

**EFFECT OF STRATEGY IMPLEMENTATION ON FIRMS' PERFORMANCE  
IN KENYA: A CASE OF CLEARING AND FORWARDING FIRMS IN  
NAIROBI COUNTY**

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**A Research Project Submitted to the Institute of Postgraduate Studies of Kabarak  
University in Partial Fulfillment of the Requirements for the Award of the Master  
of Business Administration (Strategic Management)**

**KABARAK UNIVERSITY**

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## **DEDICATION**

I dedicate this research project to my parents, Mr. and Mrs. Joseah Ngeno, for their unwavering financial and moral support throughout my period of study. Additionally, I extend this dedication to my daughters, Sasha and Shanelle, as well as to my siblings.

## **ACKNOWLEDGEMENTS**

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## ABSTRACT

The primary objective of the study was to address the knowledge gap concerning the effect of strategy implementation on business performance within the context of Kenya. The specific objectives of the study encompassed the assessment of how organizational culture, organizational leadership, organizational structure, and organizational resources impact the performance of clearing and forwarding firms situated in Nairobi, Kenya. The study drew guidance from the Resource-Based View Theory and Contingency Theory to direct its approach. The research design adopted for this inquiry was descriptive in nature. The targeted demographic for the study involved 184 managers hailing from 80 clearing and forwarding companies located in Nairobi, Kenya, including both operations managers and general managers. The selection of these 80 companies was accomplished through a simple random sampling method, while the inclusion of all 80 operations managers and 104 general managers within those companies were achieved through a census approach. The primary data required for the investigation was obtained via questionnaires. For supplementary data, a document check list was employed. The piloting process aided in enhancing the validity of the study instrument by identifying potentially confusing components and refining them. Cronbach's Alpha was utilized as an indicator of internal consistency. The pilot study was conducted in Mombasa, outside the primary research region. The Cronbachs Alpha average was 0.938 A. The data collected was predominantly quantitative in nature. The analysis of the quantitative data was performed using SPSS version 25 (Statistical Package for Social Sciences). The study encompassed both descriptive and inferential statistical techniques. Descriptive statistics involved the use of percentages, frequencies, measures of central tendency (mean), and measures of dispersion (standard deviation). The study's findings indicated an adjusted R square of 0.730, signifying that the performance of clearing and forwarding companies can be elucidated by four independent variables: organizational culture, organizational leadership, organizational structure, and organizational resources. The outcomes highlighted a significant positive correlation between organizational culture and the success of clearing and forwarding companies in Nairobi, as indicated by a regression coefficient of 0.88. Additionally, the data revealed a robust positive relationship between organizational leadership and the effectiveness of clearing and forwarding businesses in Nairobi, with a regression coefficient of 0.57. The study also showcased a substantial positive association between organizational structure and the performance of clearing and forwarding enterprises in Nairobi, with a regression coefficient of 0.271. Similarly, a noteworthy positive linkage between organizational resources and the effectiveness of clearing and forwarding companies in Nairobi was observed, with a regression coefficient of 0.152.

**Keywords:** *Strategy Implementation, clearing and forwarding firms, performance, organization culture, organization structure, organization resources and organization leaderships*

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## **ABBREVIATIONS AND ACRONYMS**

CEO	- Chief Executive Officer
KCB	- Kenya Commercial Bank
MDGs	- Millennial Development Goals
IBM	- Business Machines Corporation's
IT	- Information Technology
RBV	- Resource-Based View
SPSS	- Statistical Package for Social Sciences
VRIN	- Valuable, Rare, Inimitable, and Non-Substitutable
IHL	- Institutions of Higher Learning

## OPERATIONAL DEFINITION OF TERMS

**Organization Culture-** shared beliefs and values inside the firm that influence worker behavior and boost productivity (Schein, 2010). Policymakers might build effective culture change strategies to enhance organizational performance with the help of the impact of organizational culture on organizational performance.

**Organization Leaderships-** Is the ability to guide teams of individuals toward a common goal (Northouse, 2021). By effectively creating and carrying out their strategies, strategic leadership provides organizations a competitive edge during an uncertain and turbulent era.

**Organization Structure-** is a framework that lays out the particular steps that must be taken in order to achieve an organization's objectives (Robbins, 2017). Refers to the framework or system that defines how an organization is arranged and how its various components and employees are organized. It outlines the hierarchy, relationships, roles, and responsibilities within the organization, and it plays a crucial role in determining how work is divided, coordinated, and managed.

**Organization Resources-** Are all assets available for usage by a corporation during the production process (Barney, 2007). Improving financial and non-financial resources, such as human resources, in plan implementation, leading in underperformance of the company.

**Strategy Implementation-** This is how a strategy plan is translated into actual performance in order to achieve the defined goals (Thompson, 2020). The primary objective of strategy execution in a company is to create a responsive internal organizational structure, nurture the necessary skills and abilities, and ensure that the proper people are chosen for critical role.

**Organization Performance-** Actual output or outcomes of an organization as compared to planned outputs (Robbins and Coulter, 2012). Organizational performance also involves the organization's success or fulfillment when a program or project is completed as planned. In this study, performance would be measured using a range of metrics, including return on asset, return on equity, customer happiness, and market share.

**Logistics Industries-** Adebayo (2012) defines logistics as "the science of obtaining, producing, and distributing material and products to the correct location and in the correct quantities." Logistics management companies are responsible with developing and implementing strategies that, if implemented, will result in a prolonged competitive advantage.



## **CHAPTER ONE**

### **1.1 Introduction**

The backdrop of the study is covered in this chapter, along with the issue statement, study goals, research hypotheses, rationale and relevance of the investigation, restrictions and delimitations, and research hypotheses.

### **1.2 Background of the Study**

The concept of strategy involves finding a harmonious interplay between an organization's internal capabilities and its external surroundings. As articulated by Mintzberg and Lampel (2019), strategy encompasses the dimensions of plan, play, pattern, position, and perspective. According to Bateman (2017), strategy encompasses a series of actions and allocations of resources aimed at accomplishing organizational objectives.

Al Khajeh (2018) defines strategy implementation as the process of translating plans into actions throughout an organization, by deriving short-term objectives from long-term goals. Based on the overarching corporate strategy, it becomes imperative to formulate functional strategies. As highlighted by Pearce and Robinson (2018), this approach assists management in identifying urgent tasks necessary within key functional domains to attain the business objective. This process involves mobilizing resources, transforming systems and processes, establishing policies, exhibiting leadership, and advancing technology (Qamruzzaman, 2018). Moreover, the execution of plans may necessitate significant adjustments to budgets, impacting both human resources and capital expenditures (Audia, Brion, & Greve, 2015).

Every aspect of management is impacted by the implementation of a strategy, which must start from several internal locations inside the company. The ability to break down

complexity into manageable tasks and activities, communicate clearly and concisely throughout the organization and to all stakeholders, and exercise leadership are just a few of the special skills required for effective implementation (Thompson, Strickland, & Gambler, 2018).Rearranging the organization's resource base and placing its culture and organizational structure in a position to support a successful outcome are all parts of implementation. At every stage of deployment, the company has to review its environment. In the implementation phase, divisional or functional management takes up responsibilities from the strategic level. This shift in responsibilities from a few to many may be a roadblock and even a challenge to plan execution (Hrebiniak, 2016)

Creating a flexible internal organizational structure, cultivating the necessary skills and abilities, and making sure the proper people are chosen for important roles are the three main priorities of strategy execution in a company (Kachaner, King & Stewart, 2016). Long-term planning is a part of the strategy's ongoing evolutionary process, according to Kryger (2018). Strategic planning's most challenging step is strategy execution since it requires turning a strategy into a practical action plan Zawawi (2019). It takes time and effort to implement a strategy (Kachaner et al., 2016).

In 2011, Andrews, Boyne, and Walker conducted a study examining the relationship between strategy implementation and public service performance in the United Kingdom. The findings showed that public firms need to align their strategy direction and execution style in order to succeed at higher levels. In the Netherlands, Langereis (2015) studied the connection between municipal performance and strategy. The study unequivocally demonstrated the usage of strategic orientations by Dutch municipalities. The results show that economic, social-cultural, and ecological capital all affects how well towns run their organizations.

Rajasekar (2014) conducted a research in Oman on the variables influencing successful strategy implementation in the service sector. According to the survey, good strategy execution is essential for every firm to thrive in a cutthroat market. Because they lack the mechanisms for putting the plan into practice, organizations are unable to maintain their competitive edge despite the development of powerful strategies. Another research of Chinese corporations from 2006 found that 83% of the firms assessed failed to put their goals into practice, and just 17% believed they had a solid framework in place for doing so (Bolman & Deal, 2014).

South Africa and Nigeria are exemplifying exceptional organizational performance by skillfully executing their strategies to cater to the demands of their stakeholders. For instance, the South African government has recognized the importance of improving evaluation practices to advance strategy implementation in higher education establishments. Similarly, Nigerian institutions of higher learning, experiencing rapid growth, have made substantial strategy implementation investments using effective mechanisms to attain their objectives without arousing significant stakeholder conflicts, as observed by Omutoko (2019). As a result, this has resulted in elevated levels of organizational performance.

As per Waititu's findings in 2016, a significant correlation exists between the performance of Kenyan commercial banks and the execution of their strategies. This implies that these banks have dedicated substantial efforts towards innovation, streamlined communication systems, inspirational leadership, and a well-functioning organizational structure and culture. Additionally, the research conducted by (Kihara, 2016) has proven that the adoption of strategies similarly enhances the performance of Kenyan manufacturing firms in areas such as technological utilization, organizational structure, leadership approaches, and human resource management.

The transport and logistics sector is now going through a lot of change, both locally and worldwide, according to Tipping and Kauschke (2016). One of these developments is the gradual rise in consumer expectations in both private and public organizations, where customers want items delivered more quickly, with greater flexibility, and for significantly less money. Another shift is that some of the clients who were being served by these logistics companies have launched their own logistics enterprises and as a result have become direct rivals. Performance will be gauged in a variety of ways depending on the situation, including return on asset, return on equity, customer happiness, and market share.

### **1.1.1. Strategy Implementation**

Strategy implementation has become a key area of interest in strategic management research because evidence suggests most strategic management processes fail at the implementation stage. Moloi and Marwala (2021) noted that after an exciting process of formulating a new strategy, the management often feels lost at the start of the implementation process for the new strategy. They get stranded on how to translate their great plans into actions. A study examining prominent chief executive officers (CEOs) failures, found that over 70% failed because of poor strategy implementation (Carruci, 2017). Abass, Munga and Were (2017) noted that between 60-80% of organizations, perform well in strategy formulation; it is the implementation process where they fail or perform poorly. Struggles and high failure rate in implementation discourage involvement of stakeholders and hinder the firms from achieving their goals.

Strategy implementation is about converting the strategic plan into actions and activities that guarantee the realization of organizational goals and vision (Nwachukwu, Zufan & Chladkova, 2020). It actualizes the activities and tactics stipulated in the strategic plan.

Implementation is more complex than planning as it requires the organization to resource the strategy, configure the culture to fit the strategy and employ change management procedures. Many organizations today craft sound strategies, but of great concern is the high rate of failure during implementation. According to Aguru, et al. (2018) most strategies accomplish less than 50% of the goals that were planned for with as high as 90% of strategies failing to be implemented successfully. Organizational excellence can only be achieved through by formulating as well as implementing the right strategies. Strategy implementation is important for any sector as a way to improve its outcomes, since poor coordination, poor and improper communication and poor definition of strategy implementation tasks were among the challenges hindering strategy implementation in firms.

Strategy implementation is based on several factors and according to Mwangi and Kihara (2021) it includes access to excellent human resource, modern technologies and other resources. It is also about the adopted leadership style that is used in an organization that encompasses transactional, bureaucratic, transformational, autocratic and charismatic formats. The leaders must also be committed, supportive and visionary to direct the organization to success. Moloji and Marwala (2021) shared that leaders should be able to make plans to push the organization forward and they have the sole authority in making key decisions in formulating and implementing strategies.

### **1.1.2 Organization Performance**

Organizational achievement is intricately linked to both effectiveness and efficiency (Lufthans, 2012). According to Oni-Ojo, Salau, Odunayo, Olumuyiwa, and Abasilim (2014), efficiency pertains to the assessment of the financial utilization of a firm's resources while concurrently achieving a certain level of customer satisfaction. Conversely, effectiveness refers to the degree to which the expectations of stakeholders

are fulfilled. Overall, research outcomes concerning performance are inconclusive. The lack of clarity in these findings has been attributed to deficiencies in methodology, oversight of organizational components in performance correlations, and the concurrent utilization of models (Munyambu, 2015) As a result, performance has become a more balanced and comprehensive phrase that more accurately represents investor interests. Performance is the ideal time to address long-term goals that may not be on your daily to-do list. Not only does this provide the employee the ability to be more useful to the firm, but it also makes the person happy and valued.

The tangible outputs or results of an organization are included in organizational performance when compared to its anticipated outputs. Finance, strategic planning, law, operations, and organizational development are just a few of the numerous disciplines that touch on organizational performance. This study defines organizational performance as the efficacy of the corporation in accomplishing its vision, mission, and goals by utilizing a balanced scorecard approach to analyze performance. Strategic management must involve a performance appraisal of the company. Managers must be actively involved in the performance of their entities in order to design appropriate plans for their companies' business conditions and uncertainties. M. Ogot and J. M. Ogola (2019).

Performance is a comprehensive term encompassing a company's attainment of its objectives within a specified timeframe, often a fiscal year. Another definition of performance revolves around how effectively a business utilizes its resources to generate value for its stakeholders. According to Mkumbo, Ibrahim, Salleh, Sundram, and Bahrin (2019), performance is encapsulated by the entire system's output, represented through products, including goods and services. Consequently, performance stands as the most efficient avenue for a business to realize its financial and market-related goals. Profitability, gauged by return on assets (ROA), serves as an indicator of a company's

performance. This widely used performance metric, prevalent in financial institutions such as commercial banks, mirrors management's aptitude for generating profits from available assets. Chimkono (2019) underscores ROA as a fundamental performance measure adopted in a majority of empirical studies.

Herciu and Erban (2018) highlight performance as a multifaceted concept and the fundamental purpose of a company's existence. Firm performance is evaluated based on two principal criteria: financial and non-financial dimensions of success. Financial performance parameters encompass indicators like return on investments, sales revenues, overall market share, and returns on assets and equities. Conversely, non-financial performance metrics encompass factors such as efficiency, effectiveness, customer satisfaction, and adaptability (Daouia, Simar, & Wilson, 2017). Both financial and non-financial measures were employed in this study as indicators of corporate achievement, with a specific focus on customer satisfaction and lead times. Richard (2017) categorizes firm performance into three domains: financial performance (encompassing profits, resource returns, and quantifiable gains), product market performance, and shareholder returns (incorporating overall shareholder returns and financial value). Business performance analysis assesses outputs before modifying techniques or strategies to enhance productivity, efficiency, or process suitability. Giuri and Luzzi (2019).

Numerous studies exploring financial risk and performance have been conducted in Kenya. These include examinations of the influence of corporate income tax on the financial performance of entities listed on the Nairobi Securities Exchange (Nekesa, Namusonge, & Nambuswa, 2017). The impact of financial risk management on the performance of Kenyan commercial banks in the Western Region (Angote, Malenya, and Musiega, 2019); The influence of financial risk management on the growth of Kenya's microfinance sector (Njuguna, Gakure, Anthony, and Katuse, 2018); The effect of risk

management on the financial performance of Kenyan insurance companies (Omasete, 2019).

### **1.1.3 Clearing and Forwarding Industries in Kenya**

Kenya's logistics sector is well-diversified and includes companies that specialize in delicate or perishable items, such as exports of fresh fish to EU nations. The majority of horticultural goods are sent by air. The majority of the country's trade is transported from and to Mombasa, the primary port, via Kenya. The port, which is run and managed by the Kenya Ports Authority, serves as an important crossroads for global commerce in East and Central Africa. Trucks and trains are used for inland transit to and from the port, and dedicated rail container services run from the port to inland container facilities. The port is home to a large number of shipping companies that offer services to locations all over the world. With a fast growing commerce in containerized freight, the port is perfectly suited to handle a range of commodities. It offers 16 deep-water berths with a combined length of more than three thousand meters and a ten-meter alongside depth. It runs large storage facilities in addition to Inland Container Depots, dry ports for the handling and storage of containerized goods and empty containers.

As per the Kenya Economic Survey of 2013, the transportation and logistics sector holds significant potential for enhancing economic growth in Kenya and exerts a direct influence on all sectors of the economy. The logistics industry contributes to approximately 5-10% of Kenya's Gross Domestic Product (GDP) (GoK, 2012), with the sector reportedly supporting over 5 million jobs in the country. By utilizing various transportation modes, including sea, land, and air, logistics service providers (LSPs) enable organizations to ensure timely delivery of raw materials, semi-finished products, and finished goods, both internally and externally (Ochido & Ochiri, 2014).



There are several clearing and forwarding companies in Kenya, most of them are situated in Nairobi and Mombasa. Along with smaller, domestic companies, big international courier services like UPS and DHL operate in the nation. Along with regional businesses like Strategic Training and Logistics Consultants Limited, the big global consulting firm Deloitte is now operating. The trade organization is the Kenya International Freight and Warehousing Association. The Ministry of Transportation oversees sector development and regulation.

## **1.2 Statement of the Problem**

Research and application continue to highlight the significance of the relationship between strategy execution and organizational success Wanjira (2018). Ochieng (2017) performed research on the variables that affect strategy execution at KCB. He came to the conclusion that senior leadership is crucial to the success of a strategy. The rationale of conducting the study was due scanty information from the previous studies. For instance, Gabow (2019) conducted a study on strategic management practices on performance of Commercial Banks in Nairobi County and measured strategy implementation using operationalization and institutionalization. However, the study was conducted in banks. According to Mailu, Ntale, and Nguu (2018), a descriptive study on the pharmaceutical industry in Kenya measured strategy implementation was using organizational structure and resources.

The effective or ineffective execution of a plan relies on factors such as corporate culture, leadership approaches, organizational structure, and available resources. Mintzberg's observation in 2014 highlights that a substantial 90% of meticulously devised strategies falter during their implementation phase. Furthermore, it is noted that a significant 95% of the typical workforce lacks a clear comprehension of their company's strategy, and a considerable 86% of enterprises allocate less than an hour

monthly to discuss this aspect. Additionally, findings indicate that 60% of businesses fail to establish a connection between strategy and budgeting, while 75% do not tie employee incentives to the strategic framework, among other shortcomings. Hence, the research conducted by (Mailu, 2018) regarding the influence of strategy implementation on organizational performance assumes critical importance.

Numerous investigations have explored different facets of implementing strategies within Kenyan private and public sector enterprises. Among the scholars contributing to this field, Koskei (2003), Nabwire (2014), and Ndiso (2015) stand out. In contrast to Kemboi's (2013) work, fewer researchers have delved into the intricacies of enacting strategic plans within government-operated enterprises. Limited empirical evidence exists concerning the impact of strategy implementation on the performance of the logistics sector in Nairobi, Kenya. Historical research has consistently indicated that executing a strategy poses challenges, and despite successful strategy development, many companies struggle to translate these plans from paper into action. Which create a gap on strategy implementation on organization performance specifically in clearing and forwarding firms in Nairobi Kenya which this study sought to fill on assessment of factors affecting strategy implementation on organizational performance of clearing and forwarding firms in Nairobi Kenya.

### **1.3 Objectives of the Study**

#### **1.3.1 General Objectives of the Study**

The main objective of the study was to assess the effect of strategy implementation on clearing and forwarding firms performance in Nairobi, Kenya

### **1.3.2 Specific Objectives of the Study**

- i. To establish the effect of organization culture on clearing and forwarding firm's performance in Nairobi, Kenya.
- ii. To evaluate the effect of organization leaderships on clearing and forwarding firm's performance in Nairobi, Kenya.
- iii. To examine the effect of organization structure on clearing and forwarding firm's performance in Nairobi, Kenya.
- iv. To determine the effect of organization resources on clearing and forwarding firm's performance in Nairobi, Kenya.

### **1.4. Research Hypotheses**

Ho<sub>1</sub>: Organization culture has no statistically significant effect on of clearing and forwarding firm's performance in Nairobi, Kenya.

Ho<sub>2</sub>: Organization leadership has no statistically significant effect on clearing and forwarding firm's performance in Nairobi, Kenya

Ho<sub>3</sub>: Organization structure has no statistically significant effect on clearing and forwarding firm's performance in Nairobi, Kenya.

Ho<sub>4</sub>: Organization resources have no statistically significant effect on clearing and forwarding firm's performance in Nairobi, Kenya.

### **1.5 Significance and Justification of the Study**

The results of this study will enhance our comprehension of how strategy implementation impacts organizational achievements, spanning both academic and industrial contexts. The study's outcomes held significant importance for the management of logistic enterprises, as they provided valuable insights into the correlation between tactics and company success. This insight enabled the development

of effective promotional strategies that subsequently bolstered business performance.

The results of this study will be used by academics to guide further investigation into other incidental facets of the life cycle of organizational structures and their effects on organizational performance. The results will help researchers better understand why business executives select particular organizational structures in order to effectively run their firms.

The logistics environment is growing increasingly unstable due to rising competition, narrowing profit margins, rising expectations for service quality, and uncertain demand. The majority of researches have demonstrated the relevance of strategy implementation in any company, whether private or public. As opposed to strategy execution, the majority of these researches have focused on strategy formulation. As a result, it can be inferred that strategy execution is continually changing and now plays a crucial role in achieving success in today's market. The goal of this study was to determine how the implementation of a strategy affected the performance of clearing and forwarding businesses in Nairobi, Kenya.

### **1.6 Scope of the Study**

The study took place in Nairobi, Kenya, focusing on clearing and freight firms. The study examined the effectiveness of these companies, with a focus on their organizational dynamics. The variables under consideration included organizational culture, leadership, structure, and communication. The study drew upon the Resource-Based View Theory and the Contingency Theory. A census approach was employed, encompassing all 104 general managers and 80 operations managers from 80 selected clearing and forwarding companies in Nairobi, Kenya, due to the substantial size of the

target group. Descriptive research methodology was applied in this inquiry. The investigation was conducted between November 2022 and April 2023.

### **1.7 Limitation and Delimitation of the Study**

Given their demanding schedules, especially during fieldwork, a number of participants encountered difficulties in fully participating in the surveys. To address this issue, the researcher implemented a drop-and-pick strategy, coupled with consistent follow-ups through both in-person visits and telephone calls, to ensure prompt and comprehensive responses. In instances where respondents were hesitant to complete the questionnaires due to emotionally distressing or traumatic experiences, the researcher provided a university-issued letter clarifying the academic nature of the research. Participants were reassured that the study had been thoroughly explained to them and appropriate measures were in place to safeguard their well-being.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The literature review is discussed in this chapter. Theoretical framework, empirical literature, research gaps, and conceptual framework are a few of the elements that will be investigated.

#### **2.2 Theoretical Review**

A theory comprises assertions or guiding concepts formulated to elucidate a set of facts or events, particularly those that have been rigorously tested, widely embraced, and can be employed to predict natural phenomena. Both the Resource-Based View Theory and the Contingency Theory found application in the study.

##### **2.2.1. Resource-Based View Theory**

In contrast to Barney's (1986) theory, which asserts that a firm has the potential to develop a long-term competitive advantage from resources that are valuable, rare, inimitable, and non-substitutable (VRIN), Wernerfelt's (1984) theory argues that firms should be assessed based on the resources they possess rather than just the product side at the industry level. Businesses should create and deploy various capabilities that are kept internal only and used to get a competitive edge that will improve performance. According to the resource-based theory, there are three different types of resources that are used as inputs in a company's production process: organizational capital, human capital, and physical capital (Currie, 2009). To effectively implement the plan, management is responsible in allocating resources to various tasks.

As indicated by Baumol, Litan, and Schramm (2009), RBV demonstrates how an organization's resources enable it to differentiate itself from other companies in the

market by achieving improved performance, thereby establishing a competitive advantage. The favorable influence on a company's success stems from these varied resources and capabilities. Ainuddin, Beamish, Hulland, and Rouse (2007) discovered that organizations achieve superior performance when they allocate sufficient resources to assets such as machinery, plant, and equipment. Similarly, enterprises that invest in employee development enhance the skills and knowledge of their human resources. Consequently, this impacts decision-making and implementation processes, which subsequently affect overall operational effectiveness of firms (Rose & Kumar, 2007). The allocation of financial resources, encompassing cash reserves, bank deposits, stocks, and other derivatives, exerts an influence on a company's expenditure patterns and its ability to seize new opportunities (Morgan, Kaleka, & Katsikeas, 2004).

The distinctive resources and skills each organization uses to support the plan it is implementing are what essentially determines how well it performs over time (Currie 2009). In accordance with this theory, the researcher looked at how the execution of a strategy affected the performance of the logistics sectors in Nairobi County using the performance indicators of efficiency, quality service, innovation, and customer happiness.

Foss (1997) asserts that RBV researchers are conspicuously silent about the endogenous resource production of businesses. The conceptual paradigm that includes the generation of new resources into the RBV was first sparked by Dierickx et al. (1989) and Wernerfelt (1984), but these significant contributions are only the beginning. Foss claims that this underexposure is caused by the RBV's stringent adherence to equilibrium economics assumptions (such as full rationality). Indeed, equilibrium is a common way to express the fundamental idea of long-term competitive advantage. The different theoretical contributions made by the RBV, some of which embrace dynamic elements while others

do not, are the root cause of this shortcoming, which is symptomatic of a larger problem with managing the more dynamic aspects of resource development.

The RBV lacks dynamism, which is also shown by Priem et al. (2001), and goes beyond a disregard for endogenous resource production. The act of comparing resources and the method through which resources provide long-term competitive advantage are both neglected. In response, Barney (2001) acknowledges that the present iteration of the RBV lacks these process-oriented, dynamic elements. He continues by saying that the theory behind the dynamic capabilities approach and evolutionary theory should be used to develop and combine these dynamic features with the more static method.

Barney (2001) defines capacity and resource management as the effective structuring and operation of service capacity and resources at a high level. Consequently, for County governments in Kenya, service strategy implementation methods should positively impact organizational performance if resources and capabilities are constrained to maintaining strategy implementation practices. This assertion finds support in the study's dependent variable, organizational performance.

### **2.2.2 Contingency Theory**

Fiedler developed this leadership effectiveness hypothesis in the 1960s. According to the Contingency Theory, there is no ideal method to manage an organization (Burnes, 2000). This is so because companies function in a variety of environments, and the context in which an organization operates—including its structure, culture, size, type, and complexity in relation to its external environment—determines the strategy that will best serve the business.

According to the idea, there is no one right approach to manage an organization, and its subsystems must be designed to "fit" with the surroundings (Awino & Karuiki, 2012).



Due to the organization's reliance on the environment for resource inputs and the production of goods and services for the environment's usage. According to the idea, the environment is complex, dynamic, and unexpected, suggesting that conventional approaches to strategic Management might not always be effective. In order to develop responsive strategies and implementation techniques that would favorably effect the fulfillment of their defined objectives, it is crucial that each business understand the environmental context in which they operate and how those elements affect their operations.

The theory's proponents contend that traditional theories fell short because they failed to acknowledge how the environment affects organizational structure and management style. In theory, two types of leadership conduct are required for efficient leadership. These include relational behavior, which refers to a leader's capacity for developing rapport and close bonds with others, and task-oriented behavior, which gives the organization structure by, for instance, assigning roles, planning, and scheduling work to ensure tasks are completed and goals are met. The independent variable on leadership and strategy execution will be linked by this hypothesis.

### **2.2.3 Dynamic Capabilities Theory**

This study is founded on the dynamic capabilities theory of firms. The word "Dynamic" refers to the capacity to renew competences so as to achieve congruence with the changing business environment. "Capabilities" emphasizes on appropriately adapting, integrating and reconfiguring internal and external organizational skills, resources and functional competences to match the requirements of changing environments. (Teece,2014). Dynamic capabilities theory is founded on two basic principles namely

developing firm- specific capabilities and renewing competences to respond to shifts in the business environment.

These capabilities are unique to each company and rooted in the company's history, thus difficult to imitate. The competitive advantage of firms lies with the way things are done in the firm i.e. routines and patterns of current practice. Winners in the global market place have been organizations that can demonstrate timely responsiveness coupled with management capability to effectively coordinate and redeploy internal and external competences.

Organizations need to gain and sustain their competitive advantage by adjusting their competencies to match changes in the business environment. Organizational culture and strategy can be termed as distinctive competences as they set the organization apart from other organizations (Wheeler, 2002). The implementation of strategy needs a careful examination and evaluation of a company's organizational culture to ensure that there is a culture- strategy fit. Organizational culture and strategy need to be renewed and reconfigured to respond to shifts in the business environment.

#### **2.2.4 Modern Organizational Theory**

In modern theory, an organization is defined as a designed and structured process in which individuals interact for objectives (Hicks & Gullet, 1975). The contemporary approach to the organization is multi-disciplinary as many scientists from different fields have contributed to its development emphasizing on the dynamic nature of communication and importance of integrating the individual and organizational interests. Modern understanding of the organization can be classified into the Systems approach, socio-technical theory and contingency or situational approach. The modern theories tend to be based on the concept that the organization is system which has to adapt to

changes in its environment as opposed to the bureaucratic system which is seen to be rigid.

The systems approach views organization as a system composed of interconnected and thus mutually dependent sub-systems. It looks at organization as a system with separate parts, where the integration depends on shared norms, values and beliefs. According to Albrecht (2013) organizations as systems consist of three basic elements. Namely: components, linking processes and goals. The approach recognizes the dynamic nature of organizational environment. The socio- technical systems approach is based on the premise that every organization consists of the people, the technical systems and the environment (Pasmore, 2012). People use tools, techniques and knowledge to produce goods and services valued by consumers. Therefore, equilibrium among social system, technical and environment is necessary.

The situational approach is based on the belief that there cannot be universal guidelines suitable for all situations unlike in bureaucracy. Organizational systems are interrelated with the environment. The situational approach (Hellriegel & Slocum, 2013) suggest that different environment required different organizational relationships for an optimum effectiveness taking into consideration social, legal, political, technical and economic factors. Notwithstanding the limitations of Weberian bureaucracy, the modern theories are an improvement to the same and compliment it by advocating for flexibility and adaptability to the organizational environment taking into consideration the people. The independent variable on structure and strategy execution will be linked by this theory.

### **2.3 Empirical Literature Review**

According to Kavale's (2012) analysis of four significant American companies—Du Pont, General Motors, Standard Oil, and Sears, Roebuck and Company organizational

structure and the strategic management process are fundamentally linked. In line with Kavale's results, Steiger, Hammou, and Galib (2014) assert that organizational structure and the process of strategic management are intricately entwined. The importance of organizational structures for implementing a plan is emphasized by Whittington (2012). Lombardo (2017) underlines the significance of organizational structure in the success of companies by using the organizational structure of International Business Machines Corporation (IBM). Lombardo claims that the company's structure helped it expand, especially after the structural adjustments it made in 2015.

In the Nigerian banking sector, Oyinloye (2014) conducted study on the connection between strategic management and enterprises' success in Africa. The study's conclusions showed that organizational performance was impacted by strategic management. In Zimbabwe, Winfred (2016) conducted study on how organizational culture and strategy implementation affected the performance of commercial banks there. The study's findings demonstrate that culture and strategy implementation have a statistically significant and favorable influence on the performance of commercial banks.

Kibe (2014) attempted to investigate the connection between Kenya Ports Authority organizational performance and communication techniques. The study came to the conclusion that open, inclusive, two-way, goal-driven, multi-channeled communication was necessary for any organizational performance to be successful. The study suggested that while communication obstacles cannot be entirely erased, they must be lessened in order for successful communication to occur. All parts of the business should be able to communicate with one another, the language used should be clear and succinct, and the recipient of the message should pay attention. A thorough feedback system of communication must be implemented, according to the study's

further recommendation that feedback is a crucial component of good communication. The study also recommended that team building activities should be initiated to help build on employee trust, cohesion, and friendship. The impact of communication on the logistics sectors' organizational performance was not the primary focus of this study.

Slabbert and Mukhongo (2018) argue that a minimal correlation existed between strategic leadership philosophies and the efficacy of United Nations Development Programs in Mogadishu. Mui et al. (2018) state that leadership vision had limited impact on enhancing organizational performance. This stems from the notion that an organization's effectiveness relies on the extent to which its members internalize and embrace their commitment to the advancement and triumph of a specific institution. Consequently, they are compelled to propel the necessary performance through this voluntary alignment.

In 2018, Slabbert and Mukhongo discovered no substantial evidence indicating a notable correlation between strategic leadership practices and the effectiveness of UNDPs in Mogadishu. Mui et al. (2018) conducted further research, revealing that leadership vision does not significantly enhance a company's performance. This is attributed to the pivotal role played by an organization's members in embracing and taking ownership of their commitment to the institution's growth and success, which is a crucial determinant of performance. Consequently, this voluntary alignment serves as a driving force for achieving the required performance levels. The proficiency of the secondary schools in the study area to execute their strategies was notably influenced by the adept management of these fundamental aspects.

### **2.3.1 Organization Culture on Firms Performance**

Goromonzi (2016) conducted a study examining the performance of commercial banks, alongside organizational culture and strategy execution. The study employed the ordinary least regression method to quantitatively estimate the influence of these two factors on the performance of commercial banks. This was achieved by statistically assessing the effects of culture and strategy execution using organizational culture indexes comprising four elements, six dimensions, and an eight-dimensional strategy implementation index. Data was collected through the distribution of questionnaires. The study's findings revealed a positive and statistically significant impact of adopting culture and strategy on the performance of commercial banks. For banks categorized as performing at average and high levels, organizational culture demonstrated a notably advantageous effect on performance. However, its impact was relatively neutral for smaller and less performing banks. Additionally, the study demonstrated that effective strategy implementation had a positive influence on highly performing banks, while it yielded neutral to negative effects on banks with low performance. It is important to note that the primary focus of this study was not on the influence of organizational culture on the performance of the logistics sector in Nairobi County.

In the study "Organizational Culture and Strategy Implementation: Typologies and Dimensions" by Ahmadi et al. (2012), evidence supports the connection between cultural attributes and organizational achievement. The findings highlight the significant influence of clan culture on strategy implementation. This outcome underscores the intricate nature of culture and underscores the importance for vigilant managers to comprehensively consider all aspects of culture to effectively leverage its advantageous elements during strategy execution.

Akuei (2016) conducted a research study that examined the impact of organizational culture on the effective implementation of strategies within the Commercial Banks of South Sudan. The research employed both descriptive and explanatory research methodologies to fulfill the study's objectives. The investigation focused on the top and middle management personnel of 29 commercial banks in South Sudan. The study's sample encompassed 168 senior and intermediate managers from these banks, who were purposefully selected. Data was collected through questionnaires, and subsequently analyzed using factor analysis and a multiple linear regression model. The findings indicated a favorable influence of organizational leadership, particularly within the context of power culture, on the successful execution of plans. The study recommended that, for the achievement of successful and streamlined plan execution, organizational leadership should adopt an assertive, proactive, and results-driven approach.

Muthoni (2013) conducted a study investigating how organizational culture influences strategy implementation in commercial banks. Her findings revealed that 75% of Kenya's commercial banks have embraced a workplace culture characterized by dynamism, entrepreneurship, and innovation. Currently, the majority of commercial banks in Kenya have adopted flexible work environments and cultures. The effectiveness of a company's strategy execution is enhanced by its cultural underpinning, encompassing beliefs, routines, and behavioral norms that are aligned with strategic goals. The study, which integrated both primary and secondary data, indicated that for most commercial banks, upholding their corporate cultural principles takes precedence over merely concentrating on routine business operations.

Mutai (2015) conducted a study at Airtel Kenya, exploring the relationship between organizational culture and strategy execution. The study drew upon the Resource-Based

View (RBV) Theory, Culture Dimension Theory, and Organizational Culture Model as guiding frameworks. Primary data for the study was collected through interviews with senior managers across various departments, and subsequently underwent content analysis. The findings indicated that the company exhibited elements of a hierarchical decision-making structure and to a certain degree, a role culture. The study highlighted that the organizational culture at Airtel Kenya played a substantial role in shaping the successful implementation of plans

Wanjiru (2015) conducted a study focused on the interplay between organizational culture and strategy implementation, using Nakumatt Holdings Limited, a Kenyan company, as a case study. The findings of the research revealed that clan culture and innovative culture stood out as the prevailing cultural paradigms. The cultivation of a conducive work environment that nurtures commitment and dedication to strategy execution has significantly reaped the benefits of these two cultural orientations. The study underscores the importance of managers comprehending and acknowledging the foundational cultural assumptions within their enterprises prior to embarking on strategic initiatives, as a definite correlation between organizational culture and strategy execution exists. This proactive approach mitigates the risks of flawed execution and failures, while concurrently reducing conflicts and resistance.

In his investigation into the Challenges of Strategy Implementation at the University of Nairobi, Nyariki (2012) recognized culture as a fundamental aspect of the process. The study highlighted the university's proactive approach to enhancing capacity and fostering the right cultural environment through ongoing recruitment and training across all operational domains. The findings also illuminated that the University of Nairobi has established a structured strategic planning process that encompasses participation from



the management team, while the interests of other employees are represented through their respective trade unions.

In his exploration of strategy execution and organizational culture at Airtel Kenya, Mutai (2015) found that employees' attitudes towards implementing strategic plans are shaped by the organizational culture. This finding is akin to Bateta's (2015) discovery in her examination of how cultural factors impact the execution of strategic plans within non-governmental organizations in Nakuru County, Kenya. Isaboke (2015), in a separate study investigating the influence of organizational culture on strategy execution within specific Kenyan institutions, noted that aligning organizational culture with objectives is crucial for achieving desired outcomes. In simpler terms, if a company's culture contradicts its goals, successfully carrying out strategic plans becomes a formidable task.

### **2.3.2. Organization Leadership on Firms Performance**

Rahman and colleagues (2018) employed a self-administered questionnaire survey, which they distributed to a targeted group including senior executives, chief executive officers, and members of the senior executive team. Their objective was to explore how strategic leadership influences operational strategy and organizational performance within Malaysia's automobile industry. The study's findings underscored a noteworthy and positive association between operational excellence, strategic emphasis, and overall corporate achievement. The research advocated the notion that strategic competitiveness could be harnessed by adeptly devising and executing strategies, enabling organizations to prosper amidst the turbulence and uncertainty of modern times.

Irtaimah (2018) conducted a study aimed at investigating the effects of strategic leadership competency dimensions on core competencies within the AlManaseer Group for Industrial and Trading. The research collected data from 180 leaders through a

questionnaire and revealed a significant correlation between strategic leadership qualities and their dimensions with core competency. The study recommended that the company should regularly and intermittently evaluate its core competencies, allowing for the reconstruction of essential assets that constitute the foundation of these competencies. This approach should align with the context and requirements of strategic thinking and leadership capabilities. In a separate study by Al-Zoubi in 2012, the focus was on the influence of leadership skills on competitive advantage within the telecommunications industry of Jordan. The study distributed questionnaires to managers, supervisors, and team leaders in middle-line departments. The findings of the study indicated a connection between leadership skills and competitive advantage, highlighting their significant impact on the competitive advantage of telecommunications firms in Jordan.

Nag, Hambrick, and Chen (2014) claim that in order to successfully implement a strategy, leadership must make sure that individual, process, and organizational goals are congruent. In order to ensure congruency, a number of steps must be taken: conveying the established objectives to employees in order to acquire their commitment; ensuring that individual, team, and organizational goals are attained; and finally, ensuring that team, individual, and organizational goals are all attained. According to Barnat (2014), this goal-achieving process includes inspiring and training teams and employees on how to develop performance targets. In the process, obstacles to achieving job goals must also be removed. In this case, the IL-C sub-role of Powered-T Champion is crucial.

Heracleous (2017) categorized the various roles assumed by leaders in the process of strategy implementation. These roles consist of the commander, who strives to formulate an optimal strategy; the architect, responsible for designing the most effective approach for executing a designated strategy; the coordinator, who engages other managers to

secure their commitment to the chosen strategy; and the coach, who involves all individuals in the strategy implementation process.

Zaribaf and Hamid (2018) conducted a study examining the factors that impact the execution of strategic plans within commercial banks in Tehran, Iran. Their research focused on technology, information systems, human resources, organizational structure, and leadership. The study's findings revealed that the leadership of senior management plays a significant role in the implementation of an organization's strategic objectives. In another context, Maiche and Oloko (2016) conducted research in Turkana County, Kenya, investigating the variables that influence the execution of strategic plans in cooperative societies. The researchers analyzed how factors such as top leadership commitment, resource availability, risk level, monitoring, and assessment influenced the implementation of strategic plans in these cooperative societies.

The study concluded that the commitment demonstrated by senior leadership is a crucial factor in ensuring the successful execution of strategic goals. The commitment and support from top leadership encompass various aspects, including delegating responsibilities, establishing staff training programs, adhering to cooperative policies, guidelines, and governance, prioritizing activities outlined in the strategic plan, maintaining consensus among membership regarding strategic decisions, the decision-making process, competencies of the board and senior executives, communication of strategic changes, and involving lower-level managers in both formulating and implementing strategies.

Thompson and Strickland (2017) went on to say that strategic leadership maintains businesses' capacity for innovation and responsiveness by making extra efforts to cultivate, encourage, and nurture individuals who are eager to promote novel concepts, services, and uses for existing goods. According to Griffins (2015), leadership inside an

organization is one of the key variables impacting the execution of a strategy by giving a clear direction, maintaining current communications, inspiring employees, and establishing a culture and set of values that motivates businesses to perform better.

In their examination of strategic leadership and strategy implementation within Kenyan commercial banks, Olaka, Lewa, and Kiriri (2017) emphasized the significance of leadership, particularly the Chief Executive Officer (CEO), in providing the organization with a clear strategic direction. This direction is essential for achieving strategic goals and maintaining competitiveness in the market. According to Olaka et al. (2017), a strategic leader effectively balances the constraints imposed by financial controls with the long-term focus of strategic controls, thereby generating wealth. During periods of uncertainty and intense competition, it is the leaders who play a pivotal role in making crucial investment decisions or divestments. They do so by thoroughly evaluating the potential opportunities and limitations within the market. Failure of leaders to intervene during tumultuous circumstances can endanger the sustainability of the organization over time. In a study focused on the impact of strategy implementation on Zetech University's performance, Chege (2015) discovered that executives tend to exclude their workforce from the strategic planning process. This exclusion results in hesitant execution and subpar performance. Therefore, the study underscores the critical relationship between strategic leadership and both the execution of plans and the overall performance of the organization.

Slabbert and Mukhongo's 2018 study revealed a lack of correlation between strategic leadership approaches and the success of UN development programs in Mogadishu. Another study conducted by Mui et al. (2018) demonstrated that the presence of a leadership vision does not significantly enhance a company's performance. This is due to the vital role played by an organization's members in embracing and taking ownership of

their shared appreciation for the growth and success of the specific institution. This collective commitment drives the essential performance improvements. Makori and Kinyua (2019) argue that effective leadership indeed yields a positive influence on organizational performance. They emphasize that successful leadership promotes open communication and commitment among team members. Leaders who guide their team members to recognize their strengths and weaknesses, and how these aspects can be leveraged or mitigated, instill a sense of optimism within the team. The study recommends that organizational executives cultivate a culture that recognizes and values each employee's contribution toward attaining the organization's objectives.

One definition of leadership is the process through which one or more individuals persuade a group of people to select a specific course of action. Messick & Krammer (2014) argue that the demonstration of leadership qualities by a person relies not solely on their personal traits and abilities, but also on the contexts and surroundings in which they find themselves. According to Pearce and Robinson (2014), strategic leadership involves adapting to changes, with increased changes necessitating heightened leadership. Hitt, Ireland, and Hoskisson (2014) define strategic leadership, which involves managing through others, as a leader's capability to anticipate, envision, and maintain adaptability, thereby enabling others to enact strategic changes as required. Capon (2016) describes strategic leadership as the ability to persuade a group to pursue a specific purpose, further noting that effective leadership includes possessing a strategic vision and being persuasive in implementing actionable plans to yield measurable results.

Ahmad, Kadzrina, and Yen conducted a study in 2016 exploring the impacts of information technology proficiency, organizational innovation, and strategic leadership on successful strategy implementation within tertiary institutions in Nigeria. The study

employed descriptive, correlational, and regression analytic methods, revealing that strategic leadership behavior, organizational innovation, and IT proficiency enhance institutional performance. In the context of the examined company, Mapetere, Mavhiki, Tonderai, Sikomwe, and Mhonde (2012) identified a connection between relatively limited engagement of leadership in strategy execution and partial success of strategies. The role of hierarchical leadership in strategy implementation has also been the subject of research. O'Reilly, Caldwell, Chatman, Lapiz, Self, and Liam's (2010) study indicated substantial performance improvements occurred when strategies were adopted, especially when evaluating leaders' effectiveness across multiple hierarchical levels in an aggregate manner. The implementation process encompasses various components, some of which are directly modifiable while others have only indirect effects.

Slabbert and Mukhongo (2018) found no statistically significant correlation between the efficacy of UN development programs in Mogadishu and strategic leadership practices. According to Mui et al. (2018), there is no positive substantial impact of leadership vision on organizational performance. This is so because an organization's effectiveness is based on how its members embrace and take responsibility for their esteem for the development and success of the institution. Due to this voluntary alignment, they are forced to exert the necessary performance. According to Makori and Kinyua (2019), leadership improves organizational performance. They noted that leaders who foster dyadic communication and commitment among organization members drive success, and that leaders who coach their members to understand their strengths and weaknesses, as well as how those strengths and weaknesses can be maximized and minimized, generate optimism in such individuals. According to the report, executives should foster a culture that empowers and values every employee's contribution to the organization's goals.

D. K. Kitonga (2017) conducted a study investigating the influence of strategic leadership practices on the performance of non-profit organizations situated in Nairobi County, Kenya. The findings and analysis unveiled a substantial positive correlation between strategic leadership practices and performance. The research primarily focused on the direct relationship between strategic leadership practices and performance, without considering the moderating influence of the external environment.

Kitonga et al. (2016) identified a positive association between leadership and the success of non-profit organizations. The study highlighted that the application of effective strategic leadership significantly enhanced the performance of NGOs. A subsequent investigation by Alemayehu and Batisa (2020) determined that laissez-faire leadership displayed negligible impact on organizational commitment. In contrast, both transformational and transactional leadership exerted significant influence on attachment, normative, and overall commitment projections. Furthermore, the research of Gioko and Njuguna (2019) underscored the effect of strategic planning on hospital performance. The study revealed that hospitals with clear objectives and direction, along with regular evaluations of both internal and external environments, experienced enhanced performance. It was also established that corporate objectives, business conditions, resource allocations, and strategic choices significantly affected hospital performance. Moreover, the study highlighted that the operational environment in which hospitals function had the most profound impact on their success.

According to Nyong'a and Maina (2019), strategic leadership plays a crucial role in inspiring, motivating, and fostering people's efforts toward attaining the required performance levels. Conversely, inadequate strategy execution has been attributed to a deficiency in strategic leadership. As a result, executives who align with an organization's strategic goals effectively guide individuals in maintaining their focus on

these objectives. Additionally, Jooste and Fourie (2009) identified a lack of competent leadership at the senior management level as a significant barrier to successful strategy execution. They noted that many failures were attributed to senior leaders' inability to adapt projects to reflect current trends. The survey highlighted persistent challenges to effective plan execution, including a lack of clear expectations and goal measurements set by top executives. Furthermore, Mapetere et al. (2012) found that insufficient leadership engagement in strategy execution hindered the intended performance outcomes. Poor communication between employees and leaders emerged as another factor compromising the achievement of established objectives and targets. Akuei et al. (2017) emphasized the substantial impact of leadership on an organization's success. They observed that enhanced leadership within an organization facilitated effective plan implementation, leading to elevated organizational performance. This correlation underscored the fact that improved leadership directly contributed to the successful execution of plans and subsequent high organizational performance.

### **2.3.3 Organization Structure on Firms Performance**

A system that identifies each position, its associated function, and how it reports to the company defines the hierarchy inside an organization, according to Point Park University (2018). The procedure asks for creating a framework to define how the organization functions to carry out its objectives. A conventional arrangement between persons and groups regarding roles, work distribution, and authority within an organization is known as an organizational structure (Greenberg, 2011).

Hao, Kasper, and Muehlbacher (2012) conducted a study focusing on the influence of organizational structure on performance, particularly through learning and innovation, in both China and Austria. The study's outcomes affirmed the concept that an organization's structural elements significantly impact its performance, both directly and indirectly.



These structural dimensions can take the forms of centralization or distribution, while the span of control can be either flat or tall. Similarly, Meijaard, Brand, and Mosselman in 2015 examined the interconnection between organizational structure and performance within small Dutch firms. Their research was grounded in a stratified sample of 1411 small enterprises operating in the Netherlands. To further gauge the practicality of their empirical taxonomy, the study explored the correlation between business performance, indicated by metrics like sales growth, profitability, and innovativeness. The study ultimately reached the conclusion that organizational structure plays a crucial role and should be factored into models and subsequent analyses of performance in small companies.

Based on a similar study conducted in Nigeria by Fadeli and Adunola (2016), it is evident that organizational performance is influenced by the organization's structure. The study's results also highlighted a connection between the specialization of work processes and organizational behavior, indicating that employee behavior is affected by the organizational structure. The study emphasized the significant role of an organization's structure in determining its performance. Furthermore, the study's findings demonstrated that a well-defined framework leads to improved individual performance, efficient task allocation, and increased productivity. Establishing a robust organizational structure that acknowledges and addresses the specific human and commercial dynamics of the company is crucial for sustained success (Fadeli & Adunola, 2016). The structure of an organization is greatly influenced by its strategies. To distinguish between strategy and structure, three essential criteria come into play: defining the path to goal attainment, establishing short- and long-term objectives, and allocating resources. These strategic implementation components take shape through the organizational structure. In other words, the structure encompasses corporate hierarchy, the mechanism for sharing job

responsibilities, delegation practices, and communication channels. The initial information and prevailing organizational concerns are also taken into account (Nyakeriga, 2015).

Contrary to the expectations of numerous business leaders, the degree of organizational structure typically holds significance for industrial growth. In crucial scenarios, it is intricately linked to heightened economic efficiency, as indicated by Schwaap's (2015) evaluation of the role played by organizational structure in the successful implementation of strategic approaches within the Nevada gaming industry. The configuration of most government non-profit organizations' industry structure significantly influences the process of executing strategic plans, particularly if it facilitates the involvement of lower-level staff throughout the entirety of the process. This insight is gleaned from Ogonji's (2014) study on strategic planning within non-profit organizations in the United States.

An organization's strategies wield substantial influence over its structure. To discern between strategy and structure, three pivotal factors come into play: delineating the path towards goal attainment, formulating short- and long-term objectives, and allocating resources. Structure moulds these constituent elements of strategy execution, encompassing facets such as corporate hierarchy, job sharing, delegation, and communication. Initial information and extant organizational challenges are also expounded upon, as outlined by Nyakeriga (2015).

The results of a study conducted in Malawi by Kampini (2018) further underscore the interrelation between organizational structure and performance. The findings underscore that organizational structure exerts an impact on employee performance, with workers equally benefiting from sound organizational frameworks due to enhanced job satisfaction and superior performance. The investigation lends further support to the notion that a clear organizational structure is imperative for fostering successful work

performance. The majority of respondents in this survey concurred that a robust organizational structure is instrumental for fostering employee success (Kampini, 2018).

Onono (2018) unearthed a robust and positive correlation between organizational structure and performance within General Electric Africa in Kenya. Daft (2011) expounded upon three key attributes of organizational structure that directly influence organizational performance, as discerned through separate research. These attributes encompass communication systems, diverse control mechanisms, and decision-making modalities. He underscored the vital importance of planning and coordinating organizational activities to enhance decision-making processes and quality, highlighting the span of control dimension as a feedback loop between managers and their immediate subordinates, ensuring an effective input-output system that efficiently manages operations while accentuating performance.

The interactions between the various teams are determined by the organizational structure, which separates the entire organization into numerous sections and roles. The line of command inside the company and who is in charge of what duties are both defined by the organizational structure. The chain of command and resource responsibility are determined by the organizational structure. In addition to creating the connections between the parts, structuring an organization defines the frameworks and tools required to promote organizational success. In order to achieve the company's stated goals, the appropriate structure should therefore enable the best coordination of organizational operations (Mansoor, Aslam, Barbu, & Carpusneanu, 2012).

Maduenyi, Oluremi, and Fadeyi (2015) conducted an exploration into the connection between organizational structure and organizational performance, revealing that organizational structure directly influences both financial and non-financial aspects within an organization. A study conducted by Hao, Kasper, and Muehlbacher in 2012 on

the organizational structures of businesses in Austria and China also indicated that organizational structure has a dual impact, both direct and indirect, on performance. The researchers emphasized that frequent adjustments to organizational structures are often necessary for businesses to effectively compete in the market. Tavitiyaman, Zhang, and Qu (2012) highlighted the alignment of successful strategy formulation and implementation with a firm's structure as a crucial consideration. The pursuit of exceptional corporate performance stands as a paramount objective for numerous corporate enterprises.

Maduenyi, Oluremi, and Fadeyi's (2015) study examining the influence of organizational structure on company performance underscores the direct influence of structure on both financial and non-financial performance. Similarly, Hao, Kasper, and Muehlbacher's (2012) investigation into organizational structures of firms in Austria and China affirms that performance is impacted both directly and indirectly by organizational structure. The researchers underscore the need for organizations to continuously adapt their structures to enhance market performance.

Njiru (2014) delved into the repercussions of organizational structure on the financial performance of Kenyan state-owned commercial enterprises. The study, encompassing 34 fully commercial state firms, utilized a survey research approach and employed questionnaires to gather primary data. The data underwent inferential statistical analysis. The study concludes that the organizational structure significantly influences the financial performance of state-owned corporations, advising management to consider organizational size, formalization, complexity, and centralization as pivotal factors when devising a structure that bolsters strategic objectives.

### **2.3.4 Organization Resources on Firms Performance**

Gaya (2013) conducted an analysis of the factors influencing the implementation of strategies by the Kenya Sugar Board and revealed that inadequate strategy planning impacted the allocation of resources within the Board. This was demonstrated by the simultaneous development of multiple strategies, straining available resources and resulting in ineffective strategy implementation. The study also highlighted that the Board disproportionately emphasized the allocation of financial resources during strategy design while neglecting non-financial resources, such as human resources, which contributed to poor organizational performance.

In a study examining the impact of organizational resources on the execution of administrative police plans in Baringo County, Ngumbi (2019) found that human resources significantly influence strategy implementation. The study observed a strong rapport between station commanders and subordinate officers, and efforts were made to enhance officers' capabilities through Continuous Professional Development courses. High-level management effectively addressed the well-being of officers. Alexander (2015) identified human resource challenges in over half of the corporations studied, where employees lacked the requisite skills for their roles, while Govindarajan (2009) highlighted the influence of staff quality on the effectiveness of strategy implementation. Mwangi, Oloyo, and Simiyu (2015), in their investigation of strategic plan implementation in medium-level colleges in Thika, Kenya, unveiled the substantial and predictable role that resource endowments, both natural and human, play in strategic plan execution. Notably, human resource competency directly affects organizational strategic management. Consequently, the government's resource mobilization strategy encompasses actions aimed at directly funding its production processes, fostering an environment conducive to equitable, transparent, and sustainable industrial growth.

Public resources stand as a direct means for the government to mobilize resources within the industrial sector to meet its funding requirements.

Ochieng, Gakobo, and Mwaura (2017) studied resource allocation's effects on strategy implementation within the Kenya Police Service in Nairobi County. The research corroborated the significance of resource strength in successful strategic plan execution. Ager (2015) and Schaap (2017) similarly emphasized the impact of financial resources on effective strategy implementation in studies involving Meru County and broader business contexts.

Schaap (2017) posited that businesses need both human and financial resources to achieve their goals. The efficient allocation of these resources influences the success of strategy implementation. The core purpose of a business organization is generating revenue by offering products and services that cater to consumer needs. Strategies, such as adopting new technology or restructuring for efficiency, require financial investment. Wangari (2017) contends that strategic plan implementation falters due to insufficient resource allocation, with a greater risk for capital-intensive strategies. Strategic leadership necessitates deploying financial, human, and technological resources for successful implementation.

Korir and Moronge (2017) explored factors affecting corporate strategy implementation in government parastatals, focusing on leadership and resource allocation. They found leadership and resource management crucial in the implementation of corporate strategic plans within Kenyan government entities. Okumus and Roper (2017) stressed the importance of ensuring adequate time, money, skills, and experience during the implementation process, with resources playing a central role in communication, training, and incentives. Ndegwa (2016) noted resource insufficiency as a common reason for project failure.

Kosar (2017) addressed challenges faced by secondary schools in Mandera County during strategic plan adoption, highlighting inadequate finances as a hindrance. Effective leadership played a role in strategic planning. Kamau (2018) discussed factors influencing the execution of strategized plans in government hospices, emphasizing the need for sufficient funding to ensure efficient implementation, including considerations like administration style, communication, culture, shareholders, and structural resources. Nkosi (2015) identified limited financial resources, inadequate structure, ineffective professional development strategies, and resistance to change as key variables influencing strategic implementation.

#### **2.4 Research Gaps**

Numerous studies have been conducted to explore the factors influencing the implementation of strategies and their impact on organizational performance. For instance, Njagi and Kombo (2014) revealed that the execution of strategies influenced the performance outcomes of Kenyan commercial banks. The study found that these banks utilized operational efficiency to enhance their return on equity and assets through diverse strategy execution programs employing various approaches.

In a similar vein, Mbaka and Mugambi (2014) conducted a descriptive investigation into strategy execution within Kenya's water sector. Their research highlighted the significance of management leadership and effective communication in influencing the execution of plans. Likewise, Ndegwah (2014) delved into strategy implementation in public secondary schools within Nyeri County, Kenya. The study underscored the considerable impact of resource allocation, management traits, institutional constraints, and incentives on plan execution.

Ahmadi et al. (2012) explored the relationship between organizational culture and strategy implementation. Their data emphasized the substantial influence of culture on the execution of strategies. Similarly, Rahman et al. (2018) studied the effects of strategic leadership on operational strategy and organizational performance in Malaysia's automotive sector. The findings revealed a direct and positive connection between strategic leadership, operational excellence, strategic orientation, and business success.

Drawing from a comparable context, Mutua (2021) investigated the interplay between organizational structure and organizational performance in Nigeria. The study demonstrated that organizational structure significantly affects organizational performance, and it also revealed a correlation between work process specializations and employee behavior within the organization.

In a research endeavor focused on resource allocation's impact on strategy implementation within the Kenya Police Service of Nairobi County, Ochieng, Gakobo, and Mwaura (2017) underscored the critical role of resource strength in effective strategic plan execution. Proper management of these factors exerted a notable influence on strategy implementation in secondary schools within the study area. However, the existing literature lacked an examination of the effects of strategy implementation on the organizational performance of clearing and forwarding firms in Nairobi, Kenya—a gap that this study aims to address.

## **2.5 Conceptual Framework**

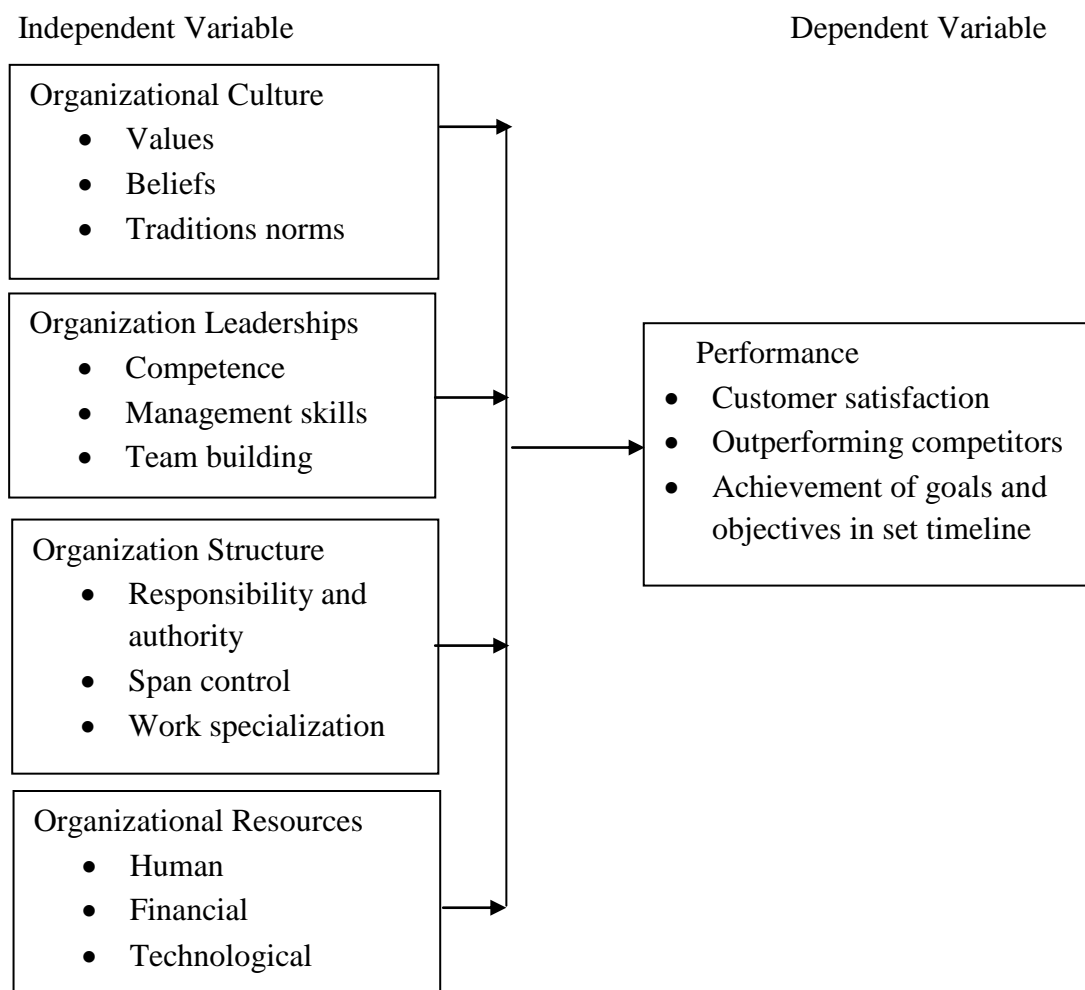
The conceptual framework is a set of coherent ideas or concepts organized in a manner that makes them easy to communicate to others (Schwartz, 2006). Figure 2.1 is the conceptual framework showing the relationships between independent which will be organization culture, organization leadership, organization structure and organization



resources while dependent variables was organization performance of clearing and forwarding firms in Nairobi Kenya. In this study organization culture was measured in terms of organization value, beliefs and traditions norms. Organization leadership was measured in terms of leadership competence, management skills and team building. Organization structure was measured by responsibility and authority, span control and work specialization. Finally an organization resource was measured in terms of human resource, financial resources and technological resources. All these measures contribute how organization performance.

**Figure 1**

*Conceptual Framework*



*Source:* Researcher (2023)

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1 Research Design**

A descriptive research strategy was utilized in this study. The suitability of the descriptive research approach arises from the utilization of a questionnaire to acquire essential information. Descriptive survey research aims to delineate the attributes of an individual or a specific group (Kothari, 2004). Through inquiries into people's thoughts, attitudes, behaviors, or values, the survey method yields diverse information that defines real occurrences. Furthermore, this choice is influenced by the considerable magnitude of the target population, enabling swift, dependable, and economical data collection.

#### **3.2 Study Area**

Nairobi is Kenya's capital city, with a population of 4.4 million according to the 2019 Kenya census (Kenya Bureau of Statistics, 2019), which grows to almost 6 million during the day owing to entering employees (Nairobi City County, 2019). The city was built in 1899 as part of the colonial British government's railway expansion, due to the cooling effects of altitude and the availability of a continual water supply due to its location on swampland, it attracted a larger population. Nairobi has 112 clearing and forwarding firms.

#### **3.3 Target Population**

The term "target population" denotes the complete assemblage of individuals or entities for which the researcher intends to extend the findings. Within this scope, the target group encompassed 184 operational and general managers affiliated with 80 clearing and freight companies located in Nairobi. The research's central focus was on 80 operations managers and 104 general managers, as evidenced in Appendix VI.

### **3.4 Sampling Design and Procedure**

A sampling design, according to Mugenda and Mugenda (2012), is the strategy used to establish how research samples were obtained from a study population. Simple random selection was utilized to choose 80 clearing and forwarding businesses in Nairobi Kenya, while the census approach was employed to include all 80 operation managers and 104 general managers in those 80 clearing and forwarding firms in Nairobi, Kenya.

### **3.5 Data Collection Instruments**

The acquisition of essential primary data for the investigation was accomplished through the utilization of questionnaires. As for secondary data, the consideration of a document checklist is recommended. Questionnaires (structured and unstructured) encompass written instruments that furnish respondents with an array of questions or statements, necessitating their responses either through written answers or selection from a predefined list of options (Jankowicz, 2005). The questionnaires were structured into five sections. While Part A gathered introductory information, Parts B, C, D, and E encompassed the study variables. The incorporation of an open and closed-ended questionnaire offers several advantages, including ease of distribution and data collection, simplified data analysis, consistent questioning, and cost-effectiveness

#### **3.5.1 Validity of Research Instruments**

As per Mugenda's (2009) findings, content validity pertains to the accuracy and significance of conclusions derived from the study. Consequently, validity refers to the extent to which the outcomes of data analysis faithfully depict the phenomena being investigated. To guarantee the face and content validity of the research instruments, the researcher sought input from research experts, seasoned graduates, and educators, and their recommendations were incorporated into the ultimate version of the instruments.

Additionally, piloting was employed to enhance face validity by assisting the researcher in identifying study instrument items that could potentially cause confusion while eliciting pertinent information. Mombasa, which is not part of the research zone, was the site of a pilot study.

### **3.5.2 Reliability of Research Instruments**

According to Kothari's (2004) interpretation, reliability pertains to the degree to which a research tool generates consistent outcomes or data upon repeated attempts. Reliability affords researchers the ability to assess errors and implement necessary refinements. There exists an inverse relationship between reliability and error, indicating that heightened dependability corresponds to diminished error, and vice versa. To enhance the capacity of research instruments to yield consistent findings across multiple trials, a preliminary evaluation of the questionnaire was conducted using a sample distinct from the main study group. The employment of Cronbach's Alpha served as a method for internal consistency assessment. Internal consistency reliability gauges the degree to which diverse test items examining the same concept yield congruous results. A higher alpha value is indicative of increased desirability. As Kothari (2004) expounds, a reliability threshold of 0.70 or higher (attained from a substantial sample) is deemed acceptable. Mombasa, which is not part of the research zone, was the site of a pilot study.

**Table 1***Results of Reliability Testing*

Study Variable	Number of Items	Cronbach's Alpha Coefficient
Organizational culture	6	0.849
Organizational leadership	6	0.917
Organizational structure	6	0.912
Organizational resources	5	0.903
Organization performance	4	0.973
Average	5.4	0.938

**3.5.3 Pilot Test**

Mombasa, which is not part of the research zone, was the site of a pilot study. This location was chosen because it has characteristics with the research region and also handles clearing and forwarding enterprises. Ten surveys will be delivered and evaluated. The pilot study, according to Mugenda and Mugenda (2003), will involve 10% of the target population.

**3.6 Data Collection Procedures**

The data gathering procedure began when the University issued an official letter allowing the field research. The KUREC consent letter and Kabarak University consent statement were then given to the County Government in order to get permission to collect data from the institutions. Data was therefore obtained utilizing a questionnaire using a drop and pick procedure. The questionnaires were collected after two weeks. The researcher enlisted the help of a research assistant to collect data from the respondents. The researcher verified that data collectors were well-trained in the study protocol, including data collecting instruments and processes, to ensure the completeness and integrity of the data during data collection. Workshops, training sessions, and frequent

check-ins were used to accomplish this. The researcher ensured data security and confidentiality by taking appropriate measures, such as using secure data storage and transmission protocols, obtaining consent from participants for data sharing, and de-identifying the data as needed. To avoid unwanted access, the researcher safely deleted the research questioner. This was accomplished by shredding and incinerating the research questions.

### **3.7 Data Analysis and Presentation**

Data analysis encompasses the procedures involved in condensing extensive datasets into manageable sizes, providing summaries, identifying patterns, and utilizing statistical techniques. The data received in this study were of a quantitative nature. For the analysis of quantitative data, the Statistical Package for Social Sciences (SPSS) version 25 was employed. The research made use of a combination of descriptive and inferential statistical methods. Descriptive statistics encompassed percentages, frequencies, measures of central tendency (mean), and measures of variability (standard deviation). To assess the associations between variables, inferential statistics were utilized. The subsequent multivariate regression model was employed for this purpose:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3+ \beta_4X_4+ \varepsilon$$

Where:

Y = Organization performance of logistics industries in Nairobi County

$\beta_0$  = Constant Term;

$\beta_1, \beta_2$  and  $\beta_3$  = Beta coefficients;

$X_1$ = Organization Culture

$X_2$ = Organization Leaderships

$X_3$ = Organization Structure

$X_4$ = Organization Resources

$\varepsilon$  = error factor

### **3.8 Ethical Consideration**

The consent letter from KUREC and the consent statement from the University was then presented to the County Government to seek authority to collect data from the organizations. The university issued a letter and NACOSTI issued a research permission, which was provided to the respondents. Each respondent was asked for their permission. Respondents' names were not utilized to ensure anonymity, and codes were used that were not related to persons or schools. The study's findings were utilized only for academic reasons. The participants were not subjected to any psychological suffering or shame as a result of the research, and they were able to complete the questionnaire in their own time and privacy. The respondents were ensured that the information they provide was kept private and used only for academic reasons.

## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATIONS AND DISCUSSIONS

#### 4.1 Response Rate

The response rate is characterized as the proportion of questionnaires that are satisfactorily completed and submitted or collected in comparison to the total number of questionnaires distributed to the respondents (Maxwell, 2015).

**Table 2**

*Response Rate*

No. of Respondents	No. of questionnaires Returned	Response Rate (%)
184	130	71

In pursuit of this objective, a total of 184 questionnaires were disseminated, with 130 being comprehensively filled out, indicating a response rate of 71%, while 29% were unreturned due to being incomplete or damaged. As per Mugenda and Mugenda (2003), a response rate of 50% is deemed acceptable, 60% is categorized as favorable, and 70% or higher is classified as highly commendable. Consequently, the attained response rate was evaluated as "very good" for this research.

#### 4.2 Respondents Details

The research looked at the respondent's gender, education, and length of time working for the organization.

##### 4.2.1 Gender of the Respondents

The researcher aimed to ascertain the gender distribution among the respondents. The subsequent table provides an overview of the respondents' distribution based on gender categories.



**Table 3***Gender of the respondents*

Responses	Frequency	Percentage
Male	71	55%
Female	58	45%
Total	130	100

Based on the results, it was determined that 55% of the respondents were male, while 45% were female. This suggests that a greater proportion of the respondents were male.

**4.2.2 Highest Level of Education**

The respondents' highest level of education was identified and the outcomes of the analysis are depicted in the table provided below.

**Table 4***Highest Level of Education*

Level	Frequency	Percentage
Diploma	54	42
University Degree	49	38
Masters	20	15
PhD	7	5
Total	130	100.0

Based on the findings, 42% of the selected population said they had a diploma level of education, 38% said they had a university degree level of education, 15% said they had masters level of education graduate education level and 5% had PhD level of education. This suggests that the respondents have sufficient education to accurately answer the questioner. (Sekaran, 2008) agreed that those with a bachelor's degree or higher gave more accurate information.

### 4.2.3 Period working with the institution

The researcher wanted to determine how long the respondents have been working in the institution. The results stemming from the analysis are presented in Table 5.

**Table 5**

*Period Working with the Institution*

Response	Frequency	Percentage (%)
Less than 3 years	42	32%
3-9 years	30	23%
9-12 years	40	30%
More than 12 years	12	14%
Total	130	100.0

Based on the findings, 32% of respondents reported that they had worked in the institution for less than three years, 23% had worked between three and nine years, 30% had worked for nine to twelve years, and 14% had worked for more than twelve years. This means that the majority had been employed in the institution for less than three years. (Sekarn, 2008) stated that having more than two years of experience is the best way to examine replies since having more experience means having less biased answers.

### 4.3 Descriptive Findings and Discussions

Within this segment, descriptive findings and observations pertinent to the study's objectives are encompassed. The outcomes were portrayed through measures of central tendency (means) and dispersion (standard deviations). The gathered data was assessed utilizing a five-point Likert scale: where 5 signifies strong agreement, 4 indicates agreement, 3 denotes uncertainty, 2 conveys disagreement, and 1 signifies strong disagreement.

### 4.3.1 Effect of Organization Culture and Organizational Performance

The researcher wanted to see how much consensus there was about the influence of organizational culture on the performance of clearing and forwarding enterprises in Nairobi, Kenya. The responses are shown in the table below.

**Table 6**

*Effect of Organization Culture on Organizational Performance*

Statement	SD	D	U	A	SA	Mean	Std
Frequency (%)	(%)	(%)	(%)	(%)	(%)		
The culture of the organization affects strategy implementation in the organization	9 7%	5 4%	10 8%	43 33%	63 48%	4.123	1.154
The culture can either enhance or impede the successful Strategy implementation	13 10%	5 4%	6 5%	53 41%	53 40%	3.984	1.233
The organizational culture helps the employees become more efficient	9 6%	3 2%	5 4%	53 41%	60 46%	4.169	1.094
The culture enables the employees to share their ideas with the top management.	8 6%	7 5%	4 3%	67 52%	44 33%	4.015	1.071
The success of strategy implementation lies on the firm's ability to rapidly transform learning into action.	10 8%	3 2%	13 10%	49 37%	55 42%	4.046	1.147
All types of organizational cultures have significant relationships with the implementation process.	11 9%	10 8%	6 5%	47 36%	56 43%	3.977	1.248

Based on the findings, a majority of the respondents concurred (mean = 4.123; std = 1.154) that the organizational culture has an influence on the implementation of

strategies within the organization. These results align with Goromonzi's (2016) findings, which indicated a strong and positive impact of organizational culture on the performance of banks.

Similarly, a significant portion of the participants (mean = 3.984; standard deviation = 1.233) agreed that culture can either facilitate or impede the successful execution of strategies. This observation is consistent with Mutai's (2015) research at Airtel Kenya, revealing a substantial and favorable influence of organizational culture on strategy implementation. Moreover, the majority of respondents (mean = 4.169; standard deviation = 1.094) held the belief that company culture enhances staff efficiency. This sentiment resonates with Mutai's (2015) findings, illustrating how culture affects employee attitudes towards executing strategic plans.

Respondents expressed that the culture fosters an environment where employees can effectively communicate their perspectives with senior management (mean = 4.015; standard deviation = 1.071). Additionally, the rapid translation of knowledge into action was identified as a crucial factor for plan execution success (mean = 4.046; standard deviation = 1.147). Lastly, a majority of participants (mean = 3.977; standard deviation = 1.248) agreed on the substantial impact of various forms of corporate cultures on the implementation process.

#### **4.3.2 Effect of Organization Leaderships on Organizational Performance**

The aim of the study was to gauge the level of agreement concerning the impact of organizational leadership on the performance of clearing and forwarding enterprises in Nairobi, Kenya. The tabulated results present the collected responses.

**Table 7***Effect of organizational leaderships on organization performance*

Statement Frequency (%)	SD (%)	D (%)	U (%)	A (%)	SA (%)	Mean	Std
The leadership of the business is provided by the owner during strategy implementation.	6 5%	4 3%	6 5%	39 30%	75 58%	4.331	1.029
The organizational leadership helps the employees become more efficient.	11 9%	2 2%	9 7%	45 35%	63 49%	4.131	1.171
Leadership vision has a positive significant impact on the performance of an organization	7 5%	7 5%	6 5%	56 43%	54 42%	4.100	1.077
Good leadership has a strategic vision and is persuasive at implementing a strategy to achieve tangible results	12 9%	11 8%	4 3%	64 49%	39 30%	3.823	1.216
Leadership involvement in strategy implementation led to partial strategy success in the organization.	15 11%	20 15%	5 4%	68 52%	22 17%	4.476	0.265
Strategic leadership is important in inspiring, motivating, and encouraging employees to achieve the desired performance	7 5%	8 6%	16 12%	43 33%	56 43%	4.023	1.137

The statistics reveal that a significant number of respondents (mean = 4.331; standard deviation = 1.029) were in agreement regarding the provision of corporate leadership by the owner during plan implementation. This observation aligns with the findings of Akuei (2016), who demonstrated a positive impact of organizational leadership on successful plan execution as an indicator of power culture.

Similarly, a majority of participants (mean = 4.131; standard deviation = 1.171) expressed the belief that organizational leadership contributes to enhanced employee efficiency. Rahman et al. (2018) emphasized a direct and positive correlation between strategic leadership, operational excellence, strategic orientation, and firm success. The data also indicates that respondents attributed a significant positive influence to leadership vision on company success (mean = 4.100; standard deviation = 1.077). This corresponds with the discoveries of Al-Zoubi (2012), who identified leadership skills as impactful on competitive advantage within Jordanian telecommunication enterprises and underscored the relationship between leadership competencies and competitive edge.

Furthermore, a majority of survey participants (mean = 3.823; standard deviation = 1.216) indicated that robust leadership entails strategic vision and persuasive abilities in implementing strategies for tangible achievements. This resonates with Nag, Hambrick, and Chen's (2014) assertion that leadership must ensure congruence between individual, process, and organizational objectives throughout strategy implementation. Establishing alignment between corporate goals and team and individual objectives, communicating these objectives to encourage employee involvement, and guaranteeing the fulfillment of individual, team, and organizational goals are all methods to attain such congruence.

Respondents attributed partial strategy success of the organization to leadership involvement in strategy implementation (mean = 4.476; standard deviation = 0.265).

Finally, a majority of respondents (mean = 4.023; standard deviation = 1.137) concurred that strategic leadership plays a vital role in inspiring, motivating, and guiding personnel toward achieving specific goals. These findings corroborate Thompson and Strickland's (2017) argument that strategic leadership fosters organizational innovation and responsiveness by formulating clear strategies to cultivate, nurture, and empower

employees who are enthusiastic about propelling novel ideas, products, and their applications

#### **4.3.3 Effect of Organization Structure on Organizational Performance**

The objective of the study was to assess the degree of consensus regarding the impact of organizational structure on the performance of clearing and forwarding firms in Nairobi, Kenya. Table 8 displays the perspectives of the respondents.

**Table 8***Effect of organizational structure on organization performance*

Statement Frequency (%)	SD (%)	D (%)	U (%)	A (%)	SA (%)	Mean	Std
Structural dimensions of an organization have direct and indirect effects on the performance organization	5 4%	10 8%	13 10%	40 31%	62 47%	4.108	1.108
When a clear structure exists, people perform better, tasks are well divided, and productivity increases in the organization.	8 6%	8 6%	8 6%	37 29%	69 53%	4.162	1.173
An excellent organizational structure is equally beneficial to employees since they experience job satisfaction and improve their performance	1 8%	4 3%	3 2%	41 32%	81 62%	4.515	0.760
An organization must have an excellent organizational structure since it motivates employee performance	3 2%	9 7%	3 2%	56 43%	59 45%	4.223	0.959
The organization structure defines who has responsibility for what roles as well as documenting the reporting lines within the organization	8 6%	8 6%	2 2%	58 44%	54 41%	4.092	1.109
Organizational structure has a direct impact on both financial and non-financial performance within an organization	6 5%	2 2%	2 2%	69 53%	51 39%	4.208	0.921

After conducting the analysis, a significant majority of respondents concurred that an organization's structural attributes exerted both direct and indirect effects on organizational performance, as indicated by a mean of 4.108 and a standard deviation of 1.108. These results align with the research of Hao, Kasper, and Muehlbacher (2012),



who identified comparable direct and indirect influences of an organization's structural dimensions on its performance.

The data also revealed that a substantial majority of participants (mean = 4.162; standard deviation = 1.173) agreed that a clear organizational structure contributes to improved individual performance, effective task allocation, and heightened productivity within the company. This observation corresponds with the findings of (Fadeli & Adunola 2016), who highlighted the positive impact of a well-defined framework on individual performance and task allocation.

Moreover, a majority of respondents emphasized that a well-designed organizational structure benefits employees by enhancing job satisfaction and performance (mean = 4.515; standard deviation = 0.760). These findings mirror Mutua's (2021) research, establishing a connection between work process specialization, organizational structure, and its influence on employee behavior within the organization.

Additionally, the majority of participants (mean = 4.223; standard deviation = 0.959) expressed agreement that a robust organizational structure is vital as it amplifies employee performance. This aligns with the insights of Kampini (2018), who demonstrated the positive impact of organizational structure on employee performance, underscoring how a sound structure benefits both employees and employers by fostering job satisfaction and performance.

Respondents also concurred (mean = 4.092; standard deviation = 1.109) that organizational structure delineates responsibilities and establishes reporting lines within the company. Finally, an overwhelming majority of respondents (mean = 4.208; standard deviation = 0.921) believed that an organization's structure significantly affects both financial and non-financial success. These findings are in harmony with the research of

Maduenyi, Oluremi, and Fadeyi (2015), revealing a direct influence of organizational structure on various aspects of firm performance, encompassing both financial and non-financial dimensions.

#### 4.3.4 Effect of Organizational Resources on Organization Performance

The researcher sought to determine level of agreement on effect of organization resources on organization performance of clearing and forwarding firms in Nairobi Kenya. Table 9 shows the respondent's views.

**Table 9**

*Effect of Organizational Resources on Organization Performance*

Statement	SD	D	U	A	SA	Mean	Std
Frequency (%)	F %	F %	F %	F %	F %		
Resources endowments, both natural and human play a significant and deterministic role in the implementation of strategic plans in the organization.	3 2%	2 2%	7 5%	54 41%	64 49%	4.338	0.840
Human resource capacity, in particular, has a direct and significant impact on the strategic management of organizations	4 3%	6 5%	7 5%	53 40%	60 46%	4.223	0.966
Financial resource is key to successful implementation of strategy in organizations.	4 3%	6 4%	7 5%	53 40%	60 46%	3.823	1.355
If the organization implements a strategy without proper allocation of resources as per the strategy implementation schedule challenges are bound to arise during implementation process	8 6%	5 4%	10 8%	40 30%	67 52%	4.177	1.130
The organization has adequate employee who ensure that the organization meet its desired performance	7 5%	12 9%	7 5%	42 32%	62 47%	4.077	1.179

After conducting the survey, a significant majority of respondents (mean = 4.338; standard deviation = 0.840) expressed agreement that natural and human resource endowments exert a substantial and deterministic influence on the execution of the company's strategic objectives. In their examination of strategic plan implementation at medium-level colleges in Thika, Kenya, Mwangi, Oloyo, and Simiyu (2015) found that both natural and human resource endowments significantly and predictably contribute to the implementation of strategic plans in any organization.

As indicated by the statistical data, most participants (mean = 4.223; standard deviation = 0.966) concurred that human resource capabilities, particularly, have a direct and noteworthy impact on corporate strategic management. Regarding financial resources, the study's findings underscored their critical importance in successfully executing strategies within organizations (mean = 4.196; standard deviation = 1.039). This observation aligns with Wangari's (2017) assertion that a lack of resources is often a significant obstacle to the full implementation of strategic plans, particularly for capital-intensive strategies.

Furthermore, the survey results indicated agreement among respondents that organizational leadership is actively involved in decision-making within the organization (mean = 4.177; std = 1.161). This finding is consistent with Korir and Moronge's (2017) research, which highlighted the influence of leadership on strategic planning in government parastatals in Kenya.

Lastly, a majority of participants concurred that strategic leadership guides the organization by directing employees towards achieving established goals (mean = 4.137; std = 1.132). This finding resonates with (Kosar's ,2017) discovery that effective strategic leadership plays a vital role in developing future plans, enhancing awareness of

needs and environmental factors, defining the organization's mission, providing direction and continuity, and ensuring efficient staffing and leadership practices.

#### 4.4.4 Organization Performance of Clearing and Forwarding Firms

The researcher sought to determine level of agreement on organization performance of clearing and forwarding firms in Nairobi Kenya. Table below shows the respondent's views.

**Table 10**

*Organization Performance of Clearing and Forwarding Firms*

Statement	SD	D	U	A	SA	Mean	Std
Frequency (%)	%	%	%	%	%		
This organization has been performing better compared to other institutions.	5 4%	3 2%	0 0%	76 58%	46 35%	4.192	0.872
The organization has improved the quality of its services over time	0 0%	2 2%	18 14%	36 28%	74 56%	4.400	0.784
Proper strategy implementation has played a key role in ensuring there is customer satisfaction	11 8%	2 2%	6 5%	59 45%	52 40%	4.069	1.129
The financial performance of the organization has increased over the last five years	13 10%	12 9%	8 6%	49 38%	48 37%	3.823	1.297

Based on the analysis, a significant majority of the surveyed population held the view that the organization outperformed other institutions (mean = 4.192; standard deviation = 0.872). Additionally, most respondents were of the opinion that the organization's service quality had demonstrated a progressive improvement over time (mean = 4.400; standard deviation = 0.784). Respondents were convinced that effective strategy execution had played a pivotal role in ensuring customer satisfaction (mean = 4.069; standard deviation

= 1.129). This finding is in line with the conclusions drawn by Njagi and Kombo (2014), who observed that endeavors aimed at positively impacting performance metrics tend to enhance the organization's overall productivity.

Lastly, respondents concurred (mean = 3.823; standard deviation = 1.297) that the organization's financial performance had advanced over the preceding five years. These findings are congruent with the earlier research conducted by Kising'u and Ahmed (2019), which established a favorable and substantial correlation between the adoption of strategic approaches and company performance. In contrast, these findings contradicted the outcomes of Kasera's (2017) previous study, which identified an adverse link between managers' strategy adoption and organizational performance, asserting that various aspects of managerial strategy execution detrimentally affect the organization's success.

#### **4.4. Diagnostic Tests**

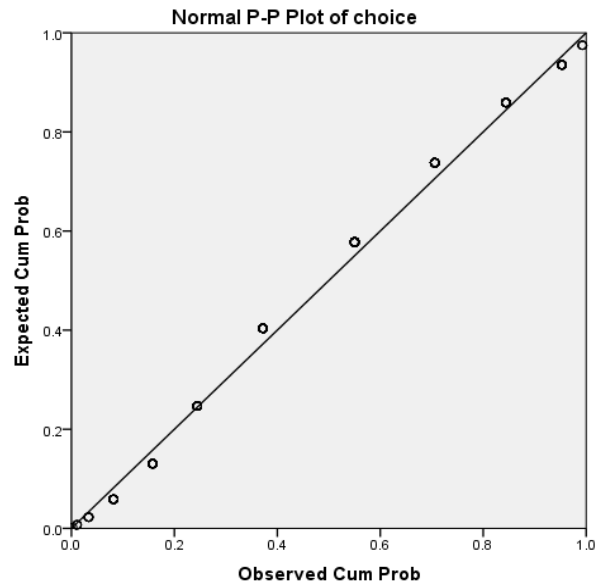
Preliminary diagnostic examinations were conducted to confirm the appropriateness of conducting parametric statistical analyses (correlation and multiple linear regression). These preliminary diagnostic examinations encompassed assessments for normality, tests for multicollinearity, and an examination for Heteroscedasticity.

##### **4.4.1 Test for Normality**

The test for normality was performed, and a probability plot was inspected. This allowed for the assessment of the alignment with the diagonal regression line to ascertain aspects of normality.

**Figure 2**

*Normal p-p plot of regression standardized residual*



In figure 2 above the independent variables are normally distributed along normal probability distribution. The observed cumulative probability cumulative distribution of the standardized residual shows a normal distribution against the expected normal distribution which is an evidence of normal distribution in the regression model

#### **4.4.2 Multicollinearity Test**

When predictors exhibit a perfectly linear relationship, it becomes impossible to derive individual estimates for a regression model. Collinearity signifies that two variables possess an almost perfect and linear interconnection. In scenarios involving more than two variables, the term multicollinearity is employed, although these two phrases are sometimes used interchangeably. The primary concern is that heightened levels of multicollinearity lead to instability in the coefficient estimates within the regression model, potentially causing a significant inflation in standard errors for these coefficients.

The concept of "tolerance" indicates the proportion of predictor variance that remains unexplained by the other predictors; thus, exceedingly low values suggest redundant predictors, with those below 10 warranting deeper scrutiny. The variance inflation factor (VIF), computed as the reciprocal of tolerance, serves as a metric. As a general guideline, a VIF exceeding 10 for a variable may indicate a need for further investigation.

**Table 11**

*Collinearity Statistics*

Model	Tolerance	VIF
Organization Culture	0.898	1.11
Organization Leaderships	0.909	1.100
Organization Structure	0.950	1.052
Organization Resources	0.937	1.063

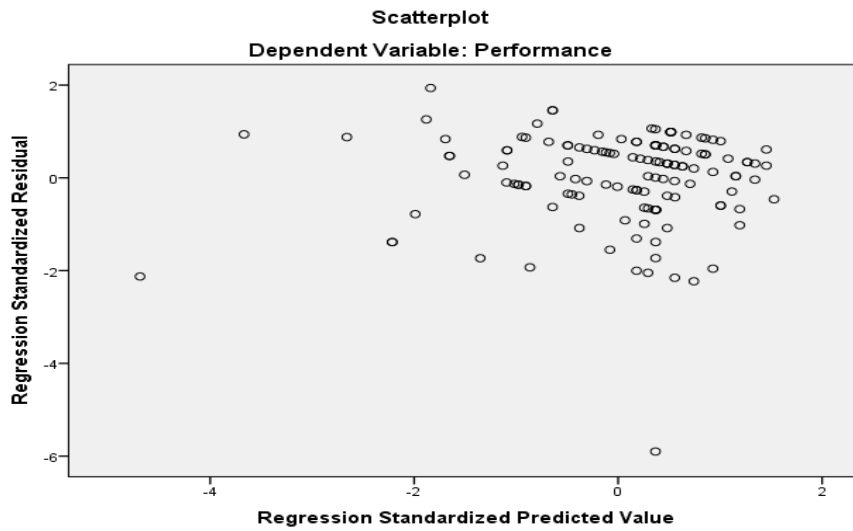
Based on the results, the range of the variable "organization culture" exhibited a tolerance of 0.898 and a VIF of 1.113. Similarly, "organization leadership" displayed a tolerance of 0.909 and a VIF of 1.100, "organization structure" had a tolerance of 0.950 and a VIF of 1.052, and "organization resources" indicated a tolerance of 0.937 and a VIF of 1.063. Since all variables possessed tolerances exceeding 0.1 and VIF values remained below 10, there was no requirement for further investigations

**4.4.3 Heteroscedasticity Test**

Heteroscedasticity refers to a situation in which the variability of errors (residuals) in a regression model is not constant across all levels of the independent variables. In this study the test helped assessing the overall fit and adequacy of the regression model. If significant heteroscedasticity is present, it suggests that the model may not adequately capture the underlying relationship.

**Figure 3**

*Heteroscedasticity Test*



Based on the figure 3, it appears that the spots are diffused and do not form a clear specific pattern so it can be concluded that the regression model does not occur heteroskedastisitas problem. This implies that the model was fit for this study

#### **4.5 Correlational Analysis**

The study undertook a correlational analysis. According to (Bryman & Bell, 2015). The correlational analysis is used further examination of the association between the variables. The established relationship was further explained in table below.



**Table 12***Correlation Analysis*

		Correlations				
		Culture	Leadership	Structure	Resources	Performance
Culture	Pearson Correlation	1	.462**	.132**	.027**	.088**
	Sig. (2-tailed)		.001	.035	.009	.017
	N	130	130	130	130	130
Leadership	Pearson Correlation	.145**	1	.149**	.168**	.057**
	Sig. (2-tailed)	.132		.090	.056	.001
	N	130	130	130	130	130
Structure	Pearson Correlation	.004**	.149**	1	.167**	.271**
	Sig. (2-tailed)	.027	.090		.057	.035
	N	130	130	130	130	130
Resources	Pearson Correlation	.096**	.168**	.167**	1	.152**
	Sig. (2-tailed)	.279	.056	.057		.009
	N	130	130	130	130	130
Performance	Pearson Correlation	.088**	.057**	.271**	.152**	1
	Sig. (2-tailed)	.017	.001	.035	.009	
	N	130	130	130	130	130

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Based on the results, a favorable correlation was observed between organization culture and the performance of clearing and forwarding firms in Nairobi. This was evident from the Pearson correlation coefficient of  $r = 0.088$  and a significance value of 0.017. Likewise, a positive relationship was found between leadership and the performance of these firms, with a correlation coefficient of  $r = 0.057$  and a significance value of 0.001. Furthermore, a significant association was noted between organization structure and performance ( $r = 0.271$ , sig-value = 0.035), as well as between organization resources and performance ( $r = 0.152$ , sig-value = 0.009).

These outcomes align with the findings of Khedhaouria, Nakara, Gharbi, and Bahri (2020), who also identified no substantial connection between organizational culture and company performance. Similar congruence is seen with Childress (2013), whose research revealed that many company managers agreed on the pivotal role of a positive organizational culture in their companies' achievements. This sentiment resonates with other research such as Omoro (2016), who emphasized the impact of strategic leadership on organizational performance.

Additionally, the results parallel Ekpu's (2014) findings, where a favorable link was uncovered between unstructured organizational structures and significant business performance. In contrast, the outcomes contradict the conclusions drawn by Zheng et al. (2010), who identified a detrimental impact of structure on organizational success. These findings also concur with Alimin's (2021) discovery of a significant correlation between organizational resources and organizational performance.

## **4.6 Regression Analysis**

### **4.6.1 Effect of Organization Culture on Organization Performance**

The study evaluated how organization culture affects performance of clearing and forwarding firms. The results of the linear regression results were presented in the subsequent sections.

**Table 13***Model Summary Organization Culture*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.888 <sup>a</sup>	.789	.838	.53665

a. Predictors: (Constant), culture

The coefficient of determination (R-Squared) represents the portion of variability in the dependent variable that can be elucidated by organization culture. The R-Squared value attained in this study was 0.789, signifying that organization culture accounts for 78.0% of the variance in the performance of clearing and forwarding firms, while the remaining 22.0% is attributed to other factors. In this investigation, an Analysis of Variance (ANOVA) was employed to gauge the implications of the regression model. The statistical significance was deemed substantial if the p-value stood at 0.05 or less. As demonstrated in Table 4.13, the findings underscore the significance of the regression model, with a p-value of 0.017, which is below the 0.05 threshold. Furthermore, the results affirm the statistical significance of the regression model in assessing the influence of organization culture on the performance of clearing and forwarding firms.

**Table 14***ANOVA<sup>a</sup> of Organization Culture*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.291	1	.291	1.009	.017 <sup>b</sup>
	Residual	36.864	128	.288		
	Total	37.154	129			

a. Dependent Variable: performance

b. Predictors: (Constant), culture

The purpose of employing analysis of variance in this study was to assess the suitability of the model for the given dataset. The results indicated a p-value of 0.017, which is below 0.05. This suggests that the model effectively predicts the impact of organizational culture (y) on the performance of clearing and forwarding firms in Nairobi, Kenya. Additionally, the calculated F-value (1.009) exceeded the critical F-value, indicating that the model accurately predicted the influence of the independent variable on the dependent variable.

**Table 15**  
*Coefficients of Organization Culture<sup>a</sup>*

Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
1	(Constant)	3.626	.495	7.330	.000
	culture	.083	.119	.060	.046

a. Dependent Variable: performance

**Ho<sub>1</sub>: Organization culture has no statistically significant on organization performance**

The outcomes reveal a noteworthy favorable correlation between the organizational culture and the performance of clearing and forwarding firms in Nairobi. This is substantiated by a regression coefficient of 0.083. The observed p-value (0.046) is lower than the specified significance level (0.05). The data further indicate that a unit change in organizational culture corresponds to a 0.083-fold change in the performance of Nairobi clearing and forwarding firms. Consequently, we can reject the null hypothesis and ascertain that the organizational structure exerts a positive and statistically significant influence on the performance of these firms. These findings align with Wanjiru's (2015)

discoveries, which emphasized the pivotal role of cultures in cultivating a constructive work environment that nurtures enthusiasm and dedication for effective plan execution.

#### 4.6.2 Effect of Organization Leadership on Organization Performance

The study establishes how organization leadership affects performance of clearing and forwarding firms. The results of the linear regression results were presented in the subsequent sections.

**Table 16**

*Model Summary of Organization Leadership*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.570 <sup>a</sup>	.325	.520	.53790

a. Predictors: (Constant), culture

The coefficient of determination, R-squared, gauges the proportion of variability in the dependent variable attributed to organizational leadership. The calculated R-squared for this study is 0.325, signifying that organizational leadership elucidates 33.0% of the variance in the performance of clearing and forwarding firms, while the remaining 67.0% is attributed to other factors. The study employed ANOVA to ascertain the significance of the regression model.

A p-value less than or equal to 0.05 indicated statistical significance. As depicted in Table 17, the regression model exhibits significance with a p-value of 0.017, which is below the 0.05 threshold. Additionally, the data indicate that the regression model holds statistical significance in its ability to predict the influence of organizational leadership on the performance of clearing and forwarding organizations.

**Table 17***ANOVA<sup>a</sup> of Organization Leadership*

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.119	1	.119	.412	.001 <sup>b</sup>
	Residual	37.035	128	.289		
	Total	37.154	129			

a. Dependent Variable: performance

b. Predictors: (Constant), leadership

The obtained p-value of 0.001 is below the threshold of 0.05, underscoring the model's proficiency in forecasting the impact of organizational leadership (y) on the performance of clearing and forwarding firms in Nairobi, Kenya. Moreover, the calculated F-value (0.412) surpasses the critical F-value, affirming the model's suitability in predicting the influence of the independent variable on the dependent variable.

**Table 18***Coefficients of Organization Leadership<sup>A</sup>*

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.880	.378		10.256	.000
	leadership	.115	.094	.108	1.227	.022

a. Dependent Variable: performance

**Ho<sub>2</sub>: Organization leaderships has no statistically significant effect on performance of clearing and forwarding firms in Nairobi**

A regression coefficient of 0.115 signifies a meaningful positive association between organizational culture and the performance of clearing and forwarding firms in Nairobi. The p-value (0.022) falls below the designated significance threshold of 0.05. An incremental enhancement of one unit in organizational leadership corresponds to a

0.115-fold increase in the performance of Nairobi's clearing and forwarding firms. Consequently, the null hypothesis is rejected, revealing that organizational leadership holds a substantial and advantageous influence over the performance of clearing and forwarding firms in Nairobi. These findings align with those of Rahman et al. (2018), who highlighted a direct and positive correlation between strategic leadership, operational excellence, strategic orientation, and corporate outcomes.

#### 4.6.3 Effect of Organization Structure on Organization Performance

The study investigated how the organizational structure of clearing and forwarding enterprises influences their performance. The linear regression findings were provided in the following parts.

**Table 19**

*Model Summary of Organization Structure*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.271 <sup>a</sup>	.074	.066	.51855

a. Predictors: (Constant), structure

The coefficient of determination, R-squared, represents the portion of variability in the dependent variable that can be elucidated by organizational structure. In this study, the computed R-squared value was 0.74, indicating that organizational structure accounts for 74.0% of the performance of clearing and forwarding firms, while the remaining 26.0% is attributed to other factors.

The significance of the regression model was evaluated using ANOVA. Statistical significance was defined as a p-value equal to or less than 0.05. Table 4.19 illustrates the significance of the regression model, displaying a p-value of 0.35, which falls below 0.05. Furthermore, the data indicate that the regression model effectively predicts the

impact of organizational structure on the performance of clearing and forwarding firms in a statistically significant manner.

**Table 20**

*ANOVA<sup>a</sup> Organization Structure*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.736	1	2.736	10.176	.035 <sup>b</sup>
	Residual	34.418	128	.269		
	Total	37.154	129			

a. Dependent Variable: performance

b. Predictors: (Constant), structure

Based on the results, the determined p-value is 0.002, which falls below the significance level of 0.05. Consequently, the model effectively predicts the impact of organizational structure (y) on the performance of clearing and forwarding firms in Nairobi, Kenya. Additionally, the calculated F-value (10.176) surpasses the critical F-value, indicating the model's appropriateness in forecasting the influence of organizational structure on the performance of clearing and forwarding firms in Nairobi, Kenya.

**Table 21**

*Coefficients<sup>a</sup> of Organization Structure*

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.860	.398		7.186	.000
	structure	.299	.094	.271	3.190	.002

a. Dependent Variable: performance



**Ho<sub>3</sub>: Organization structure has no statistically significant effect on performance of clearing and forwarding firms in Nairobi**

A regression coefficient of 0.299 signifies a noteworthy and positive correlation between organizational structures and the performance of clearing and forwarding enterprises in Nairobi. The observed p-value (0.023) is below the specified significance level of 0.05. A one-unit increment in organizational structure corresponds to a 0.299-fold increase in the performance of a clearing and forwarding business in Nairobi. Consequently, the null hypothesis is rejected, revealing that organizational structure holds a positive and substantial impact on the performance of Nairobi's clearing and forwarding enterprises. These findings align with those of Kampini (2018), who ascertained that organizational structure shapes employee performance and that an effective organizational structure benefits employees by enhancing job satisfaction and bolstering organizational performance.

**4.6.4 Effect of Organization Resources on Organization Performance**

The study examined how organization resources affect performance of clearing and forwarding firms. The results of the linear regression results were presented in the subsequent sections.

**Table 22**

*Model Summary of Organization Resources*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.152 <sup>a</sup>	.023	.015	.53254

a. Predictors: (Constant), resources

The coefficient of determination, R-squared, quantifies the fraction of variability in the dependent variable that can be elucidated by organization resources. The obtained R-squared value in this study was 0.23, indicating that organization resources account for

23.0% of the performance of clearing and forwarding firms, while other variables explain 77.0%. In this research, ANOVA was utilized to ascertain the significance of the regression model. A p-value less than or equal to 0.05 denoted statistical significance. Table 4.22 demonstrates the significance of the regression model, revealing a p-value of 0.09, which falls below 0.05. Additionally, the data indicate that the regression model is statistically significant in its capacity to forecast the impact of organizational resources on the performance of clearing and forwarding enterprises.

**Table 23**

*ANOVA<sup>a</sup> of Organization Resources*

Model	Sum of Squares	df	Mean Square	F	Sig.	Model
1	Regression	.853	1	.853	3.010	.009 <sup>b</sup>
	Residual	36.301	128	.284		
	Total	37.154	129			

a. Dependent Variable: performance

b. Predators: (Constant), Resources ‘

According to the findings, the p-value was 0.009, which is less than 0.05, indicating that the model is good at predicting the influence of organizational resources (y) on the performance of clearing and forwarding firms in Nairobi, Kenya, and the F-calculated (3.010) was greater than the F-critical, indicating that the model was fit in predicting the influence of organizational resources on the performance of clearing and forwarding firms in Nairobi, Kenya.

**Table 24***Coefficients<sup>a</sup> of Organization Resources*

Model		Unstandardized Coefficients	Standardized Coefficients	t	Sig.
		B	Std. Error	Beta	
1	(Constant)	4.688	.330		14.195 .000
	Resources	.137	.079	.152	1.735 .009

a. Dependent variable: performance

**Ho<sub>4</sub>: Organization resources has no statistically significant effect on performance of clearing and forwarding firms in Nairobi**

The evidence also indicates a statistically significant and positive correlation between the performance of Nairobi clearing and forwarding enterprises and their organizational resources. This is demonstrated by a regression coefficient of 0.137. The p-value (0.009) was found to be lower than the predetermined significance level (0.05). A one-unit increase in organizational resources corresponds to a 0.137-fold increase in the performance of clearing and forwarding businesses in Nairobi. Consequently, the null hypothesis is rejected, confirming that organizational resources exert a meaningful and favorable impact on the performance of Nairobi clearing and forwarding enterprises. These findings align with Agreement's (2015) research, underscoring the critical role of resources in effectively executing business strategies.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Summary

This section summarizes the key study findings. It summarizes the findings in accordance with the study's goals.

##### 5.1.1 Organization Culture on Clearing and Forwarding Firm's performance in Nairobi, Kenya

The research explored how the organizational culture of a clearing and forwarding business in Nairobi, Kenya, affects its performance. As per the results, most participants shared the view that the company's culture influences the implementation of its strategies, which can either enhance or hinder successful execution. Respondents concurred that the company's ability to swiftly translate comprehension into action plays a pivotal role in the effective execution of plans. The data reveals a significant and positive relationship between organizational culture and the performance of Nairobi's clearing and forwarding enterprises, as indicated by a regression coefficient of 0.083. The p-value (0.046) was found to be below the predefined significance level (0.05). The results further illustrate that a one-unit change in organizational culture corresponds to a 0.083-fold difference in the performance of clearing and forwarding businesses in Nairobi. These findings align with Wanjiru's (2015) work, which highlights the crucial role of cultures in cultivating a conducive work environment that nurtures commitment and dedication to plan execution.

### **5.1.2 Organization Leaderships on Clearing and Forwarding Firm's Performance in Nairobi, Kenya**

Respondents in Nairobi acknowledged the influence of organizational leadership on the performance of clearing and forwarding companies. They unanimously agreed that the owner's guidance is present throughout the execution of plans, contributing to effective business leadership. Moreover, participants were in consensus about the role of organizational leadership in enhancing employee efficiency. The respondents shared the view that a strong leadership vision significantly contributes to the overall success of the organization. Effective leaders possess both a strategic vision and the persuasive skills to translate that vision into actionable steps, resulting in tangible outcomes. The data also highlights a noteworthy and positive correlation between organizational culture and the performance of Nairobi's clearing and forwarding enterprises. This is evident from a regression coefficient of 0.115. The p-value (0.022) was found to be lower than the specified significance level (0.05). An incremental enhancement in organizational leadership is linked to a 0.115-fold increase in the performance of clearing and forwarding businesses in Nairobi. These findings align with Rahman et al.'s (2018) research, which established a direct and positive connection between strategic leadership, operational excellence, strategic orientation, and overall company success.

### **5.1.3 Organization Structure on Clearing and Forwarding Firm's Performance in Nairobi, Kenya**

The impact of organizational structure on the performance of a clearing and forwarding business in Nairobi was explored by the study's participants. Respondents expressed the belief that the structural attributes of an organization exert both direct and indirect effects on its performance. As indicated by the data, respondents reached a consensus that a well-defined structure leads to improved individual performance, efficient task

allocation, and enhanced overall organizational efficiency. Furthermore, respondents agreed that a well-crafted organizational structure equally contributes to the job satisfaction and performance of employees. The participants also shared the view that the organizational structure plays a vital role in delineating role responsibilities and documenting reporting hierarchies within the organization. A regression coefficient of 0.299 was identified, signifying a significant and positive correlation between organizational structures and the performance of clearing and forwarding enterprises in Nairobi. The p-value (0.023) was found to be below the specified significance level (0.05). A one-unit increment in organizational structure corresponds to a 0.299-fold increase in the performance of clearing and forwarding businesses in Nairobi. These findings resonate with Kampini's (2018) research, which revealed the influence of organizational structure on employee performance and affirmed that a well-designed organizational structure benefits employees by elevating job satisfaction and enhancing overall organizational performance.

#### **5.1.4 Organization Resources on Clearing and Forwarding Firm's Performance in Nairobi, Kenya**

The impact of organizational resources on the performance of a clearing and forwarding business in Nairobi was studied. Respondents recognized that both natural and human resource endowments significantly and decisively contribute to the achievement of strategic objectives within organizations. The data also uncovered that a majority of participants believed that human resource capabilities, especially, exert a direct and noteworthy influence on organizational strategic management. According to the study's results, the availability of financial resources holds crucial importance in the effective implementation of strategies within firms.

The data further suggests a meaningful and positive relationship between organizational resources and the performance of clearing and forwarding enterprises in Nairobi. This is supported by a regression coefficient of 0.137. The p-value (0.009) was found to be lower than the predetermined significance level (0.05). An increment of one unit in organizational resources corresponds to a 0.137-fold increase in the performance of clearing and forwarding businesses in Nairobi. These findings align with the conclusions of Agreement (2015), whose research underscored the critical role of resources in the successful execution of strategies within businesses.

#### **5.1.5 Performance of Clearing and Forwarding Firms in Nairobi Kenya**

Based on the study findings, most of the individuals under scrutiny concurred that the organizations outperformed other institutions. Additionally, a majority of survey participants held the viewpoint that there has been an enhancement in the service quality of the firms over a period of time, and effective implementation of sound plans has significantly contributed to ensuring customer contentment. Lastly, the respondents reached a consensus that the financial performance of the organization had shown improvement over the past five years.

#### **5.2 Conclusions**

The research revealed that there is no statistically significant correlation between organizational culture and organizational performance. Organizational culture contributes to increased employee productivity and provides them with the opportunity to express their ideas to senior management. The rapid conversion of information into action is a crucial factor for the successful execution of strategies. The implementation process is influenced by corporate cultures of various types.

According to the findings of the study, organizational leadership had no statistically significant impact on the performance of Nairobi clearing and forwarding firms. Employees benefit from organizational leadership as they become more efficient. Leadership vision has a significant impact on an organization's performance, and effective leadership has a strategic vision and is convincing in implementing a plan that produces genuine results. Strategic leadership was critical in inspiring, motivating, and encouraging employees to achieve the desired results.

According to the findings of the study, organizational structure had no statistically significant effect on the performance of Nairobi clearing and forwarding firms in the third target. Employees work better, duties are better split, and productivity increases when an organization has a defined structure. Employees gain from a good organizational structure because it increases their job happiness and performance, and the firm benefits from it because it promotes employee performance. The organizational structure defines who is in charge of what duties and details the company's reporting lines. The organizational structure of a company has a direct impact on its financial and non-financial performance.

Finally, the study concluded that organizational resources had no statistically significant impact on the performance of Nairobi clearing and forwarding businesses. Human resource competency, in particular, has an immediate and significant impact on organizational strategic management. The availability of financial resources is crucial to the successful implementation of corporate strategy. Without proper resource allocation in line with the strategy implementation schedule, problems are very certain to arise throughout the implementation process, and the firm has enough people to ensure that the organization accomplishes its desired performance.



### **5.3 Recommendations**

Organizational culture, according to the research, helps managers to tackle basic organizational difficulties. As a result, leaders in various roles should be emphasized as coaches, providing fundamental counsel while also supporting individual decision-making to build operational specifics. Culture change should be managed correctly to ensure that the organization is ready to implement its strategies on time.

According to the study's conclusions, managers in Kenyan clearing and forwarding firms should engage in the following high performance strategic leadership practices: This study verified the significance of establishing a business's strategic direction. This feature will ensure the strategic competitiveness and performance of their companies

According to the study, organizational size, structure formalization, structure complexity, and structure centralization should all be taken into account when a corporation's management is developing an organizational structure that will help them achieve their strategic goals because they have an impact on the financial performance of the corporation.

Finally, the researcher suggests that managers use any combination of available resources to successfully and efficiently implement the strategy. To maximize on the blue economy's promise, the Kenyan government should review shipping rates and continue to encourage foreign direct investment in the marine industry.

#### **5.3.1 Policy Recommendations**

Policymakers should explore if additional variables influence organizational success and how these aspects interact with one another. The Kenyan government should collaborate with industry stakeholders to create a comprehensive national strategy for the clearing

and forwarding sector. This strategy should provide a clear roadmap for the development and implementation of effective strategies for firms in the sector.

The primary duty of strategic leaders is to effectively oversee the business resource portfolio, comprising financial capital, human capital, social capital, and organizational culture. This attribute will grant their firms a competitive edge over rivals. Furthermore, it is imperative for the government to advocate for legislation enabling Kenya to construct its ships via the Kenya National Shipping Line. This move will substantially lower corporate costs while simultaneously augmenting resources for clearance and forwarding services.

### **5.3.2 Recommendations for Further Research**

The study recommends that another study to be done to critically analyze competitive strategies adopted by firms in the logistics industry in Kenya.

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## APPENDICES

### Appendix I: Letter of Introduction

I am a Masters student at Kabarak University conducting a study on *strategy implementation on organizational performance of clearing and forwarding firms in Nairobi Kenya*. The purpose of this letter is to request your consent to participate in a short survey by filling out the attached questionnaire. Respondents are encouraged to fill out the questions in the questionnaire truthfully and objectively, and should you require any clarification, kindly seek clarification and/or assistance.

The information collected will be treated as confidential and will only be used for academic purposes of the study.

Your participation is highly appreciated.

Yours Sincerely

Thank you

Yours faithfully,

Name .....

Sign.....



**Appendix II: Consent Form for Participation in Research**

**Strategy Implementation on Organizational Performance of Clearing and Forwarding Firms in Nairobi Kenya**

Dear Participant,

I invite you to participate in a research study entitled strategy implementation on organizational performance of clearing and forwarding firms in Nairobi Kenya. I am currently enrolled in am a Masters student at Kabarak University and am in the process of writing my Master's project. The enclosed questionnaire has been designed to collect information on strategy implementation on organizational performance of clearing and forwarding firms in Nairobi Kenya.

Your participation in this research project is completely voluntary. You may decline altogether, or leave blank any questions you don't wish to answer. There are no known risks to participation beyond those encountered in everyday life. Your responses will remain confidential and anonymous. Data from this research will be kept under lock and key and reported only as a collective combined total. No one other than the researchers will know your individual answers to this questionnaire. There are no direct benefits to you for participating in this research. However, you may find it interesting to talk about the issues addressed in the research and it may be beneficial to the field and to future clients or individuals who have experienced similar concerns. If you agree to participate in this project, please answer the questions on the questionnaire as best you can.

Thank you for your assistance in this important endeavor.

**CONSENT**

I have read and I understand the provided information and have had the opportunity to ask questions. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving a reason and without cost. I understand that I will be given a copy of this consent form. I voluntarily agree to take part in this study.

Participant's signature \_\_\_\_\_ Date \_\_\_\_\_

Investigator's signature \_\_\_\_\_ Date \_\_\_\_\_

### **Appendix III: Research Questionnaire**

I am a student at Kabarak University. As part of the requirement for the award of Master Degree of strategic management. I am required to undertake a research project entitled *strategy implementation on performance of clearing and forwarding firms in Nairobi Kenya*. Kindly assist me by filling this questionnaire. The information you give will be treated with utmost confidentiality and only used for academic purposes.

Direction: Please tick (√) your answer to each question in the respective boxes.

Dear respondent,

#### **Section A: Respondents Details**

1. What is your gender?

Male ( )

Female ( )

2. Highest education qualification attained

b) Diploma ( )

c) University Degree ( )

d) Master's degree ( )

e) PhD ( )

3. How long have you been working in this organization?

a) Less than 3 years ( )

b) 3-9 years ( )

c) 9-12 years ( )

d) More than 12 years ( )

**Section B: Organization Culture**

4. Indicate your degree of agreement with the influence of organizational culture on the performance of clearing and forwarding enterprises in Nairobi, Kenya, on a scale of 1-5.

Key 5 = Agree, 4 = Agree, 3 = Undecided, 2 = Disagree, and 1 = Strongly Disagreed

<b>Organization Culture</b>	5	4	3	2	1
The culture of the organization affects strategy implementation in the					
The culture can either enhance or impede the successful Strategy implementation					
The organizational culture helps the employees become more efficient					
The culture enables the employees to share their ideas with the top management					
The success of strategy implementation lies on the firm's ability to rapidly transform learning into action					
All types of organizational cultures have significant relationships with the implementation process					

**Section C: Organization Leaderships**

4. In a scale of 1-5, indicate the level of agreement regarding the effect of organization leaderships on organization performance of clearing and forwarding firms in Nairobi Kenya. Key 5= Strongly Agree, 4= Agree, 3= Undecided, 2= Disagree and 1= Strongly Disagreed

<b>Organization Leaderships</b>	5	4	3	2	1
The leadership of the business is provided by the owner during strategy implementation.					
The organizational leadership helps the employees become more efficient.					
Leadership vision has a positive significant impact on the performance of an organization					
Good leadership has a strategic vision and is persuasive at implementing a strategy to achieve tangible results					

Leadership involvement in strategy implementation led to partial strategy success in the organization					
Strategic leadership is important in inspiring, motivating, and encouraging employees to achieve the desired performance					

**Section D: Organization Structure**

4. Indicate the amount of agreement on the influence of organizational structure on the performance of clearing and forwarding enterprises in Nairobi, Kenya on a scale of 1-5.

Key 5 = Agree, 4 = Agree, 3 = Undecided, 2 = Disagree, and 1 = Strongly Disagreed

<b>Organization Structure</b>	5	4	3	2	1
Structural dimensions of an organization have direct and indirect effects on the performance organization					
When a clear structure exists, people perform better, tasks are well divided, and productivity increases in the organization.					
An excellent organizational structure is equally beneficial to employees since they experience job satisfaction and improve their performance					
An organization must have an excellent organizational structure since it motivates employee performance					
The organization structure defines who has responsibility for what roles as well as documenting the reporting lines within the organization					
Organizational structure has a direct impact on both financial and non-financial performance within an organization					

**Section E: Organization Resources**

4. Indicate the amount of agreement on the influence of organizational resources on the performance of clearing and forwarding enterprises in Nairobi, Kenya, on a scale of 1-5.

Key 5 = Agree, 4 = Agree, 3 = Undecided, 2 = Disagree, and 1 = Strongly Disagreed

<b>Organization Resources</b>	5	4	3	2	1
Resources endowments, both natural and human play a significant and deterministic role in the implementation of strategic plans in the organization.					
Human resource capacity, in particular, has a direct and significant impact on the strategic management of organizations					
Financial resource is key to successful implementation of strategy in organizations.					
If the organization implements a strategy without proper allocation of resources as per the strategy implementation schedule challenges are bound to arise during implementation process					
The organization has adequate employee who ensure that the organization meet its desired performance					

**Section F: Organization Performance**

4. In a scale of 1-5, indicate the level of agreement regarding organization performance of clearing and forwarding firms in Nairobi Kenya.. Key 5= Strongly Agree, 4= Agree,

3= Undecided, 2= Disagree and 1= Strongly Disagreed

<b>Organization Performance</b>	5	4	3	2	1
This organization has been performing better compared to other institutions.					
The organization has improved the quality of its services over time					
Proper strategy implementation has played a key role in ensuring there is customer satisfaction					
The financial performance of the organization has increased over the last five years					

**Appendix IV: Clearing and Forwarding Companies in Nairobi County**

<b>No.</b>	<b>Clearing and Forwarding Companies</b>	<b>Operations Mangers</b>	<b>General Managers</b>
1.	A.M.A. Al-Ammry Limited	1	2
2.	African Shipping Limited	1	1
3.	AKL Shipping Co. (K) Limited	1	1
4.	Alba Petroleum Limited	1	3
5.	American Global Marine & Trading Comp. Ltd	1	1
6.	American President Line	1	2
7.	Amsterdam Holdings Limited	1	1
8.	Bari Shipping and Logistics	1	2
9.	Bay Lines	1	1
10	Bio Shipping Logistics Limited	1	1
11	BLPL Singapore (Pte) Limited	1	3
12	Captain Shipping Agency Limited	1	1
13	Caravel Lines	1	1
14	CMA CGM Line	1	1
15	COSCO Container Lines	1	4
16	Deep Sea Shipping Solutions	1	1
17	Diamond Shipping Services Limited	1	1
18	Diverse Shipping Limited	1	1
19	East African Commercial & Shipping	1	1
20	Emirates Shipping Lines - DMCEST	1	3
21	Emkay Lines (Pvt) Ltd	1	1
22	Eukor Car Carriers Inc.	1	2
23	Evergreen Marine (Singapore)	1	1
24	Pte. Limited	1	1
25	Express Shipping & Logistics E.A. Limited	1	1
26	Green Island Shipping Services Ltd	1	2
27	Gulf Badar Group Kenya	1	1
28	Habor Agency Limited	1	1
29	Hanjin Shipping Company	1	1
30	Hapag Lloyd	1	1
31	Hyundai Glovis Company Co. Limited	1	1
32	Hyundai Merchant Marine	1	1
33	Ignazio Messina & Co. S.P.A.	1	1
34	Inchcape Shipping Services	1	3
35	Inclusive Agencies Limited	1	1
36	International Shipping Agency Limited	1	1
37	ITTICA Limited	1	1
38	Kenya National Shipping Line	1	1
39	Kenya Risk Consultants Limited	1	1
40	Kusi Shipping Services Limited	1	1

41	Limuti Shipping Limited	1	1
42	Maersk Line	1	4
43	Magellan Logistics (K) Limited	1	1
44	Mediterranean Shipping Company. S.A.	1	3
45	Merlion Shipping Limited	1	1
46	Mitsui O.S.K. Lines	1	1
47	Motaku Shipping Agencies Limited	1	1
48	Nippon Yusen Kaisha (NYK)	1	1
49	Nisomar Limited	1	1
50	OBJ Maritime Services Limited	1	1
51	Ocean Network Express	1	2
52	Oceanfreight (E.A.) Limited	1	2
53	Pacific International Lines	1	2
54	Rais Shipping Services	1	1
55	Ravo Logistics Limited	1	1
56	Safmarine Container Lines N.V.	1	1
57	Sarjack Container Lines	1	1
58	Sea Consortium (Pte) Limited	1	1
59	Seabulk Shipping Services	1	1
60	Seaforth Shipping Kenya Limited	1	1
61	Seaglow Shipping Services Limited	1	1
62	Seatrade Agencies Limited	1	1
63	Seven Seas Shipping Agencies (K) Limited	1	1
64	Sharaf Shipping Agency Kenya Limited	1	1
65	Shipmarc Agency & Logistics Ltd	1	1
66	Sima Marine Kenya Limited	1	1
67	SMAT Shipping Services Limited	1	1
68	Socopao Kenya Limited	1	1
69	Southern Engineering Company (SECO)	1	1
70	Spanfreight Shipping Kenya Ltd	1	1
71	Spears Shipping Agency (K) Ltd	1	2
72	Sturrock Shipping Kenya Limited	1	1
73	Transatlantic Trading Company	1	1
74	United Africa Feeder Lines	1	1
75	Universal Consolidated	1	1
76	WEC Lines B.V.	1	3
77	Wilhelmsen Ship Services Limited	1	1
78	Worldwide Shipping Services Limited	1	1
79	ZAM ZAM Shipping Limited	1	1
80	Security Solutions Limited	1	1
	<b>Total</b>	<b>80</b>	<b>104</b>

Source : Nairobi County Government Records (2021)

## Appendix V: KUREC Approval Letter



### KABARAK UNIVERSITY RESEARCH ETHICS COMMITTEE

Private Bag - 20157  
KABARAK, KENYA  
Email: [kurec@kabarak.ac.ke](mailto:kurec@kabarak.ac.ke)

Tel: 254-51-343234/5  
Fax: 254-051-343529  
[www.kabarak.ac.ke](http://www.kabarak.ac.ke)

OUR REF: KABU01/KUREC/001/08/04/23

Date: 4<sup>th</sup> April, 2023

Evalyne Chebett,  
Reg. No: GMB/NE/0554/05/12  
Kabarak University,

Dear Evalyne,

**RE: THE EFFECT OF STRATEGY IMPLEMENTATION ON FIRMS' PERFORMANCE IN KENYA: A CASE OF CLEARING AND FORWARDING FIRMS IN NAIROBI COUNTY**

This is to inform you that **KUREC** has reviewed and approved your above research proposal. Your application approval number is **KUREC-080423**. The approval period is **4/04/2023 – 4/04/2024**.

This approval is subject to compliance with the following requirements:

- i. All researchers shall obtain an introduction letter to NACOSTI from the relevant head of institutions (Institute of postgraduate, School dean or Directorate of research)
- ii. The researcher shall further obtain a RESEARCH PERMIT from NACOSTI before commencement of data collection & submit a copy of the permit to **KUREC**.
- iii. Only approved documents including (informed consents, study instruments, MTA Material Transfer Agreement) will be used
- iv. All changes including (amendments, deviations, and violations) are submitted for review and approval by **KUREC**:
- v. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to **KUREC** within 72 hours of notification;
- vi. Any changes, anticipated or otherwise that may increase the risk(s) or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to **KUREC** within 72 hours;
- vii. Clearance for export of biological specimens must be obtained from relevant institutions and submit a copy of the permit to **KUREC**;
- viii. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal and;
- ix. Submission of an executive summary report within 90 days upon completion of the study to **KUREC**

Sincerely,

**Prof. Jackson Kitetu PhD.**  
KUREC-Chairman

Cc Vice Chancellor  
DVC-Academic & Research  
Registrar-Academic & Research  
Director-Research Innovation & Outreach  
Institute of Post Graduate Studies



*As members of Kabarak University family, we purpose at all times and in all places, to set apart in one's heart, Jesus as Lord.*  
(1 Peter 3:15)



Kabarak University is ISO 9001:2015 Certified



## Appendix VI: Authorization Letter for the University



**KABARAK UNIVERSITY**  
**OFFICE OF THE DIRECTOR**  
**INSTITUTE OF POST GRADUATE STUDIES**

Private Bag - 20157  
KABARAK, KENYA

E-mail: [directorpostgraduate@kabarak.ac.ke](mailto:directorpostgraduate@kabarak.ac.ke)

<http://kabarak.ac.ke/institute-postgraduate-studies/>

12<sup>th</sup> April 2023

The Director General  
National Commission for Science, Technology & Innovation (NACOSTI)  
P.O. Box 30623 - 00100  
NAIROBI

Dear Sir/Madam,

**RE: EVERLYNE CHEBET - GMB/NE/0554/05/12**

The above named is a student at Kabarak University. She is carrying out a research entitled "*The Effect of Strategy Implementation on Firms' Performances in Kenya: A Case of Clearing and Forwarding Firms in Nairobi County*".

The student has been granted approval for ethical clearance by Kabarak University Research Ethics Committee and is ready to undertake field research.

Kindly provide the student with a research permit to enable her to undertake the research.

Thank you.



**Dr. Nehemiah Kiplagat, PhD**  
**Ag. Director, Institute of Postgraduate Studies**

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**Kabarak University Moral Code**

As members of Kabarak University family, we purpose at all times and in all places, to set apart in one's heart, Jesus as Lord.  
(1 Peter 3:15)



**Kabarak University is ISO 9001:2015 Certified**

Appendix VII: NACOSTI Research Permit


NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

REPUBLIC OF KENYA

Ref No: **850326**

Date of Issue: **14/April/2023**

**RESEARCH LICENSE**




This is to Certify that Miss.. **EVALYNE Ng'eno chebett** of Kabarak University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: **THE EFFECT OF STRATEGY IMPLEMENTATION ON FIRMS' PERFORMANCE IN KENYA A CASE OF CLEARING AND FORWARDING FIRMS IN NAIROBI COUNTY** for the period ending : **14/April/2024**.

License No: **NACOSTI/P/23/25319**

Applicant Identification Number: **850326**

Director General  
NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Verification QR Code



NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.

See overleaf for conditions

**Appendix VIII: Evidence of Conference Participation**



**KABARAK UNIVERSITY**

**Certificate of Participation**

**Awarded to**

*Evalyne Chebet*

for successfully participating in the 13th Annual Kabarak University International Research Conference held from 30<sup>th</sup> – 31<sup>st</sup> October 2023 and presented a paper entitled *“Effects of strategy implementation on firms’ performance in Kenya: A case of clearing and forwarding firms in Nairobi County”*.

**Conference Theme**

Empowering Youth Through Digital Commerce

EDUCATION IN BIBLICAL PERSPECTIVE

**Dr. Patrick Kibati**  
Dean, School of Business &  
Economics

**Dr. Moses Thiga**  
Director - Research, Innovation  
and Outreach

---

Kabarak University Moral Code

As members of Kabarak University family, we purpose at all times and in all places, to set apart in one's heart, Jesus as Lord.

(1 Peter 3:15)



Kabarak University is ISO 9001:2015 Certified

# The Effect of Strategy Implementation on Firms' Performance in Kenya a Case of Clearing and Forwarding Firms in Nairobi County

Evalyne Chebett, Prof. Mongare Omare, Dr. Jeptekeny Bowen

**Abstract**—The main objective of the study sought to fill the gap on factors affecting strategy implementation on organizational performance of clearing and forwarding firms in Nairobi Kenya. The study adopted descriptive research study. The target population was 184 managers from operations and general managers in 80 clearing and forwarding firms in Nairobi Kenya. The study majorly targeted 80 operations managers and 104 general managers. Simple random sampling was used to pick 80 clearing and forwarding firms in Nairobi Kenya while census technique to include all 80 operation managers and 104 general managers in 80 clearing and forwarding firms in Nairobi Kenya. The questionnaires were used to collect the primary data desirable for the study. The study collected primary data using questionnaires. Piloting was also utilized to improve face validity by assisting the researcher in identifying items in the study instrument that may be confusing in eliciting meaningful information. Cronbach's Alpha was used as an internal consistency technique. Quantitative data was analyzed by use of Statistical Package for Social Sciences (SPSS) version 25. Both descriptive and inferential statistics were used in the study. Descriptive statistics involved the use of percentages, frequencies, measures of central tendencies (mean), and measures of dispersion (standard deviation). From the findings, there is a positive significant relationship between organization culture and performance of clearing and forwarding firms in Nairobi as shown by a regression coefficient of 0.083. The results also indicate that there is a positive significant relationship between organization culture and performance of clearing and forwarding firms in Nairobi as shown by a regression coefficient of 0.115. The findings indicated that there is a positive association between organization leadership and performance of clearing and forwarding firms in Nairobi as shown by a correlation coefficient of 0.462 and a p-value of 0.001. The p-value is less than 0.05 and hence the association was significant.

**Key Words:** Strategy Implementation, clearing and forwarding firms, performance, organization culture and organization leaderships

## I. INTRODUCTION

Strategy is the balance of actions and choices between internal abilities of an organization and external environment. Mintzberg and Lampel (2019) perceives strategy as a plan, play, pattern, position and perspective.

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Bateman (2017) defines strategy as a pattern of actions and resource allocations aimed to attain organizational goals. Strategy implementation is the process through which strategies are put into action throughout the organization by deriving short-term objectives from the long term goals (Al Khajeh, 2018). It further involves obtaining functional tactics from the business strategy. This process helps management identify the specific immediate actions that must be taken in the key functional areas to implement the business strategy (Pearce and Robinson, 2018). The process also involves mobilization of resources, restructuring systems and processes, policy, leadership and technological changes (Alusha, 2018). Additionally, strategy implementation may involve significant budget shifts, impacting human resource and capital expenditure (Audia, Brion & Greve, 2015).

Organizational performance is identified with effectiveness and efficiency (Lufthans, 2012). Oni-Ojo, Salau, Odunayo, Olumuyiwa, and Abasilim (2014) argue that effectiveness is the extent to which stakeholders' requirements are met, while efficiency is a measure of how financially the firm resources are used when meeting a given level of customer satisfaction. Generally, research outcomes on performance stay inconclusive, and several reasons have been advanced for the indecisive results including methodological defects, snubbing organizational characteristics in performance relationships, and the related application of models (Munyambu, 2015). Performance is therefore a balanced and multi-dimensional concept better reflecting stockholder interests. Performance is the perfect opportunity to address long-term goals that may not be on the everyday to-do list. Not only does this provide the employee with an opportunity to be of greater use to an organization, the employee feels pleased and valued.

The logistics industry in Kenya is well diversified and includes firms specializing in sensitive or perishable goods, for example exports of fresh fish to countries in the European Union. Most horticultural products are air-freighted. Kenya has a large number of clearing and forwarding firms based primarily in Nairobi and Mombasa. Large international courier services, such as UPS and DHL, operate in the country alongside smaller, local firms. The major global consultancy firm Deloitte is in operation, alongside local firms such as Strategic Training and Logistics Consultants Limited. The Kenya International Freight and Warehousing Association is the

