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Influence of Strategic Alignment Practices on Project Selection Performance of Hotels in Nakuru Town, Kenya

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Abstract:
Project selection is vital phase in the project management cycle. At this phase, stakeholders evaluate each project idea and select projects of highest priority. Theory suggests that the best way to optimize project selection performance is to align this process with the company's strategy. The aim of current study was to examine the extent to which strategic alignment practices influence project selection performance of hotels in Nakuru town. Specifically, the study sought to examine the influence of objective alignment practices, core value alignment practices, and capability alignment practices on project selection performance of hotel establishments within Nakuru town. The study utilized the descripto-explanatory research design where cross-sectional data was collected from a sample of 73 participants using structured questionnaires. The sample was drawn from a population of 86 mid-level managers from eight star-rated hotels located within Nakuru Central Business District using proportionate stratification technique. The resultant data was analyzed using both descriptive statistics and regression technique. Results showed that objective alignment practices (p=0.00 and Beta= 0.611), core value alignment (p=0.001 and Beta=0.411) and capability alignment practices (p=0.00 and Beta= 0.465) have significant and positive influence on project selection performance. However, regulatory practices were found to have no significant moderating effect on the relationship between strategic alignment practices and project selection performance. The research recommended that hotels should adopt portfolio model of selecting and managing projects, and create project management offices as ways for promoting better alignment between project selection processes and organizational strategies.

1. Introduction

1.1. Background of the Study

Firms invest in projects in order to grow, regenerate themselves and remain relevant in an ever changing business environment. Organizations often receive numerous project proposals, which compete for scarce capital resources. Due to scarcity of resources, organizations are compelled to select and prioritize projects from the list of project ideas. Once a project proposal is received, there are numerous factors that need to be considered before an organization decides to take it up. Project selection is the process of assessing each project idea and selecting the project with the highest priority (Momanyi, 2013). The goal of the project selection process is to ensure that projects that make optimal use of corporate resources are selected. It also seeks to ensure that only relevant investments are undertaken.

Project selection has become a popular research subject around the world. In their study, Cheung, Greenfield and Liao (2009) examined the methods used by different companies around the world to select research and development (R&D) projects. The authors found that three approaches were of particular importance; the mathematical programming approach; the corporate behavioral approach and strategy-oriented approach. The strategy-oriented approach establishes the importance of consistency-and-integration between the firm's strategic plan and its choice of R&D projects.

In the United States, Ryanor and Leroux (2004) assessed the methods that different companies use to choose R&D projects. The authors noted that most companies relied on rank-ordering heuristics in selecting R&D projects, which were not adequate as they overlooked the interaction and interdependence of projects within a portfolio resulting in a sub-optimal allocation of capital. They recommend a framework for selecting R&D projects known as "Strategic Flexibility" that seek to align projects and organizational goals. Millar (2001) explored the criteria used by local governments in the U.S. to select capital projects. The study revealed that the project selection criteria used in over 68% of local authorities were so general and ambiguous; hence, they posed serious validity problems. The study confirmed that local governments did not have systematic and effective procedures for selecting capital investments; hence, they used funds in a haphazard and capricious fashion.

In South Africa, Binneman and Steyn (2014) examined the selection criteria for technology innovation projects. The study established that commercial feasibility and risks were the most important determinants of the choice of technology projects undertaken by South African firms. In Nigeria, Diugwu, Mohammed, and Baba (2015) found despite increased investment in infrastructural projects by the national government, poor project selection and conception had reduced the benefits and outcome derived from these projects. The study revealed that deficient project selection practices had resulted in development of poor project portfolio across government ministries and departments.

In Kenya, the subject of project selection has not been sufficiently explored. However, a few studies have been published on this subject area. Asaka, Aila, Odera and Abongo (2011) conducted a study that sought to examine the project selection process among local authorities. The study revealed that no structured models for prioritizing projects existed and that managers tasked with the duty of selecting projects had limited skills in project selection and implementation. Tshangana (2010), in his scoring paper, examined various aspects of projects funded by the constituency development fund (CDF). One the finding was that resources were not flowing to the intended beneficiaries due to improper influence by members of parliaments on the project selection process.

In their study, Ochieng and Tubey (2013) examined the management of CDF projects in Kericho County. The study found that the process of identifying projects did not involve local communities, and that people who were assigned the task of managing the funds did not possess the requisite skills. Njagi and Jagongo (2013) explored the processes and practices used to select projects in public secondary schools in Kenya. The study revealed that modern methods of appraising projects were not being applied. Intuitive judgment and the payback period were the most utilized techniques of appraising and selecting projects. These studies highlight some deficiencies in the project selection practices among Kenyan institutions.

1.1.1. Strategic Alignment

Strategic alignment, also known as strategic fit, is a concept that entails bringing the decisions and operations of a company's divisions and employees into line with the overall strategy of the organization (Filippov, Mooi & Weg, 2012). A strategy has been defined as a plan, pattern, position or perspective of doing things in order to realize a certain objective (Nickols, 2010). The goal of strategic alignment is to ensure that all other strategies are consistent with the corporate strategy of the organization (Porter, 2004). It seeks to unify different units of an organization to make the corporate whole and create synergy.

From the project selection perspective, strategic alignment entails ensuring that the project selection processes and decisions are consistent with the overall strategic plan of the organization (Ansari, Shakeri, & Raddadi, 2014). It refers to the extent to which project strategy and plans complement the corporate strategy and plans. Strategic alignment recognizes the strategic nature of projects and their contribution towards the realization of the overall companies' overall goals. This concept views projects as vehicles for implementing the corporate goals of organizations. Good strategic alignment has an impact of the performance of projects and the organization as whole.

In their study of telecommunication companies in Saudi Arabia, Alsudiri, Al-Karaghouli, and Eldabi (2013) found that companies that had strong alignment between corporate strategy and project management had more successful project outcomes than companies that had mismatch alignment. Filippov, Mooi, and Weg (2012) argued that selecting projects for their strategic importance is a corner anchor to putting together the pieces of a puzzle that create an environment for successful projects. Chaundry (2015) also found that alignment of project management with business strategy is beneficial not only in terms of project successes but also in terms of organizational growth.

In some organizations, the selection and management of projects often fail to support the strategic plan of the organization (Asaka et al., 2011). Corporate strategies are crafted by one group of managers, project selected by another group, and implemented by another. Many project selection criteria consider quantitative financial metrics such as the Net Present Value and the Internal Rate of Return. The project selection process should be aligned with the strategic priorities of the organization in order to optimize the contribution of projects towards the realization of the company's vision (Frey, 2014). Quantitative financial appraisal methods should be complemented by qualitative criteria such as efficiency in resource allocation, alignment of project goals with business goals.

Strategic project alignment also has a positive impact on the performance of organizations. There is a paradigm shift from traditional strategy implementation techniques to project oriented ones (Ansari, Shakeri, & Raddadi, 2014). Modern organizations are increasingly using projects as tools for executing their corporate strategies. Project management has become a core activity in many organizations. However, the value of project management to organizations cannot be realized effectively if the projects implemented by the organization are not aligned with strategy.

1.1.2. Hotel Industry

Hotel and Tourism is one of the key sectors in the Kenyan economy. For Kenya, this sector has become a cheap alternative for diversifying the country's economy (Mutindi, Namusonge, & Obwogi, 2013). Hotel and Tourism makes a significant contribution towards the country's economy. It is estimated that the total contribution of this industry, including wider effects from supply chain and income, to GDP amounted to KES 403 billion (The World Travel and Tourism Council, 2012). The industry is also a significant employer as it is estimated that 313,500 people were directly employed in the sector, in 2011 (The World Travel and Tourism Council, 2012). Hotel and Tourism is also a critical contributor to the country's foreign exchange reserves. In 2011, the sector generated KES 171 billion in visitor export.

Accommodation is one of the central components of tourism. Therefore, hotels are significant players in the tourism sector. The hotel industry has been eager to capitalize on the favorable tourism outlook in the country. There are over 500 decent hotels in the country and the figures are increasing (Expogroup, 2014). However, despite the significant developments in the hotel industry, the country still falls short in terms of raising adequate bed capacity for its guests. Under vision 2030, the country seeks to develop 3000 additional beds within the medium term plan in order to meet the growing demand for Kenyan tourism products (The Business Monitor, 2013). In their study, Ongori, Iravo, and Munene (2013) also noted gaps among Kenyan hotels on issues such as reliability and timely delivery of services.

1.2. Statement of the Problem
In its economic blueprint titled *Vision 2030,* Kenya envisions to increase the number of tourist arrivals to 5 million by the year 2030. The country also seeks to transform itself from a low cost tourism destination into a destination that attracts high spending long haul tourists. In order to realize this vision, the hotel industry needs to develop 3,000 additional beds in order to cater for increased demand. Industry players also need to improve the quality of services on offers. Projects provide powerful tools that can help hotels to bridge existing gaps within their industry. Hotels can use projects as instrument for increasing their capacity and quality of services. However, if not managed effectively, projects may lead to overload, ineffective, and inefficient use of company resources, as well as, become a distraction to the realization of hotel's strategic goals. Despite the significance of projects to the Kenyan hotel industry, no study has been conducted to explore the project selection practices in the industry. The extent to which Kenyan hotels have managed to reconcile their strategic intents and project management is not clear.

1.3. Objectives of the Study

1.3.1. General Objective
The main objective of this study is to evaluate the influence of strategic alignment practices on project selection performance of hotels in Nakuru town.

1.3.2. Specific Objectives
1. To examine the influence of objectives alignment practices on project selection performance of hotels in Nakuru town.
2. To examine the influence of core value alignment practices on project selection performance of hotels in Nakuru town.
3. To determine the influence of capability alignment practices on project selection performance of hotels in Nakuru town.
4. To examine the moderating effect of regulatory practices on the relationship between strategic alignment and project selection performance of hotels in Nakuru town.

1.4. Research Hypotheses
1. H_0: Objective alignment practices have no significant influence on project selection performance of hotels in Nakuru town.
2. H_0: Core value alignment practices have no significant influence on project selection performance of hotels in Nakuru town.
3. H_0: Capability alignment practices have no significant influence on project selection performance of hotels in Nakuru town.
4. H_0: Regulatory practices have no significant moderating effect on the relationship between strategic alignment and project selection performance of hotels in Nakuru town.

1.5. Justification of the Study
At the national level, findings will contribute towards the growth of the hotel and tourism industry by encouraging hotels to view the project selection process in its entirety rather than focus on the financial appraisal stage. The study has highlighted the project selection practices within the industry and the benefits of aligning these practices with overall strategies of organization. This knowledge will facilitate better management of capital resources within the hotel industry leading to faster growth, better quality of services, and increased employment.

The study will also contribute towards better management of projects at the organizational level as it has added knowledge on the issue of project selection. This study has provided empirical evidence regarding the project selection practices in the hotel industry and the extent to which project selection outcomes are influenced by the level strategic alignment. If applied, this knowledge will enable hotels to increase their project selection performance making them more efficient in terms of utilizing resources and more effective in terms of implementing projects.

The current study has also advanced research on the subject of project selection. The study has generated recommendations for future studies on the subject of project selection, which will guide researchers who would like to pursue this topic in the future. The findings of this study have also raised new questions regarding the project selection practices of Kenyan hotels and the larger private sector, which will guide future studies.

1.6. Scope of the Study
The goal of the current study was to examine the extent to which strategic alignment influences project selection performance of Kenyan hotels. The study focused on three dimensions of alignment; objective alignment, core value alignment, and capability alignment. This study also entailed collecting data from hotels located within Nakuru town. The research did not restrict the type of project; all projects were considered including IT projects, business change, employee training, private infrastructure projects, corporate social responsibility, and research and development projects. Data was collected between February and March 2016 with a budget of Ksh 45,400.

1.7. Limitation of the Study

The main limitation of this study is that the researcher relied of self-reported data from the mid-level managers in the selected hotels. As Prince, Hamel, and Tremblay (2008) explained, relying on self-reported data exposes the study to challenges such as selective memory, exaggeration, telescoping, and attribution, which may affect the validity of findings. Since there was no independent way of validating the data from these informants, the validity of findings was dependent on their memory and truthfulness. In anticipation of this limitation, the researcher identified strategies for encouraging truthfulness including guaranteeing anonymity and privacy of participants.

2. Literature Review

This chapter has summarized information from other researchers who have carried out studies related to the subject of project selection. Specifically, the chapter has placed emphasis on studies that have attempted to link strategic alignment and the project selection performance. Specific issues covered here include the theoretical foundation of the study, the conceptual framework, and empirical review of literature.

2.1. Theoretical Review

Theories play a central role in directing the research process. A theory refers to a set of concepts and ideas that seek to explain a given phenomenon (Wolf, 2015). Theories are useful in research because they provide researchers with a framework for basing their observation, defining the concepts of their study, developing the research design, and interpreting findings (Roco & Plankhotnik, 2009). This section reviews theory related to the research issue.

2.1.1. Strategic Project Management Theory

The Strategic Project Management Theory (SPMT) by Jamison and Morris (2003) explains a series of practices, procedures, processes, tools, and behaviors, which, when considered collectively, characterized the extent to which a company creates effective linkages between project management practices and business practices. The theory suggests various practices for aligning projects with companies' strategic plans. These practices include communicating the company's strategic objectives throughout the organization, aligning project performance measurements with organizational objectives, aligning projects with company values, and integrating projects with the competencies and capabilities of the organization.

SPMT explains that alignment is created through sound processes and practices that foster mutual understanding of goals, values, cultures, and capabilities that underlie the strategy of the organization (DyReyes, 2008). This theory implies that in order to understand the extent to which hotels in Nakuru town have aligned projects with organizational strategies, the researcher need to examine the extent to which organizational objectives, values, and capabilities are communicated throughout the organization and integrated into the process of selecting projects. The researcher should also assess the extent to which there is mutual understanding of organization goals, values, cultures, and capabilities within the hotels, as well as, the extent to which performance of projects is measured based on their contribution to organizational goals.

2.1.2. Theory of Planned Behavior

The theory of planned behavior was developed by Icek Ajzen in 1985. This theory contends that the actions/ decisions of individuals or organizations are influenced by their behavioral beliefs, normative beliefs, and control beliefs (Sommer, 2011). Although the theory was developed for use in the healthcare field, it has become a powerful tool for assessing managerial decision-making processes. Behavioral beliefs refer to what the organization believes regarding the consequence of its action (Cameron, Ginsburg, & Mendez, 2011). Normative beliefs refer to the organizations beliefs regarding the expectation of others towards the organization. Control beliefs refer to the organization's beliefs regarding the presence of factors that may impede or facilitate a given decision.

Ajzen's theory of planned behavior (TPB) provides a useful framework for examining mid-level managers' willingness and commitment to align project selection decisions with the strategy of their organization (Reid & Ritchie, 2011). According to TPB, the project managers behavioral, normative, and control beliefs regarding the benefits of strategic alignment interact to shape their decisions and actions. The TPB theory proposes that in order to understand the strategic alignment practices among Hotels in Nakuru town, there is a need to examine mid-level managers' attitude and beliefs regarding the importance of strategic alignment.

2.1.3. Resource Based Theory

The resource based (RBT) was developed in the management field to explain how firms compete. This theory suggests that a company competitive advantage lies in the firm's internal resources rather than the external position of the firm (Rudan, Jegak & Heslinda, 2009). The theory is based on the premise that certain resources controlled and owned by the firm have the potential of generating competitive advantage and superior firm performance. According to Grant (2001), the resource based theory advocates for development of a strategy that best exploit the resources and capabilities of the firm in relation to external opportunities. The organization that develops the most unique and valuable combination of resources gains a competitive advantage enabling it to dominate the market.

The RBT theory has been extended to incorporate other concepts such as competencies, capacities, and dynamic capabilities (Pisano, 2015). This new perspective not only considers the resources available to the organization, but also the unique skills and areas of expertise that the organization has perfected when making key decisions. The RBV theory suggests that in order to understand the relationship between capability alignment and project selection performance of Hotels in Nakuru town, the researcher should examine the extent to which the hotels invest in projects that seek to replenish resource gaps and augment the firm's existing resources and capabilities.

2.2. Empirical Review

2.2.1. Influence of Objective Alignment on Project Selection Performance

Strategic alignment begins with the development of a shared understand of organizational goals and objectives by managers at various levels and units of the organization (Muthini, 2012). Every organization has goals and objectives because governing corporations require purposeful activities, which, in turn, require purposeful goals (Sundram & Inkpen, 2004). The corporation itself is an entity whose defining characteristic is the attainment of specific goals or purpose. Corporate objectives reflect the intentions of the organization as a whole. They are developed by the top management team and form the focus for all decisions within the organization (Njagi & Njagongo, 2013). Lack of specific objectives in a company causes the management team to fall back to vague and overgeneralized statements leading to poor coordination of major decisions.

In order to promote strategic alignment, the company must clearly decompose its objectives into actionable tasks, projects, and initiatives (Bron & Vrioni, 2001). Similarly, all people within the organization must know what the overall objectives of the company are and the role they play towards the realization of these objectives. Proper communication of strategic objective is essential to ensuring the employees understand and develop commitment towards these objectives (Wandongo, Odhuno, Kambona, & Othuon, 2010). Measures used to gauge performance at the operational level musts also match the strategic objective of the organization. Corporate goals should be decomposed to form corporate objectives, which should be decomposed further to form measurable objectives at business and operational levels, as well as, to develop key performance outcomes and key performance indicators.

Different companies have different objectives. Many scholars argue that the sole objective of private businesses is to make profits. However, Drucker contends that businesses cannot be explained or defined in terms of profits (Morrison & Morrison, 2011). Profit is only a gauge of the validity of a business, but not its cause or the rationale of its behavior. Drucker believed that the survival of an organization was at risk when managers emphasized only the profit objective as this objective alone encourages managers to pursue actions that make money today with little regard for how profits will be made tomorrow. Drucker identified eight key management objectives: improving market standing, innovation, productivity, acquisition of physical and financial resources, profitability, managerial performance and development, improving worker's performance, and public responsibility (Watson, 2002). The ultimate objective of a business should be to deliver value to customers.

In their study, Johnson and Johnston (2001) sought to explore how the corporate objectives influenced the commitment of Canadian organizations towards industry-university collaborative research and development project. The study used a multiple case study design where two projects involving industry and university organizations within Canada were explored. One project was considered successful while the other was considered problematic. The study found that the corporate objective of the industry partner strongly influenced whether the partner will corporate fully with universities in pursuing project goals.

In their study, Kangogo, Musienga, and Munyasi (2013) noted that hotels in Western Tourism Circuit of Kenya had adopted customer oriented objectives due to increased competition. The study showed that the strategies adopted by these hotels emphasized the management of customer relationships in order to retain customers and build loyalty rather than the acquisition of new customers. In a different study, Wandongo, Odhuno, Kambona, and Othuon (2010), found that Kenyan hotels focused on financial and result measures of performance and ignored non-financial measures of performance. Their study sought to examine key performance indicators in the Kenyan hospitality industry. These findings suggest that the objectives of Kenyan hotels are largely inclined towards the acquisition of physical and financial resources, and improving market standing.

2.2.2. Influence of Core Value Alignment on Project Selection Performance

All phases and decisions of a corporate entity reflect competing value choices; owners want return on investment; employee want secure jobs and career development; managers want industry leadership and growth, and governments want taxes, safety, job creation, and minimal pollution (Miller, 2001). These competing goals lead to crucial dilemmas for the top management team. Core values enable managers to resolve these dilemmas. Core values, also known as corporate values, are a set of ideals that are shared by members of a given organization (Isaboke, 2015). Core values lay the foundation for all reasoning and decisions within an organization.

Core value alignment, also known as value fit, is a concept that entails ensuring that the core values of the organization are shared by every member of the organization (Filippov, Mooi & Weg, 2012). It seeks to put into effect the values expressed in the company's statements. Core value alignment leads to the development of an organizational culture that reflects the ideas and passion of the organization. Value alignment is also associated with high level of employee engagement. The concept of value alignment is largely emphasized in the field of human resource management, where HR practitioners are urged to recruit and select people whose value match the value of the organization (Bradshaw, 2012). This concept is also applicable to the project management field and project selection process.

Core values influence project selection decisions by introducing non-financial aspects of appraising projects (Dayananda, 2002). Many project managers focus on the financial appraisal step of the project selection process. According to Miller (2001), project appraisers also need to consider qualitative impacts of projects such as environmental impacts, health and safety effects, aesthetic effects, disruptions and inconveniences, and secondary benefits. Judgment on these selection criteria is largely influenced by the values of the organization. Rafik (2005) established that corporate ethical values of an organization had an impact on employees' perceptions toward corporate social responsibility (CSR) projects. Findings of the study showed that accountants from companies that had strong values were more receptive to CSR projects than accountants from companies that had relatively weak values.

The issue of core value has also been a subject on interest in Kenya. In their study, Chindia and Kibera (2015) found that the most important cultural values among Kenyan organizations were: collaboration, internal integration, success in business, innovation and risk taking, empowerment, and suitability performance and efficiency. Ogonga and Akaranga (2013) examined ethical values that were critical for lecturers teaching in Kenyan universities. The researchers developed a questionnaire and distributed it to 200 respondents in Kenyatta and Nairobi Universities. Results showed that integrity was the most essential value within these institutions.

In another study, Waiganjo and Nge'the (2012) found that business organizations in Kenya had adopted a pluralistic approach where they try to balance the interest of all stakeholders. They also found that many organizations had adopted a unitarism perspective in their relations with employees where they do everything to uplift the wellbeing of employees and, in return, expect employees to remain loyal and share the values of the organization. Mathenge (2013) found that commercial banks in Kenya had not embraced universal ethical banking principles such as mutual trust, mutual benefits and interest, principle of good intention, business compromise and tolerance, and demonopolization of one's own position. With regard to the principle of mutual benefit and interest, respondent's felts cheated by their banks because they received little interest for their deposits while banks recorded billions of shillings in profits.

In their study, Gathungu and Ratemo (2013) demonstrated the existence of a link between core values of an organization and the kind of projects undertaken within organizations. Their study aimed at investigating the impact of CSR on the strategic intent of Standard Chartered Bank Kenya Limited. The study established that the bank's commitment to CSR initiatives were largely motivated by its core values of responsiveness, and trustworthiness. Gachanja, Mugenda, and Maina (2013) also found that many enterprises at the Magana Town Industrial Park in Kenya did not engage in CSR because CSR was not embedded in the missions and values of these organizations. They found that very few organizations had a formal CSR policy; hence, most of the CSR initiatives that they undertook were reactionary in nature.

2.2.3. Influence of Capability Alignment on Project Selection Performance

The resource based model theory proposes that organizations are assortments of resources, both tangible such as finances, buildings, and plants, and intangible resources such as brands, managerial skills and expertise, and technology (Karangi & Iravo, 2013). These tangible and intangible resources are perfected by organizations leading to the development of real or perceived advantages. Capabilities are assortment of skills, expertise, and abilities that a given organization has perfected and which give the organization a competitive edge (DyReyes, 2008). Capabilities give the organization an identity and personality by defining what the organization is good at doing. These capabilities remain stable over time and are difficult for competitor to imitate.

Capabilities are important elements in the implementation of corporate strategies. In fact, best strategies are ones that exploit the capabilities of the organization. According to Smallwood and Ulrich (2004), organizations must develop capabilities that are required to execute their strategic plan. In their study, Cheaseth (2011) found a significant correlation between the strategic-type and organizational capabilities. An empirical study by Crawford et al. (2006) suggests that one of the critical factors that lead to failure of projects is the selection and implementation of too many projects beyond the organizations' capability and capacity.

In their study, Blichfeldt and Eskerod (2008) sought to investigate why companies do not excel in terms of project management. The researchers conducted 128 in-depth interviews in 30 Dane companies from diverse industry. Findings showed that many companies did not perform well when it comes to projects because they undertook many unplanned projects that ended up tying up resources allocated to planned projects. The study revealed that, apart from projects enacted by senior management teams, the 30 companies engaged in a plethora of smaller projects that tied up valuable resources. It was also found that most of the unapproved projects were not linked with demands of customers, and took a lot of necessary resources leading to delays in on-going approved projects. The smaller projects were also not aligned with corporate objectives since they did not go through the stage-gate process of selection.

In his study, Hefner (2003) sought to establish the extent to which the success of IT projects was influenced by capabilities of personnel and individual priorities of businesses. This study was founded on the Capability Maturity Model, which emphasizes on the need to align project tactics and priorities with corporate strategy. The study led to the conclusion that IT projects should be based on customer market, inherent technology, and personnel capabilities. In Kenya, Onyango, Odhuno, Ouma, and Othuon (2012) found that organizational competencies were a significant predictor of the financial performance of hotels. Their study was aimed at investigating the relationship between drivers and financial outcomes among Kenyan hotels.

2.2.4. Moderating Effect of Regulatory Practices

Hotel is a relatively sensitive industry because it offers products that have direct impact on people's health and safety. In Kenya, operations of hotels are affected by a wide variety of laws including labor laws, public health laws, taxation laws, and environmental laws. However, the law that is most relevant to this industry is the Hotel and Restaurants Act (HRA) Chapter 494 of 2009 (Government of Kenya, 2009). The HRA stipulate provisions that are necessary for licensing of hotels, hotel managers, and restaurants, for regulation of the operations of hotels, and for imposition of levy. Licensing and regulations under the act are administered by the Hotel and Restaurant Authority.

Regulations not only impact the operations of hotel, but also influence the type of projects that are implemented in the hotel. The Project Management Institute (2014) found that new rules and regulations often force business to reprioritize their investments. Businesses are compelled to prioritize regulatory projects and reallocate resources dedicated to other projects in order to avoid risk

associated with noncompliance. In his study involving seven companies, Srivannaboon (2012) found that some organizations had projects that were not well-aligned with business strategy because these projects were initiated to fulfill a new regulatory requirement.
In their study, Darwish and Cordorin (2014) also found that regulation affected the project selection processes of organizations in different industries and regions. It was found that regulatory requirement led to selection of many projects that were not properly aligned with organizational long-term objectives, but which were mandatory. Wheeler (2013) found that regulatory environment was among the factors that contributed to optimal project portfolio selection. It was noted that organizations that operated in highly regulated environment spent more resources implementing compliance projects limiting their ability to pursue projects that optimize returns. The frequency of changes in the regulatory environment was also a critical determinant of the extent to which regulation affect portfolio project selection.

2.2.5. Project Selection Performance

Project selection is regular activity that entails selecting projects from available project proposals (Asaka, Aila, Odera, & Abongo, 2012). It aims at establishing projects that should be given priority by considering the characteristics of individual projects proposal and the constraints imposed. In any organization, there are usually more project proposals available for selection than can be undertaken within the physical and financial constraints (Obura & Bukenya, 2008). Consequently, choices have to be made regarding project proposals that should be pursued, those that should wait, and those that should be rejected. The goal of the project selection process is to ensure efficient utilization of company resources. Project selection is a vital management and strategic planning tool.
The process of selecting projects is guided by various requirements. One of these requirements is maximizing value using company resources (Kamau & Kavale, 2015). Normally, organization use techniques such as the Net Present Value, Internal Rate of Return, and Accounting Rate of Return to evaluate and determine projects that maximize value (Njagi & Najgongo, 2013). Another requirement of the project selection process is to align project goals with corporate goals (Le & Nguyen, 2007). Cooper and Edgett (2001) argue that corporate strategy must be reflected in the project portfolio and resource allocation to projects.
Several empirical studies have been conducted on the subject of project selection. In their study, Le and Nguyen (2007) sought to investigate how selection of projects affects the competitive advantage and corporate strategies of firms. Findings showed that project selection had a significant impact on the successful implementation of corporate strategy because selection of right projects nurtured the full potential of the organization and maximized value. In addition, prudent selection of project minimized opportunity costs.
In Kenya, Nyaguthii and Oyugi (2013) explored the process involved in the selection of constituency development fund (CDF) projects in Kenya. Findings revealed that local communities were rarely involved in the process of selecting CDF projects; a trend that was contrary to the CDF Act of 2013. In a related study, Mwangi, Nyang'wara, and Kulet (2015) found that the selection of most CDF projects in Kenya was influenced by political factors. The study also found that political considerations played a central role in the appointment of CDF project committee members, who were responsible for appraising and selecting projects. Mwakio and Chestit (2015) also found that only 10% of the respondents from Mt. Elgon Constituency had knowledge of the individual who participated in the process of selecting CDF projects in their area.

2.3. Conceptual Framework

A conceptual framework is an important part of a research study. It is a graphical representation of the study variables and the relationship between these variables (Roco & Plankhotnik, 2009). The framework helps to define the scope of the study by defining the main ideas and concept providing a starting point for the processes of data collection and analysis. It also helps the researcher to organize and present ideas that he or she wants to explore in the study.
As highlighted in Figure 1, project selection performance was the dependent variable of the study. This variable was operationalized in terms of synergy between implemented projects, balance between high risk and low risk projects, extent to which implemented projects have delivered value to the organization, extent to which projects have met expectations of all stakeholder. Project selection performance is influenced by three independent variables objective alignment practices, core value alignment practices, and capability alignment practices.
Objective alignment was measured in terms of the extents to which members of the organization were aware of the corporate objectives of the hotel, extent to which objectives of single project were consistent with objectives of the organization, extent to which company objectives were considered during project selecting, mid-level managers attitude towards their hotel corporate objectives, and the manager's ability to assess the extent to which project contribute to objectives of the organization.
Core value alignment was measured in terms of the employees' awareness of company core values, availability of standardized methodology for assessing projects, extent to which plans for single projects are consistent with company value, and availability of a mechanism for translating core values. Capability alignment was measured in terms of awareness of hotel capabilities, extent to which capabilities are considered during project selection, whether the hotel conducts a capability audit, and the extent to which capability audit results are communicated to all employees.
Regulatory practices act as a moderator in the relationship between strategic alignment and project selection. Regulatory practices were measured in terms of whether participants perceived the industry to be heavily regulated, extent to which regulations are enforced, extent to which regulations affect the kind of projects implemented in the hotel, and frequency of regulatory changes within the industry.

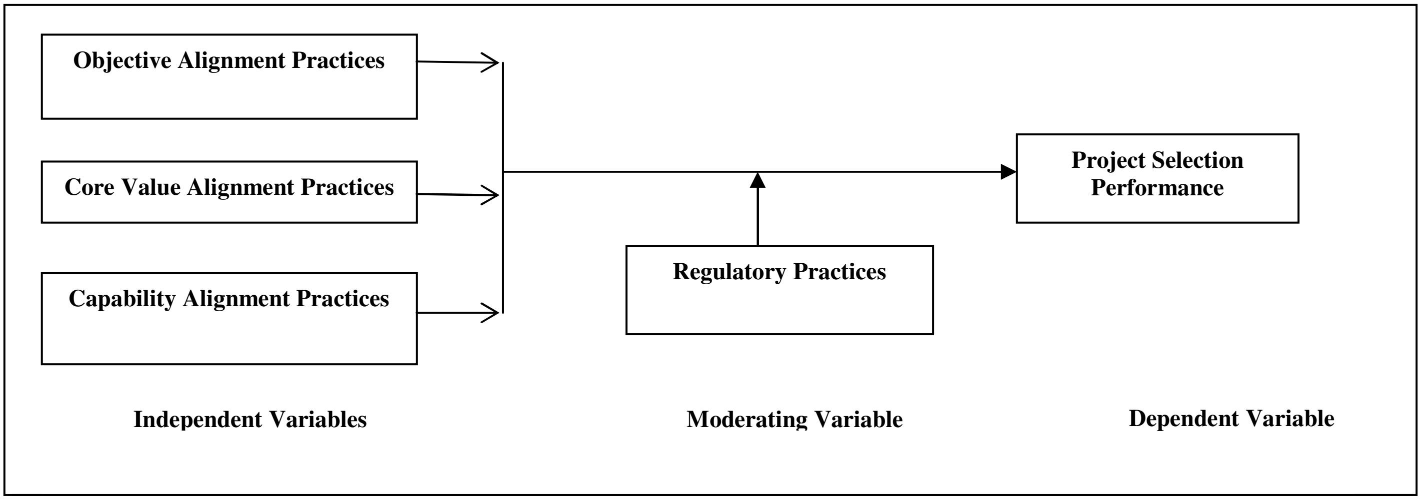

Figure 1: Conceptual Framework

2.4. Critique of the Existing Literature

Project selection is a vital phase in the project management cycle. There is a rich body of literature on the subject of project selection. Most of these studies point to the importance of having a systematic approach of evaluating and selecting projects so as to make optimal use of organizational resources. However, existing literatures on the subject of project selection have emphasized on the financial appraisal stage of the project selection process. According to Dayanada (2002), financial appraisal is just one stage in the project selection process. This stage only focuses on assessing the economic feasibility of the project. The entire process of project selection should evaluate other aspects of the project including environment feasibility, social feasibility and the extent to which projects are compatible with corporate strategy.

Very few publications focus on the entire process of selecting projects. Similarly, there are few literatures that link the concept of project selection with corporate strategy. Specifically, very few studies have attempted to link the elements of corporate objectives with the selection of projects. In their studies, Johnson and Johnston (2001) examine how corporate goals influenced the selection of R&D projects; however, the study was conducted in Canada. Since the Canadian context is significantly different from the Kenyan context, the findings of the study may not be transferrable to the Kenyan context.

There are also a limited number of studies that have examined how core values influence organizations project selection decisions. In his study, Rafik (2005) found that the corporate value of organizations influenced employees' views regarding CSR projects. Although the study highlights a link between corporate values and the kind of project pursued in an organization, the study was also conducted in a context that was significantly different from the Kenyan context. Similarly, the study was conducted in the manufacturing industry, which is significantly different from the hotel industry. As explained by Bloom and Reenen (2010), management practices differ across industries and countries because of varying cultural practices. Consequently, findings of a study that focused on one industry may not be generalized to all industries.

Studies examining the relationship between capabilities and project selection are also limited. The study by Blichfeldt and Eskerod (2008) is one of the few that have examined this relationship. However, the applicability of its findings to the Kenya Hotel industry context can be questioned because not only was the study conducted in Denmark, but it also entailed the use of qualitative methods. According to Bryman and Bell (2011), qualitative studies pay a lot of attention to the context in which the phenomenon occurs and utilizes small samples, which reduces the generalizability of findings. Hefner (2003) also conducted a related study, but her study mainly focused on examining how core competencies affect the success of IT projects. Not only was the study conducted in a different setting, but also in a different industry.

The studies by Nyaguthii and Oyugi (2013), Mwangi, Nyang'wara, and Kulet (2015), Mwakio and Chestit (2015) shade light regarding the project selection practices among Kenyan organizations. However, these studies are significantly different from the current study because they examined the extent to which communities were involved in the selection of projects. The studies did not examine the link between strategy and project selection. In addition, the three studies focused on project implemented in the public sector and specifically those funded by CDF.

2.5. Research Gaps

After reviewing existing literature, it has become apparent that the topic on how strategic alignment influences project selection performance has received little attention from project management researchers and scholars. A majority of the studies in the area of project selection have only focused on examining quantitative methods and models that organizations use to inform project selection decisions. There is a lot of emphasis on quantitative methods of appraising projects such as NPV, IRR, and simulation, and little focus on selection models that pay attention to qualitative factors such as projects' alignment to the corporate strategy of the organization. Project selection decisions have major implications on a company's operation since they take a significant amount of company resources. Consequently, these decisions should be aligned with the corporate strategy of the organization.

There are few studies exploring the relationship between project selection and strategic alignment. Among the few studies that have examined this relationship, none has been conducted in the Kenyan context. Similarly, the studies have been conducted in the manufacturing and IT industries; hence, there are questions regarding the applicability of the evidence generated from these studies in the context of the Kenyan hotel industry. There is a gap in knowledge regarding the project selection practices in the Kenyan hotel industry and the extent to which these practices are influenced by the corporate strategies of the organizations within the industry. The current study sought to address this knowledge gap.

3. Research Methodology

3.1. Research Design

The study utilized the descripto-explanatory research design. According to Saunders, Lewis, & Thornhill (2009), descriptive studies seek to portray an accurate profile of an event while explanatory study seeks to explain the relationship between variables. This design was selected because the aim of the study was to describe alignment practices in the selected hotels and explain their relationship with project selection performance. The study was quantitative in nature because it focused on approximating the research phenomenon by studying large number of individuals via statistical methods (Saunders et al., 2009). It was also cross-sectional in nature because data was collected at one point in time.

3.2. Target Population

The target population comprised of mid-level managers of star-rated hotels located in Nakuru Central Business District. According to the Central Rift Tourism Office, there are eight star-rated hotels in the Nakuru CBD. These hotels include Merica Hotel, Hotel Waterbuck, Legacy Hotel and Suites, Bontana Hotel, Avenue Suites Hotel, Midlands Hotel, Nuru Palace Hotel, and Hotel Cathey. The mid-level managers are people who are in charge of the various departments within the hotels, and play a central role in the selection and implementation of projects; hence, their selection as respondents for this study.

3.3. Sample and Sampling Technique

3.3.1. Sample Size

A sample is a subset of the population that the researcher can study and make inferences about the population (Mugenda & Mugenda, 2003). The sample size must be appropriate so as to ensure that members of the sample are representative of the population. Using the Taro Yamane sample size formula, it was determined that the appropriate sample size for this study would be 73 mid-level managers.

$$n = \frac{N}{1+N*(e)^2}$$

where
n - the sample size
N - the population size
e - the acceptable margin of error (5%)

3.3.2. Sampling Plan

The researcher used the proportionate stratification technique to determine the number of participants that should be selected from each hotel. Each hotel was treated as a stratum and the proportion of sample was determined as a percentage of the total sample. The random sampling method was used to select participants in each of the hotels.

Name of Hotel	Mid-Level Managers	Sample Size	Proportion of Sample
Hotel Cathey	11	9	12.3%
Legacy Hotel and Suites	9	7	9.6%
Hotel Waterbuck	14	12	16.4%
Avenue Suites Hotel	9	7	9.6%
Bontana Hotel	12	10	13.7%
Midlands Hotel	11	9	12.3%
Merica Hotel	13	11	15.1%
Nuru Palace Hotel	10	8	11.0%
Total	**89**	**73**	**100%**

Table 1: Sampling Plan

3.4. Data Collection Instrument

The main instrument of data collection was a structured questionnaire (see appendix I). According to Bryman and Bell (2011), structured questionnaires are data collection forms that contain a list of multiple choice questions. This instrument was selected because it fit the purpose and design of this study, which is to test relationships and generalize findings (Copper & Schindler, 2013). Structured questionnaires facilitate the realization of these requirements because they enable the collection of large amount of standardized data making it possible to make comparison and generalize findings.

3.5. Data Collection Procedures

Permission to collect data was obtained from the management of the eighth hotels using a letter of transmittal (see appendix II). The letter explained the objective of the study and the data required from the organization. Once permission was granted, the researcher used the drop-off and pick-up method to distribute the questionnaires, which according to Alfred and Davis (2010) increases the response rate by introducing a person touch to the data collection exercise. The data collection exercise took place between February and March 2016.

3.6. Pilot Test

In line with the requirement of quantitative research, the study had to pass the reliability and validity tests. Consequently, a pilot study was conducted to test the consistency of the questionnaire.

3.6.1. Reliability

Reliability refers to the extent to which the findings of the study are consistent (Bryman & Bell, 2011). The reliability of a given study is largely dependent on the consistency of the data collection instrument. According to Moore and Nietert (2011), the rule of the thumb is that the size of the pilot study sample should be 10% of the sample size of the main study. Since our study targeted 73 mid-level managers, the pilot study involved 7 respondents who were selected from a different hotel. Data collected during the pilot test was analyzed using the Cronbach Alpha test. As Table 2 shows, questions under the four study variables yielded alpha values that were greater than 0.7, which according to Tavakol and Dennick (2011) shows that the questions were consistent.

Variable	N of Items	Cronbach's Alpha
Objective Alignment	7	0.867
Core Value Alignment	7	0.868
Capability Alignment	7	0.888
Regulatory Practices	5	0.872
Project Selection Performance	7	0.903

Table 2: Cronbach Alpha Test Results

3.6.2. Validity

Validity is also an important requirement for quantitative study. Validity is the extent to which the findings of the study reflect reality or the actual situation on the ground (Bryman & Bell, 2011). Reliability is one of the aspects of validity; hence, conducting pilot study enhanced the validity of the study. Another strategy that was used to enhance validity entailed ensuring that the sample of the study is representative of the population by determining the appropriate sample size and using appropriate sampling techniques (Mutea, 2015). Validity of the study was also enhanced by working closely with the supervisor and conductive extensive literature review before developing the data collection instrument.

3.7. Data Processing and Analysis

The collected data was thoroughly examined and checked for completeness and comprehensibility. The data was then being coded and entered into the Statistical Program for Social Sciences (SPSS) version 24. Both descriptive and inferential statistical techniques were used to analyze the data. Specifically, the researcher relied on mean and standard deviation to conduct the descriptive analysis, and regression technique to do the inferential analysis. Two regression models were tested:

- Model I: Independent Variable and Dependent Variable
- $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon$
- Where: Y = Project selection performance; β_0= constant (coefficient of intercept); β_1, β_2, and β_3 = Beta coefficients; X_1= objective alignment practices; X_2= core value alignment practices; X_3= capability alignment practices, and ε = Error term
- Model II: Model I plus regulatory practices as a Moderating Variable
- $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4M + \beta_5X_1 X_2 X_3M + \varepsilon$
- Where: Y = Project selection performance; α = constant (coefficient of intercept); β_1, β_2, β_3, β_4, and β_5 = Beta coefficients; X_1=objective alignment practices; X_2= core value alignment practices; X_3= capability alignment practices; M = regulatory practices as moderating variable, and ε = Error term

4. Research Findings and Discussion

4.1. Response Rate

Response rate refers to the proportion of people who completed the data collection process expressed as a percentage of the number of people in the sample (Siffer, Puddy, Warren, & Roberts, 2002). Out of the 73 questionnaires that were administered, 61 were duly completed and returned to the researcher. This figure represents a response rate of 83.6%, which according to Mugenda & Mugenda (2003) is sufficient enough to reduce the margin of error and nonresponse bias.

	Frequency	Percentage
Response	61	83.6
Non-Response	12	16.4
Total	**73**	**100**

Table 3: Response Rate

4.2. Demographic Characteristics of the Study Sample

The researcher analyzed several demographic characteristics of the sample including gender, age, highest education level, and work experience. Analyzing the demographic characteristic of the sample was essential in helping the researcher to determine the generalizability of findings (Siffer, Puddy, Warren, & Roberts, 2002). As Table 4 shows, 60.7% of the respondents were male while 39.3% were female. The gender distribution in the sample reflects the general trend within the workforce of the hotel industry in Kenya. According to Kuria, Wanderi and Ondigi (2012), hotel jobs are favored by male than female employees because of the odd working hours, rigorous working shifts, and the social stigma associated with working in hotels. They found that male employees were twice the number of female employees.

		Frequency	Percent
Gender of Respondent	Male	37	60.7
	Female	24	39.3
	Total	**61**	**100.0**
Education Level of Respondent	Secondary Level	8	13.2
	Diploma/ College Level	38	62.3
	Bachelor Degree Level	13	21.3
	Masters' Degree & Above	2	3.2
	Total	**61**	**100.0**
Age of the Respondent	20-29 years	20	32.8%
	30-39 years	33	54.1%
	40-49 years	8	13.1
	Total	**61**	**100.0**
Number of years worked at the hotel	<1 years	4	6.6
	1-3 years	27	44.3
	4-6 years	17	27.9
	7-9 years	11	18.0
	10 years and above	2	3.1
	Total	**61**	**100.0**

Table 4: Demographic Characteristics of the Study Sample

In terms of age, a majority of the respondents (54.1%) were within the 30-39 years' age bracket, 32.8% were within the 20-29 years' bracket, and 13.6% were within the 40-49 years' age bracket (See Table 4). This age distribution of subjects matches expectations. Given that the study targeted mid-level managers, it was expected that a majority of the respondents would be 30 years above. As shown in Table 4, a majority of the respondents (44.3%) had worked in the hotel for 1-3 years. This characteristic of the sample is also consistent with general trends within the Kenya hotel industry. In the study, Kuria, Wanderi & Ondigi (2011) found that hotels in Kenya have high employee turnover rates with some hotel recording turnover rates of 60% per year.

The researcher also examined the respondents' education level. It was found that 62.3% of the respondents had diploma/ college level education, 21.3% had a Bachelors' degree, 13.2% had secondary level education, and 3.2% had a minimum of Masters' degree. The education characteristic of the sample is also consistent with general trends within the Kenyan hotel industry. Kuria, Wanderi and Ondigi (2012) found that 51% of workers in hotel jobs in Kenya had diploma certificate, 33% had secondary level education, 10% were degree holders, and only 5% had post graduate qualifications.

4.3. Descriptive Analysis

Descriptive analysis focused on assessing respondents' views regarding the variables of study with aim of understanding the objective, core value, and capability alignment practices of hotels in Nakuru town, as well as, the regulatory environment to which these hotels are exposed. The researcher relied on mean and standard deviation to conduct the descriptive analysis.

4.3.1. Objective Alignment in the Selected Hotels

Strategic alignment begins with the development of a shared understanding of organizational goals and objectives by managers at various levels and units of the organization (Muthini, 2012). Managers at all levels must be aware of the strategic objectives of the organization. When the mid-level managers were asked whether they were aware of the corporate objectives of their hotel, the mean score for their responses was 4.48 suggesting that a majority gave positive responses (See Table 5). A standard deviation of 0.673 suggests that participant's views regarding their level of awareness of organization objectives did not vary significantly. This finding

contradicts Ongori, Iravo, and Munene (2013), who found that hotel managers in Kenya have low conceptual skills and ability to relate the organization as whole and its relationship with each department.
Participants were also asked whether the objectives of single projects were consistent with the overall objectives of their hotel. As shown in Table 5, a majority of the respondents (mean=4.05, SD= 0.825) gave a positive response. Similarly, a majority of the respondents (mean= 4.46) reported that compliance with organizational objective was a key consideration when selecting projects. These findings are consistent with Johnson and Johnston (2001), who found that the corporate objectives of studied Canadian organizations had a significant influence on the kind of projects undertaken by the organizations. The findings are also congruent with Njagi and Jagongo (2013), who found that school goals were a major determinant of capital investment opportunities among public secondary schools in Meru North District.

Statement	N	Min.	Max.	Mean	S.D.
I am aware of the corporate objectives of the hotel	61	1	5	4.48	.673
Objectives of single projects are consistent with the objectives of the organization	61	1	5	4.05	.825
Compliance with organizational objective is a key consideration when selecting projects	61	1	5	4.46	.867
I am capable of assessing the extent to which projects contribute to objectives of the organization	61	1	5	4.49	.788
Projects that are not in line with the overall objectives of the hotel are not allowed to continue	61	1	5	3.89	1.066
Decisions regarding the progress of projects are traced back to their contribution to company's objectives	61	2	5	4.13	.806
The hotel's objectives are realistic and achievable	61	1	5	4.41	.761
Valid N (Listwise)	61				

Table 5: Descriptive Analysis of Objective Alignment Practices

Strategic alignment cannot be realized if mid-level managers within the company are not able to decompose company objectives into actionable tasks, projects, and initiatives (Bron & Vrioni, 2001). The researcher sought to find out whether the mid-level managers had the ability to assess the extent to which projects contribute to the objectives of the hotel. As shown in Table 5, the mean score for this question was 4.49, which suggest that a majority of respondents said that they were capable assessing the extent to which projects contribute to company objectives. A majority of the respondents (mean= 3.89) also confirmed that projects that are found to be out of line with the overall objectives of the hotel are not implemented. The findings are consistent with Muthini (2012), who also found that mid-level managers at the Kenya Revenue Authority could clearly identify organizational objectives and decompose them into actionable tasks and projects.
The Theory of Planned Behavior suggests that the extent to which mid-level majors are likely to align project and operational activities of their departments to company objectives is determined by their attitude and beliefs regarding the company’s goals and objectives. In line with this theory, the researcher sought to find out whether the respondents felt that their hotel’s objectives are realistic and achievable. A majority of the respondents (mean= 4.41) felt that the objectives of their hotel were realistic and achievable suggesting that they were more likely to implement these objectives. The finding is congruent with the study by Kamau and Waudu (2012), where it was found that lower level employees in the Kenyan hospitality industry were committed to their company’s goal with the level of commitment increasing as the hotel classification increases.

4.3.2. Core Value Alignment in the Selected Hotels

Core values are the essence of the company’s identity. Failure to align project selection processes with the core values of the organization leads to loss of organizational identity. In order to attain value alignment, employees at all levels of the organization must be aware of the values of the organization. When respondents were asked whether they are aware of their hotel’s core values, their responses gave a mean of 4.41 (see Table 6), which suggest that a majority gave positive responses. A standard deviation of 0.616 implies that participants’ responses did not vary significantly. The finding is consistent with Mathenge (2013), who found that a majority of star-rated hotels in Kenya implement code of ethics, which help to communicate organizational values to employees.
The researcher sought to establish whether plans of single projects were consistent with the values of the organization. As shown in Table 6, a majority of the respondents (mean= 3.98, S.D= 0.975) said that projects were consistent with organizational values. Similarly, a majority of respondents (mean=4.33) reported that compliance with company values was a key consideration when selecting projects. The findings are consistent with the study by Cresswell, Bates, and Sheikh (2013), where it was found that ethos and values played a significant role in determining the implementation of large-scale health information technology projects. Le and Nguyen (2007) also found that organizations in Vietman selected projects that they felt were appropriate to their values and culture.

Statement	N	Min.	Max.	Mean	S.D.
I am fully aware of the core values of the hotel	61	1	5	4.41	.616
The plans of single projects are consistent with the values of the organization	61	1	5	3.98	.975
Compliance with company values is a key consideration when selecting projects	61	1	5	4.33	.851
The hotel core values are consistent with my personal values	61	1	5	3.62	1.319
The hotel is senior management team is committed to the values espoused in its value statement	61	1	5	4.13	.939
The hotel core values are relevant to the operations of the organization and prevailing business environment	61	1	5	4.18	.922
Priorities of projects are determined based on core values of the hotel	61	1	5	4.18	1.025
Valid N (listwise)	61				

Table 6: Descriptive Analysis of Core Value Alignment Practices

Participants were also asked whether hotel core values were consistent with their personal values. The question was informed by the premise that mid-level managers were more likely to uphold organizational values that are consistent with their personal values than those that are inconsistent. A majority of the respondents (mean= 3.62) said that the values of the hotel were consistent with their personal values (see Table 6). A standard deviation of 1.319 shows that research participants had divergent views with regard to this statement. The likelihood of implementing core values is also determined by the mid-level managers' belief on whether senior managers are committed to the same values. When asked whether they senior management teams of their hotel were committed to the core values, a majority of participants gave a positive response as shown by a mean of 4.13.

The mid-level managers' willingness to implement organizational core values is also determined by their belief regarding the relevance of these values to the organization. As shown in Table 6, a majority of the respondents (mean= 4.18) felt that their organization's core values were relevant to the operation of the organization and the prevailing business environment. This finding is consistent with the study by Mathenge (2013), who found that majority of employees in star-rated hotels in Kenya were committed to the ethical values of their organizations. The level of commitment increased with the hotel classification level.

4.3.3. Capabilities Alignment in the Selected Hotel

Projects should unify the organizational capabilities into a cohesive whole. Study participants were asked to respond to a set of statement aimed at assessing the extent to which the studied hotel had aligned their project selection processes with organizational capabilities. The first statement was whether they were aware of the capabilities of their hotels. As shown in Table 7 the mean of responses to this statement was 4.49, which suggest that a majority of the respondents were aware of the capabilities of their organizations. This finding is consistent with the study by Mathenge (2013), where it was found that employees of highly classified hotels were more aware of the capabilities and environment of their organization.

The most effective way of making employees' conscious of organizational capabilities is to conduct a capability audit and communicate results of the audit to all employees. Unfortunately, a majority of respondents (mean= 2.04) reported that their hotels did not conduct a capability audit (see Table 7). This finding is consistent with Ongori, Iravo, and Munene (2013) who found that hotels in Kisii County did not have effective systems for assessing their strengths and weaknesses. Wandongo, Odhuno, Kambona, and Othuon (2010) also found that the systems used to audit performance of hotels in Kenya were deficient because they mainly focus on financial metrics and ignore the role of intangible assets such as human resources and technology.

Statement	N	Min.	Max.	Mean	S.D.
I am aware of the hotel's capabilities	61	1	5	4.49	.649
The hotel conducts a capability audit regularly	61	1	5	2.04	.876
The results of the capability audit are communicated to all employees and stakeholders	61	1	5	1.64	1.304
The hotel's capabilities are essential to the competitiveness of the hotel	61	1	5	4.08	1.130
Projects implemented in my department have a role to play in supporting and improving the capabilities of the hotel	61	1	5	4.44	.764
Priorities of the projects are determined based on the capabilities of the hotel	61	1	5	4.02	1.133
Projects implemented by the department are aligned with capabilities of the hotel	61	1	5	4.18	1.025
Valid N (listwise)	61				

Figure 7: Descriptive Analysis of Capability Alignment Practices

The researcher also sought to assess participants' attitude and beliefs regarding the capabilities of their organization. When asked whether the capabilities of their organization were essential to the competitiveness of their hotels, a majority of research participants (mean=4.08) gave a positive response. The responses suggest that a majority of the mid-level managers had a positive attitude towards the capabilities exhibited by their hotel. A majority of the respondents (mean= 4.44) also said that the project implemented in their department had a role to play in supporting and improving the capabilities of their hotel. The findings are congruent with Kamau and Waudo (2012) and Mathenge (2013), who found that employees of highly classified hotels were aware of management expectations towards them and were committed to fulfilling these expectations.

Participants were asked whether the projects implemented by their departments were aligned with the capabilities of the hotel. As shown in Table 7, a majority of the participants (mean= 4.18) gave a positive response. This finding is not consistent with Asaka, Aila, Odera, and Abongo (2011), who found most local authorities, in Kenya, pursued projects that were not aligned with their capabilities. It was revealed that strategies were crafted by one group of managers, project selected by another group, and implemented by another. It was also found that project selection criteria considered quantitative financial metrics such as the Net Present Value and the Internal Rate of Return, and ignored strategic implications. Blichfeldt and Eskerod (2008) also found that Danish companies had the habit of implementing many projects that were beyond their capabilities leading to project failure.

4.3.4. Regulatory Practices in the Hotel Industry

Regulatory practices can have an impact on the kind of projects undertaken within a given organization. One of the regulatory factors that can affect project selection decision is the amount of regulations within the industry. Companies that operate in heavily regulated industries are likely to spend a significance amount of resources in implementing compliance projects. As shown in Table 8, a majority of the respondents (mean= 4.30) felt that the hotel industry in Kenya is heavily regulated. The finding is inconsistent with Kuria, Wanderi, and Ondigi (2012), who found that the Kenyan hotel industry lacked a regulatory body for defining job structures and remuneration policies.

Another regulatory factor that is likely to affect the kind of projects implemented by hotels is the extent to which existing regulations are enforced. A majority of the participants (mean= 4.08) reported that there was strong enforcement of regulations within the hotel industry. This finding is also inconsistent with Kamau and Waudo (2012), who found that regulations within the Kenya hotel industry lacked a harmonizing body. However, the finding was consistent with the study by Wadawi, Herbst, and Bresler (2011), where it was found that Kenya hotel recognized enforcement bodies that had statutory and legal authority such as the Hotel and Restaurant Authority and Local Authority Public Health Departments.

Another regulatory factor that can affect the kind of project implemented by hotel is the rate of changes in the regulatory environment. Table 8 shows that a majority of the respondent (mean= 1.87) reported that there were no frequent changes in the regulatory environment in the Kenyan hotel industry. This finding is consistent with the Kamau and Waudo (2012) and Wadawi et al. (2011) who found that regulation in the Kenyan hotel industry have largely remained the same since 1971 when the Hotel and Restaurant Act came into effect. The minimal changes in the regulatory environment suggest that many hotels do not need to implement compliance projects.

Statement	N	Min.	Max.	Mean	S. D.
The hotel industry is heavily regulated	61	1	5	4.30	.760
There is a strong enforcement of regulations within the hotel industry	61	1	5	4.08	.802
Regulations have a significant impact on the projects that are implemented by the hotel	61	1	5	2.15	.749
Many projects that the hotel implemented in the last 24 months were initiated to fulfill regulatory requirements	61	1	5	2.80	1.108
There are frequent changes in the regulations that affect the hotel industry	61	1	5	1.87	1.024
Valid N (Listwise)	61				

Table 8: Descriptive Analysis of Regulatory Practices in Hotel Industry

Participants were asked whether regulations have a significant impact on projects that are implemented by the hotel. As shown in Table 8, a majority of the participants (mean= 2.15) said that regulation did not have a significant impact on projects. Similarly, when asked whether most of the projects implemented by their hotels in the last 24 months were aimed at fulfilling regulatory requirements, a majority of participants (mean= 2.80) gave negative responses. These responses suggest that the regulatory environment does not affect the project selection processes of selected hotels. These findings are also consistent with Wadawi et al. (2011), who found that regulatory practices had little impact on strategic directions taken by hotels in Kenya.

4.3.5. Project Selection Performance in Hotels

Project selection performance was the dependent variable of the study. In order to examine how project selection performance varied across the selected hotels, participants were asked to respond to a series of statements on a five-point rating scale. The first statement was whether there was synergy between projects implemented by the hotel in the past 24 months. As shown in Table 9, the mean for the responses was 3.62 suggesting that a majority of participants said that there was synergy between projects implemented in their hotels. As explained by Asaka et al. (2011), the goal of strategic project alignment is to foster synergy between the projects implemented by organizations.

Another measure of project selection performance was whether the hotel had attained a good balance between high risk and low risk projects. A mean of 4.00 suggests that a majority of participants felt that their hotels had attained an optimal balance between high risk and low risk projects. According to Zeynaldeh and Ghajari (2011), a balanced project portfolio enables organization to increase returns without exposing itself to unreasonable risk. Selecting a portfolio that has many high risk projects will make the organization prone to failure. On the other hand, selecting a portfolio that has many low risk projects will slow down returns as risk is directly proportional to returns.

Participants were also asked whether projects initiated in the past 24 months were completed successfully. A majority of the respondents (mean=3.82, SD= 0.94) felt that over 70% of projects implemented in their hotels were successful. Similarly, a majority

of participants (mean= 3.58) reported that over 70% of the projects implemented in their hotels in the past 24 months were completed on time. However, a majority of the participants as indicated by a mean of 3.44 were not sure whether most of the projects implemented in their hotels were completed within their initial budget estimates.
Another indicator that was used to measure project selection performance was whether all stakeholders were satisfied with projects selected and implemented in the hotels in the past 24 months. A majority of the participants (mean= 3.52) reported that all stakeholders were happy with projects implemented by the hotel in the past 24 months. According to Darwish and Cadorin (2014), an effective project selection process should lead to greater satisfaction of all stakeholders especially the end-users of the products derived from the project. Cooper and Edgett (2001) also argued that projects cannot be considered successful when stakeholders are not satisfied even if these projects have met all the requirements of the iron triangle.

Statement	N	Min.	Max.	Mean	S.D.
There was synergy between projects that were implemented in the hotel in the past 24 months	61	1	5	3.62	1.051
The hotel attained a good balance between high risk and low risk projects	61	1	5	4.00	.753
More than 70% of all projects initiated in the last 24 months were completed successfully	61	1	5	3.82	.940
All stakeholders are happy with projects that were implemented by the hotel in the past 24 months	61	1	5	3.52	1.178
The projects completed within the last 24 months have benefited the hotel significantly	61	1	5	3.92	1.053
More than 70% of all projects initiated in last 24 months were completed on time	61	1	5	3.58	1.273
More than 70% of all projects initiated in last 24 months were completed within budget	61	1	5	3.44	1.232
Valid N (listwise)	61				

Table 9: Descriptive Analysis of Project Selection Performance

4.4. Inferential Analysis

Inferential statistics focus on testing whether the relationship between the study variables are statistically significance (Schindler & Cooper, 2013). The regression technique was used to assess the relationship between the dependent variables and independent variable. The following regression model was tested: $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon$. As shown in Table 10, the model had an R-square for 0.375 meaning the predictor variables explained 37.5% of the changes in project selection performance. This r-square value suggests that the model does not have a good predicting power, but according to Reisinger (2007) any r-square value that is greater than 0.3 is good for explaining social phenomena.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.612[a]	.375	.337	.735
a. Predictors: (Constant), Objective Alignment, Capability Alignment, Core Value Alignment				

Table 10: Model 1 Summary

In order to test the significance of the overall model, an Analysis of Variance was conducted (see Table 11). In regression analysis, the F-test compares the predictive power of the model that has the predictors (objective, core value, and capability alignment) and the intercept only model (Resinger, 2007). The model is deemed to be significant if the test shows that the predictive power of the model with predictors is statistically different from the predictive power of the intercept-only model. As shown in Table 11, the ANOVA test gave p-value of 0.001, which suggests the F-value of 11.085 was above the critical-F for this particular test. This implies that the model provides a better fit than the intercept only model; hence, there exists a significant relationship between the independent variables and project selection performance of the hotels at the 0.05 level of significance.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.888	3	6.629	11.085	.001[b]
	Residual	51.194	57	.598		
	Total	59.082	60			
a. Dependent Variable: Project Selection Performance						
b. Predictors: (Constant), Capability Alignment, Objective Alignment, Core Value Alignment						

Table 11: ANOVA[a] for Model I

<u>4.4.1. Influence of Objective Alignment on Project Selection Performance</u>

The first objective of the study was to examine the influence of objective alignment practices on project selection performance of hotels in Nakuru town. As shown in Table 12, the t-statistic in the regression analysis gave a p-value of 0.000, which indicates the existence of a statistically significant relationship at the 0.01 level of significance. We, therefore, reject the null hypothesis, which stated that objective alignment practices have no significant influence on project selection performance of hotels in Nakuru town.

The finding is consistent with Muthini (2012), who found that alignment between corporate objectives and operational activities resulted in improved performance by the Kenya Revenue Authority. Ling and Hien (2014) also found that goal alignment among construction firms in Vietman were significantly correlated with project schedule performance, project quality, and client satisfaction. The findings are also consistent with the study by Chaudhry (2015), where it was found that aligning project management with business objectives was beneficial to both the organization and projects in terms of organizational growth and project success.

In regression analysis, the beta coefficients help the researcher to determine the strength and direction of the relationship between the dependent variable and each of the independent variables (McCluskey & Lalkhen, 2007). As shown in Table 12, the Beta coefficient for objective alignment was 0.611. This implies that objective alignment practices have a positive influence on project selection performance of hotels. Holding all other factors constant, improving objective alignment practices by one unit will increase project selection performance by 0.611 units.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.963	.769		2.553	.013
	Objective Alignment	.925	.199	.611	4.648	.000
	Core Value Alignment	.415	.103	.411	4.029	.001
	Capability Alignment	.479	.101	.465	4.743	.000
a. Dependent Variable: Project Selection Performance						

Table 12: Regression Coefficients [a]

4.4.2. Influence of Core Value Alignment on Project Selection Performance

The second objective of the study was to examine the influence of core value alignment practices on project selection performance of hotels in Nakuru town. As Table 12 shows, the t-statistic gave a p-value of 0.001, which indicates that there is a significant relationship at the 0.01 level of significance. We, therefore, reject the null hypothesis which stated that core value alignment practices have no significant influence on project selection performance of hotels in Nakuru town.

The finding is consistent with Mathenge (2013), who found that compliance with core values of the organization increased the performance of hotels by increasing employee satisfaction and enhancing the image of the hotel. However, the study was slightly different from the current study as it focused on assessing how compliance with core values affected the performance of hotels rather than projects. The finding is also consistent with Too and Weaver (2014), who found that compliance with core values of the organization improved the governance of projects leading to increased probability of success.

The Beta coefficient of 0.411 suggests that relationship between core value alignment practices and project selection performance is a positive one. The value implies that, holding all other factors constant, improving core value alignment practices by one unit would increase project selection performance by 0.411 units.

4.4.3. Influence of Capability Alignment on Project Selection Performance

The third objective of the study was to determine the influence of capability alignment practices on project selection performance of hotels in Nakuru town. As shown in Table 12, the t-statistic gave a p-value of 0.000, which connotes the existence of a significant relationship at the 0.01 level of significance. We, therefore, reject the null hypothesis which stated capability alignment practices have no significant influence on project selection performance of hotels in Nakuru town.

The finding is consistent with Onyango, Odhuno, Ouma, and Othuon (2010), who found that the performance of Kenyan hotels was largely dependent on the extent to which the hotels were able to converge their goals, capabilities, and internal operations. Blichfeldt and Eskerod (2008) also found that many Dane companies did not excel in the implementation of projects because they undertook too many projects that were beyond their capabilities. The Beta coefficient of 0.465 implies that, when holding other factors constant, improving capability alignment practices by 1 unit will increase project selection performance by 0.465 units. In line with the Beta coefficients in Table 12, the solved regression equation will be:

$Y = 1.963 + 0.611X_1 + 0.411X_2 + 0.465X_3$

4.4.4. Moderating Effect of Regulatory Practices

The final objective of the study was to examine the moderating effect of regulatory practices on the relationship between strategic alignment and project selection performance of hotels in Nakuru town. In order to realize this objective, a second regression model was introduced that comprised of all the variables in the first model plus regulatory practices as a moderating variable, and the interaction between the four variables: $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4M + \beta_5X_1\ X_2\ X_3M + \varepsilon$. The analysis focused on comparing this second model with the first model.

As shown in Table 13, the r-square for model 2 is 0.398 as compared to 0.375 for model 1. The introduction of regulatory practices as a moderating variable increased the predictive power of the model by 0.023 or 2.3%. The small increase in the predictive power of the model suggest that government regulation has some moderating effect on the relationship between objective, core value, and capability alignment, and project selection performance. However, the p-value for the change in F was 0.151, which indicates that the change in the predictive power of the model was not significant at the 0.05 level of significance. Therefore, we fail to reject the null hypothesis, which stated that regulatory practices have no significant moderating effect on the relationship between strategic alignment and project selection performance of hotels in Nakuru town.

The finding is not consistent with Gu, Hoffman, Cao, and Schniederjans (2014), who found that the relationship between organizational culture and the performance of IT projects among a sample of US and Chinese organizations was moderated by environment factors such regulatory pressure. Ling, Low, Wang, and Lim (2009) also found that project management practices that result in good project outcomes in one country can lead to poor project outcomes in another country due to the difference in regulatory and operating environment. The finding also contradicts Badri and Davis (2000), who found the existence of strong relationship between environmental factors such as government laws and regulations, and the operational and strategic choices pursued by organizations.
The finding is, however, consistent with Muthoka (2014), who found that the regulatory environment had insignificant effect on the strategic direction organizations within the Kenyan tourism sector. This trend may be explained by the relatively stable regulatory environment that typifies the hotel industry in Kenya. A majority of the respondents reported that there were minimal changes in industry's regulations. The HRA, which is the main legislation governing the Kenyan hotel industry, was enacted in 1979 and minimal reviews made in 2009. According to wheeler (2013), low rate of change in the regulatory environment reduces the extent to which regulations influence project selection processes and decisions.

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	.612[a]	.375	.337	.735	.375	11.085	3	57	.001
2	.631[b]	.398	.359	.655	.023	1.243	2	55	.151
a. Predictors: (Constant), Capability Alignment, Objective Alignment, Core Value Alignment									
b. Predictors: (Constant), Capability Alignment, Objective Alignment, Core Value Alignment, Regulatory Practices, X1X2X3M1									

Table 13: Model 1 and II Summary

5. Summary of Findings, Conclusion, and Recommendations

5.1. Summary of Findings
The aim of this study was to investigate the influence of strategic alignment practices on project selection performance of hotels in Nakuru town. Specifically, the study sought to examine the influence of objective alignment practices, core value alignment practices, and capability alignment practices on project selection performance, as well as, the moderating effect of regulatory practices. This chapter presents the summary of findings, conclusion, and recommendations. In order to realize the objectives of the study, 73 questions were distributed to mid-level managers in eight hotels located in the Nakuru CBD. Sixty-one questionnaires were duly filled and returned to the researcher, where the resultant data was analyzed using both descriptive and inferential statistics.

5.1.1. Influence of Objective Alignment Practices on Project Selection Performance
The first objective of the study was to examine the influence of objective alignment practices on project selection performance of hotels in Nakuru town. Result of the descriptive analysis showed that, generally, the hotels applied best practices in relation to aligning their organizations objectives with the project selection process. A majority of the respondents reported that they were aware of their hotel's objectives, the objectives of single project were consistent with objectives of the hotel, compliance with organization objectives was a key consideration when selecting projects, and decisions regarding the progress of projects were traced back to the objectives of the hotel. A majority of the respondents were also confident that the objectives of their organization were realistic and achievable, and that they were capable of assessing the extent to which projects contribute to these objectives. Regression analysis showed that there was a significant and positive relationship between objective alignment practices and the project selection performance of the hotels. This implies that improving objective alignment practices would increase the project selection performance of hotels.

5.1.2. Influence of Core Value Alignment Practices on Project Selection Performance
The second objective of the study was to examine the influence of core value alignment on project selection performance of hotels in Nakuru town. Descriptive analysis also showed that the studied hotels were applying best practices with regards to alignment projects with the core values of the organization. A majority of the mid-level managers reported that they were aware of the core values of their organizations, plans of single projects were consistent with the values of their organizations, compliance with company values was a key consideration when selecting projects, and core values played a central role in determining priorities of projects. A majority of the respondents were also confident that the core values of their hotel were relevant to the operating and business environment. In line with expectations, the t-statistic in the regression analysis showed that there was a statistically significant and positive relationship between core value alignment practices and project selection performance of the selected hotels.

5.1.3. Influence of Capability Alignment Practices on Project Selection Performance
The third objective of the study was to determine the influence of capability alignment practices on project selection performance of hotels in Nakuru town. Descriptive statistics showed that the hotels were also applying best practices with regards to aligning their capabilities with project selection processes. A majority of mid-level managers reported that they were aware of their hotel's capabilities and that projects in their department were selected based on capabilities of the hotel. A majority of the mid-level managers

were also confident that project implemented in their departments played a role in supporting the capabilities of their hotels. However, many of the respondents reported that their hotel did not have a structured system for auditing their capabilities. The regression analysis revealed that there was a significant and positive relationship between capability alignment practices and project selection performance in the studied hotels.

5.1.4. Moderating Effect of Regulatory Practices

The final objective of the study was to examine the moderating effect of regulatory practices on the relationship between strategic alignment and project selection performance. Descriptive analysis revealed that hotel is a highly regulated industry. A majority of the participants reported that the industry was characterized by numerous regulations, which were strongly enforced. However, it was found that the regulatory environment in the hotel industry was fairly stable; hence, regulation had little impact on the kinds of projects that were selected and implemented in the hotels. Inferential analysis showed that the inclusion of regulatory practices as moderator in the relationship between the strategic alignment variables and project selection performance led to a marginal increase in the predictive power of the regression model. The change statistics showed that the change in predictive power of the model after the introduction of the moderator was not significant and, therefore, regulatory practices did not have a significant moderating effect on the relationship between strategic alignment and project selection performance of hotels.

5.2. Conclusion

Findings of the study led to the conclusion that strategic alignment practices have a significant influence on project selection performance of hotels. The F-test showed that model 1, which had the three strategic alignment variables (objective, core value, and capability alignment) as predictors of project selection performance of hotels, was significant. The r-square value also showed that the model explained 37.5% of the changes in project selection performance. Similarly, the t-statistics showed that, individually, all the three alignment variables (objective, core value, and capability alignment practices, had a statistically significant influence on project selection performance of the hotels. Objective alignment had the most significant influence of project selection performance, with the beta coefficient showing that a unit change in objective alignment would change project selection performance by 0.611 units. Available data showed that regulatory practices had no significant moderating effect on the relationship between strategic alignment practices and hotels' project selection performance.

5.3. Recommendations

The findings of this study have major implications at policy level. Policy makers in the hotel and tourism industry should promote alignment between organizational strategies and project selection so as to enable hotel to utilize projects as tool for realizing their overall goals and objectives. This can be realized through the development of education curriculums and content that emphasize on promoting strategic alignment practices. Particularly, education curriculum should focus on fostering alignment between company objectives, core values, and capabilities with the process of selecting and prioritizing projects in hotels.

Study findings also have major implications at the organizational level. Senior managers in the hotels should foster alignment between overall objectives and project selection exercise by ensuring that objectives are effectively communicated throughout their organizations. Senior managers should also promote core value compliance by developing and enforcing elaborate codes of ethics. Managers should also promote regular audit the capabilities of their hotels and ensure that these capabilities are considered during project selection.

Hotels should also focus on selecting and managing projects in portfolio so as to ensure that there is coordination between projects being selected in different department, as well as, between the projects and overall intents of the organization. Hotels should also consider the creation of the project management office that coordinates and oversees all the projects that are implemented within the organization so as to promote synergy and alignment.

5.3.1. Recommendations for Future Studies

The current study focused on hotels located in Nakuru CBD. Future studies should consider replicating the study among hotels in other towns within the country in order to support the generalization of findings. The study examined the influence of objective alignment, core value alignment, and capability alignment practices on project selection performance. Future studies should consider other dimensions of alignment such as vision, cultural, and environment alignment. Similarly, the current study focused on examining influence of strategic alignment practices on project selection performance; hence, the focus was on the planning phase of the project management cycle. Future studies should examine the influence of strategic alignment practices on the performance of project implementation phase.

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