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LEADERSHIP & GOVERNANCE

RELATIONSHIP BETWEEN CEO ATTRIBUTES AND PERFORMANCE OF FIVE-STAR HOTELS IN KENYA

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ABSTRACT

Background: The hospitality industry plays a critical role in a country's economic development. In Kenya, even though the sector is the second largest foreign exchange earner the industry faces a myriad of challenges. This study sought to determine the relationship between CEO attributes and performance of five-star hotels in Kenya.

Methodology: The study is anchored on the transformational leadership theory and employed a descriptive research design. The study targeted all the fifteen five-star hotels operating in Kenya, while the unit of observation was 198 head of departments, managers, and board members. The respondents were sought through a census. Structured questionnaires were the main tool to collect primary data.

Findings: The study found that CEO attributes had a positive and significant effect on performance of five star hotels. The study concluded that CEO attributes were significant in explaining performance of five star hotels in Kenya.

Recommendations: The study recommends that decision to hire CEOs should be basically based on executives' characteristics such as education, tenure and experience rather than simply following family succession plans. Similarly, it is highly recommended to select executives with an education background rather than in operating related subjects when there is a need. Another important aspect to consider is that five-star hotels are encouraged to increase the tenure of executives by for example avoiding frequent CEOs replacements in order to improve their performance.

Keywords: *CEO attributes, Performance, Five Star Hotels*

INTRODUCTION

The hospitality industry plays an important role in the country's economic development. A study by Wanjala (2016) concluded that the hospitality industry contributes more than 10 percent to the gross domestic product (GDP) and employs nearly 240 million people worldwide. In Kenya, this sector is the second largest foreign exchange earner after tea and makes a significant contribution to overall economic development (GOK, 2013). However, the industry faces a myriad of challenges caused by many factors but not only competition, globalization and uncertainty. According to a study by Cytonn (2016), the hotel sector is oversupplied and underperforming in some regions, despite nesting values in some areas, notably Nairobi and Masai Mara and serviced apartments. This requires good internal governance by sector institutions and actors to ensure policies and improve competitiveness.

The Chief Executive Officer (CEO) of any firm is inevitably the single most powerful individual in the whole system of power in and around the organization (Marieke, Ute and Sunčica,2015; Kim and Jung, 2015; Brandon 2015; Hatice, Samuel and Raj, 2014; Suvi, 2013). Given that CEOs bear this ultimate accountability, they are often given broad authority within their companies and are charged with the overarching leadership, strategy, and direction of their firm. Given the importance of the CEO, Brandon (2015) argues that it is worth investigating which characteristics of CEOs appear to impact the value the CEOs create. There is widespread interest in the role that a CEO has on corporate outcomes and whether personal attributes influence their leadership choices. The impact of CEOs on firm performance is has been studied under quality performance in order to ameliorate business performance centers.

According to Kim and Jung (2015), the characteristics of the CEO are integral predisposition factor for the success of quality management since the CEO disseminates the values and direction within the organization. The conventional wisdom, backed by a growing body of empirical evidence (Oriana & Hansen, 2016; Ogeno (2013) is that the identity of the CEO matters for firm performance. But what do CEOs actually do? The key role of the firm top executive is to co-ordinate the activities performed by different individuals, yet the co-ordination can be achieved in different ways. If so, do different CEOs perform this role differently? And is there a "best practice?", or do different circumstances call for different behaviors. Other researchers have argued that executives are greatly constrained – by organizational inertia, path-dependence, rigid resource configurations, and pressures to adopt institutionalized norms – such that, on average, the leader do not hold much sway over what happens to their companies(Brockmann & Simmonds, 2017;Chang, Sudipto and Gilles, 2010). The estimates of the contribution of individual CEO makes to the overall performance vary widely, and modest evidence exists that personal and professional attributes are associated with their performance as managers. For instance, general managerial skills as measured by number of previous positions, firms, industries, prior CEO experience, and prior experience at a conglomerate reveal that on average, firms place a higher value on general managerial skill (Logan et al., 2016; Brockmann & Simmonds, 2017; Larcker & Tayan, 2016; Suvi, 2013).

STATEMENT OF THE PROBLEM

The hospitality industry is experiencing tremendous growth, causing intense competition among players. The need for organizational survival and complex technology attracts industry players and increases the need for oversight and accountability (Wainaina, 2012). Good governance is useful for building a company's reputation and investor confidence, as well as providing accounting and reporting standards that attract capital flows (Knell, 2016; Levitts, 2011). In addition to the challenges faced by the hotel industry, Yap, Chan, and Zainudin (2017) argue that good corporate governance is seen as an important factor in maintaining business performance. Interestingly, the relationship was not always advertised. A study by Ongori, Irawo and Munene (2013) in Kenya shows that despite good corporate governance, hospitality output has declined drastically and is not performing well, with business closures worrying. Although hospitality continues to play a key role in supporting other sectors, several factors pose challenges to its sustainability (Waudo, 2012). These challenges underscore the need to develop mechanisms through which companies are monitored and regulated to ensure institutional support (Manyuru, 2015).

Corporate failures have fueled interest in corporate governance as a key element in broader decision-making processes (Yap et al., 2017). Although research has shown the contribution of corporate governance to performance (Abet, 2011; Macuvi, 2013; Mwangi, 2015), it is interesting to note that this relationship seems to overtly contradict the best-known empirical evidence (Wangombe, 2014) in hospitality in Indonesia. Kenya. This poses an empirical gap motivating the need to examine the relationship between CEO attributes and performance pf five-star hotels in Kenya.

RESEARCH HYPOTHESIS

Ha: There is a significant relationship between CEO attributes and performance of five-star hotels in Kenya.

LITERATURE REVIEW

Transformational Leadership Theory

The concept of transformational leadership was initially introduced by James V. Downton, the first to coin the term "Transformational leadership", a concept further developed by leadership expert and presidential biographer James MacGregor Burns. James MacGregor Burns (1978) first introduced the concepts of transformational leadership when studying political leaders, but this term is now used when studying organizations as well. Burns described two leadership styles: transactional and transformational. Transactional leaders focus on gaining compliance by giving and withholding rewards and benefits. Transformational leaders focus on "transforming" others to support each other and the organization as a whole. Followers of a transformational leader respond by feeling trust, admiration, loyalty, and respect for the leader and are more willing to work harder than originally expected.

Transformational leaders change their organization's culture by inspiring a sense of mission and purpose about the importance of the group's work and stimulating new ways of thinking and problem solving. They inspire the individuals within the organization to achieve high performance. According to Richard and Clifford (2008), in order to achieve the desired performance transformational leaders actively engage the subordinates' personal value systems and provide ideological explanations which connect subordinates' identities to the collective identity of their organization, thus increasing the subordinates' intrinsic motivation to perform their job; articulate an important vision and mission for the organization, so increasing subordinates' understanding of the importance and values associated with desired organizational performance; raise the performance expectations of subordinates' so increasing their willingness to transcend their self-interests in the name of the collective entity.

Understanding the connection between CEOs attributes through transformational leadership and the organizational performance is an important factor for the development of effective organizations. Finding the methods to increase the performance of the employees is an important task for today's leaders. Wang et al (2011) found out that the transformational leadership and individual-level follower performance are positively linked. Further, the study also indicated that transformational leadership and performance of teams at organizational level are associated positively. Xu and Wang (2010) stated that performance is the function of skills, abilities, knowledge and motivation which is directed towards a prescribed behavior. The transformational leadership enhances the overall development of the followers. It is on this premise the current study sought to establish the association between the CEO attributes and performance of five start rated hotels in Kenya.

Conceptual Framework

The purpose of the conceptual framework is to facilitate the description of study variables, concepts and help map relationships among them as depicted in Figure 1. This study hypothesizes that CEO attributes linearly and directly influences performance of five-star hotels in Kenya.

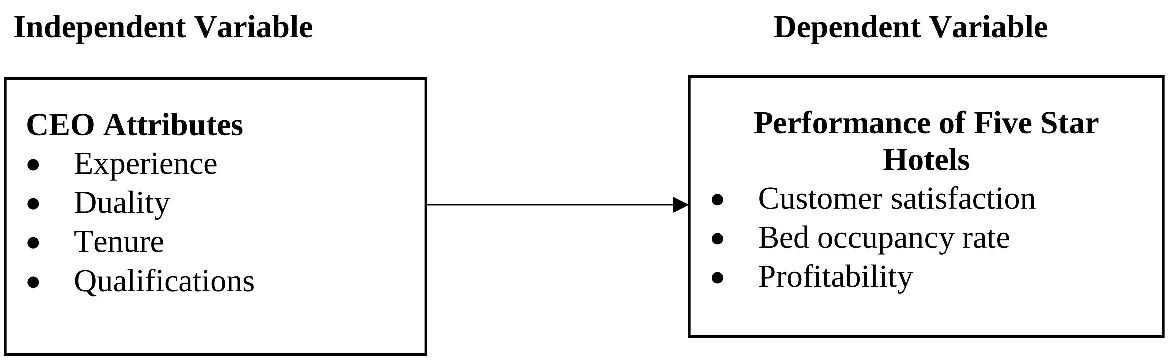

Figure 1: Conceptual Framework

Empirical Review

Kaur and Singh (2018) study focused on the association between chief executive officer (CEO) characteristics and firm performance. Employing a sample of Nifty 500 firms, the support found that demographic and job-related characteristics were related with the firm's financial performance. The study considered CEO gender, duality, nationality, remuneration and education level as CEO characteristics and employed return on assets (ROA) as a representative for firm performance. Specifically, the reported findings specify a positive relationship between CEO remuneration and firm performance, thus indicating that compensation acts as a good inducement for executives to yield finer firm performance while CEO nationality appears to inhibit it, steering foreign directors to a minority spot. This implies that remuneration should be more thoughtfully attached to performance, so that proficient CEOs were not lured by more tempted compensation elsewhere and the decision to engage foreign nationals to company boards must be based on norms other than the firm's future financial performance.

Gacheru (2011) examined the effect of chief executive officer (CEO) tenure on the performance of companies listed on the Nairobi Stock Exchange (NSE). The effect of CEO tenure was tested together with two control variables - size and age of the firm. The population of the study was all the 56 companies listed on the Nairobi Stock Exchange as at 30th June, 2011. A census survey of all these companies was carried out. The financial statements for the listed companies were obtained from the capital markets authority (CMA). This data was analyzed using regression analysis. The results of the study showed that CEO tenure had no significant effect on firm performance for firms listed on the NSE. Thus, the study concludes that the tenure of a CEO does not significantly influence its overall performance. According to the results of the study, it does not matter whether a CEO stays for long in a firm or is replaced more frequently.

Saidu (2019) study examined the impact of the chief executive officer's (CEO) ownership, education and origin on firm performance. The study used balanced panel data for 6 years from 2011 to 2016 to run ordinary least square regression. Three variables that include the CEO origin, education and ownership are investigated in relation to firm performance. These characteristics are some of the basic CEO characteristics that are rarely considered by prior studies. The study used a sample from firms in the financial sector listed on the Nigerian Stock Exchange from 2011 to 2016. The findings indicated that CEO education improves profitability. Similarly, stock performance gets improved when the CEO has prior experience of the firm before being appointed as the chief executive officer.

Saleh, Latif and Bakar (2018) examine the role of CEO Experience and CEO Multiple Directorships in Palestinian Firm Performance. The CEO characteristics played major role in the Palestinian firms and were seen among the most important factors to enhance the firm's performance. Many companies excelled as a result of their CEOs attributes. The study provided conceptual arguments that allow for better understanding of the relationship between CEO experience and firm performance. For companies, this study proposed that they should put more efforts on enhancing the role and the quality of the CEOs so as to improve its rule and regulation with respect to CG mechanisms.

Nyamongo (2013) investigated the effect of corporate governance on the performance of 37 commercial banks in Kenya over the period 2005-2009. The study used two measures of performance, that is return on assets (ROA) and return on equity (ROE), and the dependent variables and three measures of governance namely the board size, independent directors, and CEO duality as the key independent variables. The study follows a panel econometrics technique to investigate the relationship between governance variables and bank performance. The main findings indicated that there is no evidence that CEO duality or otherwise has impact on the performance of commercial banks in Kenya.

Chineme, Udoh and Nwosu (2018) study sought to determine the effect of chief executive officer duality on the profitability of money deposit banks. The research design adopted by this study was the quantitative approach. The population of interest for this study comprised the twenty-two deposit money banks listed on the Nigerian Stock Exchange (NSE) as at March (2016) for the period of sixteen years from 2000 to 2016. The study utilized only the secondary source of data. There exists a negative relationship between CEO duality and profitability. This further entails that for the sampled banks, CEO duality contributes negatively to the profitability of the selected money deposit banks in Nigeria. Based on the findings, the study concludes that on the average, effect of chief executive officer duality has no significant effect on the profitability of money deposit banks. This finding reveals that dual role has no positive and significant influence and contribution towards profitability in money deposit banks.

Omwenga (2017) study investigated the effect of corporate governance on financial performance of SACCOs in Kenya. This research employed a descriptive research design and the 15-largetier deposit taking Sacco's in Kenya made up the study population. The study used secondary data which covered a period of five years from 2012 to 2016. To determine the relationship between the variables the multiple linear regression model was used. The study found that CEO duality had a negative and significant relationship with financial performance of SACCOs in Kenya.

A study by Oriana *et al.* (2016) measured the behavior of over 1,100 CEOs in six countries (Brazil, France, Germany, India, UK and US) using a new methodology that combines (i) survey data on every activity that the CEOs undertake in a random work-week and (ii) a machine learning algorithm that projects these high dimensional data onto one behavior index. The sampling frame was drawn from manufacturing sector and contained 6,527 eligible firms in of which 1114 (17%) participated in the survey. Data was randomly collected through daily phone calls over a week. The study results indicated that 17% of firms get the "wrong" CEO. According to the authors, these mismatches are more frequent in poorer countries (45% vs 10%) and account for 12% of the productivity gap between rich and middle-income countries. In addition, sample CEOs are 52 years old on average, nearly all (96%) are male and have a college degree (92%).

Suvi (2013) investigated how these are associated with CEOs attributes such as attractiveness, competence, likability, and trustworthiness. The study sample consists of 140 CEOs from listed Swedish companies. Primary data on CEO was collected by conducting an Internet based survey where the participants are asked to rate the facial photos of CEOs on a scale from 1 to 5 on each trait. Further, a pair-wise comparison was done between a CEO and a non-CEO person as well as between a large company and a small company CEO to test if large companies CEOs are seen different from the control group. The study used linear regression analysis to analyze the predictive power of CEO attributes on the performance. On average, the CEOs received a competence rate of 3.32, which is the highest mean score of all four traits and competence trait received also the highest independent rating of 4.08. Large company CEOs are seen as more competent than small company CEOs, whereas small company CEOs are deemed more attractive, likable, and trustworthy. These results are not, however, statistically significant and could thus result from chance. As for the relationships between firm performance and CEO facial traits, likability and trustworthiness show significantly positive correlation with the industry adjusted ROA. The coefficients are, however, quite low at 0.22 for attractiveness and 0.18 for trustworthiness. The regression results revealed a strong association between CEO attributes and performance with 81.85 percent effect (R^2= 0.8185, ρ<0.05).

Njenga (2017) study main objective was to determine the effect of corporate governance on financial performance of Nairobi Security Exchange (NSE) listed commercial and services firms. The specific objective of the study included; to establish the influence of CEO duality on financial performance of NSE listed commercial and services firms. This study adopted a correlational research design. The study target population was the NSE listed commercial and services firms. The data was sourced from the listed firms' published annual statements for the period 2012 to 2016.The data was both quantitative and qualitative secondary data. The trend of CEO duality among the twelve NSE listed commercial and services firms reduced over the five years. The reducing number of firms with CEO duality allowed for separation of power and functions between their chairmen of the board, a non-executive director and their CEOs their executive directors while it increased accountability.

Karanja (2017) investigated the effect of the corporate governance on firm performance of commercial banks listed in the Nairobi Securities Exchange (NSE) This study primarily employs four corporate governance mechanisms: Chief Executive Officer (CEO) Duality to establish effect of corporate governance and firm performance. This research adopted a panel data analysis approach comprising of 11 financial institutions (banks) Listed at the NSE with four variables of data for each bank spanning a period of 8 years (2006-2013). The result also revealed that, at a 95% significant level that on CEO duality showed a positive relationship between firm performance and non-CEO duality.

METHODOLOGY

The study adopted a descriptive research design and used both qualitative and quantitative approaches. The unit of analysis was five-star rated hotels and hence the study targeted all the fifteen five-star hotels operating in Kenya, while the unit of observation was 198 (head of departments, managers, and board members). The respondents were sought through a census. Structured questionnaires were the main tool to collect primary data from the targeted respondents. The data was analyzed using both descriptive and inferential statistics. Cronbach's alpha was used to test for the internal reliability of each variable used in the study. Data analysis was done using descriptive statistics, correlation, and regression analysis. The study used simple regression analysis to analyze the relationship between board diversity and performance of five-star hotel variables.

RESULTS AND DISCUSSION

Reliability Test

Reliability of the instrument was tested using Cronbach alpha (α). Cronbach's alpha reliability coefficient value of 0.7 or higher is considered sufficient (Tavakol & Dennick, 2011). Reliability of all constructs representing the dependent variable (performance of five-star hotels) and the independent variable (CEO attributes) attracted a Cronbach alpha statistic of more than 0.7. Therefore, based on the coefficient values in Table 1, the items tested were deemed reliable for this study.

Table 1: Reliability Test

Variable	No. of Items	Cronbach's Alpha	Conclusion
CEO Attributes	8	.819	Reliable
Performance of five-star hotels	8	.905	Reliable

Descriptive Statistics for the CEO Attributes

The study objective was to examine the relationship between CEO attributes and performance of five star rated hotels in Kenya. Table 2 presented the percentages, means and standard deviation statistics relating to the information measuring the respondents' level of agreement as to how the given indicators of CEO attributes influenced performance of five-star hotels in Kenya. The value that had the highest frequency scores among the respondents was the occurrence, agree (value of 4.00 on the monadic scale), as all the indicators for board committees under this column had high numbers of respondents. This implied that most respondents were in agreement that the indicators listed for CEO attributes influenced performance of five-star hotels in Kenya.

From the findings in Table 2, majority of the respondents agreed that the organizations have CEOs with broad functional background and had brought broad and new ideas (M=4.008, SD=0.498); The CEOs of the organizations had adequate educational and managerial experience (M=4.218, SD=0.216), The CEOs did not serve as board chair (M=4.624, SD=0.816), The decisions made by a CEO-Chair were clearer, timelier, projecting a clear sense of direction (M=4.087, SD=0.217), The board maintained vigilance and willingness to revise the CEO period of serving to avoid *status quo* (M=4.218, SD=0.017); The renewal of the CEOs contract was based on his/her performance (M=4.111, SD=0.209), The board had the managerial and financial expertise to make appropriate corporate decisions (M=4.218, SD=0.818). The board and CEO were graduates from highly reputable learning institutions (M=4.331, SD=0.514). This implies that CEO attributes were considered and influenced performance of five star rated hotels in Kenya.

Table 2: CEO Attributes

Description	**Mean**	**Std. Dev.**
The organization has a CEO with a broad functional background and has brought broad and new ideas	4.008	.498
The CEO of the organization has adequate educational and managerial experience	4.218	.216
The CEO does not serve as board chair	4.624	.816
The decisions made by a CEO-Chair are clearer, timelier, projecting a clear sense of direction	4.087	.217
The board maintain vigilance and a willingness to revise the CEO period of serving to avoid *status quo*	4.218	.017
The renewal of the CEOs contract is based on his/her performance	4.111	.209
The board has the managerial and financial expertise to make appropriate corporate decisions	4.218	.818
The board and CEO were graduates from highly reputable learning institutions	4.331	.514

The study findings are in agreement with the findings by Kaur and Singh (2018) study focused on the association between chief executive officer (CEO) characteristics and firm performance. The study established that CEO gender, duality, nationality, remuneration and education level as CEO characteristics and employed return on assets (ROA) as a representative for firm performance. Gacheru (2011) examined the effect of chief executive officer (CEO) tenure on the performance of companies listed on the Nairobi Stock Exchange (NSE). The results of the study showed that CEO tenure had no significant effect on firm performance for firms listed on the NSE. Thus, the study concludes that the tenure of a CEO does not significantly influence its overall performance. According to the results of the study, it does not matter whether a CEO stays for long in a firm or is replaced more frequently. Saidu (2019) study examined the impact of the chief executive officer's (CEO) ownership, education and origin on firm performance. The findings indicated that CEO education improves profitability. Similarly, stock performance gets improved when the CEO has prior experience of the firm before being appointed as the chief executive officer. Saleh, Latif and Bakar (2018) examine the role of CEO Experience and CEO Multiple Directorships in Palestinian Firm Performance. The CEO characteristics played major role in the Palestinian firms and were seen among the most important factors to enhance the firm's performance. Many companies excelled as a result of their CEOs attributes. The study provided conceptual arguments that allow for better understanding of the relationship between CEO experience and firm performance. For companies, this study proposed that they should put more efforts on enhancing the role and the quality of the CEOs so as to improve its rule and regulation with respect to CG mechanisms.

Descriptive Statistics for the Performance of Five-Star Hotels

The respondents were asked to indicate to what extent they agreed with various statements that would indicate the performance of their businesses. The statements asked about customer satisfaction, bed occupancy as well business profitability. The findings are summarised in Table 3. Hotel employees met timelines of service (M=4.998, SD=0.008); Guests' requests are attended to promptly (M=3.765, SD=0.717), employees offer personal attention to guests (M=4.119, SD=0.113); Guests usually refer others to our facility (M=3.769, SD=0.115); The management kept clients' database records (M=3.328, SD=0.765); The hotel operated at full capacity always (M=3.328, SD=0.387); The occupancy followed peak phases (M=4.001, SD=.045). The study implications are that board diversity has an impact on the performance of the hotel industry in Kenya.

Table 3: Performance of Five-Star Hotels

Description	Mean	Std. Dev.
Hotel employees meet timelines of service	4.998	.008
Guest requests are attended to promptly	3.765	.717
Employees offer personal attention to guests	4.124	.113
Guests usually refer others to our facility	3.769	.115
The management keeps clients' database records	4.218	.732
The hotel operates at full capacity always	3.328	.765
The occupancy follows peak phases	4.001	.045

Regression Analysis of CEO Attributes and Performance of Five Star Hotels

The study objective assessed the relationship between CEO attributes and performance of five star hotels in Kenya. The results of the regression are presented in Table 4 displays R (the correlation between the observed and predicted values of the dependent variable), which is 0.432. This is a moderate relationship between the observed and predicted values of the dependent variable. It also shows that there is positive correlation between board diversity and performance of five-star hotels in Kenya. Table 4 also displays R squared which is the proportion of variation in the dependent variable explained by the regression model, in this case, it is 0.181. This means that CEO attributes can explain 18.10% of the performance of five star hotels in Kenya. The remaining percentage (81.90%) can be explained by other factors excluded from the model. The adjusted R-square of 0.179 indicates that CEO attributes in exclusion of the constant variable explained the change in performance of five star hotels in Kenya by 17.90%.

Table 4 summarizes the results of an analysis of variance, with the sum of squares, degrees of freedom, and mean square being displayed for two sources of variation, regression and residual. For the accounted for values, the mean square (the sum of squares divided by the degrees of freedom), is 36.572, the F statistic (the regression mean square divided by the residual mean square) is 356.470 and the degree of freedom (df) is 1 whereas the output for residual which displays information about the variation that is not accounted for by the model has the following values: sum of squares as 1608.205 df as 165 and a mean square of 9.747. The overall relationship was statistically significant ($F_{1,165} = 36.572$, $p<0.05$) It has a significance level of 0.000 this means that the chances are zero that the result of regression model are due to random events instead of a true relationship, which implies that the linear regression model is a good fit for the data and hence can be used to predict the influence of CEO attributes on performance of five star hotels in Kenya.

Table 4 represents coefficients of the independent variable (CEO attributes) and the dependent variable (performance of five star hotels in Kenya). These findings show that the performance of five star hotels in Kenya will be having an index of 8.916 when CEO attributes is held constant. In addition, the beta coefficient was 0.590 for the relationship between CEO attributes and the performance of five star hotels in Kenya. This shows that a unit improvement in CEO attributes would lead to a 0.590 improvement in the performance of five star hotels in Kenya. The t – value (4.371) of more than +1.96 indicates that the change in performance of five star hotels in Kenya CEO attributes is not by chance. The relationship is significant as the P-value (0.000) was less than the significance level (0.05). Thus yielding a regression model where $Y= \beta_0 + \beta_1 X_5 + \varepsilon$. The general form of the equation was to predict performance of five star hotels in Kenya; X_5= CEO attributes; $Y= 8.916 + 0590X_5$. This indicates that performance of five star hotels in Kenya = 8.916 + 0590* CEO attributes. Therefore, we can conclude that CEO attributes positively and significantly influence performance of five star hotels in Kenya.

Table 4: Regression Statistics (CEO Attributes and Performance of Five Star Hotels)

Model Summary			
R	R Square	Adjusted R Square	Std. Error of the Estimate
.432	.181	.179	.38563

Table 5: ANOVA Statistics

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	356.470	1	356.470	36.572	.000
	Residual	1608.205	165	9.747		
	Total	1964.675	166			

Table 6: Regression Coefficients

Regression Coefficients						
		Unstandardized Coefficients		Standardized Coefficients		
Model		**B**	**Std. Error**	**Beta**	**T**	**Sig.**
1	(Constant)	8.916	2.942		3.031	.000
	CEO attributes	.590	.135	.432	4.371	.000

Hypothesis Testing

The study hypothesized **H_a:** *There is a significant relationship between CEO attributes and performance of five star hotels in Kenya.*

The study results of the survey in Table 4 revealed that there was positive and significant relationship between CEO attributes and performance of five star hotels in Kenya (β1=0.590, t cal= 4.371> t critical =1.96, p-value < 0.05). To test the relationship the Regression Model fitted was Y= β0 + β1X5 + ε, that is Y= 8.916 + 0590X5. The alternate hypothesis (Ha5): CEO attributes has a positive and significant relationship with performance of five-star hotels in Kenya or (Ha5: $\beta_j \neq 0$) is therefore accepted (β1=0.590, t cal= 4.371> t critical =1.96, p-value < 0.05) and concluded that CEO attributes (X5) positively and significantly influences performance of five-star hotels in Kenya (Y). The study results corroborate with the findings by Kaur and Singh (2018) study focused on the association between chief executive officer (CEO) characteristics and firm performance. The study reported findings specify a positive relationship between CEO remuneration and firm performance, thus indicating that compensation acts as a good inducement for executives to yield finer firm performance while CEO nationality appears to inhibit it, steering foreign directors to a minority spot. Gacheru (2011) examined the effect of chief executive officer (CEO) tenure on the performance of companies listed on the Nairobi Stock Exchange (NSE). The effect of CEO tenure was tested together with two control variables - size and age of the firm. Thus, the study concludes that the tenure of a CEO does not significantly influence its overall performance. According to the results of the study, it does not matter whether a CEO stays for long in a firm or is replaced more frequently.

Saleh, Latif and Bakar (2018) examine the role of CEO Experience and CEO Multiple Directorships in Palestinian Firm Performance. The CEO characteristics played major role in the Palestinian firms and were seen among the most important factors to enhance the firm's performance. Many companies excelled as a result of their CEOs attributes. The study provided conceptual arguments that allow for better understanding of the relationship between CEO experience and firm performance. For companies, this study proposed that they should put more efforts on enhancing the role and the quality of the CEOs so as to improve its rule and regulation with respect to CG mechanisms. Chineme, Udoh and Nwosu (2018) sought to determine the effect of chief executive officer duality on the profitability of firms. Based on the findings, the study concludes that on the average, effect of chief executive officer duality has no significant effect on the profitability of firms. This finding reveals that dual role has no positive and significant influence and contribution towards profitability in money deposit banks. Suvi (2013) investigated how these are associated with CEOs attributes such as attractiveness, competence, likability, and trustworthiness. These results are not, however, statistically significant and could thus result from chance. As for the relationships between firm performance and CEO facial traits, likability and trustworthiness show significantly positive correlation with the industry adjusted ROA. The coefficients are, however, quite low at 0.22 for attractiveness and 0.18 for trustworthiness. The regression results revealed a strong association between CEO attributes and performance with 81.85 percent effect (R^2= 0.8185, ρ<0.05).

CONCLUSION

The study findings confirm that there is a statistically significant relationship between CEO attributes and performance of five-star hotels in Kenya. A positive increase in CEO attributes leads to an increase in performance of five-star hotels in Kenya. It can be concluded from this study that CEO attributes were statistically significant in explaining performance of five-star hotels in Kenya. The study results are in line with the findings by Ghardallou, Borgi and Alkhalifah (2020) proved that CEO attributes such as educational background does matter. Besides, results reveal that executives who have an experience in a related field will positively affect the firm's performance. Finally, evidence shows that high CEOs tenure improves corporate performance. Overall, these findings demonstrate that executives' attributes are key factors that would explain differences in firms' performance.

RECOMMENDATIONS

The study confirmed that CEO attributes influenced performance of five-star hotels in Kenya. The decision to hire CEOs should be basically based on executives’ characteristics such as education, tenure and experience rather than simply following family succession plans. Persons in charge of recruiting are encouraged to enrol CEOs with a related experience, that is., executives with prior experience who are able to replicate their past success in their current job, as this may be of a great value for the hotels. Similarly, it is highly recommended to select executives with an education background rather than in operating related subjects when there is a need. Another important aspect to consider is that five-star hotels are encouraged to increase the tenure of executives by for example avoiding frequent CEOs replacements in order to improve their performance. Additionally, this would help the stakeholders to reduce some of the agency issues that may arise with insiders and especially executive directors within the hotels. These results would help shareholders to make the right decision in selecting CEOs to manage the five-star hotels in Kenya.

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