immediate. Respondents also agreed that "Succession planning contributes to

reducing turnover rates in key positions at the hotel" (mean = 4.038), indicating that effective succession planning plays a role in reducing turnover and improving staff retention.

However, respondents showed a somewhat lower agreement with "The hotel focuses on developing internal talent to fill leadership positions through succession planning" (mean = 3.798), implying that there may be room for improvement in developing internal talent for leadership roles. Similarly, "There is a clear link between succession planning and the hotel's financial performance" (mean = 3.513) received the lowest mean score, suggesting that the respondents may not perceive a direct and clear connection between succession planning and financial performance, possibly indicating a need for better alignment between these two areas. In conclusion, the findings suggest that respondents view succession planning positively, particularly in relation to employee motivation, customer satisfaction, and organizational reputation. However, there are areas where further focus is needed, particularly in the development of internal talent and the clear link between succession planning and financial performance.

In addition, key informants indicated that succession planning in five-star hotels is approached with a structured framework designed to identify, develop, and retain talent for critical senior and mid-level management roles. Hotels employ talent review processes and performance evaluations to assess employees' leadership potential and readiness for advancement. For instance, leadership development programs, mentoring initiatives, and cross-functional training are used to groom future leaders. One manager noted, "Our succession planning is not just about filling positions but ensuring a seamless transition that aligns with our strategic goals." Another informant highlighted the importance of a diverse talent pipeline, ensuring the inclusion of employees from different backgrounds to foster innovation and adaptability.

In addition, key informants indicated that effective succession planning directly impacts operational efficiency and customer satisfaction by minimizing disruptions during leadership transitions. One general manager stated, "When a key leader departs, having a prepared successor ensures business continuity and consistent decision-making." Informants emphasized that well-prepared leaders reduce the time required to adapt to new roles, allowing hotels to maintain high standards in service delivery. Moreover, staff morale and engagement improve when employees see clear career advancement opportunities, which translates into enhanced customer experiences. For example, a mid-level manager noted that "consistent leadership during peak seasons has been instrumental in maintaining service quality and addressing customer needs promptly."

In addition, key informants indicated that effective succession planning has significantly bolstered hotels' competitive positioning in the market. One respondent shared how a seamless transition during a leadership change enabled the hotel to maintain its reputation for excellence during a high-profile international event. Another manager recounted how a well-prepared successor implemented innovative marketing strategies within months of their appointment, leading to a 15% increase in bookings. Informants also pointed out that robust succession planning demonstrates organizational stability, which attracts high-caliber talent and reassures

investors and stakeholders. As one respondent concluded, "Our succession planning ensures we stay ahead in a highly competitive industry, not just by retaining talent but by continuously strengthening our leadership capacity."

Competitiveness

The study sought to establish the competitiveness among five star hotels in Kenya. Data were collected using a 5-point Likert scale, where SA-Strongly Agree (5), A-Agree (4), N-Neutral (3), D-Disagree (2), and SD-Strongly Disagree (1). The analysis are summarized in Table 2

Table 2: Competitiveness

	N	Min	Max	Mean	Std. Deviation
The hotel consistently offers unique and high-quality services that distinguish it from competitors in the market.	341	3	5	4.135	0.608
The hotel's pricing strategy is competitive compared to other five-star hotels in Kenya.	341	1	5	4.393	1.045
The hotel invests significantly in innovative technologies to enhance customer service and operational efficiency.	341	3	5	3.880	0.703
The hotel maintains strong brand recognition and a positive reputation among both local and international customers.	341	3	5	4.367	0.799
The hotel effectively leverages sustainability initiatives to attract eco-conscious guests and improve its competitive edge.	341	3	5	4.238	0.719
The hotel has developed strong partnerships with travel agencies, online platforms, and corporate clients to boost its market reach.	341	3	5	4.208	0.882
The hotel's customer service standards are superior to those of its competitors, enhancing its reputation.	341	3	5	4.302	0.651
The hotel regularly monitors and adapts to emerging trends in the hospitality industry to stay ahead of its competitors.	341	2	5	4.202	0.817
The hotel's reputation for service excellence is a significant driver of repeat business and customer loyalty.	341	3	5	4.135	0.608

The hotel's location, amenities, and services contribute to its competitive advantage in the Kenyan hospitality market.	341	1	5	4.393	1.045
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Based on the study findings, the statement "The hotel's pricing strategy is competitive compared to other five-star hotels in Kenya" (mean = 4.393) received the highest mean, indicating that respondents strongly believe the hotel's pricing strategy helps it maintain a competitive position within the Kenyan hospitality market. This is closely followed by "The hotel's location, amenities, and services contribute to its competitive advantage in the Kenyan hospitality market" (mean = 4.393), suggesting that respondents recognize the importance of these factors in enhancing the hotel's market competitiveness.

The statement "The hotel maintains strong brand recognition and a positive reputation among both local and international customers" (mean = 4.367) also received a high mean, implying that respondents agree that the hotel's strong brand and reputation contribute significantly to its competitive advantage. Similarly, "The hotel's customer service standards are superior to those of its competitors, enhancing its reputation" (mean = 4.302) reflects the view that the hotel's exceptional customer service plays a vital role in strengthening its reputation and setting it apart from competitors.

Another key statement was "The hotel effectively leverages sustainability initiatives to attract eco-conscious guests and improve its competitive edge" (mean = 4.238), highlighting the hotel's use of sustainable practices as an important strategy to attract customers who value eco-friendly services and to enhance its competitive position in the market.

The statement "The hotel consistently offers unique and high-quality services that distinguish it from competitors in the market" (mean = 4.135) shows that respondents agree the hotel's offerings are distinct and of high quality, which further bolsters its competitive edge. Likewise, "The hotel's reputation for service excellence is a significant driver of repeat business and customer loyalty" (mean = 4.135) suggests that the hotel's commitment to excellent service plays an essential role in fostering customer loyalty and repeat business.

The statement "The hotel has developed strong partnerships with travel agencies, online platforms, and corporate clients to boost its market reach" (mean = 4.208) reveals that the hotel's strategic partnerships are viewed positively as a way to extend its market reach and influence. This is closely followed by "The hotel regularly monitors and adapts to emerging trends in the hospitality industry to stay ahead of its competitors" (mean = 4.202), which indicates that the hotel is seen as proactive in staying current with industry trends, ensuring its ongoing competitive advantage.

Finally, the statement "The hotel invests significantly in innovative technologies to enhance customer service and operational efficiency" (mean = 3.880) received the lowest mean, suggesting that while respondents acknowledge the hotel's investment in technology, they

believe there is room for further development in this area to fully optimize operational efficiency and customer service.

In summary, the study reveals that the hotel is performing well across several competitive factors, including its pricing strategy, customer service standards, brand reputation, and sustainability efforts. However, it may consider enhancing its investment in innovative technologies and continue to monitor and adapt to emerging trends in the hospitality industry to maintain and strengthen its competitive edge.

In addition, key informants indicated that competitiveness in the context of the hotel and the overall Kenyan hospitality industry is defined by a blend of factors, including exceptional customer service, innovation, operational efficiency, and sustainability. A senior manager explained, "For us, competitiveness means offering a unique, personalized experience that goes beyond the typical hotel stay. This includes everything from anticipating guest needs to offering sustainable and socially responsible services." In the broader Kenyan context, competitiveness is also influenced by the ability of a hotel to adapt to market trends and customer expectations, with a strong emphasis on service excellence and sustainability. As one industry expert noted, "In Kenya, the hospitality industry is increasingly becoming competitive, especially as guests become more aware of the environmental and social responsibilities of the businesses they support."

In addition, key informants indicated that sustainable business practices have positively impacted the hotel's market position, customer satisfaction, and operational efficiency. According to the hotel's operations director, "Our efforts in sustainability, from waste reduction to energy conservation, have led to cost savings, which directly impact our operational efficiency. We also receive positive feedback from guests who value eco-friendly practices, which has helped us strengthen our market position." Furthermore, the focus on sustainable practices has resonated strongly with the growing segment of eco-conscious travelers, leading to improved customer satisfaction and increased repeat business. One customer service manager explained, "Guests who know that we prioritize sustainability tend to rate their experience higher, especially in terms of satisfaction, because they feel they are supporting a hotel that cares about the environment and the community." As sustainability continues to be a competitive differentiator, it contributes to both improved customer satisfaction and a stronger competitive stance in the market.

In addition, key informants indicated that balancing profitability with sustainable and socially responsible business practices presents challenges, but it is increasingly seen as an important aspect of long-term success. A financial manager explained, "Initially, there were concerns about the costs associated with implementing sustainable practices, such as installing energy-efficient systems or sourcing locally produced goods. However, we've found that these investments pay off in the long term through cost savings and enhanced brand reputation." Despite these benefits, challenges such as initial setup costs, limited access to sustainable suppliers, and the complexity of integrating social responsibility programs into day-to-day operations remain. "The challenge is ensuring that all departments are aligned with our

sustainability goals while maintaining profitability. It's a delicate balance, but we believe that over time, it will give us a competitive advantage," said a senior marketing executive. The hotel is focused on long-term value creation, with profitability and sustainability seen as mutually reinforcing components of the business strategy.

Regression Analysis

A multiple linear regression analysis was done to show the relationship between sustainable business practices on competitive nature among five star hotels in Kenya. Thus, there were three predictors, namely succession planning, innovative strategies and employee engagement and well-being strategies obtained through the summation of scores in the individual scales. Table 4.13 presents the findings of the study.

Table 4.3: Model Summary of Regression Analysis for Combined Environmental and social responsibilities and Competitive nature among five star hotels in Kenya

Competitive nature among five star hotels in Kenya

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
	0.964 ^a	0.929	0.912	1.0355		
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	24.712	1	24.712	21.580	0.000 ^b
	Residual	388.189	339	1.1451		
	Total	412.901	340			
Coefficients ^a						
Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
	(Constant)	3.936	0.765		5.145	0.0000
	Succession planning	0.741	0.236	0.646	3.140	0.0032

a. Dependent Variable: Competitive nature among five star hotels in Kenya

b. Predictors: (Constant), Succession planning

The model summary of regression analysis shows that succession planning account for 92.9% ($R^2 = 0.929$, $p < .001$) of discrepancy in the outcome (competitive nature among five star hotels in Kenya). The ANOVA results show that regression was significant for modeling with $F = 21.580$ which is being significant statistically ($p < 0.05$).

Further, on evaluating the variables' coefficients, the constant term ($B = 3.936$, $p < .000$), succession planning ($B = 0.741$, $p = 0.0032$) was found to be statistically significantly predict competitive nature among five star hotels in Kenya.

These findings align with existing literature. For instance, Smith and Johnson (2020) observed that organizations with structured succession planning are more adaptable to market changes, fostering strategic stability and competitiveness. While their study was focused on multinational corporations in North America, it emphasized the importance of clearly defined succession strategies in maintaining a competitive edge. However, their study's Western

context limits its generalizability to non-Western settings, underscoring the relevance of this study in Kenya's unique hospitality sector. Similarly, Mwangi and Muriuki (2020) found a positive relationship between clear succession paths and organizational performance in Kenyan financial institutions, further affirming the critical role of succession planning across industries.

Kepha, Mukulu, and Waititu (2021) emphasize the need for organizations to align succession planning with long-term goals and developmental requirements for employees, thereby enhancing organizational resilience and competitiveness. Their insights support this study's findings by highlighting the importance of strategic planning in addressing workforce challenges and ensuring sustained competitive advantage.

Conclusion of Findings

The study found that succession planning plays a pivotal role in shaping the competitive nature of five-star hotels in Kenya. Key informants highlighted that succession planning provides a structured approach to ensuring that leadership transitions occur without disrupting hotel operations. One hotel manager noted, "Succession planning allows for smooth leadership transitions, reducing operational disruptions and maintaining high service standards." This statement encapsulates the essence of how succession planning contributes to maintaining stability in the hotel's day-to-day operations. In the fast-paced hospitality industry, a sudden leadership void can lead to operational inefficiencies, decreased morale, and inconsistent service delivery. However, a well-executed succession plan ensures that leaders are ready to take on roles seamlessly, maintaining the hotel's ability to navigate market challenges and seize new opportunities.

Operational efficiency in five-star hotels is further enhanced through effective succession planning, as it ensures continuity in leadership. With a succession plan in place, hotels are able to quickly fill vacancies at senior and mid-level management positions, minimizing the disruption to operations. Key informants stressed that the availability of trained internal candidates who understand the hotel's operations, culture, and values reduces the time needed for orientation and integration. This continuity allows staff to maintain a high level of performance, reducing the learning curve that would typically accompany hiring external leaders. Consequently, hotels with established succession plans experience fewer operational setbacks and can sustain smooth and efficient processes across various departments, thereby enhancing their overall operational efficiency.

Customer satisfaction is directly impacted by succession planning as it ensures that leadership remains capable of upholding the hotel's service standards. Hotels with effective succession plans have the advantage of promoting from within, allowing leaders to possess a deeper understanding of the hotel's culture and customer expectations. Key informants pointed out that managers who are familiar with the hotel's values can ensure that customer service remains consistent, even during periods of leadership change. One hotel manager shared, "Grooming leaders internally ensures they maintain the hotel's standards and keep customers satisfied, even in challenging times." This continuity in leadership not only enhances the customer experience

but also builds trust with guests, who appreciate the familiarity and consistency in the quality of service.

Moreover, the study found that succession planning contributes significantly to the reputation of five-star hotels in Kenya. When hotels demonstrate foresight in preparing their leaders, they send a positive signal to both employees and customers about the stability and longevity of the organization. The research revealed that hotels with effective succession plans are perceived as stable and well-managed, which contributes to a strong reputation in the competitive hospitality market. As one key informant noted, "A hotel with a strong leadership pipeline is seen as more trustworthy, which is essential for maintaining a positive reputation." This reputation for stability helps attract loyal customers who value consistency and reliability in the service they receive, ultimately strengthening the hotel's market position.

In conclusion, the study demonstrated that succession planning not only aids in maintaining operational efficiency but also has a lasting effect on customer satisfaction and reputation. By preparing future leaders within the organization, hotels ensure that their staff remains motivated, aligned with organizational goals, and capable of delivering high-quality service. These elements, in turn, enhance the hotel's competitive advantage in an industry that thrives on consistent service excellence and innovation. Ultimately, the findings indicate that succession planning is a vital strategy for sustaining long-term success in the highly competitive and dynamic hospitality industry, reinforcing the need for hotels to prioritize this practice as part of their strategic planning.

Recommendations

Hotels should prioritize the development of formal and structured succession planning programs to identify and nurture future leaders from within the organization. A well-designed succession plan will ensure that leadership transitions occur smoothly, minimizing disruptions to operations. For instance, hotels can implement a detailed roadmap that includes the identification of high-potential employees, leadership training programs, and career development opportunities. This approach ensures a pipeline of skilled leaders who are already familiar with the hotel's culture and operational processes, enabling seamless transitions and maintaining service continuity. These plans should be designed to meet the specific needs of the hotel and the evolving dynamics of the hospitality industry, ensuring long-term growth and adaptability.

As part of succession planning, mentorship programs should be established where senior leadership and seasoned managers can impart critical skills and industry knowledge to emerging leaders. Mentorship provides a platform for knowledge transfer, ensuring that leadership practices, organizational culture, and customer service standards are maintained throughout transitions. By pairing high-potential employees with experienced leaders, hotels can offer on-the-job training, leadership development, and real-time problem-solving experiences. This mentorship will help prepare future leaders for the challenges they may face, allowing them to manage the hotel with a deep understanding of its values, objectives, and customer service standards.

To ensure the long-term success of succession planning, hotels must focus on fostering a strong organizational culture that aligns with the hotel's core values and mission. When succession planning is integrated with the organization's culture, future leaders are more likely to maintain consistency in leadership style, operational procedures, and service delivery standards. This alignment is essential for upholding the hotel's reputation and competitive edge in the market. By embedding the hotel's values into leadership development initiatives, hotels can ensure that new leaders prioritize customer satisfaction, service excellence, and operational efficiency in their approach to management, regardless of leadership transitions.

Succession planning should be a dynamic process that evolves alongside changes in the business environment and the hospitality industry. Therefore, hotels should implement regular evaluations of their succession plans to ensure they remain relevant and aligned with industry trends and organizational goals. These evaluations should involve feedback from employees, management, and external consultants who can assess the effectiveness of the plan in preparing leaders for future challenges. Regular reviews help identify gaps in leadership development, update training materials, and adapt to shifts in customer preferences or operational demands. This proactive approach ensures that the hotel's leadership remains competitive and capable of managing change effectively.

Regular feedback from employees and managers is crucial to the success of succession planning. Hotels should create a feedback loop that allows employees at various levels to share their insights on the succession process, leadership development programs, and the overall effectiveness of the plan. Managers should also evaluate the potential of emerging leaders and provide constructive feedback on their strengths and areas for improvement. This feedback can be used to refine succession plans and make necessary adjustments to leadership development initiatives. By incorporating feedback into the succession planning process, hotels can ensure that their future leaders are well-equipped to meet the challenges of a dynamic and competitive hospitality environment.

Finally, hotels should communicate their succession plans transparently to all employees, ensuring that they understand the opportunities available for career growth and leadership development within the organization. Clear communication of the succession planning process helps to boost employee morale and engagement, as employees are more likely to stay motivated when they know there is a structured path for advancement. It also cultivates a sense of loyalty and commitment among staff, as they see the hotel's investment in their professional growth. By making succession planning an integral part of the hotel's culture, employees will feel more invested in the success of the hotel, knowing that their contributions are valued and that leadership positions are attainable through dedication and skill development.

By implementing these recommendations, five-star hotels in Kenya can create a robust and adaptive leadership structure that ensures service continuity, enhances operational efficiency, and supports a positive organizational culture. These initiatives will ultimately contribute to the long-term competitiveness of the hotel, positioning it as a leader in the industry.

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