STRATEGIC MANAGEMENT PRACTICES AND PERFORMANCE OF STANDARD GROUP LIMITED

BY

MTIRA ROPHUS MBULA

D61/85539/2016

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF DEGREE OF MASTER OF BUSINESS ADMINISTRATION UNIVERSITY OF NAIROBI

2018

DECLARATION

I wish to declare that this research project is my original work and has not been presented for a degree in this university or any other university or college.

Sign …… Date ……

Mtira Rophus Mbula

D61/85539/2016

This research project has been presented for examination with my approval as the university supervisor.

Sign …….. Date …….

Francis N. Kibera, PhD

Lecturer

Scholl of Business

University of Nairobi

ACKNOWLEDGEMENT

I wish to take this great opportunity to pass my honest appreciation to people who supported me in ensuring that I successfully complete this research project. First, I thank God for seeing me through the entire academic process and the strength in undertaking all the academic work.

I am highly indebted to my supervisor; Professor Francis N. Kibera for his invaluable guidance, advice and relentless supervision and more so helping me with necessary information needed to complete this research project. In addition, I acknowledge and thank my moderator, Prof Zack Bolo Awino for his advice and critical comments as well as his patience in ensuring I improve my research work. I wish also to thank my lecturers, colleagues and entire University of Nairobi family for good environment and facilities for my academic work

Lastly, I thank my family for their inspirational, encouragement and moral support in every step of my research project. My love and gratitude goes to my Fiancé, Olive Waithera for invaluable assistance, understanding and persistent love during the entire project period. Many thanks and appreciation to Standard Group Limited for sharing their insights and important information that helped complete this research project.

DEDICATION

I dedicate this project to God Almighty my creator, my strong pillar, my source of inspiration, wisdom, knowledge and understanding. I also dedicate this research project to my family and my fiancé for their patience, understanding and endless support during the project period. I know you have been affected in every way possible by this quest.

Thank you. My love for you all can never be quantified. God bless you.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ABBREVIATIONS AND ACRONYMS

BPM:	Business Performance Management
CPD:	Corporate Performances Management
EPM:	Enterprise Performance Management
KPI:	Key Performances Indicators
KTN:	Kenya Television Network
PDS:	Publishers Distribution Service
PESTEL:	Political, Environmental, Social, Technological, Economic, Legal factors
R&D	Research and Development
SCA:	Sustainable Competitive Advantage
SBU:	Strategic Business Unit
SGL:	Standard Group Limited
SPSS:	Statistical Package for the Social Science
SWOT:	Strengths, Weaknesses, Opportunities and Threats
TQM:	Total Quality Management

ABSTRACT

This study examined effects of strategic management practices on performance of Standard Group Limited. The findings from this study can help in improving performance, as organizations are able to understand strategic management practices that best influence performance. This study sought to answer the question: How do strategic management practices influence performance at Standard Group? Two theories (Resource based view and McKinsey 7 S framework) were used to explain the influence of strategic management practices on firm performance. The study is a case study and targeted an estimated population of 300 comprising employees representing various branches of Standard Group. Purposive sampling technique was used to select the respondents and sample determination table was used as developed by Kotrlik and Higgins (2001) in choosing the 123 respondents. Questionnaires were used as data collection instruments. The study achieved a response rate of 82%. The findings show that strategic management practices performed an important role in enhancing performance of Standard Group. Specifically, the organization was able to introduce new product every year; spend over 16 million in research and development and used modern technology in increasing production. This study recommends that the organization should improve its process improvement in order to enhance performance. In addition, future studies can examine strategic management practices in other sectors for comparative purposes.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Strategic management is concerned with defining and achieving long-term goals and objectives by effective interaction and adaptation with dynamic environment in a continuous basis within limit of resources. It mainly involves strategy design, operationalization and monitoring. Pearce and Robinson (2007) define the subject as the act of making choices, which result in designing and administration of game plans tailored to realize long range plans of the firm. While strategic management is a relatively young discipline which was introduced in the early 1950's and gained popularity through the works of strategic gurus like Ansoff (1987), Chandler (1962), and Drucker (1974) it is an umbrella concept of management and covers almost all the functional areas of management in an organizational setup.

Strategic management practices aid to avoid weakening one's position as a result of unfavourable economic circumstances and turbulent external and internal conditions. Implementation of strategic practices like differentiation, innovation, total quality management, six sigma, and balance score card aid to improve the performance of a firm and distinguishes it from the rest. Previous studies prove the relationship between strategic planning and performance (Machuki, 2010) Action plan is the configuration of a company's capabilities, resources, thought process, and actions for charting its long-term direction and positive performance within the context of changing external environ. Since it is context sensitive, it prepares managers in companies of all sizes and types to cope with continually changing environment and to look at important factors in planning future strategies.

This study will be supported by Resource Based View theory, which thoroughly examines an organisations outlook on the distinct elements of why companies perform well or post negative results in their specific industry. The resource base view argues that, a company's capability in some instances can permit organisations to add value in client value chain, develops new products or change in new marketplaces. RBV framework infers from the resources and capabilities that are occurring inside the firm in order to come up with competitive advantages that are sustainable. The McKinsey 7-S framework argues that there are seven internal organization aspects that have to be aligned for the firms overall performance to be successful. Business situations can dictate how strategists can use the framework in some cases an alignment of business operation or processes in the firm is needed and can be the ideal solution, for example, to assist managers improve organizational performance, and in some cases help know how best to operationalize a desired strategy and so on.

The Kenyan business sector is witnessing a number of companies closing shop, while others carrying out massive retrenchment. Nation Media Group a giant media house closed QFM and QTV and sent home another batch of employees as the effects of hard economic times began to bite. East Africa Portland cement retrenched 1,000 employees and also sold off part of its land worth eight billion Kenya shillings to turn around the company.

Standard Group Limited sent home 380 employees as part of plans to reduce cost, some workers were declared redundant whiles others went on voluntary early retirement program, the group CEO cited tough times. Recently, in his efforts to improve

performance of the organisation the CEO has implemented the following strategic management practices, differentiation strategy which was seen with the launch of a new fresh brand design of the Standard Newspaper, business process improvement was achieved with the installation of enterprise resource planning software (ERP) which integrates all the business processes of the firm, to stay ahead of competition and to be able to keep up with the changing consumer demand the group started an innovative customer engagement forum called transform Kenya awards.

1.1.1 Strategic Management Practices

This study analyses the media industry and media organisations from the perspective of strategic management practices they use. Over the last few years the industry has evolved and to stay relevant in the market, managers have to navigate the turbulent waters of strategy execution, for example, digital technology has become the main driver of change and success or failure in the media industry while innovation has challenged and changed market share, leadership, strategic thinking, and the strategic management practices used by strategists in the industry. There are considerably diverse strategic management practices that media firms can adopt to sustain their competitive advantage in volatile environments, they include but not limited to the following:

Business Process Improvement, the use of this practice is to provide competitive advantage and improve performance in an activity or service. This is the basis for the existence of some proprietary frameworks that seek to continuously improve organisations performance. Establishing TQM programs and practices that are tailored to continuously improve the quality of products, marketing processes and services.

Gronroos (2007) argued that, total quality management is a tool used in strategic management for client focussed firms that requires the involvement of all the firm employees in continuous improvement. The tool uses useful data gathered, strategy and effective message transmission to link and fuse together the desired discipline into the firm's work culture and daily operations of the company. Deming (1986) defined quality as freedom from defects. An organisation achieves total quality only when its total product offering meet or exceed customer expectations and requirements.

Six Sigma framework is designed with the firms business processes at the center of it, it is a multidimensional structured approach for bettering a company's processes, by reducing defects, lowering costs, minimizing firm process variability, and most importantly grow by large margins the customer satisfaction .It is made possible by having large scale production and companies processes have attributes that can be explained, measured, improved, examined and controlled. The framework focuses on improving the quality of the product, service and final product of a process by establishing and getting rid of what causes defects and trying to reduce variability in services, product large scale production and daily company processes. Features that distinguish Six Sigma from other product quality or service quality improvement company projects may include a strategic commitment based on sound principled verifiable and factual data, more emphasis on passionate and strong strategic leadership and top management support, while applying statistical methods, and not assumptions.

Innovation can be looked at as a process that can take place in any stage and level of the organization whereby a firm transforms ideas from employees into new and or revamped

total product offering, so that the firm can advance, refine, contest and differentiate the company from other industry players. Innovation is needed to keep up in the media industry, as it is important for businesses to attract consumers and stay ahead of the competition. It also attracts big names to join organizations and develop a digital strategy, as witnessed recently, big names in the media industry moving to Royal Media Services who have been in the fore front in coming up with creative and innovative both in content and editorial executions. There are many organizations that have failed to innovate and so have not been able to keep up with ever changing consumer demand. Staying ahead of the curve is important to the future success of any organization and could ultimately lead to the downfall of an organization that does not manage to keep up, particularly in the technology, media and telecommunications sectors.

To measure organizational performance, the balanced score card developed by Kaplan and Norton (2006) can be adopted. The Balanced Scorecard has changed management thinking about performance; it is a strategic management instrument which when implanted, it provides shareholders with complete and comprehensive measurements of how the company is making progress aimed at achieving its strategic objectives. It is a bridge to reduce or close the gap that exists between strategy and action that is often seen in many organizations. Managers use the tool to communicate to the employees what management is trying to accomplish, align the daily activities and operations that everyone is doing with action plans, rank best performing products, firm projects, measure and observe progress towards the firms planned objectives.

Another strategic management practice that has helped many media firms improve performance is differentiation strategy. It is coming up with something that is seen industry wide as being peculiar. An organizations approach towards differentiating can take many forms: technology, customer service, design or brand image, dealer network, features, or other dimensions (Porter, 1998). A company differentiates itself if it can be unique at a product or service that is valuable to buyers, it allows a firm to charge high price and it will lead to good performance if the price premium realized exceeds the added costs of being unique. Differentiation approach grows out of the company's value chain since every value activity of the firm is a potential source of uniqueness.

1.1.2 Organizational Performance

Measuring performance of an organisation is important in monitoring an organisations progress. It entails the measurement of the organisation's actual performance results of outcomes against its intended goals. Drucker (1954) demonstrated that measurement is a critical part of evaluation from his work titled the practice of management. Currently, the manner through which an organisation is managed has a strong impact on both the individual and organisational performance. Key performance indicators include measurements such as number of sales, cost per order, number of dissatisfied customers, defects reported and so on.

In order to maintain the firm's competitive advantage, the company needs to constantly adapt to the turbulences of constantly changing business environment. This requires an optimum balance of qualitative and quantitative measures for monitoring of progress and performance. Richard et al. (2009) argues that a firms performance entails the following

distinct categories of a company outcome performance of the product market (market share, sales); financial performance (growth, cash flow, and efficiency, profits, return on assets, return on investment) and returns of shareholders (sum shareholder's return, economic value added).

Greater organisation's performance is realized when all the components and departments of an organisation function together to attain better outcomes with results being measured against the value delivered to customers. These parts are organisational structure, business performance, strategic objectives, resources allocations, processes, reward structures and culture, values and guiding principles. All these components function in liason and a change to one will affect the others. Furthermore, the poor performance of one part is likely to negatively affect the others leading to poor outcomes. In summary, all these parts must work in harmony for attainment of greater organisational results.

Performance of a company can be seen in many ways from its growth, profits that the company is making or loses to level of services being offered to the citizens by the way customers are satisfied or not and the way employees themselves are satisfied. Performance can either be positive or negative depending to the outcome that results in the end. Many organizations measure their performance by the level of returns that are in the company which is reflected in terms of profits (Kithinji, 2012).

1.1.3 Media Industry in Kenya (MCK)

Kenyan media industry has continued to grow, embracing innovation as a result of new technologies and the people's increased access to improved mobile handsets and fast Internet connectivity country wide. When county government system of administration

was operationalized, media houses changed their game plan with newsgathering and content strategies that focused on the new regions. The industry as a whole has grown since independence. From one major player, the Kenya Broadcasting Corporation, the communication authority has to date licensed 386 FM radio frequencies, and 105 TV frequencies. From just a few of publications at independence, the industry now publishes 20 daily and weekly newspapers across the country.

Kenya Broadcasting Corporation still enjoys the monopoly of being the broadcaster with nationwide foot print. It transmits its programs in both Swahili and English. Royal Media Services Limited has invested heavily on broadcasting infrastructure and has a nationwide presence. It transmits in Swahili, English and other fourteen local languages. MCK, a statutory body, established by the Media Act, 2007 and operates as an independent national institution, regulates media industry in Kenya. Its key mandate has been the leading institution in the conduct and discipline of journalists and in the regulation of media. It serves to register media establishments, register and accredit all the journalists, receive and deal with all complaints from the public; it also creates and publishes yearly media audit report on the performance of media in Kenya. Kenya Film Classification Board also regulates media and is mandated by the Films and Stage Plays Act of Kenya to regulate the broadcasting, and specifically Cap 222 which explores exhibition creation, possession, and distribution of films countrywide.

1.1.4 The Standard Group Limited

The Standard Group Limited was established in 1902 and thus Kenya's oldest multimedia company. This media house has been acknowledged and ranked as Kenya's leading

multimedia house due its wide coverage on both national and international issues. Its core activities are electronic broadcast on radio and television, publication, printing and distribution of newspapers and magazines and management of internet and outdoor services. The portfolio of the group includes, The Standard Newspaper and The Nairobian, which are the daily and weekly newspaper editions respectively. The electronic broadcast services which consist of KTN, KTN News and Radio Maisha. The group also runs Think Outdoor- billboard services, Publishers Distribution Services (PDS) and Standard Digital World, which is the online platform of the group.

To ensure long term survival and sustaining improved performance while creating value to meet customer requirements, the chief executive officer of Standard Group Limited has developed a portfolio of products that contain both slow moving products that bring in substantial cash inflows and positive performing outputs that require cash injections so that they can perform even better, in both dimensions of market share and market growth which will propel growth, positive performance and sustain the company in the long term. Recently, Cabinet Secretary for Information, Communication and Technology, together with the Standard Group chief executive officer launched the new- look Standard Newspaper, which comes with a fresh design and more analytical approach to news coverage, it is a strategic approach to grow readership and advertising revenues and also counter its rival, the Daily Nation in the long term. This action plan if well implemented promises the organization positive cash inflows in the future and caution the chief executive officer in future against failing product, or poor financial performance.

The chief executive officer also introduced two new pullouts (to expand the product line), (HUSTLE – which profiles the various business and economic activities that young Kenyans are engaged in to make ends meet. HASHTAG - This focuses on education, and is in line with the trendy and tech savvy young population) the pull-outs are designed with the eye on growing readership – rather than attracting advertisements – which is the biggest challenge facing Standard. In the long term, they can become goldmines if they strike the right chord with readers.

1.2 Research Problem

According to Wernerfelt (1984), the organisation's resource base only affects organisational performance to some extent upon which other factors some in since the organisation operates in a dynamic environment. This could be used to explain why some organisations have gone bankrupt despite their massive resource endowment. It informs managers of organizations to be adaptive as Burnes (1996) argues that for firms to attain superior performance, they have to continuously realign to the external environment otherwise they will be pushed out of business. The major question surrounding strategic management is to offer an explanation on why organizations differ in their output and performance while operating in the same business environment.

Performance of media houses in Kenya is vital as they contribute to both economic and social development in Kenya. Generally Kenyan firms have been posting negative results and the poor performance threatens investment. This is reflected in output, employee attitude and customer dissatisfaction. This research purpose is to examine the association between strategic management practices and performance of media industry in Kenya, in

the context of Standard Group Limited. Empirical and theoretical evidence supports the notion that adoption of sophisticated strategies results to improved organizational performance. However, most studies have not focused on the media industry. The media industry in Kenya plays a significant role in wealth creation and employment, income distribution, accumulation of technological capabilities.

International practitioners and scholars have studied the relationship between strategic management practices and performance, according to Julian (2008) who examined organisation characteristics, the industry characteristics, the firms export marketing strategy and the impact of innovation, on performance of export marketing. The researcher used individual product/market export venture as the unit of analysis. A mail survey of 315 Austrian firms that operated an export business was administered. The investigation proved that innovation as a strategic tool, when utilized by a firm for branding and packaging of the firm's products and further to give the firm competitive advantage in the market it played a major role on the firm's overall performance. Export marketing strategy and firm-specific characteristics also contributed greatly on the firms export performance.

Miles and Snow (2006), concluded that strategic management practices are a significant influence on organizational performance. They did their study in the United Kingdom and investigated public organizations.

The results showed that what is contained in a firm's strategy are basically the total sum of day to day management practices and functions of that public organization. The study proceeded to investigate in different years the strategic management practices of public

organisations while using larger samples. The study revealed, an organisations management shapes the overall performance and especially when strategic management practices are employed at the different organisational structure levels and executed well.

In the local context Njeru (2015) undertook a study to investigate strategic management practices and performance of top one hundred SMEs in Kenya. The study used primary data and secondary data sources. The 2014 top one hundred small and medium sized enterprises constituted the studies population and descriptive design was employed. The study revealed that top one hundred SMEs were practicing strategic management practices from planning stages of situational analysis, to strategy formulation, strategy implementation, evaluation and strategy control. The companies had well written mission and vision statements and focussed on the strategic management process. The researcher concluded that adoption of strategic management practices has a direct influence on organization performance. The study further generalised the recommendations to all firms, that strategists of all organizations to ensure the strategic management process is inclusive at all levels, from the lower level employees to top management.

Many researchers have studied the association that exists between strategic management practices and the overall performance in different companies. However, with a focus on the media industry, more research needs to be done to show that strategic management influence organizational performance and it is still to be determined whether there are any other determining strategic issues that might affect this alignment.

Mutahi (2010) focussed on the implementation of diversification strategy at the Standard Group Limited. The study found that the group adopts diversification strategies to

maximize profits and compete effectively in the media market. The researcher recommend that the organization should also incorporate diversification in its business operations through use of technological advancements and other aspects such as innovation and benchmarking strategies to realize full benefits of diversification. Indeed, the researcher recommended further research on the effectiveness of strategy implementation in media industry. It is on this basis that this study examined how strategic management practices used by Standard Group Limited influence performance?

1.3 Research Objectives

This main objective of this study was to examine the influence of strategic management practices on performance of Standard Group Limited.

1.4 Value of the Study

This study is expected to make significant contributions to the theory building by affirming or refuting current theories. In the Kenyan context, most companies have been reporting dismal performance. This trend more often reverses when strategic management is practiced with some firms regenerating into productive entities. This research will generate information that would be useful to strategists and managers. The research will make a significant contribution to the top management of The Standard Group Limited as it will establish the effectiveness of their strategic management practice on performance.

This information may further help them formulate appropriate considered strategies that will enhance the firm's performance. The study will also serve as a benchmark for other industry players as the results will be generalised beyond The Standard Group. In

particular where employees perform dismally and they desire improvement in performance and productivity. They will benefit as the study will serve as a reference point to identify the best strategic management practice to adopt to remain competitive and accelerate sustainable performance.

The study will provide additional insight to scholars and future researchers in the area of the study as it will help in the identification of research gaps. The findings will assist the policy makers to come up with recommendations aimed at enhancing firm growth within the media industry. This will enable decision makers formulate appropriate policies to enhance performance of their organizations.

This empirical investigation will add value to the theory applicable to this study by improving the works of previous researchers by studying in detail strategic management practices and the variables that influence performance of organisations in the context of Standard Group Limited. The study will help the researcher establish and elaborate constructs and their connection, advance and confirm propositions, and embed constructs within a larger set of associations.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter introduces works of scholars from previous studies that have conducted on strategic management practices and performance. It reviews existing literature with a view of building a body of knowledge relevant to this research work. The investigation analyzes various views raised by different authors in relation to the purpose of the study. First, the theoretical underpinnings of the investigation are presented and discussed. This is then followed by review of empirical literature along the hypothesized relationships. This brings in to the fore the state of knowledge and extant gaps in knowledge that the study will address.

The chapter further reviews the existing empirical studies on the same subject for comparison with the current study. The review assists in drawing information about strategic management practices and organizations performance from various scholars who have explored and researched on the topic. This will be from secondary sources of information such as research project done previously, journals, textbooks, internet and articles. The chapter will also include strategic management theories and different schools of thoughts with special reference on strategic management practices and organization performance.

2.2 Theoretical Perspectives

A theory can be described as a set of similar concepts, which yield a logical view of phenomena for explanation or prediction of phenomena. According to China and Kramer (1999), a theory is a creative and rigorous structuring of ideas, an expression of

knowledge that project a tentative, systematic and purposeful perception of phenomena. A theoretical framework shows particular constructs through which we explore a topic. It supports the proposed study by demonstrating the known relationships among variables and setting the study's limits or boundaries. This study will be anchored on two theories namely, Mckinsey 7S Framework and the Resource Based Theory.

The investigation trusts that these frameworks give the premise to understanding the connection between strategic management practices and organizational performance. Strategists have been using the RBV theory to explain the lasting inter-firm performance differences (Barney & Griffin, 1992).

The theory supports that companies have a number of unique operational resources and capabilities, of great worth, non-substitutable, and which gives the firm a sustainable competitive advantage. Strategists can implement the framework in a broader scope of business situations where management wants to align perspective and processes, for example, in assisting senior managers to better organizational performance, study within the firm, the expected effects of future changes, arrange processes and departments of the firm when undergoing mergers or acquisition and further determine the profitable way management can implement a proposed action plan. The business alignment issues apply to all firms regardless of how you decide to define the scope of the areas you want to investigate.

2.2.1 Resource Based View

The RBV is a tool used by the management to assess the amount of strategic assets owned by the business. Resource based theory was propounded by Wernerfelt (1984) to

build on the perception that a firm's strategy and the resources held complement each other towards attainment of the organisation's objectives. It argues that the chances of success by a firm will be higher if it exhibits the best and most suitable set of resources necessary for its operations. Therefore strategic management practices will depend on firm's resources. The theory describes a firm in terms of resources exhibited.

The term resource is often limited to those characteristics that amplify a firm's effectiveness and efficiency (Wernerfelt, 1984). The theory's implication to the study is that strategic management practices of different firms in the media industry will depend on the resources the firm has which more often than not is affected by company size, legal formation and industry. Consequently, a firm's performance will depend on the strategic management practices adopted. Barney (1991) argues that resources owned by a firm are the major performance determinants, which ideally contribute to the firm's sustainable competitive advantage.

It can therefore be argued that a strong association exists between the resource base view and firm's performance especially towards the attainment of a sustainable competitive advantage (SCA). Furthermore, Porter's industrial analysis can be used to support the resource-based view (Wright, Pray, Lado, & Kroll, 1995). The resource-based view allows firms to exploit their resources, which create more firm value. The key principle of the resource based theory is that the organization's sustainable competitive advantage fundamentally arises from proper utilization of firm's strategic and valuable resources Wernerfelt (1984).

The resource-based view is vital since firms' cannot ignore their internal operations. Even though, there has been controversies associated with resource based view and its applicability many still believe that it is conceptualized rather than giving an empirical evidence therefore there is need to dwell on understanding how to clarify the remnant in the field. Fahy (2015). The theory has raised numerous discussions, one of which was on the year 2014 during Academy of Management Review. An almost exhaustive interrogation was done by Buttler and Priem (2001) and his fellow counterpart Barney (2001) who rigorously debated the importance of the theory, and its suitability on attaining competitive advantage.

2.2.2 McKinsey 7S Framework

Waterman and Peters advanced this model of organizational effectiveness in (1980s) when they worked at the McKinsey & Company as consultants. This model was based on the assertion that there exist seven internal organizational aspects that need to be streamlined for success to be realized namely, structure, strategy, system, style, staff, skills, shared values. The 7-S model is applicable in diverse scenarios where business processes sequencing is instrumental for instance to assist a strategist, grow the company's performance, align processes and departments during acquisition and merger, foresee the implications of future company changes and decide on the best criteria to implement a proposed strategy.

The framework is applied as a strategic planning tool by strategists to show how seemingly disparate aspects of an organization are, in fact, interrelated and reliant upon one another to best achieve overall success. According to the framework master plan,

structure and firm systems are hard elements, whereas skills, style, shared values, and staffs are referred as soft elements. In which hard elements focus on matters an organization can influence directly while the soft elements are seen in a firm in a more abstract way and can be found in the companies culture. Put together these elements can predict the direction in which a company will go.

The premise of the model is that, for excellent organizational performance to be realized, seven elements must be mutually aligned and reinforced. The model can be used to establish the elements that should be realigned to improve and maintain good performances. This model argues that successful strategy implementation involves focussing on seven key elements. The model's preposition is that effective organizational structure is a prerequisite for successful strategy implementation. This framework guides managers on implementation of strategies.

2.3 Strategic Management Practices and Organizational Performance

Heugens (2003) explored the effect on strategic management activities on organizational performances. This was done by observing the strategic activities of two food firms in Netherlands, at the initial stages of genetically altered ingredients. It is reported by the author that during implementation of strategic management activities, firms are significantly exposed to political and societal predicaments, which have a positive impact on the organizational performance variables. The study was limited since it only focussed in food industry.

Muogho (2013) studied the influence of strategic management practices on the development and growth of an organisation among selected Anambra state manufacturing

companies. The findings revealed that most manufacturing firms failed to apply strategic management, that the firm's competitiveness was significantly influenced by strategic management, that performance of the employees was affected by strategic management, that organizational productivity of the firms had increased magnificently due to strategic management and that manufacturing firms' structural development has been improved by strategic management. The conclusions drawn from the study indicated that though most manufacturing firms in Anambra State did not engage in strategic management, it was definitely a tool for improving performance, structural development and the competitiveness of most manufacturing Anambra State firms in Nigeria.

Studies by Yunus (2010) explored strategic management practice and corporate performance among small businesses in Lagos metropolis. It was established from the study that strategic management influenced the small enterprises' market share. A positive association was further established between strategic management and the profitability of the organisation. The study however recommended the need for more appropriate strategic situation, strategic planners, choices and strategic analysis for realization of more strategic gain.

An investigation by Njanja (2009) explored the management strategies influencing performance of Kenya's SMEs. The findings revealed that globalisation and other business related factors including incentives, policy and regulation issues and infrastructure had a significant influence on management systems, structures and other related firm internal factors. However, the study failed to demonstrate the association between management practices and performance, which was its major objective.

Otieno (2013) employed descriptive statistics to examine strategic issue management practices by SMEs in Mombasa County. Questionnaires were used for purposes of data collection. The findings revealed that the most used performance indicator by SMEs was profitability, preceded by market share, liquidity and innovation respectively. Furthermore, most organizations linked strategic issue management to thriving of the organization in future which affirms that Mombasa County's SMEs were conversant of the contribution of strategic issue management towards attainment of organizational goals. The study also found that environmental as well as managerial factors influenced strategic issue management practices by SMEs in Mombasa County.

Several investigations linked to strategic management and performance have been carried out within the Kenyan context and internationally but little has been shown on strategic management practices and performance of media industry in Kenya, media is also a key player in social and economic development of the country. Focus of this research will be to consider the strategic management practices.

2.4 Empirical Studies and Knowledge Gaps

Forest and Kinser (2007), argues that a notable amount of investigations in strategy were focusing on the scope of the organization and its performance indications. It is good to note that, strategic management broadly will answer the questions of why some firms succeed while others fail and in most cases, it can cover causes for a firm's success or failure. In the past works of previous scholars they have demonstrated that strategic management practices about determining on strategy and planning on how that plan of action is to be implemented in the organization. One can look at it as having three major

components within it: the first one is strategic choice stage that is concerned with formulation of options of action, and then there is assessment and the choice between them.

Recent research empirical proof shows that, organizations that exercise strategic planning out-perform those that do not plan. Building on the work of Dorling, Scott and Deakins (2006) using Porter's in 1980s five-force model of competition they the close association between industry environment and organizational performance. Their findings reinforced the concept that as the power of five forces increases; it tends to restrain the ability of firms to grow profitably. In examining the relationship between a firm's resources and strategy, Benedetto and Song (2003) have argued that different types of action plans can be linked to diverse sets of organizational resource and capabilities. In some cases certain sets of a company's resources will be more important in relation to the type of strategy adopted.

Taiwo and Idunnu (2010) did a study on the First Bank of Nigeria; the investigation was to determine effects of strategic planning on organization's performance. The research assessed the link between planning and performance in an organization and the degree to which strategic planning can affect organizational performance. The study findings showed that organizational planning improves performance, which if sustained impacts its survival. Bakar et al., (2011) researched on the strategic management practice in media companies in Malaysia. The limitation of Baker et al (2011) is context in that it was studied in the Malaysia and the findings cannot be generalized due to lack of sufficient similar findings in a sufficient number of studies. This will provide information

than can contribute towards generalization of the findings in Kenya. The study did not consider performance as a key variable and hence a gap which the present study seeks to bridge

Sifuna (2016) studied strategic management and performance of Kenya Commercial Bank; the researcher reported that cost leadership, market focus and differentiation had a notable effect on the organization performance. The study proposed that a similar study be carried out on other organizations. The study is limited due to differences in sector and institutional context. The knowledge gap that exists and this study seeks to address is strategic management practices in the context of Standard Group Limited and the influence of these practices on its performance. No research investigating strategic management practices and performance of Standard Group Limited has been done and this study will provide this knowledge.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

Research methodology defines the techniques or specific approach used to pinpoint, determine, process, and analyse material and or information about a study. The methodology section permits anyone reading the study to critically assess a study's validity and reliability. Kothari (2004) observes that research methodology describes in detail the logic that is behind the methods used in the perspective of the research and it explains why researchers are using specific methods or techniques to ensure findings have the ability to be evaluated by the researcher or any other person.

The chapter discusses various sections of the methodology adopted in this study with the aim of achieving the set objectives for effective interpretation of research findings. The chapter has discussed the research design, target population, sampling technique, data collection and data analysis.

3.2 Research Design

This study is a case study aimed at exploring the strategic management practices of The Standard Group Limited as well as their influence on overall organizational performance. The approach is considered appropriate for carrying out of the required comprehensive and in-depth study of the organization to understand the actual practices and influences of strategic management on performance through participant observation.

The design is appropriate since a full background analysis of few events or conditions and their inter-relations that exist within the subject organization was desired (Cooper &

Schindler, 2006) the approach sought to explain rather than give a prediction of the outcome of the study. The results are expected to provide an insight to understand how companies should measure the impact of strategies on performance as they strive to achieve their objectives.

Further, a case study design is preferred because the aim of the study is to carry out a detailed investigation of Standard Group Limited in its entirety, paying particular attention to facts. This in turn allows for an objective study of events and the identification of critical relationships. Previous studies that had applied this method included Ongonge (2013), Ong'ayo (2012) and Onyango (2012).

3.3 Target Population

The target population comprises all managers and directors working at Standard Group in Nairobi County. There are about four branch offices in Nairobi County with an estimated population of 300 managers and directors representing the organization at different levels.

3.4 Sample Size

This study used purposive sampling technique in selecting managers and directors of Standard Group. Purposive sampling technique was used in this study because it allows the researcher to select only respondents with crucial information on the study topic. In this case, managers and directors are better placed in providing information on strategic management practices and its impact of performance of their company.

In selecting the sample size, this study utilizes sample determination table developed by Kotrlik and Higgins (2001). Therefore, the study selected 123 respondents out of the total estimated population of 300 managers and directors.

3.5 Data Collection

The research tools to be used for collecting data from the top management include scheduled interviews, face-to-face discussions. The research tools above are suggested due to the following reasons: - Interview schedule were used to collect data from 5 top management officers pertaining to historical account, achievements, strategic management practices in application, an account on failures, difficulties, area of future research, areas for more training and development, difference in performance, strategic management practices and strategies for improving performance.

The study explored and analyse the company's growth and history since the future performance of the organization is greatly affected by its past. The study will take a qualitative approach by collecting secondary and primary data using semi- structured questionnaire, which comprises of closed ended questions on a scale of not at all (1) - to a very large extent (5). The study also collected qualitative data using open ended questions. In this regard, structured interviews conducted on the following respondents: the CEO, Group Finance Director, Marketing Director, Operations Director, Strategy and Business Development Director, Commercial Director,

Questionnaire consisted of two sections, the first on background information and section two on strategic management practices as shown in Appendix II. Secondary data was obtained relating to organization performance. Organization performance data obtained

related to financial performance (profitability) and non-financial performance, which was measured, by the market share, perception of the company and quality of products. Financial performance data was obtained from published sources including Standard Group financial statements.

3.6 Data Analysis

This study analysed both quantitative and qualitative data. Data that was extracted from the questionnaire were entered into excel and exported SPSS for analysis. Descriptive statistics was used to analyse the data and this enabled the researcher to describe and compare variables in numeric way. Narrative summary of the questionnaires were made including percentages, means and standard deviation. The quantitative data in this study was used to analyse data that is numerical in nature and this involved coding and entering data into computer to produce figures and tables while qualitative data were systematically examined and analysed based on themes.

A content analyse was used to analyse qualitative data. Many researchers tend to quantify and analyse presence and meaning as well as close relationship of words and concepts, which at the end make inferences about certain elements of a study. The technique can be used to make replicable and valid inferences by interpreting and coding textual material.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

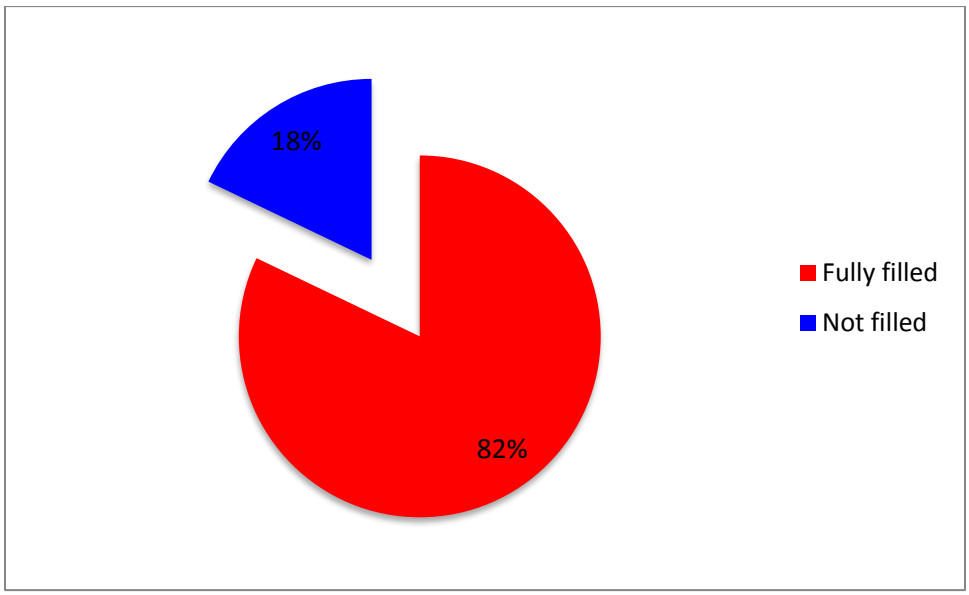
4.1 Introduction

This section has discussed summary of findings, conclusions and recommendations based on the objective of the study, which is to examine the link between strategic management practices and performance of Standard Group Limited.

4.2 Response Rate

The study distributed and administered a total of 123 questionnaires to managers and the directors of Standard Group in Kenya. At the end of data collection, 101 (82%) of the 123 questionnaires were returned fully filled as required. Only 22 (18%) were returned unfilled making the researcher to discard after recording. Therefore the researcher considered a response rate of 82% adequate for analysis. The good response rate can be attributed to sustained effort by the researcher to monitor data collection process and clear and simple questions.

Figure 4.1: Response Rate



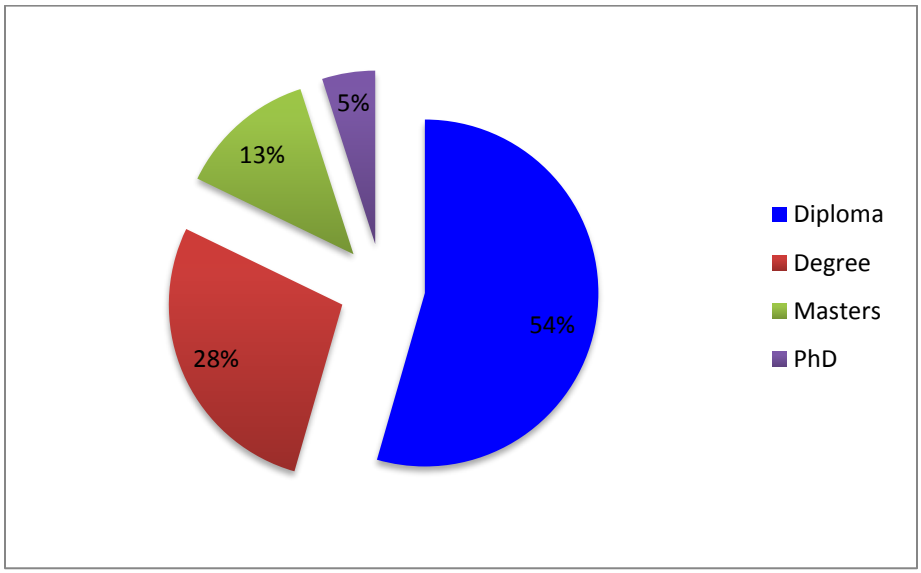
Source: Primary Data

4.3 General Information

4.3.1 Highest Level of Education

Figure 4.2 presents a breakdown of respondent's highest level of education. It shows majority 54% had bachelors degree followed by 28% with masters. While 18% of the respondents had diploma, 5% had PhDs and this means all the respondents had the ability to respond to the research questions without difficulties.

Figure 4.2: Highest Level of Education



Source: Primary Data

4.3.2 Working Experience of Respondents in the Organization

In terms of the years, respondents had worked in the organization; a majority 51% had worked for between 11-15 years while 24% worked for 6-10 years. Some of the respondents had worked at Standard Group for 16-20 years (10%), 21 and above (9%)

and 0-5 years (6%). It is clear from the findings that managers and directors had stayed for long in the company and hence are deemed fit to provide the required information on how strategic management practices influences performance.

Table 4.1: Work Experience with the Organization

	Frequency	Percentage
0.5 Yrs	6	6%
6-10 Yrs	24	24%
11-15 Yrs	52	51%
16-20 Yrs	10	10%
21 and above	9	9%
	101	100%

Source: Primary Data

4.3.3 New Products/Services Introduced in the Last Five Years

This section investigated whether the company had introduced new products and services in the last five years. As shown in table 4.2, a majority 60% indicated the company had introduced more 10 products and services. In addition, some of the respondents were in agreement that the firm introduced 6(18%) and 3(9%). This means strategic development of goods and services is an important business activity for Standard Group.

Table 4.2: Introduction of New Products and Services in the Last Five Years

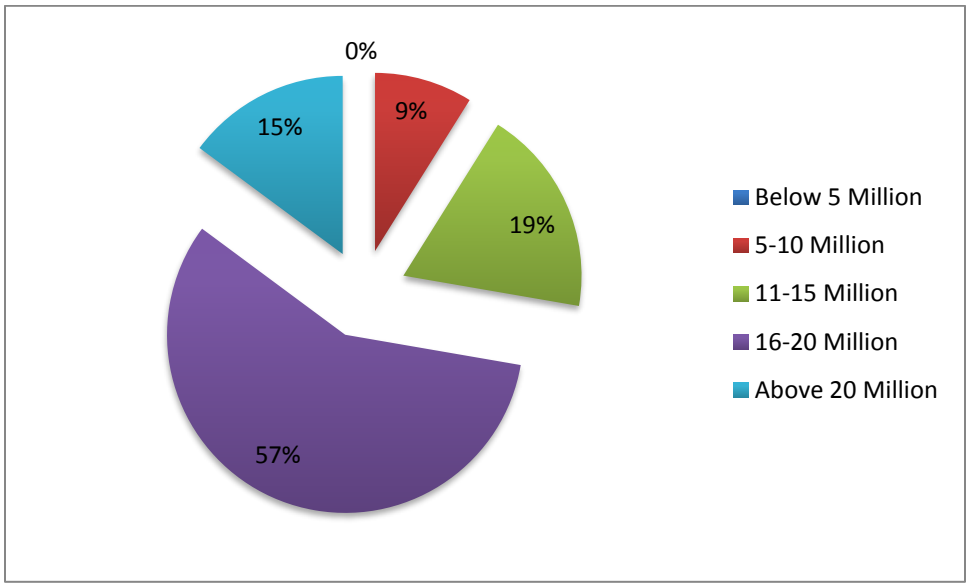
	Frequency	**Percentage**
None	3	3%
3	9	9%
6	18	18%
9	10	10%
10+	61	60%
	101	100%

Source: Primary Data

4.3.4 Amount Spend on Research and Development (R&D) in the Last Three Years

In the last three years, Standard Group had invested large sums of money on Research and Development (R&D). As shown in table 4.3, respondents were in agreement that the company had spent between 16-20 million in R&D in the last three years. Other respondents had a contrary view on the expenditures on R & D. As shown in table 4.3 the firm had spend 11-15 million (19%), 20 and above million (15%) and 5-10 million (9%) and this high expenditure on R&D is an indication of the firm's efforts on strategic innovation that seeks to enhance productivity.

Table 4.3: Expenditure on R & D in the Past Threes Years



Source: Primary Data

4.4 Strategic Management Practices

Table 4.4 presents a breakdown of strategic management practice adopted by the firm in enhancing its performance. It shows that overwhelming majority of the respondents

indicated that to a larger extent of Standard Group had strategic plan to guide operational performance of the organization. However, 10% to a small extent agreed that the company have the plan. The findings show that the strategic plan had a mean average of 3.66 and a standard deviation of 1.47 and this suggests that having a plan enhances performance of the organization.

As shown in table 4.4, majority 54% of the respondents indicated moderate extent on whether the company was very creative in its approaches to operations. Additionally, 16% and 13% of the respondents stated high extent and very high extent respectively and descriptive results shows creativity had an average mean of 3.69 and standard deviation of 1.55. On whether Standard Group allocates adequate resource to improve innovation, most of the respondents were in agreement as demonstrated by 61% who favoured high extent and 17% who stated very high extent. On the contrary, only 2% and 4% indicated not at all and small extent respectively. The descriptive findings show resource allocation had an average mean of 3.28 and standard deviation of 1.46 (see table 4.4).

The study findings shows that Standard Group developed new programs and service regularly and this allows them increase its competitive advantage. As shown in table 4.4, although 9% of the respondents indicated not all and 24% favoured small extent, majority of them believed the company often come sup with new programs aimed at improving productivity.

Regarding organizations adoption of technology, a majority 77% (30% high extent and 47% very high extent) indicated the organization often adopts the latest technology in the

market. This means the organizational performances are improved as production and customer service are enhanced.

Majority 46% of the respondents suggested that the organization does not undertake regular process improvement some indicated to a small extent, the organization does process improvement with 18% stating to a very large extent and 9% high extent. The average mean is 3.24 and standard deviation 1.64. However, this means the organization is unable to deliver business through creation of sustainable framework for performance improvement.

In terms of speed to which the organization adopts new processes a majority indicated moderate extent, and 23% each high and very high extent. The average mean is 3.77 and standard deviation is 1.49.

Table 4.4: Strategic Management Practices

Descriptive statements	**Not at all**	**Small extent**	**Moderate extent**	**High extent**	**Very high extent**	**Mean**	**Standard Deviation**	**Coefficient of variation**
The company has a strategic plan	0%	15%	10%	54%	21%	3.66	1.47	40%
The company is creative in its methods of operation	10%	7%	54%	16%	13%	3.69	1.55	42%
The company allocates adequate funds for innovation yearly	2%	4%	16%	61%	17%	3.28	1.46	44%
The company develops new programs and services regularly	9%	24%	0%	19%	48%	3.59	1.49	41%
The company's technology is among the latest in the market	3%	8%	12%	30%	47%	3.19	1.61	50%
The company carries out frequent process improvements	46%	24%	3%	9%	18%	3.24	1.64	51%
Speed of adoption of new processes is fast	0%	8%	46%	23%	23%	3.77	1.49	39%

Source: Primary Data

Respondents were asked to state whether at strategy formulation, Standard Group conducts an assessment of all its resources: physical, financial and human, majority 67% of the respondents indicated very high extent and 26% high extent but some 7% indicated to a moderate extent. This means by carrying out early assessment, the organization is able to identify areas and improved performance.

The study also found that the company identifies its competitors and determine reasons for organizational success and this is considered at strategy formulation level. For example, as shown in table 5, 56% stated moderate extent, and one-third indicated to a greater extent. With an average mean of 3.68 and standard deviation of 143, we can observe that there is some evidence to support impact of strategic management practice on organizational performance.

As shown in table 4.5, about two-third of the respondents were in agreement that Standard Group's strategic behaviour are in line with organizational development and these are incorporated in strategy formulations. Only 27% of the respondents indicated to a greater extent. Elsewhere, 66% of the respondents suggested to a greater extent on the notion that Standard Group allocates more resources to strategy formulation (see table 4.5). Moreover most of the respondents agreed that there are motivational systems in place to ensure successfully implementation of strategies in the organization.

Most of the respondents suggested to a moderate extent on whether the organization had monitoring, evaluation and control system during implementation of strategies (see table 4.5). A greater of the respondents indicated very high extent with 18% stating high extent. Overall, Standard Group monitors, evaluates and controls fairly well its strategy implementation and this becomes very essential in improving its performance.

Nearly all the respondents were in agreement that the organization reviews its strategic management practices in order to enhance performance (table 4.5) only 3% of the respondents were to some extent moderate. In terms of defining and measuring performance targets for each strategic management plan, majority 70% indicated to very high extend and 22% stated high extent. As shown in table 5 few respondents believed the organization didn't at all have defined and measureable performance targets. In this case, the organization is able to understand non-performing sectors and hence undertake early intervention.

Table 4.5: Developing Strategies

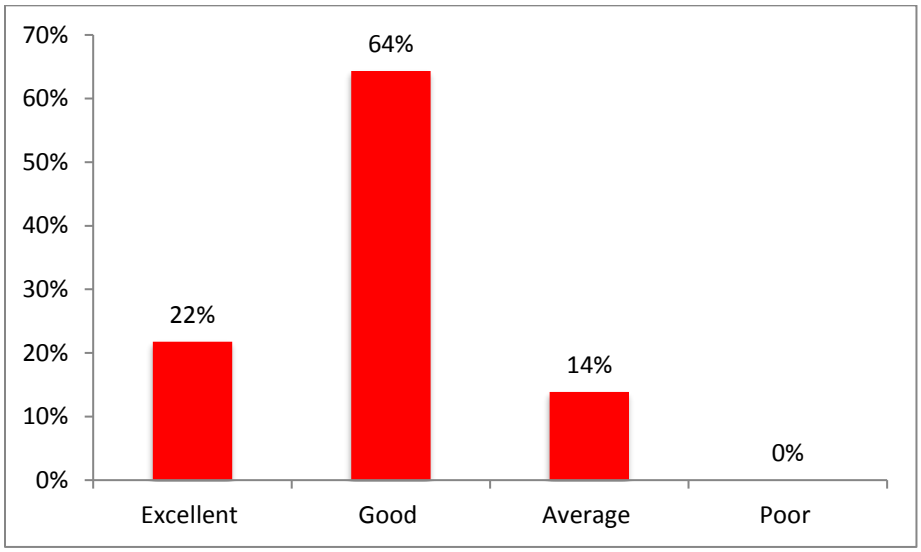
Descriptive statements	**Not at all**	**Small extent**	**Moderate extent**	**High extent**	**Very high extent**	**Mean**	**Standard Deviation**	**Coefficient of variation**
In strategy formulation, assessments of all resources at Standard Group (i.e. physical, financial, and human resources) are assessed	0%	0%	7%	26%	67%	3.72	1.58	42%
The company identifies competitors and determines the reasons for success of competitors and considers this in strategy formulation.	3%	8%	56%	19%	14%	3.68	1.43	38%
Standard Media Group's strategic behaviour and choice agrees with environmental development and are incorporated during strategy formulation	0%	9%	27%	30%	34%	3.77	1.56	41%
The firm is keen on implementation of strategy in ways that improves performance	0%	3%	13%	36%	48%	3.92	1.72	43%
Our organization have adequate resources allocated to implementation of strategies	12%	9%	66%	9%	4%	3.55	1.43	40%
The organization have strong motivational systems that ensure success of strategy implementation	8%	11 %	0%	51%	30%	3.61	1.67	46%
We have strong monitoring, evaluation and control system of strategy implementation	0%	0%	57%	18%	25%	3.99	1.75	43%
The company review strategic management practices decisions	0%	0%	3%	40%	57%	3.81	1.43	37%
Our firm has put in place clearly defined and measureable performance target for every strategy employed	3%	5%	0%	22%	70%	3.79	1.44	37%

Source: Primary Data

4.5 Financial Performance of the Firm Last Five Years

When respondents were asked to rate organizations performance of the organization in the last five years, a majority (64%) of them appraised it as good while 22% rated it excellent. Moreover 14% were in favour of average and this shows the organization's performance improved in the last five years. Additionally, we can acknowledge that Standard Group is able to generate profits and can analyse security on investment, shareholders and investors.

Figure 4.3: Financial Performance in Terms of Profitability in Last Five Years

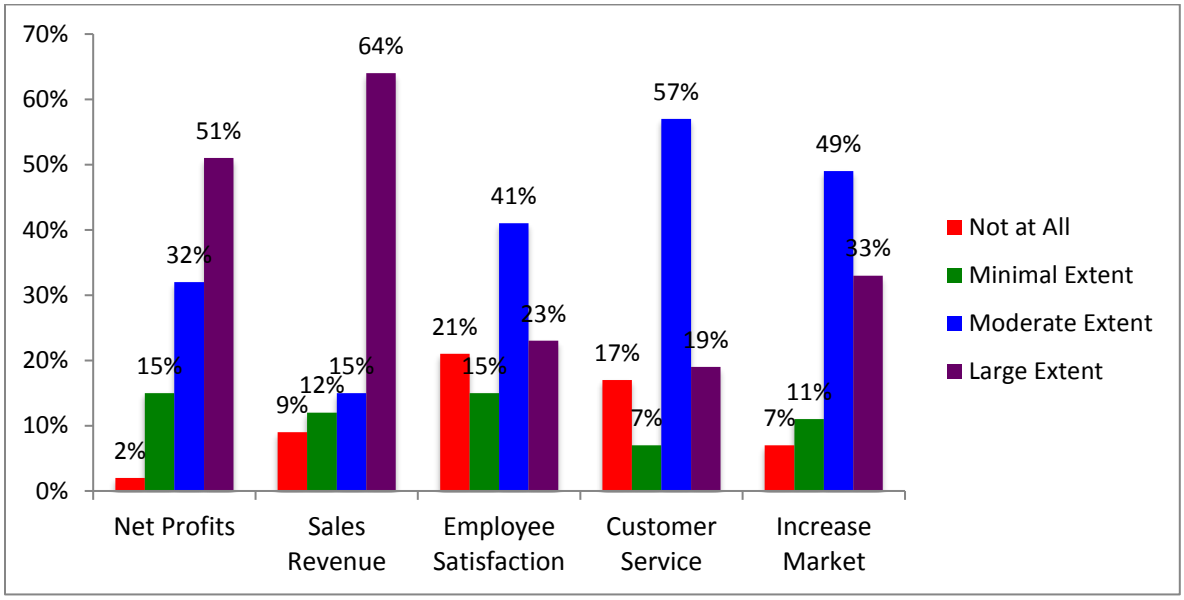


4.6 Overall Outlook of the Firm in the Last Five Years

In terms of overall outlook of the firm, the study used five elements to measure performance of Standard Group in the last five years (see figure 4.4). The respondents to a larger extent rated the performance of the organization on profit and sales revenue high. Some employee satisfaction (41%), customer (57%) and increased market share (49%)

were rated as moderate extent. The results show that 21% of the respondents believe that the firm had not at all performed fairly well in terms of employee satisfaction.

Figure 4.4: Overall Outlook of the Organization in the Last Five Years



4.7 Results of Regression

4.7.1 Model Summary

Table 4.6 presents data for R, R^2, Adj. R^2 and Standard Error of the estimate and these are used to determine fitness of the regression model to the data. The findings show R Square is 0.783, which explains 78.3% of the variability of the data.

Table 4.6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.826[a]	0.783	0.752	3.783
a. Predictors: (Constant), Strategic Management Practices				
b. Dependent Variable: Performance				

4.7.2 ANOVA

Table 4.7 shows output of ANOVA analysis and if there is statistical significance between the group means. The findings show that significance value is 0.001 (p-value = 0.001), which is below 0.05 and the results illustrates that there is significant statistical difference in the mean effect to enhance performance.

Table 4.7: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.381	1	3.482	3.481	.001[b]
	Residual	17.595	45	0.529		
	Total	28.976				
a. Dependent Variable: Performance						
b. Predictors: (Constant), Strategic management practices						

4.7.3 Coefficient

This section presents findings of coefficient in the strategic management practices and its performance effects. As shown in table 4.8, the findings shows the unstandardized coefficient B, for strategic management practices is 0.821 meaning for one year increase in strategic management practice, at Standard Group, there is increase in operational and overall performance of 0.821.

Table 4.8: Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	t	0	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	16.673	0.342		4.032	0.000	3.752	4.742
	ICT adoption	0.821	0.267	0.044	1.986	0.001	0.624	0.276
a. Dependent Variable: Performance								

4.8 Discussion of Findings

This study examined the link between strategic management practices and performance of standard group. The study findings are in agreement with previous studies which found that strategic management practices enables affirm to understand its strategic position in the market and allows organization identify how to make strategic decision (Johnson et al, 2008). The study findings show that Standard Group Limited is very creative in its methods of operation and often allocates adequate financial resource for innovation yearly.

In fact the organization's technology is among the latest in the market. Nearly all of the respondents were in agreement that the organization does regular assessment of all resources and the organization is able to identify competitors and considers them during strategic formulation. Additionally, it is clear from the findings that Standard Group is proactive in developing new products, enhancing processes, increasing market share and utilizing technology. The findings are in line with observations by McWilliams and Siegel (2011) who regard organizational performance as channel of product differentiation and customers prefer product attributes, which matches their taste.

Majority of the respondents indicated that the organization was keen to implement a strategy that enhances performances. The organization does so through allocation of resources mainly at implementation. According to the respondents, the staff are motivated in working towards success of the strategy implementation over 90% of the respondents observed that the organization tend to review its strategic management practice decisions.

The above findings agree with a study by Hesterly (2006) who found that strategic management practices help in achieving specific organizational needs. It incorporates mission and visions of the organization, environmental analysis selecting objectives and all analysis of strategic choices (Porter, 2008).

The findings from this study demonstrate the important function of strategic management practices as a determinant of performance. The existence of strategic thinking and strategic formalization affects adoption of individual employee working schedules and overall performance management. This can be interpreted to mean that the firm that invests more in defining clearly what goals to pursue may be more willing and able to steadily define performance measures: enhancing behaviours should be identified and rewarded at same time. The firms may be willing to invest in development of the right skills and knowledge required for the employees by training them on programs that are aligned with strategic objectives**.**

CHAPTER FIVE, SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This section discusses summary of key findings, conclusion and recommendations as guided by the objective. This has been discussed in detail in the following sections.

5.2 Summary

This study sought to examine the influence of strategic management practices on performance of standard group in Kenya. The findings presented in the study are based on an analysis of 101 (82%) questionnaire, which were collected after data collections.

On the highest level of education majority of the respondents had diploma (54%) and a degree (28%). Most of these respondents had worked in the company for over 10 years meaning they were able to provide the required information based on their knowledge of their organization. Most at times, standard group is able to introduce 9 or more new products in a five-year term. This can make the organization become competitive in the market.

The findings shows, Standard Group limited had, for the last three years, spend over 16 million on Research and Development (R&D). Consequently this investment in R & D demonstrates the organizations commitment to improve quality of products and update its existing technologies. Over 70% of the respondents believe the organization has a strategic plan which guides the implementation of activities.

Performance of standard group had improved through its innovativeness as they allocate more resources. In order to take advantage of the emerging trends, the organization uses modern technology where majority say the adoption of new processes is done faster. Majority 70% of the respondents suggested that in strategy formulation the organization assesse all its resources including financial and human resources. According to 56% of the respondents, the organization fairly identifies its competitors and is able to respond or intervene where necessary.

Majority of the respondents observed that the organization's strategic behaviour and choices are in line with environmental developments and hence is often incorporated at strategy formulation. By allocating more resources, the organization is able to increase production and enhance customer service resulting to high performance. Overall, in the last five years the organization had increased its profit. This has seen increase in net profits, sales revenue and market shares.

5.3 Conclusion

Based on the findings presented in the above section, this study concludes that strategic management practices that can help enhance performance are important for the organization. Therefore organization should ensure they develop the right strategies and implementation framework.

Standard group increase its innovation through increased investment on research and development. Organizations should understand effects of social, environmental and political charges on the growth and performance of the organizations. Organization

identifies, develops and implements strategic management practices that are suitable for local and international markets

5.4 Recommendations

This study has examined strategic management practices and performance of Standard Group in Nairobi. It recommends that the organization should improve its process improvement in order to enhance performance. In addition, the study recommends that there is need for organizations to increase resource allocation in sectors that are likely to increase production. Lastly but no least, future studies can examine strategic management practices in other sectors for comparative purposes.

REFERENCES

Alexander, L. D. (1985). Successfully implementing strategic decisions. *Long Range Planning,* 18(3), 91-97.

Ansoff, H. I. (1987). *Corporate strategy.* New York: McGraw Hill.

Aosa, E, (1992). An empirical investigation of aspects of strategy formulation and implementation within large private manufacturing companies in Kenya. *Unpublished PhD Thesis,* University of Strathchide, Glasgow- Scotland.

Barney, J. (1991). Firm resources and sustainable competitive advantage. *Journal of Management,* 17(1), 80-91.

Chandler, A. (1962). *Strategy and Structure: Chapters in the History of Industrial Enterprise.* New York: Doubleday.

Chandler, A.D. (1962). *Strategy and Structure: Chapters in the History of the American Industrial Enterprises.* Cambridge: Cambridge MIT Press

Code of Conduct for the Practice of Journalism in Kenya. Retrieved from http://www.mediacouncil.or.ke/en/mck/index.php/publications/codeofconduct

Deming, W. E. (1960). *Sample Design in Business Research.* New York: John Wiley & Sons. Inc.,

Drucker, F. (1974). *Management Tasks, Responsibilities and Practices*. New York: Harper and Row.

Drucker, P. (1985). *Innovation and Entrepreneurship.* Butterworth-Heinemann: Oxford Economy. MIT Sloan Management Review, Spring.

Johnson, G. & Scholes, K. (1999). *Exploring Corporate Strategy: Text Cases*, 5th ed. New York: Prentice Hall, NJ.

Johnson, G. & Scholes, K. (2002). *Exploring Corporate Strategy: Text Cases*, 6th ed. New York: Prentice Hall, NJ.

Kothari C.R. (2004). *Research Methodology: Methods and Techniques.* New Age International Publishers. Revised Edition.

Mintzberg, H. (1994). *The Rise and Fall of Strategic Planning.* London: Prentice Hall International.

Mintzberg, H., Alhstrand, B. & Lampel, J. (1998). *Strategy Safari, a Guided Tour through the Wilds of Strategic Management.* London: Prentice Hall.

Mugenda, M., & Mugenda, G., (2003). *Research methods: Quantitative and qualitative approaches.* Nairobi: Acts Press.

Pearce A. & Robinson B., (2007). *Strategic Management.* London: McGraw Hill.

Pearce, A. & Robinson, B., (2007). *Strategic management: formulation, implementation and control.* Chicago, IL: Richard D. Irwin Inc.

Peter, D. F. (1995). *Managing in a Time of Great Change*. New York: Truman Talley Books.

Porter, M. E. (1998). What is strategy? business classics: 15 key concepts for managerial success. *Harvard Business Review*, 2(8), 74-91.

Waterman, R. H., Peters, T. J., & Phillips, J. R. (1980). Structure is not organization. Business Horizons, 23(3), 14-26.

Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic Management Journal,* 5(2), 171-178.

APPENDICES

Appendix I: Introduction Letter

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE.....

TO WHOM IT MAY CONCERN

The bearer of this letter .....MTIRA ROPHUS MBULA

Registration No.....D61/85539/2016.....

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
22 NOV 2018
P.O. Box 30197 - 00100, NAIROBI

PROF. JAMES M. NJIHIA
DEAN, SCHOOL OF BUSINESS

Appendix II: Research Questionnaire

Section One: General Information

1. Your position in the company?.....

2. Department? ……

3. Highest level of education

(a) Diploma ……. (b) Degree……..(c) Masters…… (d) PhD……

4. For how long have you worked in this organization?

0-5 Yrs [ ] 6-10 Yrs [ ] 11-15 Yrs [ ] 16-20 Yrs [ ] 21= Yrs [ ]

5. How long have you worked for Standard Group Limited?.....Years

6. Number of permanent employees at the company…….

Section Two: Strategic Management Practices

1. Please specify to what extent you agree with the following statements regarding the company's strategic management practices. Put a tick in the appropriate box with your choices.

Key:

1= Not at all; 2=Small extent; 3=Moderate extent; 4=High extent; 5=Very high extent

	Descriptive statements on strategic management practices	1	2	3	4	5
a	The company has a strategic plan					
b	The company is creative in its methods of operation					

c	The company allocates adequate funds for innovation yearly					
d	The firm regularly develops new programs and services					
e	The company's technology is among the latest in the market					
f	The company carries out frequent process improvements					
g	Speed in which the organization has adopted new processes is faster					
h	During strategy formulation, the firm assess all resources at Standard Group (physical, financial, and human resources) are assessed					
i	The ccompany is able to identify its competitors and determine the reasons for success of competitors and considers this in strategy formulation.					
j	Standard Group's strategic behavior and choices are in line with environmental developments and this is incorporated in strategy formulation					
k	Our firm is keen on implementing strategies in ways that can improve performance					
l	Adequate resources are allocated to strategy implementation					
m	There are motivational systems in place to ensure success of strategy implementation The firm have motivational systems that ensures success of strategy imple					
n	There is monitoring, evaluation and control of the implementation of strategy at Standard Group Limited					
o	The company review strategic management practices decisions					

p	The firm has clearly defined and measureable performance targets for every strategy adopted					

2. What would you say is the effect of strategic management practices on company's growth?

.....

.....

3. How many new products/services has the company introduced in the last five years?

None ( ) 1-3 ( ) 4-6 ( ) 7-9 ( ) 10 and above ( )

4. What is the effect of external environment on the company's capacity to innovate?

.....

.....

5. How much has the firm spend on Research and development in the last three years?

Below 5Million ( ) 5-10 Million ( ) 11-15 Million ( ) 16-20 Million above 20 ( )

6. To what extent does Standard Group Limited apply the following strategic management practices? Indicate your answer on a point 5 scale mark X on the applicable box where

1 = Not at all; 2 = Little Extent; 3 = Moderate Extent; 4 = Great Extent; 5 = Very great Extent

	Strategic Management Practices	1	2	3	4	5
1	Automation					
2	Benchmarking					
3	Alignment					
4	Budget control					
5	Change management					
6	Cost management					
7	Delegation					
8	Goal setting					
9	Innovation					
10	Integration					
11	Job rotation					
12	Knowledge management					
13	Leadership development					
14	Management by walking around					
15	Business process improvement					
16	Performance management					
17	Quality management					
18	Relationship management					
19	Strategic planning					
20	Team building					
21	Team culture					
22	Differentiation					
23	Balance score card					
24	Total quality management					
25	Roles and responsibilities					
26	Competitor analysis					

27	Acquisition and Merger					
28	Joint venture					
29	Diversification					
30	Segmentation					

7. Any other strategic management practice that Standard Group Limited applies?

.....

Organizational performance

1. Are you satisfied with the company's present sales?

.....

2. Do you think the current business strategy for Standard Group Ltd is reasonable? Is there anything that needs to be improved?

.....

3. Are the customers satisfied with Standard Group Ltd quality of goods and services?

.....

4. How do you deal with customer complaints?

.....

5. How have introduction of new products impacted on the sales of the organization?

.....

6. Looking at performance of your firm especially its profitability in the last 5 years, how can you rate?

Excellent [ ] Good [ ] Average [ ] Poor [ ]

7. In the table below, indicate the extent in which Standard Group Limited has grown for the last 5 years in the areas listed;

1=Not at all; 2=Minimal extent; 3=Moderate extent; 4=Large extent

Variable	Extent
Net profits	
Sales revenue	
Employee satisfaction	
Customer service	
Increased market share	

End - Thank you for taking time to fill this questionnaire