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**EFFECT OF STRATEGIC MANAGEMENT PRACTICES ON ORGANIZATIONAL  
PERFORMANCE: A CASE OF MARKETING AGENCIES IN NAIROBI COUNTY**

**MITCHELL WANJIKU MAINA**

**MCOM/083337**



**THESIS SUBMITTED TO STRATHMORE BUSINESS SCHOOL IN PARTIAL  
FULFILLMENT OF THE DEGREE OF MASTER OF COMMERCE AT STRATHMORE  
UNIVERSITY**

**MARCH, 2024**

## DECLARATION

I declare that this thesis has not been previously submitted and approved for the award of a degree by this or any other University. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made in the thesis itself.

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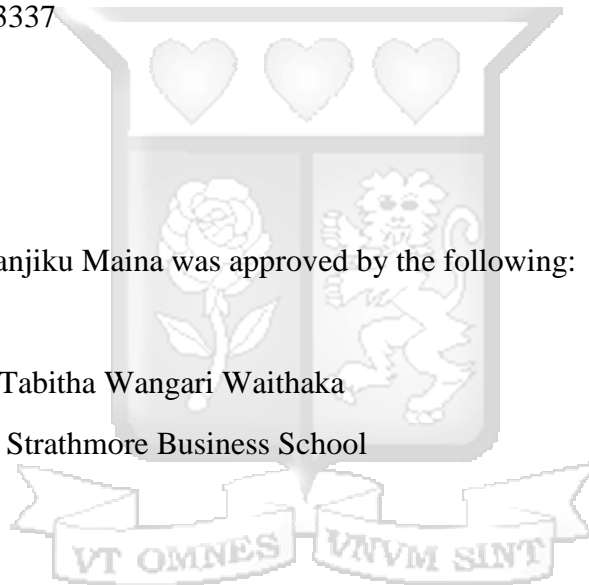
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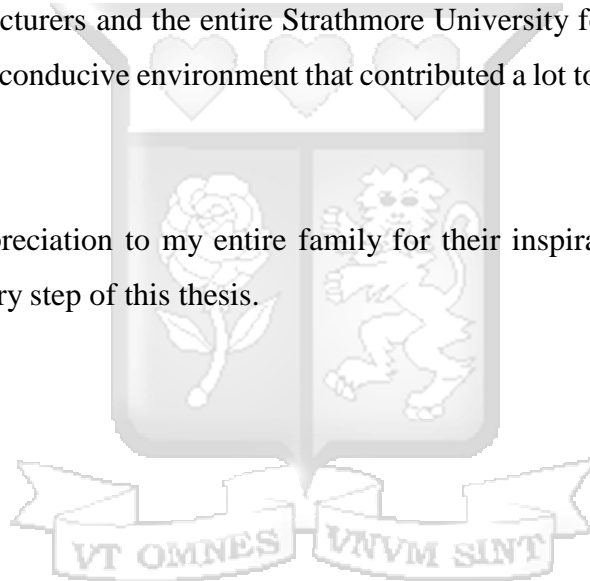
## ACKNOWLEDGEMENT

First I am thankful to The Lord Almighty for blessing me with the opportunity and grace to undertake this research.

I am grateful to my supervisor Dr. Tabitha Wangari Waithaka who never held back her vast intelligence and expertise when guiding me as I undertook this thesis. My work was made possible more so by her understanding nature and support when it came to areas I had challenges in executing.

I thank my colleagues, lecturers and the entire Strathmore University for having a wide range of facilities, resources and a conducive environment that contributed a lot to the knowledge contained in this research thesis.

Finally, I extend my appreciation to my entire family for their inspiration, encouragement and moral support during every step of this thesis.



## ABSTRACT

The marketing industry globally has been growing rapidly over the past few years. This has been due to the increasing demand for marketing services from national and international clients. As a result, competition in both global and local markets has become quite intense and this has led to the need for marketing agencies to rethink their strategies for them to be sustainable. In Kenya, the marketing sector is extremely competitive especially with the advent of digital marketing trends. Marketing agencies are thus forced to keep up with consumer trends and offer better value proposition to their clients in order to beat competition. To this extent, the overall objective of this thesis was to determine the effect of strategic management practices on organizational performance of marketing agencies in Nairobi County. Specifically the research sought to determine the effect of strategy formulation, strategy implementation and strategy evaluation on the performance of marketing agencies in Nairobi County. Regarding organizational performance, the study sought to measure customer satisfaction, efficiency and effectiveness as performance indicators. This research was supported by the contingency and RBV theories. Descriptive research design was applied and a positivism research philosophy adopted. The data was collected using questionnaires that were administered to 468 managers from 117 selected marketing agencies operating in Nairobi County. SPSS software was used to analyse the collected data. Mean and standard deviation was used for descriptive analysis while inferential analysis was used to establish the relationship between the study variables. This research established that the participants agreed that strategy formulation, strategy implementation and strategy evaluation had been adopted by marketing agencies in Nairobi County. The research findings concluded that the relationship between strategy formulation, strategy implementation and strategy evaluation and performance of marketing agencies in Nairobi County was positive and significant. The research recommended that marketing agencies in Nairobi County needed to step up their efforts to improve their strategic management practices, appropriately allocate enough resources for the implementation of the strategies and embrace ongoing training to ensure successful implementation of these strategic management practices. The study was limited to marketing agencies and focused only on Nairobi County. In addition it focused only on three strategic management practices. These limitations could be addressed in future researches.

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## LIST OF ABBREVIATIONS

|      |  |
|------|--|
| CRM  | Customer Relationship Management                     |
| ICT  | Information and Communication Technology             |
| MSK  | Marketing Society of Kenya                           |
| NFM  | Non- Financial Measures                              |
| PLC  | Public Limited Company                               |
| RBV  | Resource based view Theory                           |
| SCA  | Sustainable Competitive Advantage                    |
| SME  | Small and Micro Enterprises                          |
| SWOT | Strength, Weakness, Opportunity and Threats analysis |
| TQM  | Total Quality Management                             |



## CHAPTER ONE: INTRODUCTION

### 1.1 Background of the study

Organizations are affected by an array of micro and macro factors in their operating environments, some within and others beyond their control. It is imperative that organizations continually improve their operations to match their ever-changing business environments. Future-oriented organizations adopt strategic management practices to help them be competitive in the long-run and to mitigate against threats in their business environments (Kiarie, 2019).

Strategic management is the formulation, implementation and evaluation of key objectives and tactics executed by management for its stakeholders, upon considering the firms' resources and assessing the environments in which the organization operates (Arshad, 2012). Strategic management thus ensures organizations formulate, implement and evaluate their strategies and operations with an aim of attaining their desired performance objectives competitively.

Strategic management alludes to the decisions and actions undertaken by managers which affect organization performance over a long period (Wheelen & Hunger, 2012). Pearse and Robinson (2007) states that firms now need to start thinking strategically in order to survive in their ever-changing business environments. This calls for marketing agencies to prioritize the practice of strategic management as it contributes towards the increased performance of the firms.

Studies on strategic management are thus gaining much attention in today's business industries due to how dynamic they are and how rapidly business environments are changing. Interest mostly comes from the management of organizations as they seek to understand the trends within their environment and even more importantly how to predict the future of their industry. It is only through such efforts that organizations can get to organize and position themselves strategically to reap the best regarding performance (Kimani, 2018). This performance is mostly measured in terms of the desired parameters like profitability, market share, growth rate, customer satisfaction, efficiency and effectiveness, and it determines the organizational success of such firms (Kawira , Mukulu , & Odhiambo, 2019). It will be significant to find out how these parameters are or can be influenced by strategic management practices such as strategy formulation, strategy

implementation and strategy evaluation. Insights regarding their impact are useful to management to help them understand how these practices affect the organizational performance of marketing agencies.

Strategy formulation is defined as the establishment of long-time period plans for the effective and efficient control of an organization's operating environment and resources, with an aim of achieving desired objectives (Mbula, 2018). Pearce and Robinson (2017) define implementation of strategy as the act of operationalizing organizational objectives by extracting short-time period goals from the long-time period targets and obtaining the practical tactics from the overall business plan. Strategy evaluation refers to the assessment of actual organizational performance against the desired performance (Raduan, Jegak, Haslinda, & Alimin, 2019). On the other hand, organizational performance is characterized by its pertinent elements of customer satisfaction, effectiveness and efficiency.

Existing studies on strategic management practices and organizational performance done focused on different regions and for different sectors. Internationally, Hao, Kasper and Muehlbacher (2012) concluded that strategic management was key in influencing organizational performance of learning institutions in Australia. Regionally, in Nigeria, Babatunde and Adebisi (2012) found that formulation of strategy influenced organizational performance of Nestle Cadbury Plc.

Locally in Kenya, past studies on strategic management practices and organizational performances that have been conducted focused on different sectors. Wambugu and Waiganjo (2015) study concluded that implementing practices like having a strategic financial, strategic planning, strategic technical skills and strategic CRM management improved productivity and overall performance of construction companies. Mutendera and Simba (2019) research found that strategic practices like organization learning, strategic planning, ICT and competitive positioning positively influenced performance of hotels in Mombasa and, established that seasonal changes greatly affected beach hotels performance and that flexible organizational learning was key to being competitive. Further, the study found that the hotels performances improved where effective strategic planning, implementation and evaluation was prioritized.

Previous studies also presented mixed findings. Otieno (2021) study found contradicting findings that there was an insignificant impact of formulation of strategy on organization performance of

SME's in Nairobi County. The study found that organizations that conducted formulation of strategy did not have any significant advantage over those that did not do so and what was more important was the ability of organizations to adapt faster to changing environmental factors (Otieno, 2021).

A review of previous researches established that the studies were done in different regions (Hao, Kasper and Muehlbacher, 2012; Babatunde and Adebisi, 2012; Julian, 2008, Miles and Snow, 2006), others focused on different sectors (Mutendera and Simba, 2019; Wambugu and Waiganjo, 2015, Kimani, 2018, Nyaga and Simiyu, 2018) and some even presented mixed findings (Otieno, 2021).

### **1.1.1 Strategic management practices**

The description and operationalization of strategic management practices has been done differently by various authors based on the focus of their research. This study adopts Arshad (2017) definition of strategic management as the formation, execution and assessment of key objectives and tactics executed by management for of its stakeholders, upon considering the firms' resources and assessing the environments in which the organization operates. This is because the definition highlights the key elements that contribute towards the successful execution strategic management.

Strategic management practice the science and art of formation, execution, and assessment organizational cross-functional decisions in order to accomplish its goals (Bakar, Tufail, & Yusof, 2010). Stead and Stead (2013) postulate that the conceptualization of strategy is critical to strategic management understanding, and that however strategy lacks a specific definite meaning and it can loosely be inferred to mean a plan or course of action. Strategic management practices are the action plans that managers execute in order to analyze the operating environments of organizations so as to form strategies and allocate resources in order to be competitive in its industry.

A strategic plan allows an organization to successfully achieve its vision's and mission's objectives (Wheelen & Hunger, 2012). A study by Mbula (2018) found that strategy formulation, strategy implementation and strategy evaluation were found to have an impact on performance of Standard Group Limited. Mwakai (2018) studied the effects of strategic management practices and operationalized them as strategic customer relationship management, planning, organizational

analysis and control; and found that the strategic practices had a positive influence on the performance of banks in Kenya. Kimani (2018) study operationalized strategic practices as strategy formulation, strategy implementation and strategy evaluation and established that they had a significant impact on the performance of fintechs in Africa and thus had to be efficiently and continuously improved in order for fintechs to perform exceptionally well.

Other previous studies also identified that strategy formulation, strategy implementation and strategy evaluation were key aspects of strategic management that affect organizational performance. For example, Minama (2016) found that strategic formulation was positively associated with performance in non-profit organizations in Kenya being that it helps to outline the long-term action plans for organizations factoring the available resources.

Evidence from previous studies have determined that the strategic management practices operationalized as strategy formulation, strategy implementation and strategy evaluation had a significant influence on the performance of organizations (Babatunde and Adebisi, 2012; Otieno, 2021; Mbula, 2018; Kimani, 2018; Minama, 2016). However, research on the effect of strategic practices like formulation of strategy, implementation of strategy and evaluation of strategy on the performance of marketing agencies in Nairobi County is limited. Thus the current research adopted and built on the operationalization of these past researchers and sought to specifically find out the effect of formulation of strategy, implementation of strategy and evaluation of strategy on organizational performance of marketing agencies in Nairobi County because they are critical practices of strategic management and past findings signified they had a significant impact on organizational performance.

### **1.1.2 Organizational Performance**

Previous studies defined and operationalized organization performance differently based on the areas of their research. Gabow (2015) notes that the estimation and measurement of business performance has always been a key concern to management practitioners and researchers since there is no universal definition of performance that is applicable to fit all organizations. Performance is interpreted differently across various organizations. This study adopts De-Waal (2007) definition of organizational performance to be a measure of its success in achieving its objectives, and operationalized as customer satisfaction, efficiency, effectiveness, and

profitability.

According to Bakar and Ahmad (2016), since companies have a range of stakeholders, objectives, and approaches to achieving these objectives, evaluating a firm's success must take into account the financial as well as the non-financial components of measuring performance. Hughes and Morgan (2007) notes that some non-financial measures of organizational performances include employee satisfaction, product quality, efficiency, effectiveness, customer satisfaction, and innovation. Kaplan and Norton (2001) state that non-financial measures are better predictors of organizations' performance as they capture levels of intangible performance measures.

Evidence from past studies have shown that organizational performance can be measured as profitability, market share, growth rate, customer satisfaction, efficiency and effectiveness (Maduenyi, Oke, Fadeyi, & Ajagbe, 2015). Shafiq et al. (2014) notes that customer satisfaction is an important factor in improving organizational performance. They found customer satisfaction positively influenced performance, as it leads to customer loyalty and increased revenue. Ndubisi and Nwankwo (2019) notes that customer satisfaction alludes to how well a company's products and services meet their customers' expectations whereas organizational efficiency referred to the state when organizations achieved their targets by optimally using their available resources while eliminating waste. Effectiveness is the ability of organizations to attain their desired results (De-Waal, 2007).

Marketing efforts focus on attracting and satisfying the needs and wants of targeted customer thus it is imperative that marketing agencies track their performances in line with measures that create customer value (Christian, 2009). Customer satisfaction translated to customer retention, customer loyalty, net promoter score, customer purchase frequency and customer lifetime value and is therefore an important performance metric of tracking organizational performance (Ndubisi & Nwankwo, 2019). Past studies found that customer satisfaction, efficiency and effectiveness were important parameters for measuring performance (De-Wall, 2007; Katzenbach and Smith, 2015; Hughes and Morgan, 2007; Maduenyi et al, 2015). The current study operationalized performance parameters as customer satisfaction, efficiency and effectiveness informed by the justification that these measures influenced organizational performance.

### **1.1.3 Marketing Agencies in Nairobi County**

The Marketing Society of Kenya (MSK) is the national umbrella body for all marketing practitioners in Kenya and whose mandate is to create policy that govern and regulate the marketing industry in Kenya (MSK, 2023). Majority of the marketing agencies are thus registered as corporate members of the MSK. Nairobi County is home to a variety of marketing agencies that offer clients a range of services to promote their business. There are 117 listed top marketing agencies in Nairobi (AgencyVista, 2023). These marketing agencies offer services such as advertising, digital marketing, branding, public relations, and event planning.

Agencies can be grouped into several categories on the basis of the services they provide. These are: media buying agencies, which specialize in acquiring various media spaces to showcase advertising campaigns for clients; creative boutiques, which create design services for their clients; full-service agencies, which manage all marketing and advertising needs of their clients; and digital agencies, which provide clients with digital marketing solutions like website development and management, SEO management, content marketing, email marketing, social media marketing and digital advertising. Lastly, internal marketing departments of businesses who offer innovative solutions for their goods are the primary clientele of in-house agencies (Skywall, 2023).

Mbula (2018) notes that marketing agencies play an important role in helping businesses create a successful marketing strategy. Through their services, they provide businesses with the essential knowledge they need to create a cohesive plan to reach their target audience. They also provide data-driven insights and analysis to help businesses understand their target audience and how to best reach them. Additionally, they help businesses develop creative campaigns that are tailored to their target audience. Marketing agencies also help businesses stay on top of the latest trends and developments in the industry. These marketing agencies play an integral role in strategic management and are essential for any business looking to succeed (Mbula, 2018).

Mungai (2008) states that marketing agencies are faced with intense competition because of entry of new players in the industry. Mungai (2008) notes that telecommunication companies like Safaricom and Airtel now are positioned to offer advertising and marketing services. Marketing influencers are also a direct competition to marketing agencies as they offer curated marketing services for clients interested in accessing their niche audiences and are less expensive than the

fees charged by marketing agencies (Kawira, Mukulu, & Odhiambo, 2019). The growth of the marketing industry in Nairobi is expected to keep increasing in the future and this would intensify competition as the players fight to gain more market share.

Given the dynamic business environment organizations operate in, which also applies to marketing agencies, it is thus critical to establish what factors can impact their performance.

## **1.2 Problem Statement**

The marketing industry globally has gone through a renaissance in the past and more change is expected to keep occurring (Deloitte, 2023). Marketing agencies have experienced rapid growth due to the increasing demand for their services from both local and international clients (Skywall, 2023). This growth has been supported by increased globalization and technological innovations that ease operations of marketing agencies (Oklander, Oklander, Yashkina, & Pedko, 2018). However, the competition in the marketing industry has become more intense leading to the need for marketing agencies to focus more on strategic management practices in order to capitalize on their strategic capabilities and gain a competitive edge (Paul, 2019).

Unprecedented times and volatile business environments have exposed organizations to an array of challenges like the adverse effects of COVID-19 pandemic, disruptions brought about by innovative technologies and the ever-changing consumer wants and behaviors (Schilirò, 2020). Firms need to take critical steps to ensure they successfully reemerge from the effects of the COVID 19 pandemic (Gössling, 2020). Future-oriented organizations adopt strategic management practices to help them be competitive in the long-run and to mitigate against threats in their ever-changing business environments (Kiarie, 2019).

However, literature on the relationship between strategic management practices and performance of marketing agencies in Nairobi County is limited. Internationally, scholars like Julian (2008) proved that innovation strategies and organization culture played a major role on the overall organizational performance of export marketing firms in Germany. Another study done in the United Kingdom by Miles and Snow (2006) concluded that strategic management supported by favorable management styles and organization structures positively influenced organizational

performance of public organizations. Regionally in Tanzania Pandisha, Kombe and Kayunze (2022) research concluded that strategic practices significantly influenced the performance of local government authorities.

Locally, Njeru (2015) concluded that strategy practices of strategy formulation, implementation, evaluation and control significantly impacted performance of SMEs. Nyaga and Simiyu (2018) found that product innovation, financial alliances and market expansion strategies positively influenced the performance of airline firms. These past studies focused on different international and regional contexts and were based on studies for different sectors. This study seeks to address these gaps by focusing on strategic practices and organizational performance of marketing agencies within the context of Nairobi, County, Kenya.

Other studies also presented mixed findings contradicting the impact of strategic management practices on organizational performance. Otieno (2021) identified that strategic practices did not have significant influence on organizational performance of SME's in the agri-business sector in Kenya and that what was more important was the ability of organizations to adapt faster to changing environmental factors. This study sought to address this gap by clearly determining whether strategic practices have an effect on organizational performance of marketing agencies in Nairobi County.

In light of the literature reviewed, a number of gaps were identified in terms of regional context differences (Hao, Kasper and Muehlbacher, 2012; Babatunde and Adebisi, 2012; Julian, 2008, Miles and Snow, 2006), sectoral focus differences (Mutendera and Simba, 2019; Wambugu and Waiganjo, 2015, Kimani, 2018, Nyaga and Simiyu, 2018; Njeru, 2015) as well as some presented mixed findings (Otieno, 2021). Therefore this current study sought to address these gaps.

## **1.3 Research Objectives**

### **1.3.1 General objective**

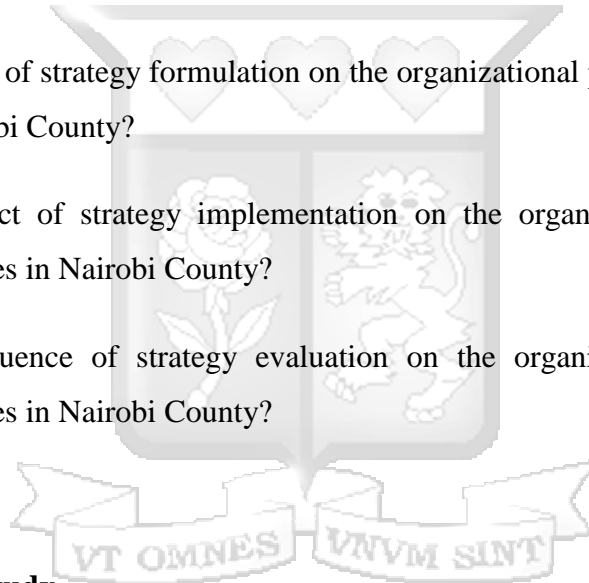
To determine the effect of strategic management practices on the organizational performance of marketing agencies in Nairobi County.

### **1.3.2 Specific objectives**

- i. To determine the effect of strategy formulation on the performance of marketing agencies in Nairobi County.
- ii. To establish the effect of strategy implementation on the organizational performance of marketing agencies of Nairobi County.
- iii. To identify the influence of strategy evaluation on organizational performance of marketing agencies of Nairobi County.

### **1.4 Research questions**

- i. What is the effect of strategy formulation on the organizational performance of marketing agencies in Nairobi County?
- ii. What is the effect of strategy implementation on the organizational performance of marketing agencies in Nairobi County?
- iii. What is the influence of strategy evaluation on the organizational performance of marketing agencies in Nairobi County?



### **1.5 Significance of the study**

The significance of this research was threefold.

Firstly, the study is significant to managers as it provides a better understanding of how strategic management practices influence organizational performance. This knowledge can then be used to inform management decisions and improve the functioning of marketing agencies in Nairobi County. The conclusions of the study could also be used to inform marketing strategies and enable agencies to achieve their objectives more effectively.

Secondly, the study is important to policy makers as it provides a better understanding of the current state of strategic management practices in Nairobi County. This knowledge can be used by

industry experts to inform policy, enact laws and improve the environment in which marketing agencies operate.

Lastly, this study is significant to future researchers as it can be used to contribute to knowledge of future studies. This study holds significant relevance to the theory of strategic management by providing insights on the practical application and impact of strategic practices in the real-world business context. By determining how strategic management practices of marketing agencies in Nairobi County affects their organizational performance, the study can help refine and expand existing theories of strategic management by offering empirical evidence on strategic practices and organizational performance. Moreover, the current study findings ultimately contribute to a deeper understanding of how companies can use strategic management practices to boost their organizational performance. This study may also be useful to future researchers as an important reference material from which future studies on strategic management and organizational performance can be done.

## **1.6 Chapter Summary**

This chapter sought to give a general background of this research by highlighting the strategic management practices, organizational performance and marketing agencies context that support the study topic. It further presented the problem statement emphasizing on the gaps to be addressed by this study. Finally, it covered the research objectives and questions and addressed the scope of the study and the possible beneficiaries of the research.

## CHAPTER TWO: LITERATURE REVIEW

### 2.1 Introduction

Chapter two discussed the theoretical review, empirical literature review, research gaps, conceptual framework and operationalization of variables sections of this study.

### 2.2 Theoretical Review

China and Karmar (1990) note that a theory is a set of similar concepts or ideas that yield a logical view of explaining or predicting a phenomena. A theoretical framework demonstrates particular constructs through which we explore a topic and supports the proposed study by illustrating the known relationships among the variables (Kimani, 2018).

This section reviews two major theoretical viewpoints which are pertinent for this research since they influence strategic management practices. This research was founded on the contingency theory and the Resource-Based View (RBV) theory. These theories are vital to the study as they help us to understand and appreciate the contingency factors and resources needed by any organization to successfully execute their strategies and attain their desired performance objectives (Donaldson, 2001).

#### 2.2.1 The Contingency Theory

The contingency theory was proposed by the Austrian psychologist Fred Edward Fiedler in his landmark 1964 article, "*A Contingency Model of Leadership Effectiveness.*" Contingent factors are dynamic and organizations operate within an environment that is continually changing. Among the examples of contingency factors affecting strategic practices are: the operating environment, organization size, resources, technology, leadership style and organization structure (Claycomb, Germain & Droege, 2017).

The theory is significant to the current research because it advances that the effectiveness of any strategic management practice depends on the organization's internal and external environment. The micro environment of an organization is composed of its resources, capabilities, and culture, while the macro environment is composed of the competitive landscape and macroeconomic conditions (Otley, 2016). Managers have to critically evaluate contingency factors to determine

how they interact with strategic practices that influence the performance of the firm. This way they can select the most appropriate strategic actions for achieving organizational objectives while having contingencies for mitigating against risks. Thus, the theory supports the current study because it enables the researcher and other beneficiaries to appreciate the impact of other factors that may affect the strategic practices adopted by an organization.

According to Pennings (1992), the fundamental principle of the contingency theory is that organizational performance is the outcome of strategically aligning resources with situations that accurately represent an organization's circumstances. Chandler (1962) states that aligning organizations' strategic assets to contingencies leads to high performance which is the main objective of every firm and they are motivated to avoid misfits that may result from changes in contingencies. Thus, organizations need to continually adapt overtime in order to ensure their strategic practices are supported by contingency factors in order to maintain effectiveness. Contingency theory describes the concept of a fit that affects organizational performance, which in turn impels adaptive organizational change that aligns with supportive contingencies (Donaldson, 2001).

Marketing agencies in Nairobi County thus need to continually adjust their strategies based on the resources they have and the competitive landscape in which they operate. The contingency theory thus suggests that a strategic management practice is effective only if it is tailored to the contingency factors in an organization's internal and external environment.

### **2.2.2 The Resource-Based View theory (RBV)**

The RBV theory was propounded by Wernerfelt (1984) and builds on the perception that a firm's strategy and available resources complement each other towards attaining their desired objectives. Kor and Mahoney (2014) argue that a firm can achieve superior performance if it acquires resources that are unique and non-imitable. Wernerfelt (1984) describes resources as being the valuable assets and capabilities that amplify organizations' effectiveness and efficiency which contribute to organizational performance. RBV argues that the resources available to a company are the main determinant of the firm's competitiveness, as these resources can be used to create

value.

A company's resources may be tangible or intangible. In contrast, intangible resources are those that are difficult to see, touch, or quantify, such as employees' knowledge and skills, a company's reputation, and its culture. Tangible resources include cash, property, plant, equipment, and other tangible assets. Barney (2017) notes that a firm's resources are its major performance determinants and ideally contribute towards an organization's sustainable competitive advantage (SCA). RBV theory postulates that competitive advantage can only be attained through the possession of unique resources that are well organized on implementation (Low & Lee, 2014). Management skills and expertise on strategic management are also a valuable resource, and only highly skilled managers was able to formulate, implement and evaluate strategic practices that would result in improved organizational performance (Gikonyo, 2018).

The resource-based view theory is thus vital because firms cannot ignore the influence of their resources to be competitive and have sustained superior performance. Day (1994) emphasizes the importance of organizations having a wide range of strategic resources and capabilities so as to attain superior performance.

## **2.3 Empirical Review**

This section highlights the assessment of empirical publications on the strategic management practices in relation to organizational performance. The strategic management practices under review include strategy formulation, implementation and evaluation and their impact on the performance of organizations.

### **2.3.1 Strategy Formulation and Organizational Performance**

Strategy formulation refers to the establishment of long-term plans for the effective and efficient management of an organization's resources, capabilities, strengths, weaknesses and opportunities with an aim of achieving its desired objectives (Raduan, Jegak, Haslinda, & Alimin, 2019). A study by David (2015) notes that the strategy formulation phase for organizations entails deciding on the business to pursue, how to allocate resources efficiently and which markets to enter. He also adds that formulation of strategy phase entails the development of a vision and mission statement, situational analysis, determination of organization's capabilities and resources, setting long-time

period goals, putting forward alternative strategies, and selecting the best strategy to be executed.

Previous studies have not thoroughly covered the marketing agencies in Nairobi County, Kenya. They mainly focused on different regions, other sectors and had varied results. Internationally, Hao, Kasper and Muehlbacher (2012) sought to identify how organizational structure influences performance through learning and innovation in Austria and China and concluded that it played a major role in influencing organizational performance. Daudi (2018) researched on the effects of strategy formulation, implementation and evaluation on performance of transport SACCOs in Nairobi County and found that formulation of strategy had the most effect on performance followed by implementation of strategy and finally evaluation of strategy. The study concluded that all the variables were key determinants for the performance of Saccos in Kenya.

On the other hand, a study by Otieno (2021) contradicted this finding and concluded that there was no significant effect of formulation of strategy on organizational performance of SME's. The study found that organizations that conducted strategy formulation did not have any significant advantage over those that did not do so and what was more important was the ability of organizations to adapt faster to changing environmental factors. The study population entailed 82 SMEs from Nairobi County who were part of the top 100 SMEs list of the year 2019.

Regionally, Babatunde and Adebisi (2012) analysed the effect of strategic environmental scanning on organizational performance in Nestle Cadbury Plc Nigeria and found that conducting environmental scanning during formulation of strategy had a positive and significant influence on organizational performance. This was because environmental scanning helped managers to capture potential changes in the environment allowing them to adopt strategies to match the changes in the market. The influence of environmental analysis part of strategy formulation to organizational performance was studied in India by Zhang, Majid, and Foo (2011) and found that through environmental scanning, firms can face uncertainties by formulating adaptive strategies that enhance organizational performance.

Setting goals and objectives is also a critical aspect of strategy formulation. A study by Poister and Streib (2010) notes that goal setting needs to be emphasized in strategy formulation because it guides the implementation and evaluation of strategies. One can tell whether an organization's performance is good or bad by comparing performance to the initially set goals and objectives

(Slater, Olson, & Hult, 2016). Kuratko & Audretsch (2019) established that goals in the performance of an organization can either be for a long period or short time periods where vision and mission were considered to be the long-term goals while action plans and daily targets were considered to be short time period goals. Long time period goals tend to have a bigger influence on organizational performance as stated by Chenhall (2015) however, better performance results are attained when long term and short term goals are combined into one hybrid strategy Nzioka (2017). Thus the goal setting process of strategy formulation is critical in influencing organizational performance.

Kimani (2018) study that focused on Fintech in Africa established that aspects of strategy formulation that includes development of a vision and mission statement, situational analysis, determination of organization's capabilities and resources, setting long-time period goals, putting forward alternative strategies, and selecting the best strategy to be executed all played a role in influencing organizational performance.

### **2.3.2 Strategy Implementation and Organizational Performance**

Strategy implementation refers to the process of operationalizing the objectives in the organization by deducing short-time period goals from the long-time period goals and deducing the practical actions from the overall business plan (Pearce & Robinson, 2017). Previous studies have linked strategy implementation to organizational performance. Heracleous (2020) notes that it is during strategy implementation that the actual performance is created while Chaimankong and Prasertsakul (2012) argue that strategy implementation is crucial because it is the only stage that can be controlled on a real-time basis to influence performance.

Successful strategy implementation is influenced by various factors among them being the availability of requisite management skills and expertise, efficient resource allocation, effective communication, existing employee motivation systems and organization structure that supports strategy implementation (Kimani, 2018).

On management, past studies have shown that different leadership styles have different implications on strategy implementation. For instance, in Uganda (Lumbasi, 2015) research

compared the effects of autocratic and democratic leadership styles on strategy implementation that affects organizational performance of public institutions and concluded that democratic leadership approach had a positive impact on strategy implementation, as it promoted collaboration, innovation, and creativity, while autocratic leadership style had a negative effect on implementation, as it limited the ability of employees to be fully creative and productive. In addition, a study by Nagele and Awuor (2018) found that transformational leadership style had a positive impact on the performance of the hospitality sector in Nairobi County. Furthermore, it was found that transformational leadership style increased job satisfaction and motivation of employees, and this thereafter contributed to an increase in the general performance of the hospitality sector.

Organization structure also influences strategy implementation in that it determines the levels of management and how different individuals are assigned various tasks that suit their competence and abilities. Yang and McLean (2010) notes that organizational performance is a product of individual performances of employees in an organization; therefore it is crucial that individual performances be maximized. It is through organization structure that strategy implementation is broken down to meet the objectives of individual business levels. It enables individual departments within the organizational structures to specialize their strategy implementation efforts to meet specific goals which further contribute to overall organization performance.

Resource allocation is another vital factor that influences strategy implementation. Nath and Ramanathan (2010) notes that there exists a clear association between resource allocation and organizational performance. Their research found that resource allocation brings in the physical facilities that are necessary for any strategic plan to be implemented. Resources empower organizational members to work towards the attainment of strategic objectives this enhancing performance. Internationally, Kumar (2021) found that strategic management practices positively influenced performance of pharmaceutical companies in India. The study discovered that strategic management provides general direction through development of plans and policies aimed at achieving set goals and the allocation of resources to execute the strategies.

Sisaye (1992) studied the effect of resource allocation to organizational performance and found that over or under-allocation of resources had a negative impact on performance. Over-allocating

resources led to spoilage and lack of efficiency while under-allocating resources was negative as it resulted in reduced productivity and capacity issues. The best level was optimal allocation of resources as it had less wastage and therefore efficient for good performance. Croson (2012) ascertains that where resources are sufficiently allocated, employee morale is boosted and they take responsibility for performance since they would not have any complaint against management. According to a study by Babatunde and Adebisi (2012), it was found that one of the major setbacks in performance in commercial entities is the lack of morale by workers who complain that management fail to provide adequate resources to facilitate their productivity. Resource allocation is necessary for strategy implementation but it needs to be supported with proper planning for it to be effective (Heracleous, 2020). He argues that even with adequate resources, a firm may still under-perform if it does not have a solid plan on how these resources are to be transformed to the desired organizational performance.

Lastly, communication plays a key role in implementation of strategy. Neves and Eisenberger (2012) laud that communication is an important part of the strategy implementation process because it helps in the coordination of efforts, resources, people, and activities. Their study further notes that communication is especially useful in big companies because there are usually many activities, people, resources, and efforts being applied to improve performance in such organizations. Kibe (2014) notes that proper communication is an integral part of strategy implementation due to its ability to provide information on time to stakeholders and thereby empowering them to act in good time and contribute to performance. Large organizations in every industry have integrated information systems that facilitate communication with stakeholders both within and outside the organization (Ngozi & Ifeoma, 2015). According to a study by Husain (2013) communication within and outside an organization is considered to be vital if a firm is earnestly seeking to accomplish its goals and objectives. The performance of organizations is as a result of this link with communication during strategy implementation.

### **2.3.3 Strategy Evaluation and Organizational Performance**

Empirical studies have provided key insights on the relationship of strategy evaluation and organizational performance. Strategy evaluation alludes to the action of assessing the actual

performance against the expected performance (Raduan, Jegak, Haslinda, & Alimin, 2019). Today's competitive environment forces the need for organizations to be agile, learn quickly and consistently transform in order to improve organizational performance. A study by Abdalla (2015) notes that efficient, and constructive evaluation is critical for ongoing improvement and is critical to encouraging the highly needed potential of learning for improvement of performance. There is always a feeling that people perform better when a prospective evaluation is done than when not since one can compare actual performance to the desired one and identify areas of improvement (Chepkwony, 2016).

Strategic evaluations begin by establishing performance targets that are in line with business objectives (Chenhall, 2015). Strategy evaluation is a continuous process and should be consistently conducted to appraise organizational performance against the changes in the business environment. Periodic evaluations can thus be conducted at the end of a project period say a strategic plan period or a business financial year; or can be done within the project period (Kimani, 2018). Kakunu (2012) defines summative evaluation as the form of evaluation that is applied at the end of a project or financial year. Summative evaluation measures performance of the targets set at the start of a period in order to influence future performance (Taylor, 2010). Rammal and Rose (2016), notes summative evaluations are comprehensive as they are both forward-looking and also consider historical information.

A study by Spencer & Carasco-Saul (2017) found the probability of enhanced performance from following recommendations in evaluation reports to be at 0.77. Meaning that 77% of the time, evaluation recommendations applied from summative evaluation reports end up impacting organizational activities and processes positively. From this analysis, it appears that summative evaluations are highly impactful in the performance of an organization, and this model of evaluation is highly recommended in the studies conducted by Lau, Liao, Wong, & Chiu (2012) and Abdalla (2015).

On the other hand, according to Rammal and Rose (2016), formative evaluations are ones that are done concurrently with the period of performance and they can be considered to be smaller versions of summative evaluations since they break down the overall period into smaller and more specific time components. Formative evaluations take place spontaneously when need arises. Their

recommendations are usually on what an organization can change about the current operations within the same period of evaluation. Agrawal (2016) formative evaluations assess performance early enough enabling management to effect changes and avoid crisis in a timely manner.

Most management professionals hold formative evaluation in high esteem because of its capability to make timely interventions that help to improve performance without having to wait until the end of a fiscal year. As Cousins, Lawson, Petersen, & Handfield (2011) notes that evaluations seek to boost performance, and that it makes more sense for a period's performance to also be improved by its evaluation sessions. This is only possible with formative evaluations since they occur several times in a year. Gao & Zhang (2006) agree with these findings but on the front of enhancing profitability prospects rather than just quality performance. Their study asserts that a firm has the opportunity to change tact in case things are not working out early on in the financial year.

At times, competitive environment changes in the midst of a given year, and it becomes necessary that an organization has to adjust their strategies to match the dynamics currently taking shape. At such a time, it is also necessary that such an organization understands whether and to what extent the current strategy is deficient and hence for them to make informed adjustments, and this process requires information that is best supplied by formative evaluations. The same notion is expressed in Poister (2010) where the conclusion was that formative evaluation practices benefit a company greatly by giving them real-time control over the performance prospects of an organization.

## **2.4 Research Gaps**

It is vital for researchers to identify and critically analyse the research gaps pertaining to their studies. This is because most research endeavors are built on developing on or addressing the shortcomings of the past research gaps (Miles, 2017). Thus it is important to identify and analyse the research gaps from empirical studies in order to build on and address their shortcomings when executing the current study topic. Past studies reviewed on this study topic point to three main gaps: they were done in different regions, they covered different sectors and some presented mixed findings. Thus, this research seeks to address these gaps.

The literature on the effect of strategic management practices specifically strategy formulation,

implementation and evaluation on the organizational performance in the context of marketing agencies in Nairobi County, Kenya is limited. It would have been more relevant to find articles, books, and other sources that were particularly touching on the specific topic at hand, but this was not the case as the studies focused on other different sectors (Daudi, 2018; Kimani, 2018; Mutendera & Simba (2019; Wambugu & Waiganjo, 2019). This research seeks to address this knowledge gap by building up on the findings from past studies conducted on strategic management practices and organizational performance while bringing new knowledge to the specific research topic for marketing agencies.

Secondly, most of the studies were conducted outside Kenya (Hao, Kasper & Muehlbacher, 2012; Taiwo & Idunnu, 2013; Babatunde and Adebisi, 2012). The environment in Kenya is unique, and the findings made from investigations abroad may not be applicable in the country. The current research addressed this geographical gap by focusing the study to Nairobi County, Kenya. Other studies concluded mixed findings disputing the significance of strategic management practices on organizational performance (Otieno, 2021).

Finally there seems to be scanty literature that covered the effect of strategic management practices on organizational performance specifically related to marketing agencies in Nairobi County. The current study purposed to address these gaps and limitations.

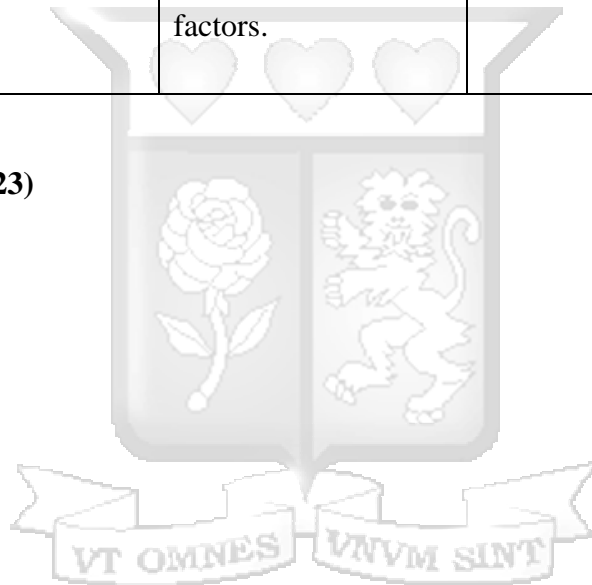
**Table 2.1: Research Gaps Summary.**

| <b>Researcher</b>                           | <b>Topic</b>  | <b>Conclusions</b>   | <b>Research Gap</b>  | <b>How the current research addressed the gap</b>   |
|---|---|--|--|---|
| <b>Hao, Kasper &amp; Muehlbacher (2012)</b> | The effect of strategic management on the performance of learning institutions in Austria and | The findings revealed that strategic management influenced organizational performance. | The study did not take into consideration how specific strategic practices influence | This research focused on determining the impact of specific strategic practices like strategy formulation, implementation and |

|                                  |   |   |   |  |
|----------------------------------|---|---|---|--|
|                                  | China.  |   | performance.<br><br>The study also had regional and sectoral difference as it was done internationally and on the education sector. | evaluation on organizational performance specifically for marketing agencies and in Nairobi, Kenya.  |
| <b>Taiwo &amp; Idunnu (2013)</b> | The effect of strategic planning on organizational performance of the First Bank of Nigeria                         | The study conclusions showed that organizational planning improved organizational performance and if sustained impacts it survival. | The research was limited on regional context since it was done in Nigeria and the findings cannot be generalized.                   | The current study focused locally on how strategic practices affect performance of marketing agencies in Nairobi County, Kenya.              |
| <b>Daudi (2018)</b>              | Effect of strategy formulation, implementation and evaluation on performance of transport SACCOs in Nairobi County. | The research found that the practices had a significant effect on performance of matatu Saccos in Nairobi County.                   | The study is limited on sector difference as it focused on the transport sector.  | This research focused on the marketing sector and sought to identify the effect of strategic practices on performance of marketing agencies. |
| <b>Otieno (2021)</b>             | The influence of strategic management practices on the  | The research found that organizations that conducted strategy formulation   | The study had contradicting findings that there was no significant  | This study expanded on this finding and seeks to identify the influence of strategy  |

|  |   |  |   |   |
|--|---|--|---|---|
|  | performance of SME's in Nairobi County. | did not have any significant advantage over those that did not do so and what was more important was the ability of organizations to adapt faster to changing environmental factors. | effect of strategy formulation on organizational performance. | formulation on the performance of marketing agencies in Nairobi County. |
|--|---|--|---|---|

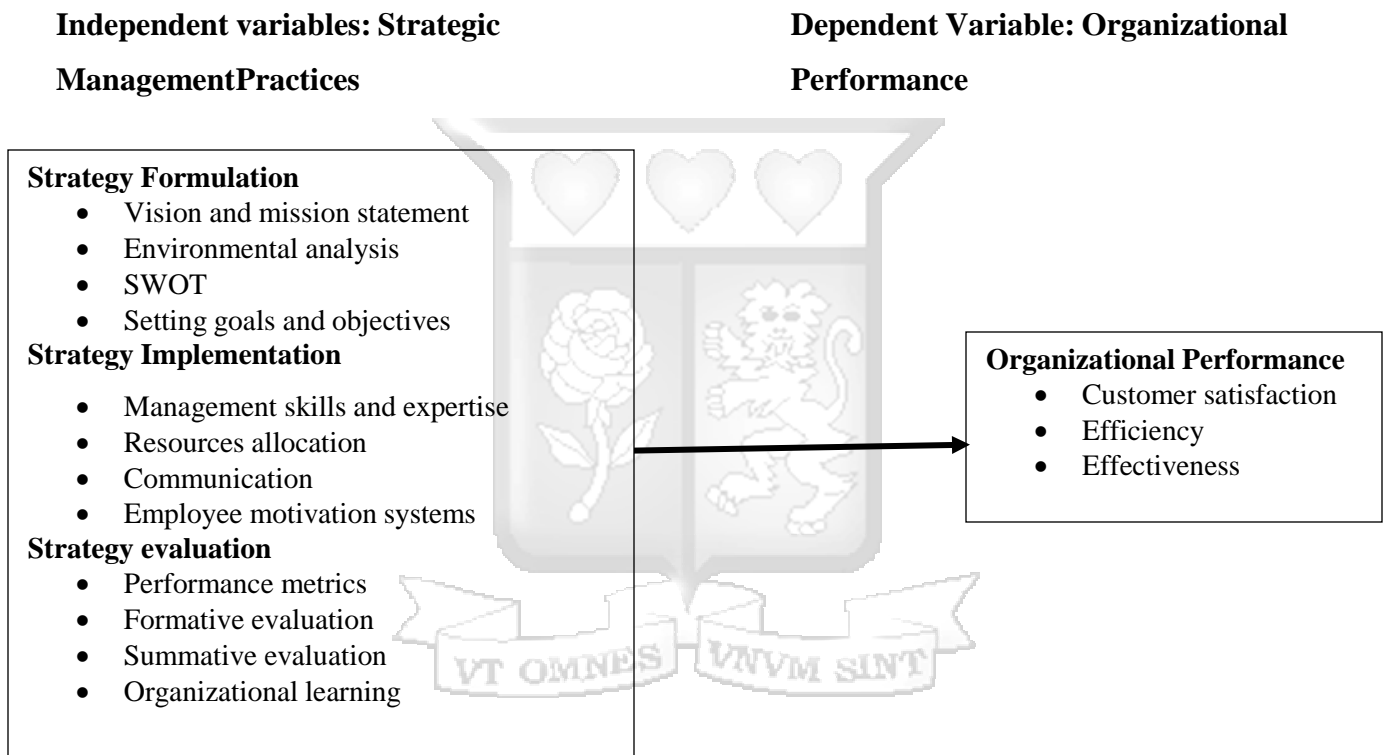
**Source: Researcher (2023)**



## 2.4 Conceptual Framework

Saunders and Lewis (2019) defined conceptual framework as a diagrammatic representation of the association between variables deduced from a single or many theories that tracks the system flow of the input-process-output model of the research. The diagram below represents the association between the study variables.

**Figure 2.1: Conceptual Framework**



**Source: Researcher (2023)**

Figure: 2.1 demonstrates the association between the independent variable; strategic management practices indicated by strategy formulation, strategy implementation and strategy evaluation and the dependent variable; organizational performance indicated by customer satisfaction, efficiency and effectiveness.

## 2.5 Operationalization of variables

**Table 2.2: Operationalization of Research Variables**

| Variable                | References  | Data instrument          | Data analysis                         | Supporting Literature                                     |
|-------------------------|---|--------------------------|---------------------------------------|---|
| Strategy formulation    | <ul style="list-style-type: none"> <li>• Vision and mission statement</li> <li>• Environmental scanning</li> <li>• SWOT analysis</li> <li>• Goals/ objectives setting</li> <li>• Selecting the best strategy</li> </ul> | Structured questionnaire | Descriptive, and inferential analysis | (David, 2015; Kumar, 2021; Kimani, 2018)                  |
| Strategy implementation | <ul style="list-style-type: none"> <li>• Management skills and expertise</li> <li>• Resources allocation</li> <li>• Communication</li> <li>• Employee motivation systems</li> <li>• Organization structure</li> </ul>   | Structured questionnaire | Descriptive, and inferential analysis | (NathNeves & Eisenberger, 2012; Sisaye, 1992; Kibe, 2014) |

|                                   |   |                          |                                      |  |
|-----------------------------------|---|--------------------------|--------------------------------------|--|
| Strategy evaluation               | <ul style="list-style-type: none"> <li>• Performance metrics</li> <li>• Formative evaluation</li> <li>• Summative evaluation</li> <li>• Organization learning</li> </ul>  | Structured questionnaire | Descriptive and inferential analysis | (Kakunu, 2012; Rammal & Rose, 2016; Chenhall, 2015)              |
| Performance of marketing agencies | <p><b>Customer Satisfaction</b></p> <ul style="list-style-type: none"> <li>• Customer acquisition rate</li> <li>• Customer retention rate</li> <li>• Net Promoter Score</li> <li>• Customer purchase frequency</li> </ul> <p><b>Efficiency</b></p> <ul style="list-style-type: none"> <li>• Timely delivery of services</li> <li>• Digitization of processes to support synergy</li> <li>• Customer friendly</li> </ul> | Structured questionnaire | Descriptive and inferential analysis | (Christian, 2009; Bakar & Ahmad, 2016; Katzenbach & Smith, 2015) |

|  |  |  |  |  |
|--|--|--|--|--|
|  | processes<br><br><b>Effectiveness</b> <ul style="list-style-type: none"> <li>• Meeting organization goals</li> <li>• Successful risk mitigation</li> <li>• Meeting clients targets</li> <li>• Growing portfolio</li> </ul> |  |  |  |
|--|--|--|--|--|

**Source: Researcher (2023)**

## **2.6 Chapter summary**

This chapter covered the theoretical viewpoints that support the study and the empirical works of other authors with regards to the strategic management aspects of strategy formulation, implementation, and evaluations and how they influenced organizational performance. The research gaps between past studies and the current study were then established and ways in which the current study would address the gaps were highlighted. It further went on to show the conceptual framework relating the variables encompassed in the research namely strategic management practices and organizational performance.

## CHAPTER THREE: RESEARCH METHODOLOGY

### 3.1 Introduction

Chapter three gave a concise account of the methodology of research that was employed in the study. It outlines the research practices and procedures that were taken to attain the desired outcomes and address the study inquiries posed.

The methodology was broken down into the following subsections: research philosophy, research design, population of the study, sampling methodology, collection of data, research validity and reliability, analysis and presentation of the data, and the ethical considerations of the research.

### 3.2 Research Philosophy

A research philosophy alludes to the basis on which data about an occurrence is gathered, analyzed, and interpreted (Holden & Lynch, 2004). There are different types of research philosophies for example realism philosophy, interpretivist philosophy and positivism philosophy.

Realism is a philosophical approach that posits the existence of an objective reality independent of our perceptions, thoughts, and beliefs. The central tenet of realism is that things exist in the world independently of our knowledge or understanding of them (Audi, 2019). Realists argue against idealistic views which suggest that reality is constructed by our perceptions. In the domain of science, scientific realism holds that the entities and structures posited by scientific theories, including unobservable ones, are real and exist regardless of whether they are observable (Psillos, 2020). Moreover, the interpretation and application of realism can differ across various disciplines, making it a complex and multifaceted philosophy (Devitt, 2020).

Interpretivist philosophy, a qualitative research approach, argues that there is a social construct to reality and that the researcher and the subject co-create understanding. Contrary to positivist perspectives that view reality as objective and independent, interpretivist asserts that knowledge and meaning are subjective and emerge from the interactions between individuals and their environment (Schwandt, 2000). This philosophy advocates for a deep understanding of the social world by interpreting the experiences and social contexts of individuals (Crotty, 1998). Interpretivists emphasize that human behavior is significantly influenced by the cultural, social,

and historical contexts within which people live and act (Lincoln & Guba, 2000). Critics, however, argue that the interpretivist approach can lack generalizability due to its focus on specific contexts and individuals (Bryman, 2016). They also challenge its subjectivity, questioning the validity and reliability of the findings (Hammersley, 2013).

Positivism philosophy approaches a research strategy on the basis of the data collected and the hypothesis developed (Von, Bernstein & Newton, 1951). Upagade and Shende (2012) assert that the positivist position is based on natural science and allows for the testing of hypotheses through the measurement of observable social realities. Positivism was critical in this study because it limits the role of the researcher to data collection and interpretation through an objective approach, and the research findings are usually observable and quantifiable. This philosophy was central to the study in seeking to identify the effect of the independent variables on the dependent variable.

### **3.3 Research design**

The research design employed in this research was a descriptive cross-sectional one because it provides data for describing the status of relationships among phenomena, occurrences or objects as at a fixed point in time (Kothari & Gaurav, 2014). The descriptive research design is used to assess trends and relationships that require an explanation or reasoning for the resultant trends (Zikmund, Babin, Carr, & Griffin, 2013). This research as such adopted the descriptive cross sectional research design to enable the researcher collect data for describing the relationships between the study variables though he is not in a position to control what happens to the variables.

### **3.4 Population of the Study**

Population alludes to the total categorization of people or items with similar observable traits (Mugenda & Mugenda, 2008). There are 117 listed top marketing agencies in Nairobi (AgencyVista, 2023). The target population was comprised of the 117 marketing agencies operating within Nairobi County, Kenya.

### **3.5 Sampling Design**

This study employed non-probability sampling technique of judgmental sampling in determining the study participants. Purposive or judgmental sampling was used since it allows researchers to

identify only the participants with crucial information of the study topic and these were the managers whose roles entailed overseeing strategy formulation, implementation or evaluation practices in their organizations.

A sample is a subset where every individual in the general population has a similar prospect of being sampled (Mugenda & Mugenda, 2008). The study sampled managers in charge of 4 forms of functions; those in charge of marketing, finance & admin, operations and risk management from the 117 agencies. This was because they have relevant knowledge and their functions majorly involve overseeing aspects of strategy formulation, implementation and evaluation which affect their organizational performances in the context of marketing agencies.

The manager in charge of marketing was sampled because their skills and expertise are requisite for overseeing the management of strategic practices in marketing agencies. The manager in charge of finance and admin was sampled because their role is critical to availing the capital and human resources needed to execute their organizational strategic management practices. The manager in charge of operations was sampled because their role is critical in overseeing the execution of strategic management practices and finally the manager in charge of risk management was sampled because their role is critical in monitoring and strategy evaluation of strategic management practices in their agencies.

Since the population of the study entailed the top marketing agencies in Nairobi County and given their size, these four management function types exist in the agencies. Therefore, 468 participants formed the sample size of the current research as a result of sampling the 4 managerial function roles in each of the 117 marketing agencies who form the study population.

### **3.6 Data Collection**

The source of data for the current research was primary data. The data collection instrument was a structured questionnaire attached with a 5-point Likert scale. The profile details of the participants was collected in the first part of the questionnaire, the second part reviewed the strategy formulation, implementation and evaluation practices and the third section had statements on the organizational performance of marketing agencies. The questionnaires together with the research introduction letter were first shared to the participants via email which were indicated in

their profiles on the Agency Vista website (AgencyVista, 2023). The researcher then employed the efforts of 2 research assistants to help follow up on the questionnaires using a drop and pick method. The questionnaire contained closed ended questions to guide the participants' answers within the choices given. Their feedback was then collected for analysis.

### **3.7 Research quality**

#### **3.7.1 Research validity**

Cooper and Schindler (2011) notes that validity is used to check if a questionnaire meets its purpose of measuring what it purports to measure. Mohajan (2017) notes that a valid study is one where its findings can be generalized to subjects and situations aside from the particular one which being studied. Validity is determined through scrutinizing and carefully designing components of the study tools while focusing on the research objectives (Creswell & Creswell, 2017). The study questionnaire was shared to experts who examined its questions and statements in order to determine their relation to the study goals in each sub-section.

The study relied on the expert contributions and reviews of the supervisors overseeing the development of this thesis. This was used to check whether the questions were relevant to and understandable by the participants and identify any ambiguous ones to be able to establish that the questionnaire was valid.

#### **3.7.2 Research reliability**

The data collection instrument was tested multiple times to evaluate the consistency of the results in an effort to determine its reliability to this study. This involved administering the instrument to a sample of the population, then re-administering the instrument again and comparing the results to establish the reliability of the instrument for data collection. To determine that the research questionnaire was measuring the research variables effectively a pilot test was done. A total of 47 participants that constituted 10% of the sample size (468) were selected for piloting and were not included in the final analysis units so as to obtain reliable feedback to improve the questionnaire.

The questionnaire was shared out via email for self-administering and out of the 47 participants, 27 were managers in charge of marketing, 13 were managers in charge of operations, 4 were managers in charge of finance and 3 were managers in charge of risk.

The Cronbach's Alpha technique was used as the internal consistency test to establish the reliability of the data collection questionnaire. Kothari and Gaurav (2014) note that the technique's values range from 0 to 1 and reliability increases as the coefficient value increases. As a rule of thumb, coefficients of 0.6-0.7 signify an acceptable reliability while those above 0.8 signify good reliability. This study only considered variables that had coefficients of above 0.7. From the data analysis that is further explained in the table below, the coefficients for formulation of strategy was 0.773, strategy implementations was 0.841, strategy evaluation was 0.832 and organizational performance received was 0.747 all which were above 0.7 hence reliable.

**Table 3.1: Results for reliability**

| <b>Variable</b>            | <b>Number of items</b> | <b>Cronbach's alpha</b> | <b>Comment</b> |
|----------------------------|------------------------|-------------------------|----------------|
| Strategy Formulation       | 9                      | 0.773                   | Reliable       |
| Strategy Implementation    | 9                      | 0.841                   | Reliable       |
| Strategy Evaluation        | 11                     | 0.832                   | Reliable       |
| Organizational Performance | 12                     | 0.747                   | Reliable       |

**Source: Researcher (2023)**

### 3.8 Data Analysis and Presentation

In order to prepare the data from the returned questionnaires for analysis, the blank replies were reviewed, correctly filled responses were coded, categorized, and entered into the computer program Statistical Packages for Social Sciences (SPSS). While inferential statistics like regression and correlation were used to analyze qualitative data, descriptive analysis of means and standard deviations was used to analyze the quantitative data obtained from the questionnaires. Analysis was used to draw inferences, generalizations, and discoveries about the research population.

The overall significance of the model was verified using the analysis of variance (ANOVA). Specifically, a comparison was made between the tabulated and computed f statistics. A crucial p value of 0.05 was applied to evaluate the significance of the entire model. Additionally, in order to establish whether or not each of the individual variables was significant, a crucial p value of 0.05 was employed. Multiple regression analysis was used to examine the link between the research variables.

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

Whereby;

Y represents Organizational performance

X1 represents Strategy formulation

X2 represents Strategy implementation

X3 represents Strategy evaluation

In the model,  $\beta_0$  = the constant term and the coefficient  $\beta_i = 1 \dots 3$  measures the sensitivity of the dependent variable (Y) to unit change in the predictor variables X1, X2 and X3. The error ( $\epsilon$ ) term represents the unexplained variations in the model. The analyzed findings were presented using tables as well as other appropriate infographics.

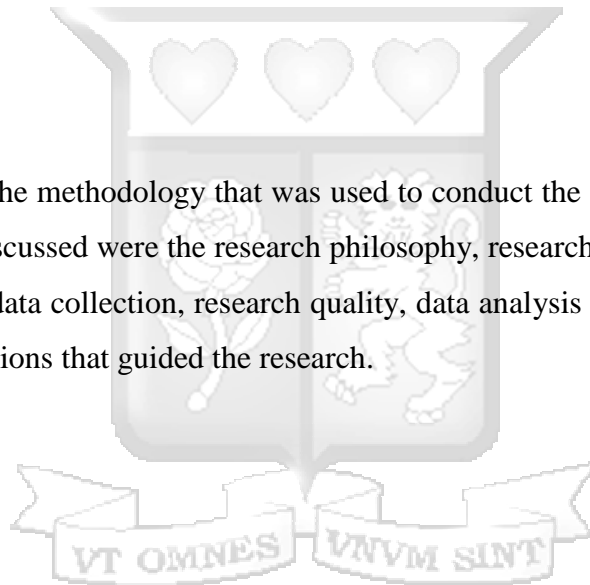
### **3.9 Ethical Considerations**

All the relevant research approvals were obtained. The researcher got approval from Strathmore University ethical review committee and got NACOSTI license clearance to conduct the study.

Similarly, the researcher got formal permission from the management of the selected marketing agencies of interest within Nairobi County to gather data from the target participants. If for any reason a participant did not want to fill the research questionnaires, they were excluded from the study. The identity of participants was not indicated anywhere on the data collection tools for confidentiality and information gathered was only used for academic purposes.

### **3.10 Chapter Summary**

Chapter three described the methodology that was used to conduct the study. The sections of the research methodology discussed were the research philosophy, research design, population of the study, sampling design, data collection, research quality, data analysis and presentation methods and the ethical considerations that guided the research.



## CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION OF FINDINGS

### 4.1 Introduction

Chapter four discussed the descriptive and inferential analysis and findings retrieved from the collected data for the research.

### 4.2 Rate of response

In general 468 questionnaires were self-administered to the sampled participants and out of these 336 were correctly completed and submitted back. This presented a generally successful rate of response of 71.79%. A rate of response of 50% and over is viewed as fair and permitted for analysis and publication, 60% is considered good, and 70% is accepted as very good (Mugenda & Mugenda, 2008). The table below displays the results.

**Table 4.1: Rate of response**

| <b>Response</b> | <b>Total</b> | <b>Percentage</b> |
|-----------------|--------------|-------------------|
| Returned        | 336          | 71.79%            |
| Unreturned      | 132          | 28.21%            |
| <b>Total</b>    | <b>468</b>   | <b>100%</b>       |

**Source: Research Data (2023)**

### 4.3 Demographic Information

To analyse the profile of the participants, frequency distribution tables and percentages were used.

#### 4.3.1 Age of the participants

The results indicated that 37.50% of the participants were over 46 years, followed by 33.67% who were between 36-45 years, 18.37% were mainly from 26-35 years and lastly 10.46% were below 25 years. These findings show that the marketing agencies in Nairobi County predominantly constitutes of an older age group forming their management this could be due to the accumulation of years of skills and expertise needed to successfully run the organizations.

**Table 4.2: Age of participants**

| Age Bracket    | Frequency  | Percentage  |
|----------------|------------|-------------|
| Below 25 years | 35         | 10.46%      |
| 26-35 years    | 62         | 18.37%      |
| 36-45 years    | 113        | 33.67%      |
| Over 46 years  | 126        | 37.50%      |
| <b>Total</b>   | <b>336</b> | <b>100%</b> |

Source: Research Data (2023)

#### 4.3.2 Gender of the participants

The results showed that 65.56% of the responses were from females and the remaining 34.44% were by males. These results signified that more women are taking up management roles in the running of marketing agencies in Nairobi County.

**Table 4.3: Gender of participants**

| Gender | Frequency | Percentage |
|--------|-----------|------------|
|--------|-----------|------------|

|              |            |             |
|--------------|------------|-------------|
| Female       | 220        | 65.56%      |
| Male         | 116        | 34.44%      |
| <b>Total</b> | <b>336</b> | <b>100%</b> |

**Source: Research Data (2023)**

### 4.3.3 Management Role

The results revealed that 58.94 % of the participants were from managers in charge of marketing. This could be due to the high demand for marketing professionals needed to run marketing agencies. 27.81% of the participants were managers in charge of operations, 9.31% were managers in charge of finance and 3.94% comprised managers in charge of risk.

**Table 4.4: Management roles of participants**

| <b>Role</b>                     | <b>Frequency</b> | <b>Percentage</b> |
|---------------------------------|------------------|-------------------|
| Manager in charge of Finance    | 32               | 9.31%             |
| Manager in charge of Marketing  | 198              | 58.94%            |
| Manager in charge of Operations | 93               | 27.81%            |
| Manager in charge of Risk       | 13               | 3.94%             |
| <b>Total</b>                    | <b>336</b>       | <b>100%</b>       |

**Source: Research Data (2023)**

#### 4.3.4 Years of work experience

The results indicated that 35.76% of the participants had more than 20 years of operation, 25.17% had been in operation between 11-15 years, 29.80% of the participants had been working for between 6-10 years and 9.27% had worked for less than 5 years.

**Table 4.5: Years of work experience**

| <b>Work experience</b> | <b>Frequency</b> | <b>Percentage</b> |
|------------------------|------------------|-------------------|
| Below 5 years          | 31               | 9.27%             |
| 6-10 years             | 100              | 29.80%            |
| 11-15 years            | 85               | 25.17%            |
| Over 16 years          | 120              | 35.76%            |
| <b>Total</b>           | <b>336</b>       | <b>100%</b>       |

**Source: Research Data (2023)**

#### 4.3.5 Level of Education

The results revealed that 39.02% of the participants had attained Undergraduate education, 23.49% had gone up to Masters level of education, 17.99% had attained diploma and 8.36% and PHD education. These results showed that the marketing agencies sector required highly educated expertise.

**Table 4.6: Level of education**

| <b>Educational qualification</b> | <b>Frequency</b> | <b>Percentage</b> |
|----------------------------------|------------------|-------------------|
|----------------------------------|------------------|-------------------|

|                      |            |             |
|----------------------|------------|-------------|
| Diploma              | 61         | 17.99%      |
| Undergraduate degree | 131        | 39.02%      |
| Masters              | 79         | 23.49%      |
| PHD                  | 28         | 8.36%       |
| Other                | 37         | 11.14%      |
| <b>Total</b>         | <b>336</b> | <b>100%</b> |

Source: Research Data (2023)

**4.4 Descriptive analysis**

This section discussed the descriptive analysis results that summarized the responses of the participants. Mean was used as a measure of central tendency to establish the average responses value while standard deviation was used to shows how dispersed the responses were from the mean.

**4.4.1 Descriptive statistics on strategy formulation**

The first aim of the research was to determine the effect of strategy formulation on the performance of marketing agencies in Nairobi County. The participants were asked to rate their opinions on the statements for strategy formulation practices on a Likert scale and the results are shown below.

**Table 4.7: Descriptive statistics on strategy formulation**

1 = Very Poor, 2 = Poor, 3 = Average, 4 = Good, 5 = Very Good

| Strategy Formulation in the marketing agency | Mean | Standard |
|--|------|----------|
|--|------|----------|

| # | Strategy Formulation statements  |             | Deviation   |
|---|--|-------------|-------------|
| 1 | Our organization prioritizes the practice of strategy formulation  | 4.04        | 0.46        |
| 2 | Our organization's vision and mission statements are developed during strategy formulation                                     | 4.27        | 0.56        |
| 3 | Thorough environmental scanning is done during the strategy formulating stage  | 4.07        | 0.64        |
| 4 | An analysis of organizational strengths, weaknesses, opportunities and threats is done during strategy formulation             | 4.21        | 0.75        |
| 5 | The goals and objectives set during strategy formulation are SMART (Simple, Measurable, Attainable, Realistic & Time-specific) | 4.30        | 0.52        |
| 6 | We use several evidence-based strategic models when formulating Strategies   | 4.10        | 0.70        |
| 7 | Strategic approaches with the majority support end up being adopted  | 4.28        | 0.61        |
| 8 | Best-fit strategies backed up by sound analysis end up being adopted   | 4.28        | 0.54        |
| 9 | All relevant stakeholders are engaged during strategy formulation and they bring various expertise on board                    | 4.18        | 0.49        |
|   | <b>Overall</b>   | <b>4.19</b> | <b>0.59</b> |

**Source: Research Data (2023)**

The highest evaluated statement was that the goals and objectives set during strategy formulation are SMART (Simple, Measurable, Attainable, Realistic & Time-specific with a score of (mean= 4.30, Std. Dev = 0.52) and therefore interpreted as good. The lowest evaluated statement was that “Our organization prioritizes the practice of strategy formulation” with a score of (mean = 4.04, Std. Dev= 0.46) which still rated as being good. The table above shows that the overall mean for strategy formulation practices was good as it was computed at 4.19. The standard deviation of 0.59 signified that the feedback was not that dispersed, supporting the conclusion that most participants agreed with the statements on strategy formulation practices in marketing agencies in Nairobi County.

**4.4.2 Descriptive statistics on strategy implementation**

The second aim of the research was to establish the effect of strategy implementation on the organizational performance of marketing agencies of Nairobi County. The participants rated their responses on a Likert scale and the results shown below.

**Table 4.8: Descriptive statistics on strategy implementation**

| Strategy Implementation in the marketing agency |  | Mean | Standard Deviation |
|---|--|------|--------------------|
| #   | Strategy Implementation statements   |      |                    |
| 1   | Our organization prioritizes the practice of strategy implementation                           | 4.06 | 0.74               |
| 2   | Our organization has the requisite management skills and expertise for strategy implementation | 4.23 | 0.51               |
| 3   | Management provides adequate physical resources for the implementation of strategies           | 4.28 | 0.64               |

|   |   |             |             |
|---|---|-------------|-------------|
| 4 | Management provides adequate financial resources for the implementation of strategies                                       | 4.23        | 0.59        |
| 5 | Management provides adequate human resources for the implementation of strategies   | 4.28        | 0.68        |
| 6 | Internal communication is conducted in an orderly and timely fashion while implementing strategies                          | 4.38        | 0.64        |
| 7 | There exists proper employee motivation systems that encourage strategy implementation                                      | 4.30        | 0.60        |
| 8 | Our organization structure allows for a clear line of authority for members to follow during strategy implementation        | 4.24        | 0.67        |
| 9 | Roles and responsibilities are appropriately allocated on basis of competence and capability during strategy implementation | 4.18        | 0.49        |
|   | <b>Overall Mean</b>   | <b>4.24</b> | <b>0.62</b> |

**Source: Research Data (2023)**

The top evaluated statement was that “Internal communication is conducted in an orderly and timely fashion while implementing strategies” which scored a mean of 4.38 and therefore interpreted as good. The lowest evaluated statement was that “Our organization prioritizes the practice of strategy implementation” with mean of 4.06 and was still interpreted as being good. The table above shows that the overall mean for strategy implementation practices was good as it was computed at 4.24. The standard deviation of 0.62 signified that the feedback was not that

dispersed, supporting the conclusion that most participants agreed with the statements on strategy implementation practices in marketing agencies in Nairobi County.

#### 4.4.3 Descriptive statistics on strategy evaluation

The third aim of the research was to identify the influence of strategy evaluation on organizational performance of marketing agencies of Nairobi County. The participants rated their responses on a Likert scale and the results shown below.

**Table 4.9: Descriptive statistics on strategy evaluation**

| # | Strategy Evaluation statements   | Mean | Standard Deviation |
|---|--|------|--------------------|
| 1 | Our organization prioritizes the practice of strategy evaluation                       | 4.91 | 0.74               |
| 2 | Our organization monitors clearly set performance metrics                              | 4.68 | 0.61               |
| 3 | Annual/summative evaluations performed on strategies are comprehensive<br>Enough       | 4.95 | 0.52               |
| 4 | All relevant stakeholders are involved in summative evaluations                        | 4.95 | 0.53               |
| 5 | Annual/summative evaluations are carried out by competent teams                        | 4.54 | 0.72               |
| 6 | Annual/summative evaluations find very little negative deviations from<br>Expectations | 4.98 | 0.46               |
| 7 | Interim/formative evaluations performed on strategies are comprehensive<br>Enough      | 4.86 | 0.56               |

|    |  |             |             |
|----|--|-------------|-------------|
| 8  | All relevant stakeholders are involved in formative evaluations                      | 4.48        | 0.67        |
| 9  | Interim/formative evaluations are carried out by competent teams                     | 4.94        | 0.54        |
| 10 | Interim/formative evaluations find very little negative deviations from Expectations | 4.97        | 0.49        |
| 11 | Our agency is able to learn and adopt changes recommended from strategy Evaluations  | 4.51        | 0.64        |
|    | <b>Overall Mean</b>  | <b>4.80</b> | <b>0.72</b> |

**Source: Research Data (2023)**

The top evaluated statements were that “Annual/summative evaluations find very little negative deviations from expectations” which scored a mean of 4.98 and therefore interpreted as very good. The lowest evaluated statement was that “All relevant stakeholders are involved in formative evaluations” with mean of 4.48 and was still interpreted as being good. The table above shows that the overall mean for strategy evaluation practices was very good as it was computed at 4.80. The standard deviation of 0.72 signified that the feedback was not that dispersed, supporting the conclusion that most participants agreed with the statements on strategy evaluation practices in marketing agencies in Nairobi County.

**4.4.4 Descriptive statistics on organizational performance**

The participants were requested to rate their responses on the statements on organizational performance on a Likert scale and the results were shown below.

**Table 10: Descriptive statistics for organizational performance**

| Organizational performance of the marketing agency | Mean | Standard |
|--|------|----------|
|--|------|----------|

| # | Organizational performance statements   |      | Deviation |
|---|---|------|-----------|
|   | <b>Customer satisfaction</b>  |      |           |
| 1 | Our customers positively rate their experiences to express their satisfaction with our services           | 4.03 | 0.68      |
| 2 | Our agency has improved retention of our customer base because we offer better value than our competitors | 4.08 | 0.58      |
| 3 | Our customers repeatedly seek our services because of our favorable pricing and unique services           | 4.34 | 0.63      |
| 4 | Customer loyalty is as a result of the agency's value for continued relationship management               | 4.27 | 0.56      |
| 5 | Clients refer and promote our agency because they are happy with our services                             | 4.25 | 0.69      |
|   | <b>Efficiency</b>   |      |           |
| 6 | Our processes are simple and customer-focused leading to great customer experience and retention          | 4.34 | 0.65      |
| 7 | Our agency continuously adopts technological innovations to enhance process efficiency                    | 4.25 | 0.58      |

|                      |  |             |             |
|----------------------|--|-------------|-------------|
| 8                    | Our agency handles customer inquiries and complaints in timely manner leading to customer satisfaction | 4.17        | 0.51        |
| <b>Effectiveness</b> |  |             |             |
| 9                    | Our agency has experienced growth supported by continuous new client acquisition.                      | 4.27        | 0.51        |
| 10                   | Our agency is successful in meeting its year-on-year revenue targets                                   | 3.97        | 0.48        |
| 11                   | Our clients are happy because we consistently meet and exceed their performance expectations.          | 4.35        | 0.59        |
| 12                   | Our agency is flexible and fast in mitigating risks  | 4.34        | 0.53        |
| <b>Overall Mean</b>  |  | <b>4.22</b> | <b>0.47</b> |

**Source: Research Data (2023)**

The top evaluated statements were that “Our clients are happy because we consistently meet and exceed their performance expectations.” which scored a mean of 4.35 and therefore interpreted as good. The lowest evaluated statement was that “Our agency is successful in meeting its year-on-year revenue targets” with mean of 3.97 and was interpreted as being average. The table above shows that the overall mean for organizational performance was good as it was computed at 4.22. The standard deviation of 0.47 signified that the feedback was not that dispersed, supporting the conclusion that most participants agreed with the statements on performance of marketing agencies in Nairobi County as being good.

## 4.5 Inferential analysis

This section presents both correlation and regression analysis results regarding the effect of strategic management practices on organizational performance of marketing agencies in Nairobi County.

### 4.5.1 Correlation Analysis

Shrestha (2020) defines correlation analysis as a statistical method used to determine whether there exists a significant association between two variables. This technique is used to determine whether one variable impacts another, and to forecast future observations. The strength and direction of this association are measured using a correlation coefficient, typically denoted by the letter 'r'. The correlation coefficients range between -1 to 1 with a correlation coefficient of 0 indicating that no association exists between the measured variables (Taylor, 1990). A high correlation signifies that two or many variables have a strong relationship with each other, whereas a weak correlation implies that the variables are barely associated (Jihadi et al, 2021). The correlation analysis measures the strength or the extent of an association between the variables and also its direction based on the presumption that the quantitative variables have a straight-line linear relationship between them.

Correlation between the independent variables and the dependent variable was done to help determine the strength of the relationship between the variables.

**Table 4.11: Correlation matrix**

|             |                 | <b>Strategy<br/>Formulation</b> | <b>Strategy<br/>Implementation</b> | <b>Strategy<br/>Evaluation</b> | <b>Organizational<br/>Performance</b> |
|-------------|-----------------|---------------------------------|------------------------------------|--------------------------------|---------------------------------------|
| Strategy    | Pearson         | 1                               |                                    |                                |                                       |
| Formulation | Correlation     |                                 |                                    |                                |                                       |
|             | Sig. (2-tailed) |                                 |                                    |                                |                                       |
| Strategy    | Pearson         |                                 |                                    |                                |                                       |

|                |                 |        |        |        |   |
|----------------|-----------------|--------|--------|--------|---|
| Implementation | Correlation     |        |        |        |   |
|                |                 | .565** | 1      |        |   |
|                | Sig. (2-tailed) | 0.000  |        |        |   |
| Strategy       | Pearson         |        |        |        |   |
| Evaluation     | Correlation     |        |        |        |   |
|                |                 | .620** | .359** | 1      |   |
|                | Sig. (2-tailed) | 0.000  | 0.000  |        |   |
| Organizational | Pearson         |        |        |        |   |
| Performance    | Correlation     |        |        |        |   |
|                |                 | .711** | .658** | .681** | 1 |
|                | Sig. (2-tailed) | 0.000  | 0.000  | 0.000  |   |

**Source: Research data (2023)**

The correlation analysis performed in the study and presented in Table 4.11 above revealed significant and positive associations between organizational performance and the three types of strategic management practices examined: strategy formulation, strategy implementation and strategy evaluation. The results found that there was a positively strong relation between strategy formulation and organizational performance ( $r=0.711$   $p=0.000$ ) implying that an assumption of formulation of strategy results in organizational performance increase. This correlation was statistically significant at the 0.01 level. This is consistent with the study of Kimani (2018) which found a positive link between strategy formulation and organizational performance, highlighting the significance of strategy formulation in increasing performance.

The findings concluded that strategy implementation had a positively strong relation with organizational performance ( $r=0.658$   $p=0.000$ ) indicating that assumption of implementation of strategy leads to an organizational performance increase. This correlation was statistically

significant at the 0.01 level. This conclusion contradicts with the study by Otieno (2021) which underscored the importance of strategy implementation in performance.

Finally, the results established that strategy evaluation had a positively strong association with organizational performance ( $r=0.681$   $p=0.000$ ) implying that an increase of evaluation of strategy leads to a significant increase in organizational performance. This correlation was statistically significant at the 0.01 level. The conclusions are in support of the findings made by Mwakai (2018) that there existed a statistically significant and positive relationship between strategy evaluation and organizational performance.

Additionally, there were interdependencies found among the independent variables themselves. Strategy formulation was moderately correlated to both strategy implementation ( $r = 0.565$ ) and strategy evaluation ( $r = 0.620$ ), suggesting that these different types of strategy practices often went hand-in-hand within marketing agencies. Strategy implementation and strategy evaluation were also moderately correlated ( $r = 0.359$ ), further supporting the idea of interdependency among the independent variables. In general, the correlations were statistically significant at the 0.01 level, providing strong evidence that these relationships were not due to chance. The results of this research highlight the important role that different types of strategic management practices can play in enhancing performance within an organization.

#### 4.5.2 Regression between strategy formulation and organizational performance

The relationship between the study variables was determined by carrying out regression analysis and a summary of the results is shown in below.

**Table 4.12: Regression summary for strategy formulation and organizational performance**

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .849 <sup>a</sup> | .736     | .781              | 2.71361                    |

a. Predictors: (Constant), strategy formulation

**Source: Research data (2023)**

The regression analysis determined an R square value of (0.736). This signifies that strategy formulation represented 73.6% variability in the organizational performance of marketing agencies with the remaining 26.4% being caused by other influences that the model of regression did not consider.

**Table 4.13: ANOVA summary for strategy formulation and organizational performance**

| Model |            | Sum of Squares | df  | Mean Square | F   | Sig.              |
|-------|------------|----------------|-----|-------------|-----|-------------------|
| 1     | Regression | 135.084        | 1   | 135.084     | 574 | .000 <sup>b</sup> |
|       | Residual   | 78.603         | 334 | 0.235       |     |                   |
|       | Total      | 213.687        | 335 |             |     |                   |

a. Dependent Variable: Organizational performance

b. Predictors: (Constant), Strategy formulation

**Source: Research data (2023)**

The findings of ANOVA presented above, indicate that the F-statistic value is 574 with a p-value of 0.000. This signifies that;  $F(1,335) = 574, p = 0.000$  (p-value < 0.000) implying that the model was significant in explaining the association between strategy formulation and organizational performance of marketing agencies in Nairobi County.

**Table 4.14: Regression coefficient for strategy formulation and organizational performance**

| Unstandardized | Standardized |  |  |
|----------------|--------------|--|--|
| Coefficients   | Coefficients |  |  |
|                |              |  |  |

| Model                | B     | Std. Error | Beta | t      | Sig. |
|----------------------|-------|------------|------|--------|------|
| 1 (Constant)         | 2.357 | 1.269      |      | 1.851  | .078 |
| Strategy formulation | .813  | .054       | .879 | 16.816 | .000 |

a. Dependent Variable: Organizational performance

**Source: Research data (2023)**

The above table represented the regression coefficients for the research variables. The beta coefficient for the variable was calculated as, constant ( $\beta_0$ ) = 2.357 and beta for strategy formulation ( $\beta_1$ ) = 0.813. The p-value for strategy formulation was revealed as  $p = 0.000$ ,  $p\text{-value} < 0.05$ . The findings established a significantly positive effect of strategy formulation on organizational performance, signifying that for each value change in strategy formulation, there would be a 0.813 value change in organizational performance of marketing agencies in Nairobi County.

**4.5.3 Regression between strategy implementation and organizational performance**

In order to identify the effect of strategy implementation on organizational performance of marketing agencies in Nairobi County regression analysis was carried out. The summary of the regression results are shown below.

**Table 4.15: Regression summary of strategy implementation and organizational performance**

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .826 <sup>a</sup> | .691     | .699              | 2.90057                    |

- a. Predictors: (Constant), Strategy implementation

**Source: Research data (2023)**

An extracted R square value of (0.691) was derived from the regression tests. This signifies that strategy implementation represented (69.1%) change in the organizational performance of marketing agencies with the remaining 30.9% being because of other influences the model of regression did not consider.

**Table 4.16: ANOVA summary of strategy implementation and organizational performance**

| Model |            | Sum of Squares | df  | Mean Square | F       | Sig.              |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1     | Regression | 110.257        | 1   | 110.257     | 356.043 | .000 <sup>b</sup> |
|       | Residual   | 103.431        | 334 | 0.31        |         |                   |
|       | Total      | 213.687        | 335 |             |         |                   |

- a. Dependent Variable: Organizational performance

- b. Predictors: (Constant), Strategy implementation

**Source: Research data (2023)**

The findings of ANOVA presented above, revealed that the F-statistic value is 356.043 with a p-value of 0.000. This signifies that;  $F(1,335) = 356.043$ ,  $p = 0.000$  ( $p\text{-value} < 0.000$ ). This signifies that the model was significant in explaining the relationship between strategy implementation and organizational performance of marketing agencies in Nairobi County.

**Table 4.17: Regression coefficients for strategy implementation and organizational performance**

| Model                   | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig. |
|-------------------------|-----------------------------|------------|---------------------------|--------|------|
|                         | B                           | Std. Error | Beta                      |        |      |
| 1 (Constant)            | 2.937                       | 1.363      |                           | 2.191  | .031 |
| Strategy implementation | .784                        | .050       | .826                      | 15.351 | .000 |

a. Dependent Variable: Organizational performance

**Source: Research data (2023)**

The regression analysis yielded beta coefficients calculated as, constant ( $\beta_0$ ) = 2.937 and beta for strategy implementation ( $\beta_2$ ) = 0.784. The p-value for strategy implementation was revealed as  $p = 0.000$ ,  $p\text{-value} < 0.05$ . The results determined a significantly positive effect of strategy implementation signifying that for each value change in strategy implementation, there would be a 0.784 value change in organizational performance of marketing agencies in Nairobi County.

#### **4.5.4 Regression between strategy evaluation and organizational performance**

To determine the relationship that exists between strategy evaluation and organizational performance of marketing agencies in Nairobi County, regression analysis was carried out. The summary of regression results are shown below.

**Table 4.18: Regression summary of strategy evaluation and organizational performance**

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .788 <sup>a</sup> | .640     | .629              | 3.18601                    |

a. Predictors: (Constant), Strategy evaluation

**Source: Research data (2023)**

An extracted R square value of (0.640) was shown from the regression tests. This means that strategy evaluation represents (64%) changes in the organization performance of marketing agencies in Nairobi County with the remaining 36% being because of other influences the model of regression did not consider.

**Table 4.19: ANOVA summary of strategy evaluation and organizational performance**

| Model |            | Sum of Squares | df  | Mean Square | F       | Sig.              |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1     | Regression | 128.828        | 1   | 128.828     | 507.053 | .000 <sup>b</sup> |
|       | Residual   | 84.86          | 334 | 0.254       |         |                   |
|       | Total      | 213.687        | 335 |             |         |                   |

a. Dependent Variable: Organizational performance

b. Predictors: (Constant), Strategy evaluation

**Source: Research data (2023)**

The findings of ANOVA presented above, revealed that the F-statistic value is 507.053 with a p-value of 0.000. This signifies that;  $F(1,335) = 507.053, p = 0.000$  (p-value < 0.000). This means that the model used was significant in explaining the relationship between strategy evaluation and

organization performance of marketing agencies in Nairobi County.

| Unstandardized |                     | Standardized |       | t      | Sig. |
|----------------|---------------------|--------------|-------|--------|------|
| Coefficients   |                     | Coefficients |       |        |      |
| Model          | B                   | Std. Error   | Beta  |        |      |
| 1              | (Constant)          | 6.574        | 1.289 | 5.041  | .000 |
|                | Strategy evaluation | .670         | .046  | 13.436 | .000 |

**Table 4.20: Regression coefficients for strategy evaluation and organizational performance**

a. Dependent Variable: Organizational performance

**Source: Research data (2023)**

The regression analysis yielded beta coefficients calculated as, constant ( $\beta_0$ ) = 6.574 and beta for strategy evaluation ( $\beta_3$ ) = 0.670. The p-value for strategy evaluation was revealed as  $p = 0.000$ ,  $p$ -value  $< 0.05$ . The results identified a positively significant effect of strategy evaluation signifying that for each value change in strategy evaluation, there would be a 0.670 value change in organizational performance of marketing agencies in Nairobi County.

#### 4.4.5 Multiple Linear Regression Analysis

Regression analysis is defined as a statistical method that examines the relationship between two or many variables of interest. Regression analysis predicts the exact value of the dependent variable for any given value of the independent variable(s), provided that the relationship between these variables is linear. For the case of this research multiple regression analysis was also carried out to determine the overall statistical significance and relationship between strategic management practices of strategy formulation, implementation and evaluation and organizational performance of marketing agencies in Nairobi County.

**Table 4.21: Model summary**

| <b>Model</b> | <b>R</b> | <b>R Square</b> | <b>Adjusted R Square</b> | <b>Std. Error of the Estimate</b> |
|--------------|----------|-----------------|--------------------------|-----------------------------------|
| 1            | .817a    | 0.683           | 0.634                    | 0.17089                           |

a Predictors: (Constant), strategy formulation, strategy implementation, strategy evaluation

**Source: Research data (2023)**

The results in the table above shows a coefficient of determination (R<sup>2</sup>) of 0.683 which signifies that 68.3% of the variation in the dependent variable was described by the model. This is a very high value, indicating a perfect fit of the model. This coefficient of determination indicates that the independent variables used in this study of strategy formulation, strategy implementation and strategy evaluation were jointly responsible for 68.3% of the variation in organizational performance of marketing agencies in Nairobi County. The adjusted R squared of 0.634 depicts that the same independent variables when the constant variable is excluded describes the variance in organizational performance by 63.4%. The remaining 37.5% of the variance in organizational performance of marketing agencies in Nairobi County can be accounted for by other factors that the current model did not consider. In general, the model summary indicates that strategy formulation, implementation and evaluation are strong predictors of the organizational performance of marketing agencies in Nairobi County, and the model's predictions are estimated to have a standard deviation of 0.17089.

**Table 4.22: ANOVA summary of strategic management practices and organizational performance**

| <b>Model</b> | <b>Sum of Squares</b> | <b>Df</b> | <b>Mean Square</b> | <b>F</b> | <b>Sig.</b> |
|--------------|-----------------------|-----------|--------------------|----------|-------------|
|--------------|-----------------------|-----------|--------------------|----------|-------------|

|   |            |         |     |        |         |                   |
|---|------------|---------|-----|--------|---------|-------------------|
| 1 | Regression | 171.274 | 3   | 57.091 | 446.902 | .000 <sup>b</sup> |
|   | Residual   | 42.413  | 332 | 0.128  |         |                   |
|   | Total      | 213.687 | 335 |        |         |                   |

a. Dependent Variable: Organizational performance

b. Predictors: (Constant), Strategy formulation, Strategy implementation, Strategy evaluation

**Source: Research data (2023)**

The analysis of variance results in the table above, indicate that the model was statistically significant in describing the effect of strategic management practices (strategy formulation, strategy implementation and strategy evaluation) on organizational performance of marketing agencies in Nairobi County as signified by a p-value of  $0.000 < 0.05$ .

**Table 4.23: Regression coefficients for strategic management practices and organizational performance**

| Model |                         | Unstandardized |       | Standardized |  | T     | Sig.  |
|-------|-------------------------|----------------|-------|--------------|--|-------|-------|
|       |                         | Coefficients   | Std.  | Coefficients |  |       |       |
|       |                         | B              | Error | Beta         |  |       |       |
|       | (Constant)              | 0.576          | 0.329 |              |  | 1.766 | 0.082 |
|       | Strategy Formulation    | 0.281          | 0.106 | 0.293        |  | 2.826 | 0.006 |
| 1     | Strategy Implementation | 0.319          | 0.068 | 0.396        |  | 4.553 | 0.000 |
|       | Strategy Evaluation     | 0.264          | 0.079 | 0.298        |  | 3.253 | 0.002 |

a. Dependent Variable: Organizational performance

**Source: Research data (2023)**

The findings in the table above depict the results of a multiple regression analysis examining the relationships between the various strategic management practices and organizational performance. The coefficients, standard errors, standardized coefficients (beta), t-statistics, and significance (p-values) are reported for each independent variable. The results revealed a constant term of 0.576, representing the expected value of organizational performance when all the three strategic management practices are equal to zero. This implies that if marketing agencies were not to implement any of the three practices, the model would predict their organizational performance to be a value of 0.576.

The results found that strategy formulation had a significant and positively strong relationship with organizational performance ( $\beta = .281$ ,  $p = .006 < .05$ ). This suggests that for each unit increase in strategy formulation adoption by marketing agencies, there is an expected 0.281-unit increase in organizational performance. This was backed by a t-statistic of 2.826 which is greater than the critical t-statistics of 1.96. This indicates that strategy formulation had a statistically significant and positive impact on organizational performance of marketing agencies. These findings suggest that enhancing strategy formulation can lead to improved organizational performance.

Secondly, the study results showed that strategy implementation had a significant and positively strong relation with organizational performance ( $\beta = .319$ ,  $p = .000 < .05$ ). The t- statistic is  $4.553 > 1.96$ . This suggests that for each increase in value of strategy implementation, there is an expected 0.319 increase in value of organizational performance. This implies that strategy implementation had a statistically significant and positive influence on organizational performance of marketing agencies in Nairobi County. The findings imply that enhancing strategy implementation is associated with increases in organizational performance at marketing agencies.

Finally, the study found a significant and positive relationship between strategy evaluation and organizational performance ( $\beta = .264$ ,  $p = .000 < 0.05$ ). This suggests that for each increase in value of strategy evaluation, there is a 0.264-unit expected increase in organizational performance. The t- statistic is  $3.253 > 1.96$ , implying that strategy evaluation had a statistically significant and positive influence on performance of marketing agencies in Nairobi County. In conclusion, the multiple regression results suggest that all three practices have a statistically significant and

positive impact on organizational performance of marketing agencies in Nairobi County. This is in agreement with the conclusion made by Mutendera and Simba (2019) that strategic management practices positively impact organizational performance and that organizations should strive toward adopting these practices in their daily operations so as to achieve desired organizational performance.

The linear regression equation obtained from the outcome is therefore represented as:

$$Y = 0.576 + 0.281 X_1 + 0.319 X_2 + 0.264 X_3.$$

Whereby

Y represents organizational performance

X1 represents strategy formulation

X2 represents strategy implementation

X3 represents strategy evaluation

The test for regression assumptions done involved using scatterplots to ascertain that the association between the study variables was linear. Checking that the errors between observed and predicted values; the residuals of the regression were normally distributed on a histogram. Computing a matrix of Pearson's bivariate correlations among all independent variables established that the magnitude of the correlation coefficients was less than .80 to ensure there was no multicollinearity in the data. Finally a scatterplot of residuals versus predicted values was used to check that there was no homoscedasticity.

#### **4.6 Chapter Summary**

This chapter deliberated on the analysis of data and presentation of findings of the collected data on the study topic. The demographic attributes of participants indicated that majority were female; most of the participants were over 46 years and managers in charge of marketing. Most of the participants were well educated having attained an undergraduate degree and with over 16 years work experience in marketing agencies. Strategy formulation practices were found to be good, and

with a significant and positive effect on organizational performance. Strategy implementation and evaluation policies and practices were found to be also good and just like strategy formulation, their impact on organizational performance was positive.



## **CHAPTER FIVE: DISCUSSION OF FINDINGS, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

Chapter five highlighted the discussions on the findings, conclusions and recommendations of this research.

### **5.2 Summary of findings**

This research focused on determining the effect of strategic management practices on the organizational performance of marketing agencies in Nairobi County. The research focused on three specific study objectives which were to determine the effect of strategy formulation, strategy implementation and strategy evaluation on organizational performance of marketing agencies in Nairobi County.

The analysis and presentation of findings on the research topic established that out of the 468 participants, 336 responses were returned representing an overall successful response rate of 71.79%. Demographic attributes of participants indicated that most participants were over 46 years of age, majority were female, most of the participants were managers in charge of marketing function, majority had over 20 years work experience and most of the managers had attained an undergraduate degree.

The descriptive analysis findings concluded that most of the participants agreed with the statements about strategy formulation, implementation, evaluation practices and organizational performance of marketing agencies; which all had rating scores of above 4 which was considered good. Inferential analysis found that the correlation and regression statistics were significant in determining the relationship between the study variables and revealed that there was a strong, positive and significant associations between organizational performance and the three types of strategic management practices being examined: strategy formulation, strategy implementation and strategy evaluation.

### **5.3 Discussion of findings**

The discussions on summary of findings was presented on the basis of the three specific objectives of this research.

#### **5.3.1 Strategy formulation and organizational performance**

The first objective of this thesis was to determine the effect of strategy formulation on the performance of marketing agencies in Nairobi County. With regards to strategy formulation, the participants agreed with the statements that their organizations did environmental scanning and internal strengths and weaknesses analysis for the organization. Marketing agencies also had defined vision and mission statements. Marketing agencies had set clear objectives for their strategies. The highly scored statements were in regards to their mission, vision and core values. Moreover, they also developed alternative strategic actions and choose the best strategy to be implemented for relevant scenarios, all of which play a key role in influencing organizational performance.

Inferential statistics also revealed that strategy formulation's effect on organizational performance was positive. The results revealed that the correlation between strategy formulation and organizational performance was positively strong and significant ( $r=0.711$   $p=0.000$ ) implying that an assumption of strategy formulation resulted in performance increase. This is in line with previous studies by Kimani (2018) and Minama (2016) which found that the strategic management practice of strategy formulation had significant and positive influence on organizational performance and thus had to be efficiently and continuously improved in order for organizations to perform exceptionally well. The study findings also agree with the assertions by Matete and Muchiri (2018) which concluded that strategy formulation had a positive correlation to performance in that firms that focused on strategy formulation were more likely to outperform their competitors in terms of financial performance since they had clearly set objectives from the onset.

The findings of the study also align with Daudi (2018) which concluded that strategy formulation, implementation and evaluation had a significant and positive effect on performance of matatu Saccos in Nairobi County. However, the current study findings contradict with that of Otieno (2021) who concluded that there was an insignificant relation between strategy formulation and

organizational performance of SME's in the agribusiness sector in Kenya. Instead the study concluded that organizations that conducted strategy formulation did not have any significant advantage over those that did not do so and what was more important was the ability of organizations to adapt faster to changing environmental factors.

### **5.3.2 Strategy implementation and organizational performance**

The second objective of the research was to establish the effect of strategy implementation on the organizational performance of marketing agencies of Nairobi County, Kenya. The results found that the marketing agencies had adopted strategy implementation practices. The participants affirmed the statements on strategy implementation. Everyday operations, labor efforts, and organizational resources were directed toward implementing strategies. Technology and effective communication supported strategy implementation, while management took the lead on strategy execution. In addition, regulations pertaining to the execution of strategies as well as a system of rewards based on strategic performance were developed. The responses to the statements indicated that technology, processes, and communication were efficient and successful in supporting the strategy execution. Furthermore, the managers were dedicated to persuading the employees to concentrate their efforts on strategy execution and provided the needed resources for successful strategy execution.

The results from the inferential statistics established that strategy implementation had a significant and positively strong relation to performance of organizations. The results found that strategy implementation had a positive relation to organizational performance ( $r=0.658$   $p=0.000$ ) signifying that assumption of implementation of strategy resulted to a performance increase. The study findings supported studies by Nagele and Awuor (2018) and Kibe (2014) which established that strategy implementation had a significant and positive effect on organizational performance because it is the only stage that can be controlled on a real-time basis to influence performance.

The results of this research also align with Kumar (2021) who established that strategic evaluation practice is positively and significantly related to performance. This study findings also agree with that of Neves and Eisenberger (2012) which lauds that effective communication is an important element of the strategy implementation process as it helps in the coordination of efforts, resources, people, and activities and enables them to attain the desired performance objectives.

### 5.3.3 Strategy evaluation and organizational performance

The third objective of the research was to identify the influence of strategy evaluation on organizational performance of marketing agencies of Nairobi County. The results from the study established that agencies in Nairobi practiced strategy evaluation practices. The responses from the participants affirmed the statements on strategy evaluation. They agreed that marketing agencies had set objectives and evaluated strategies by measuring current performances against their set targets to see if they were on track. Formative assessments were conducted continuously over the general evaluation period and summative assessments were done at the conclusion of a predetermined time. Marketing agencies used the findings of the evaluations to adjust their current strategies and make appropriate corrective action where performance failed to meet expectations. Findings from the evaluations were also used to inform decisions on future strategy plans. The highest scored responses were on how the annual or formative evaluations and summative evaluations found very little negative deviations from the prior set expectations.

Results from the inferential statistics showed that strategy evaluation was significantly and positively related to performance of organizations. The results found that strategy evaluation had a positively strong association to organizational performance ( $r=0.681$   $p=0.000$ ) signifying that assumption of evaluation of strategy led to a significant increase in organizational performance. This finding was supported by studies by (Chepkwony, 2016; Gupta, 2016) which found that strategy evaluation greatly impacted performance as it motivates high performance in order to impress during evaluation and alerts on the corrective actions to be undertaken so as to improve performance.

This study findings also align with the study by Abdalla (2015) which revealed that efficient, and constructive strategy evaluation is critical for continuous improvement. This research also supports the findings by Chenhall (2015) which noted that strategy evaluation had a significant and positive impact on performance since evaluation ensures performance is being measured against established performance targets.

A study by Spencer & Carasco-Saul (2017) found the probability of enhanced performance from following recommendations in evaluation reports to be at 0.77. Meaning that 77% of the time, evaluation recommendations applied from summative evaluation reports end up impacting

organizational activities and processes positively. Their findings support the conclusions of the current research.

Finally the results showed that that the marketing agencies generally had good performances. The findings showed that the organizations' customers positively rated their experiences to express their satisfaction with agencies services. They also agreed with statements on having improved customer retention, repeat purchases from customers, customer loyalty and customer referrals, all of which signify positive organization performance. The participants also acknowledged that their organizations' efficiency and effectiveness practices were good and contributed to improved organizational performance. The statement on organizational performance that attracted the highest scores was on customer satisfaction measures where their clients are happy because agencies consistently meet and exceed their performance expectations.

The findings of the study also supported the study theories. The foundation of the contingency theory lies in the postulate that effectiveness of an organization resulted from aligning the strategic assets to factors that affect the operations of an organization. Resource Based View theory postulates that possession of capabilities is a necessary condition for superior performance and that competitive advantage can only be attained through the possession of unique capabilities that are well organized on implementation. The findings revealed that the participants agreed with the statements on strategic management practices and organization performance of marketing agencies which supports the premises that strategic management practices when applied in situations with the best contingency factors and with the right allocation of resources, can influence organizational performance as advanced by the study theories.

#### **5.4 Conclusions**

The research findings established that marketing agencies in Nairobi County had adopted strategic management practices. The marketing agencies applied strategy formulation practices like having clear vision and mission statements and set corporate objectives. They also did environmental analysis to identify factors that affected their organizations and developed strategic plans. The study concluded that marketing agencies in Nairobi practiced strategy implementation by directing all their processes, operations and resources towards implementing the strategy. The management teams also supported and lead strategy implementation. Marketing agencies practiced strategy

evaluation by having set standards and objectives and establishing control limits as guides. They measure performance by conducting periodic performance reports and evaluating it against the set targets. Marketing agencies learn from the evaluation reports and take appropriate corrective action where needed. The findings from evaluations are used to adjust existing strategies or to inform future strategies.

The research established that the strategic management practices had great influences on organizational performance. It was established that strategy formulation, implementation and evaluation all were positively and significantly related to organizational performance. Inferential analysis also demonstrated that strategy formulation, implementation and evaluation all contributed towards improved organizational performance. These results also suggest that other organizations in the industry could potentially increase their own organizational performance levels by similarly focusing on these various types of strategic management practices.

## **5.5 Recommendations**

The recommendations of this research are put forward in relation to policy and managerial proposals.

### **5.5.1 Managerial recommendations**

The findings of the research have concluded that strategic management practices have a positive and significant influence on performance of organizations thus it is recommended that the managers of marketing agencies should continue to enhance their efforts for promoting strategic management practices. The study also revealed that the statement “All relevant stakeholders are involved in formative evaluations” was ranked least under the strategy evaluation statements. It would thus be recommended that managers involve all relevant stakeholders in the evaluation process so as to optimize organizational performance. They should support training of the relevant personnel on strategy implementation. The management should dedicate resources to research and development, fostering a culture of prioritizing strategic management within their organizations.

The management should ensure that their strategic practices align with their organizational performance goals so as to be more competitive and be sustainable in the long-run. It would also be beneficial for marketing agencies to establish a robust system for monitoring and evaluating the

effectiveness of their strategic practices that regularly tracks their key performance measures and points out areas for improvement and learning.

### **5.5.2 Policy recommendations**

It is also recommend that policy makers should invest in continuous research and industry trends analysis so as to have a better comprehension of the current sector in which marketing agencies operate in, which is highly dynamic. This knowledge could be used by industry experts to inform policy and enact laws that support operations of marketing agencies. There is need to foster a culture of practice of strategic management within marketing agencies and the industry in general. This can only be successful if industry regulators understand, support and help to create a conducive environment for organizations to successfully execute their strategic plans. When industry regulators and policy makers of marketing agencies provide support resources, foster industry partnerships and avail forums for benchmarking and continuous training and development, they can contribute towards attainment of the desired organizational performance goals.

### **5.6 Theoretical contribution**

The theoretical contribution of the current study is in terms of the theories adopted mainly the contingency theory and Resource-Based View theory which provide empirical evidence of their essence in contributing towards successful execution of strategic management practices and attainment of desired organizational performance.

This study findings contribute to the Contingency and Resource-Based theories by providing empirical literature on the effect of strategic management practices on organizational performance within the specific context of marketing agencies. The foundation of the contingency theory lies in the postulate that effectiveness of an organization results from fitting the strategic assets to factors that affect the operations of an organization as noted by Pennings (1992) while the RBV theory as propounded by Wernerfelt (1984) builds on the perception that a firm's strategy and available resources complement each other towards attaining their desired objectives. The resource-based view theory is thus vital because firms cannot ignore the importance of their internal capabilities and resources in attaining the competitive edge needed for sustained superior performance.

The choice of contingency theory is important to the research because it advances that the success of any strategic management practice depends on the organization's internal and external environment. The micro environment of an organization is composed of its resources, capabilities, and culture, while the macro environment is composed of the competitive landscape and economic conditions (Otley, 2016). Managers have to critically evaluate contingency factors to determine how they interact with strategic practices that influence the performance of the firm. This way they can select the most appropriate strategic actions for achieving organizational objectives while having contingencies for mitigating against risks. Thus, the theory supports the current study because it enable the researcher and other beneficiaries to appreciate the influence of other factors that may affect the strategic practices adopted by an organization.

Marketing agencies in Nairobi County thus need to continually adjust their strategies based on the resources they have and their operating environments. This study's findings contribute to the works of literature by demonstrating the positive relationship that exists between strategic management practices and organizational performance, validating the theories' premises that strategic management practices when applied in situations with the best contingency factors and with the right allocation of resources, can influence organizational performance.

### **5.7 Study limitations and suggestions for further studies**

While the current study has tried to be as comprehensive as possible, it presents some shortcomings. This research focused on establishing the effect of three types of strategic practices as independent variables: strategy formulation, strategy implementation and strategy evaluation. Future researchers should therefore consider investigating other types of strategic management practices in order to determine how they would influence performance of marketing agencies.

This study was limited to the geographic scope of Nairobi County, the findings may therefore not be representative of the broader performance of marketing agencies outside Nairobi County. Future researchers could therefore consider focusing their studies on other counties nationally.

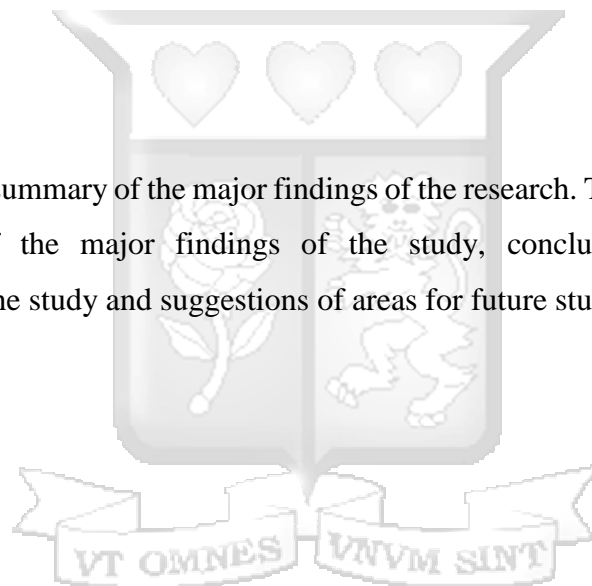
This research was limited to the performance of marketing agencies thus it would be difficult to generalize the findings to the performance of other sectors. Future scholars could focus their studies on other sectors especially public sectors to determine how they practice strategic management and how this affects their performance.

The study targeted only four key management personnel as participants, thus the results may only apply to the specific sample used presenting a challenge of generalizing the findings to the whole organizations' populations. Future researchers could focus on other participants to get their responses.

Finally, the current research established that the three types of strategic management practices adopted could explain 68.3% of the change in organizational performance of marketing agencies in Nairobi County. Future researchers are thus challenged to determine the other factors not explained by the regression model that are responsible for the remaining 31.7% of the disparity in organizational performance of marketing agencies in Nairobi County.

## **5.8 Chapter summary**

Chapter five presented a summary of the major findings of the research. The components discussed covered a summary of the major findings of the study, conclusions of the study, the recommendations from the study and suggestions of areas for future studies.



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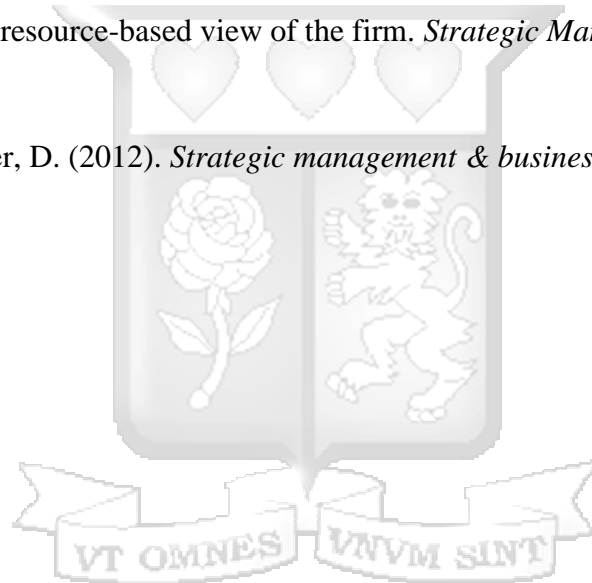
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## APPENDICES

### Appendix I: Introduction Letter

Mitchell Wanjiku Maina  
Strathmore Business School  
P.O. Box 59857, 00200  
Nairobi, Kenya

28<sup>th</sup> March 2023

To Whom It May Concern,

#### **REF: DATA COLLECTION FOR ACADEMIC PURPOSE**

I am a student at Strathmore Business School undertaking a Masters of Commerce degree. As part of the requirements for this award I am required to undertake a research. I am researching on: **The effect of strategic management practices on organizational performance: A case of marketing agencies in Nairobi County, Kenya.**

To complete this research, I am required to collect data from marketing agencies that operate in Nairobi County. I am humbly requesting for your approval to collect data on the same. The results of the report was used solely for academic purposes and was treated with utmost confidence.

Your assistance is highly appreciated.

Sincerely,  
Mitchell Maina.

## Appendix II: Research Questionnaire

The objective of this questionnaire is to get information from key stakeholders on the effect of strategic management practices on the performance of marketing agencies in Nairobi County. I humbly ask for your help in completing the attached questions to the best of your ability. Your participation is highly appreciated.

### Part A: Demographic Information (Please tick appropriately)

Name of your marketing agency (optional).....

**1. What is your age?**

- Below 25 years of age
- 26-35 years
- 36-45 years
- Over 46 years

**2. What is your gender?**

- Female
- Male

**3. What is your managerial role?**

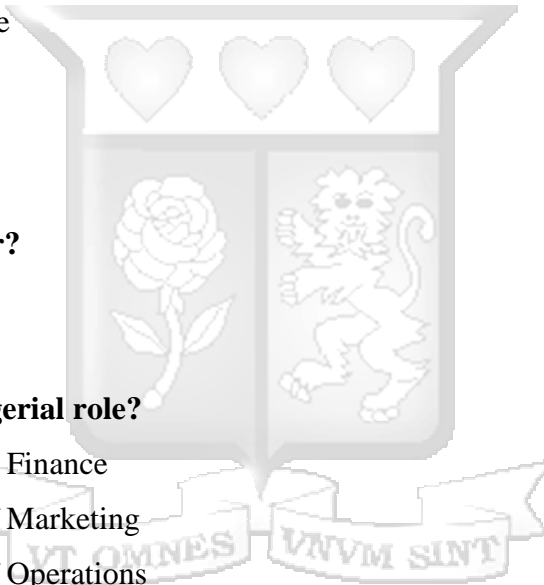
- Manager in charge of Finance
- Manager in charge of Marketing
- Manager in charge of Operations
- Manager in charge of Risk

**4. How long is your work experience in a marketing agency?**

- Below 5 years
- 6-10 years
- 11-15 years
- Over 16 years

**5. What is your highest level of education attained?**

- Diploma
- Undergraduate degree
- Masters



- PHD
- Other

**Part B: Strategic Management practices**

**B1: Strategy Formulation**

Please indicate your level of agreement by checking/ticking in the appropriate box.

| Strategy Formulation in the marketing agency |  | Response rate |   |   |   |   |
|--|--|---------------|---|---|---|---|
| #  | Strategy Formulation statements  | 1             | 2 | 3 | 4 | 5 |
| 1  | Our organization prioritizes the practice of strategy formulation  |               |   |   |   |   |
| 2  | Our organization's vision and mission statements are developed during strategy formulation                                     |               |   |   |   |   |
| 3  | Thorough environmental scanning is done during the strategy formulating stage  |               |   |   |   |   |
| 4  | An analysis of organizational strengths, weaknesses, opportunities and threats is done during strategy formulation             |               |   |   |   |   |
| 5  | The goals and objectives set during strategy formulation are SMART (Simple, Measurable, Attainable, Realistic & Time-specific) |               |   |   |   |   |
| 6  | We use several evidence-based strategic models when formulating strategies   |               |   |   |   |   |
| 7  | Strategic approaches with the majority support end up being adopted  |               |   |   |   |   |
| 8  | Best-fit strategies backed up by sound analysis end up being adopted   |               |   |   |   |   |
| 9  | All relevant stakeholders are engaged during strategy formulation and they bring various expertise on board                    |               |   |   |   |   |

## B2: Strategy Implementation

Please indicate your level of agreement by checking/ticking in the appropriate box.

| Strategy Implementation in the marketing agency |   | Response rate |   |   |   |   |
|---|---|---------------|---|---|---|---|
| #   | Strategy Implementation statements  | 1             | 2 | 3 | 4 | 5 |
| 1   | Our organization prioritizes the practice of strategy implementation  |               |   |   |   |   |
| 2   | Our organization has the requisite management skills and expertise for strategy implementation                              |               |   |   |   |   |
| 3   | Management provides adequate physical resources for the implementation of strategies  |               |   |   |   |   |
| 4   | Management provides adequate financial resources for the implementation of strategies                                       |               |   |   |   |   |
| 5   | Management provides adequate human resources for the implementation of strategies   |               |   |   |   |   |
| 6   | Internal communication is conducted in an orderly and timely fashion while implementing strategies                          |               |   |   |   |   |
| 7   | There exists proper employee motivation systems that encourage strategy implementation                                      |               |   |   |   |   |
| 8   | Our organization structure allows for a clear line of authority for members to follow during strategy implementation        |               |   |   |   |   |
| 9   | Roles and responsibilities are appropriately allocated on basis of competence and capability during strategy implementation |               |   |   |   |   |

**B3: Strategy Evaluation**

Please indicate your level of agreement by checking/ticking in the appropriate box.

| Strategy Evaluation in the marketing agency |  | Response rate |   |   |   |   |
|---|--|---------------|---|---|---|---|
| #   | Strategy Evaluation statements   | 1             | 2 | 3 | 4 | 5 |
| 1   | Our organization prioritizes the practice of strategy evaluation                     |               |   |   |   |   |
| 2   | Our organization monitors clearly set performance metrics                            |               |   |   |   |   |
| 3   | Annual/summative evaluations performed on strategies are comprehensive enough        |               |   |   |   |   |
| 4   | All relevant stakeholders are involved in summative evaluations                      |               |   |   |   |   |
| 5   | Annual/summative evaluations are carried out by competent teams                      |               |   |   |   |   |
| 6   | Annual/summative evaluations find very little negative deviations from expectations  |               |   |   |   |   |
| 7   | Interim/formative evaluations performed on strategies are comprehensive enough       |               |   |   |   |   |
| 8   | All relevant stakeholders are involved in formative evaluations                      |               |   |   |   |   |
| 9   | Interim/formative evaluations are carried out by competent teams                     |               |   |   |   |   |
| 10  | Interim/formative evaluations find very little negative deviations from expectations |               |   |   |   |   |
| 11  | Our agency is able to learn and adopt changes recommended from strategy evaluations  |               |   |   |   |   |

### Part C: Organizational performance

| Organizational performance of the marketing agency |   | Response rate |   |   |   |   |
|--|---|---------------|---|---|---|---|
| #  | Organizational performance statements   | 1             | 2 | 3 | 4 | 5 |
|  | <b>Customer satisfaction</b>  |               |   |   |   |   |
| 1  | Our customers positively rate their experiences to express their satisfaction with our services           |               |   |   |   |   |
| 2  | Our agency has improved retention of our customer base because we offer better value than our competitors |               |   |   |   |   |
| 3  | Our customers repeatedly seek our services because of our favorable pricing and unique services           |               |   |   |   |   |
| 4  | Customer loyalty is as a result of the agency's value for continued relationship management               |               |   |   |   |   |
| 5  | Clients refer and promote our agency because they are happy with our services                             |               |   |   |   |   |
|  | <b>Efficiency</b>   |               |   |   |   |   |
| 6  | Our processes are simple and customer-focused leading to great customer experience and retention          |               |   |   |   |   |
| 7  | Our agency continuously adopts technological innovations to enhance process efficiency                    |               |   |   |   |   |
| 8  | Our agency handles customer inquiries and complaints in a timely manner leading to customer satisfaction  |               |   |   |   |   |
|  | <b>Effectiveness</b>  |               |   |   |   |   |
| 9  | Our agency has experienced growth supported by continuous new client acquisition.                         |               |   |   |   |   |

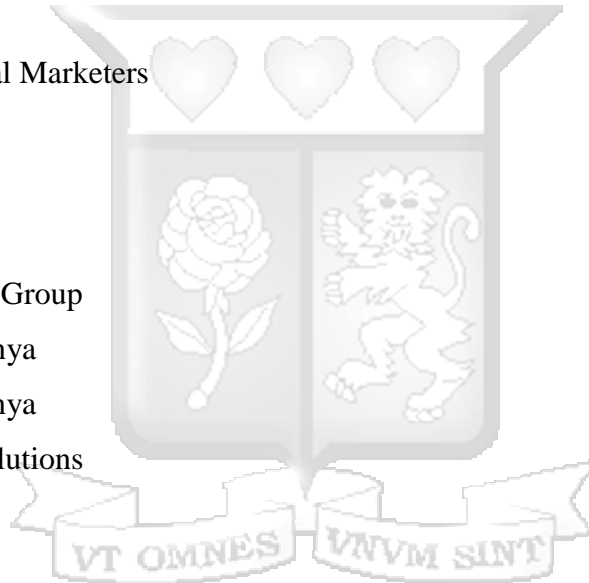
|    |   |  |  |  |  |  |
|----|---|--|--|--|--|--|
| 10 | Our agency is successful in meeting its year-on-year revenue targets                          |  |  |  |  |  |
| 11 | Our clients are happy because we consistently meet and exceed their performance expectations. |  |  |  |  |  |
| 12 | Our agency is flexible and fast in mitigating risks   |  |  |  |  |  |

Thank you for your time and participation in this research

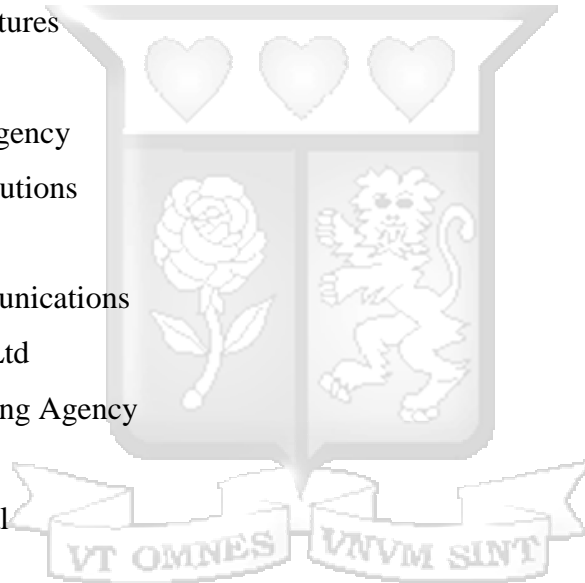


### Appendix III: List of marketing agencies in Nairobi County

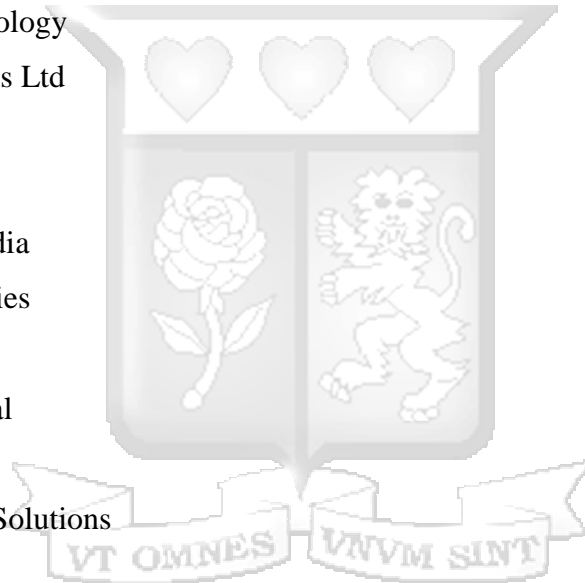
1. WPP Plc
2. Ogilvy
3. Dentsu
4. Omnicom Group
5. Smith Aegis Plc
6. Charleson
7. Alliance Media Kenya
8. Growthpad Digital Consulting
9. Squad Digital
10. East Africa Digital Marketers
11. Agency Africa
12. Dotsavvy
13. Brand 2D
14. Transcend Media Group
15. IQ Marketing Kenya
16. Digital media Kenya
17. Peak and Dale Solutions
18. HQue Media
19. Dragonfly EA
20. Kwetu marketing agency
21. Bean interactive limited
22. Creative Edge Limited
23. Tripple T Communications Ltd
24. Avon Marketing Agency
25. Golden Marketing Limited
26. Brisk Marketing Ltd
27. Yellow Agency Africa
28. Squad Digital
29. Oceans Digital Marketing



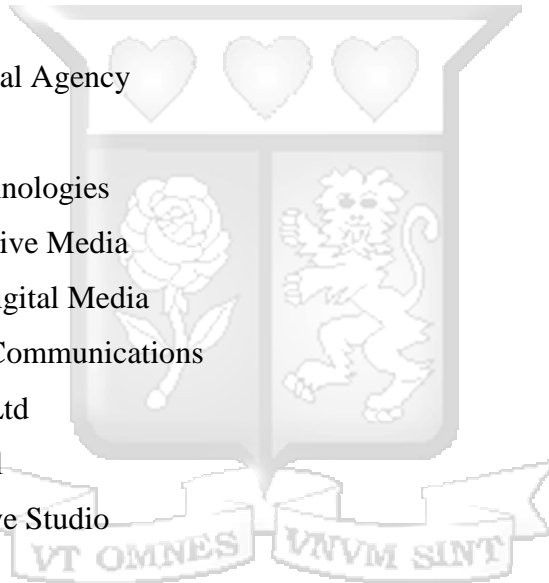
30. Centrestage Marketing Agency
31. Skywall Advertising Agency
32. Jives Media
33. Scarlet Digital
34. Jeder Agency
35. Peasner Creatives
36. Global Desarts Media
37. Glass House PR
38. Four Solutions Holdings Ltd
39. Funk Media Agency
40. Space Bridge Ventures
41. Tinker Digital
42. Afrece Digital Agency
43. Tabala Digital Solutions
44. Sava Digital
45. Brainwave Communications
46. Entwined Media Ltd
47. Gemmah Consulting Agency
48. Pamoja Media
49. Socialmeds Digital
50. Swivel Marketing
51. Lafont Innovations LLC
52. iDeveloper Technologies Ltd
53. 3techagency Inc
54. Qodewire
55. HC Media Group
56. RECA Africa
57. Simpaul Design
58. Rence Interactive
59. Ilani Concepts
60. Grid Branding Solutions



61. Web In Motion
62. Jamo Designs Ltd
63. Avocado Creative Studio
64. Zilojo Limited
65. TDS Marketers
66. GetSales Africa
67. Qube Ltd
68. Spread Marketing
69. Deep Africa Ltd
70. Hakika Marketing Services
71. Net Fusion Technology
72. Digiserve solutions Ltd
73. Sironka
74. Heartbit Solutions
75. Frank Ameka Media
76. Pryton Technologies
77. Trio Digital
78. SocialMeds Digital
79. Dime Hub
80. Nabaleka Digital Solutions
81. Techgrids Ltd
82. Gildee iTech Solutions
83. Internet Hotspot
84. Crablinks Interactive
85. ARK Africa
86. Sino Soft Guru
87. Global Desarts Media
88. Videos 4 World
89. White Rhino Films
90. 2020 Marketing Ltd
91. Webpinn



92. The code pot technologies
93. Glowbal Digital
94. Snettscom
95. Kapu Digital
96. Jooti Digital
97. Akus Digital Solution
98. SemaSEO Agency
99. Africa Digital Media Foundation
100. Magma Kenya
101. Nifty Web Solutions
102. Webivon
103. Afrecee Digital Agency
104. Meridios Ltd
105. Diligent Technologies
106. Click Interactive Media
107. Pro Jardon Digital Media
108. All Seasons Communications
109. Brand Guru Ltd
110. Tooda Digital
111. Jabari Creative Studio
112. Creative Age
113. Zuruweb Digial Agency
114. Blue Marketing Solutions
115. Hamida Media
116. Afritech Media
117. Seka Marketing Consultancy



## Appendix IV: Ethical clearance letter



16<sup>th</sup> May 2023

Ms Maina Mitchell Wanjiku,  
mitchell.maina@strathmore.edu

Dear Ms Maina,

**RE: Effect of Strategic Management Practices on Organizational Performance: A Case of Marketing Agencies in Nairobi County**

This is to inform you that SU-ISERC has reviewed and **approved** your above **SU-masters** research proposal. Your application reference number is **SU-ISERC1750/23**. The approval period is from **16<sup>th</sup> May 2023 to 15<sup>th</sup> May 2024**.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used.
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-ISERC.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-ISERC within 72 hours of notification.
- iv. Any changes anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-ISERC within 72 hours.
- v. Clearance for the export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to the expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days of completion of the study to SU-ISERC.

Before commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke/> and obtain other clearances needed.


Yours sincerely,


A handwritten signature in blue ink, appearing to read "Ambrose Rachier".

for: **Mr Ambrose Rachier,**  
**Chairperson; SU-ISERC**




Appendix V: NACOSTI license

  
REPUBLIC OF KENYA

  
NATIONAL COMMISSION FOR  
SCIENCE, TECHNOLOGY & INNOVATION

Ref No: **858191** Date of Issue: **31/May/2023**

**RESEARCH LICENSE**




**This is to Certify that Ms. Mitchell Wangika Maina of Strathmore 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: EFFECT OF STRATEGIC MANAGEMENT PRACTICES ON ORGANIZATIONAL PERFORMANCE: A CASE OF MARKETING AGENCIES IN NAIROBI COUNTY for the period ending : 31/May/2024.**


License No: **NACOSTI/P/23/26326**

858191

Applicant Identification Number

  
Director General  
NATIONAL COMMISSION FOR  
SCIENCE, TECHNOLOGY &  
INNOVATION

Verification QR Code



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