STRATEGIC MANAGEMENT AND FIRM GROWTH:

A STUDY OF BANKING, INSURANCE AND MOBILE NETWORK SERVICE FIRMS IN KENYA

BY

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DECLARATION

I declare that this research project is my original work and has not been submitted for examination for a degree in this or any other university.

Signed……………………………………………Date………………………………

RUTH KHATIEVI KULUNDU

D61/8835/2005

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

Signed……………………………………………Date…………………………………

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DEDICATION

To the Almighty God, who has been my strength and divine inspiration in everything I do.

To my family members for their inspiration, strength, and unconditional support.

ACKNOWLEDGEMENT

I wish to give thanks to the Almighty God for giving me the strength, grace, wisdom, and determination that enabled me to successfully complete my studies without any major interruption.

My sincere gratitude goes to my supervisor Prof. Martin Ogutu for his professional guidance, valuable advice and contribution that led to the successful completion of this project. I am so grateful for his reliability that enable me to consult with him severally to enhance the quality this project. I also acknowledge the support of my fellow Master of Business Administration (MBA) classmates who contributed either directly or indirectly to the success of my research project.

I also wish to acknowledge the assistance accorded to me by the respondents and the senior management of the commercial banks, insurance companies, and mobile network service providers sampled. Finally, sincere gratitude to my family members for their support, prayers, encouragement, and unconditional love and being around when I needed them most; I will forever remain indebted to them.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ABBREVIATIONS AND ACRONYMS

ANOVA	**:**	Analysis of Variance
PPMC	**:**	Programmable Pattern-Based Memory Controller
ROA	**:**	Return on Assets
ROE	**:**	Return on Equity
SPSS	**:**	Statistical Package for Social Sciences

ABSTRACT

A critical analysis of research stream on the concepts of strategic management and organizational performance shows that studies on the two concepts are elaborate. However, the two concepts are multidimensional in nature and hence have never had a uniform conception by management researchers across the research stream. Since strategic management is sensitive to context and its indictors are also diverse, conceptual, contextual, and methodological gaps emerge thereby necessitating this study. In an attempt to fill some of the research gaps, this study sought to answer the question: does strategic management affect firm growth among commercial banks, insurance, and mobile network service firms in Kenya? Sales growth, market growth, and profit maximization strategies were tested for their possible effect on firm growth. The theories that underpinned this study are the resource based and stakeholder theories. The study design used was cross-sectional survey while the target population were all registered commercial banks, insurance, and mobile network service firms in Kenya. The sample design was non-probability (purposive) where half the total number of registered banks and insurance firms were sampled based on their relative market share, a census was conducted on the three mobile network service firms Kenya. Data was collected using a likert-scale type of questionnaire while data analysis was done using the SPSS (version 20). The findings were presented following the structure of the questionnaire: the demographics; statements relating to sales growth; statements relating market growth; statements relating to profit maximization; and finally statements relating to firm growth. Results from regression analysis were presented on the relationship between each independent variable and the dependent variable, and the later a joint effect was presented. Various statistics were used including R, R-square, adjusted R-square, and the ANOVA. There was generally evidence of a strong effect of strategic management practices on firm growth of banking, insurance, and mobile network service firms in Kenya from the findings of the study. In this regard, it was established that sales growth, market growth, and profit maximization strategies had significant influence on the growth of banking, insurance, and mobile network service firms in Kenya. A number of recommendations for strategic intervention in line with the study findings were presented. Finally, a few limitations of the study were highlighted as well as the mitigations the researcher used in each case; from the limitations of the study, a few suggestions for further research were highlighted.

CHAPTER ONE

INTRODUCTION

1.1 Background

Strategic Management as a discipline originated in the 1950's and 1960's. Prior to this time, the various functions of Management were separated with little overall coordination. Interaction between functions or departments was basically handled by a boundary position that is there were one or two managers that relayed the information back and forth between two departments. Much of the work on firm growth has implicitly assumed that growth depends on the expansion of assets owned by a firm. For example, if a firm expands the number of outlets in its retail distribution system, the implicit assumption is that it builds or buys more outlets.

This study was underpinned by the stakeholder and resource based theories of strategic management. The former was founded by Edward Freeman in 1984 while the latter was originated by Pfeffer and Salancick in 1978. The critical corporate stakeholder issues, both in theory and in practice, involve evidentiary considerations and conceptual issues unique to the corporate setting (Donaldson & Preston, 1995). The key to a resource-based approach to strategy implementation is, understanding the relationships between resources, capabilities, competitive advantage and performance-in particular, an understanding of the mechanisms through which competitive advantage can be sustained over time (Grant, 2001). This requires the use of an implementation model which will maximize the unique capabilities of the firm.

Short term business among Insurance industry in Kenya continues to dominate the market with its premiums making approximately 82.5% of the gross written premium (including deposit administration contributions) in 2014. The key issues facing the banking industry in Kenya today include: new regulations, finance act 2008 which requires banks to build a minimum core capital of Kshs. 1 billion by December 2012, which is hoped to transform small banks into more stable organizations.

In regard to the mobile network service industry in Kenya, mobile phones have gained increased importance in the sector of information and communication technology for development in the 2000s and have effectively started to reach the bottom of the economic pyramid. This study seeks to establish the relationship between Strategic Management and Firm Growth in the forgoing sectors with a view to provide useful insight for industry, academics and policy makers.

1.1.1 The Concept of Strategic Management

Strategic Management is the art, science and craft of formulating, implementing, evaluating and controlling cross-functional decisions that will enable an organization to achieve its long term objectives. Strategic Management is an ongoing process that evaluates and controls the business and the industries in which the company/organization is involved ; assess its competitors and sets goals and strategies to meet all existing and potential competitors and then reassess its strategy regularly to determine how it has implemented and whether it has succeeded or needs replacement by a new strategy to meet changed circumstances, new technology, new competitors, new economic environment or a new social, financial or political environment (Lamb 1984).

Strategic management can be defined as an action performed by the firm in order to achieve its business objectives (Wickman 1998). Strategy can be seen as a pathway to move a concept or an idea from inventive state to the actual positioning in a competitive environment (Ireland 2001), or as a roadmap to the planned result (Thompson and Strickland 2001). It is important to recognize that, at this definitional level, all strategic management theories are tautological in the way Priem and Butler describe.

For example, Porter's (1980) assertions about the relationship between industry attractiveness and firm performance can be reduced to tautology by observing that firms in attractive industries will outperform firms in unattractive industries and by defining industry attractiveness in terms of the ability of firms to perform well. Transaction cost economics also can be reduced to tautology: hierarchical forms of governance will replace market forms of governance when the costs of market governance are greater than the costs of hierarchical governance. Indeed, this is known as the Coasian tautology.

Because investigators have followed the general axiom that no strategy is universally superior, irrespective of the environmental or organizational context, they have commonly used a contingency perspective (Harrigan, 1983; Hofer, 1976; Ginsberg & Venkatraman, 1985) that has been operationalized within a moderation (interaction) perspective.

1.1.2 Firm Growth

Much of the work on firm growth has implicitly assumed that growth depends on the expansion of assets owned by a firm. For example, if a firm expands the number of outlets in its retail distribution system, the implicit assumption is that it builds or buys more outlets. This constraint holds because a relationship exists between asset size and the amount of monitoring required by a firm.

However, recent research has suggested that firms may be able to overcome managerial limits to firm growth through the use of contractual organizational forms. Larson (1992) found that new and growing firms, in general, tend to have a disproportionate preference for hybrid organizational forms. Teece (1986) showed that hybrid organizational forms allow resource-limited firms to gain control over co-specialized assets. These findings raise an important question for researchers interested in theories of firm growth: Do contractual organizational forms allow firms to grow faster by overcoming managerial limits to firm growth?

Although many goals have been proposed for organizations, research has so far concentrated on profitability. Here it is proposed that managers form an aspiration level for size through social comparison. This proposal leads to predictions on how performance and size goals jointly affect growth. Supporting this sequential attention hypothesis, evidence from the general insurance industry shows that firms grow more when they are below the aspiration level for size, especially when performance goals are satisfied (Greve, 2008).

1.1.3 Strategic Management and Firm Growth

The growth of the firm has been studied extensively in the West (Chandler, 1962; Penrose, 1959). A stylized firm in this research stream is an organization that has substantial discretion over the allocation of its resources and the formulation and implementation of its competitive strategies (Porter, 1980). It is unclear, however, whether such research done in the West will have any bearing on the firm in planned economies in transition such as Eastern Europe, the former Soviet republics, and China (Boyacigiller & Adler, 1991; Shenkar & Von Glinow, 1994).

The socialist legacy as well as the recent transformations in these countries present an institutional environment that is immensely different from what a typical Western firm would encounter (Ericson, 1991; Komai, 1992; Peng, 1993,1994). A stylized firm in such an environment is an organization that differs from its Western counterpart in many dimensions: It is typically state-owned and lacks complete discretion to acquire and allocate resources, with little experience and confidence to compete in a market-based economy (Child, 1990; Lawrence & Vlachoutsicos, 1990).

A major debate within organization theory and strategic management concerns whether environments are objective or perceptual phenomena. This paper develops a third view—that environments are enacted through the social construction and interaction processes of organized actors. Although this view has been mentioned in some strategic management literature (Miles & Snow, 1978; Pfeffer & Salancik, 1978), its implications have not been explored adequately. This paper demonstrates that enactment implies distinctive strategic management models, new research questions, and different prescriptions for practitioners. According to most strategic management literature, an organization is an open system that exists within an independently given environment (Thompson, 1967). The objective environment may be accurately or inaccurately perceived, but in either case the task of strategic managers is to maintain congruence between environmental constraints and organizational needs (Lawrence & Dyer, 1983).

1.1.4 Insurance Firms in Kenya

The insurance industry is governed by the Insurance Act and regulated by the Insurance Regulatory Authority. Insurance in Kenya officially started operating in 1930, when Pioneer Insurance Company opened its doors at Ambalal House in Mombasa.

However, the concept of insurance and particularly the “social insurance program me” dealing with socio-economic problems has been around Africa for a long time (Kenyatta, 1962). Members of a community pooled together resources to create a “social insurance fund”. The “premiums” ranged from material to moral support or other payments in kind. From the fund, “drawings were made out” to support the few unfortunate members exposed to perils (Azevedo, 1993).

As at December 2014, there were 50 licensed insurance companies and 3 locally incorporated reinsurance companies licensed to operate in Kenya. In addition, there were 198 licensed brokers, 4 reinsurance brokers, 29 medical insurance providers (MIPS), 5,155 insurance agents, 25 loss adjusters, 2 claims settling agents, 8 risk managers, 133 loss assessors/investigators and 8 risk managers in 2014. Short term business continues to dominate the Kenyan market with its premiums making approximately 82.5% of the gross written premium (including deposit administration contributions) in 2014.

The gross premium written in 2014 (including deposit administration contributions) amounted to Kshs160.4 billion. Kenyan insurance companies generally report high loss ratios. Between 2007 and 2014, the loss ratios for the industry as a whole ranged between 60% and 66%. Insurers have traditionally relied on investment income to act as a cushion for their underwriting results (Price Water House Coopers 2014).

1.1.5 Commercial Banks in Kenya

The banking industry in Kenya is governed by the Companies Act, Banking Act, the Central Bank of Kenya Act and various prudential guidelines issued by the Central Bank of Kenya (CBK).

The banking sector was liberalized in 1995 and exchange control lifted. The CBK which falls under the ministry of finance docket is responsible of formulating and implementing monetary policy and fostering the liquidity, solvency and proper functioning of the financial system.

As at December 2015, there were fifty-one banking and non-banking institutions, fifteen microfinance institutions and one hundred and nine exchange bureaus. The banks have come together under Kenya Bankers Association (KBA), which serves as a lobby of the banking sectors interests. The banking sector in Kenya has continued to grow in assets, deposits, profitability and products offering.

The growth has been mainly underpinned by an industry wide branch network expansion strategy both in Kenya and in the East African community region, automation of a large number of services and a move towards emphasis on complex customers' needs rather than traditional "off the shelf" banking products. Players in this sector have increased competition over the last few years resulting from increased innovations among the players and new entrants into the market.

1.1.6 Mobile Network Service Firms in Kenya

The communication industry in Kenya is under Communication Authority of Kenya (CA), which was established in February 1999 by Kenya Communication Act, 1998, to license and regulate telecommunication, radio communication, and postal services in Kenya. This responsibility translates to the following functions: licensing operators, regulating tariffs for monopoly area, establishing interconnection principles, type-approving communication equipment, managing the radio frequency spectrum, and formulating telecommunication numbering schemes and assigning them to network operators (CAK, 2015).

New government economic policies in the mid-1990s were developed and adopted, supported by the IMF and World Bank. Recommendations of that process included separation of the postal and telecommunication operations. Telecom Kenya was to provide telecommunication services, postal corporation of Kenya to offer postal services, and Communication Authority of Kenya (CA) a separate national regulatory authority. Telephone services quality in Kenya remained problematic at times.

Official waiting lists of customers seeking telephone services increased. These waiting lists only applied to areas where telephone services are available. Emerging private mobile telephone companies provide services capacity but remain too expensive for many citizens. Mobile phones have gained increased importance in the sector of information and communication technology for development in the 2000s and have effectively started to reach the bottom of the economic pyramid.

The government has liberalized the mobile cellular market and the first one to be granted was Safaricom limited, a subsidiary of Telkom Kenya, followed by Ken cell communication limited now Zain communication limited (Communication Authority of Kenya 2015).

1.2 Research Problem

Strategic decisions deal with long-term direction of the firm and its main activity usually the responsibility of the top managers in an organization. The firm is the critical unit of Analysis in strategy. There is need to know how firms create value and how their organizational boundaries are, in order to understand their overall performance.

In the Insurance Industry, some companies have taken up bancassurance and micro-insurance in order to increase on their performance. This is done in additional to the traditional distribution channels of selling insurance through intermediaries (brokers and agents) and both electronic and print media. Banking Industry banks has come up with products that can suit the low-end income consumers.

Equity bank has done this successfully and as at now have in excess of four million account holders. This in itself has helped the country by enabling many Kenyans to own a bank account. Communication Industry has been the most vibrant. Safaricom came to the scene with a bang and Kenyans started enjoying services they had never witnessed in their lifetime. While Telkom took a year (or more) to install a telephone line, Safaricom line is instant. Then Airtel (Kencell) then came on board and the high tariffs Safaricom were charging came down; this was to the benefit of the consumer.

Various studies have been conducted on the subject of strategic management and firm growth. Internationally: Pitelis (2002) carried out an empirical study on the relationship between growth of the firm and strategic management; Peng and Heath (1996) conducted a study on the growth of the firm in planned economies in transition: institutions, organizations, and strategic choice; Ventakraman and Ramanujam (1986) carried out a study on measurement of business performance in strategy research: A comparison of approaches. Locally: Ongore and K'Obonyo (2011) conducted a study on effects of selected corporate governance characteristics on firm performance: empirical evidence from Kenya; Mang'unyi (2011) carried out a study on ownership structure and corporate governance and its effects on performance: a case of selected banks in Kenya; Kimuyu (2007) conducted research on corruption, firm growth and export propensity in Kenya.

Despite the various studies highlighted, the researcher did not find any past empirical study on strategic management and firm growth: a comparative study of insurance, banking and mobile network service firms in Kenya. The research question that emanated from this elaborate theoretical and empirical literature review was: does strategic management affect growth in insurance, banking and mobile network service firms in Kenya?

1.3 Research Objectives

The major objective of the study was to determine the effect of strategic management on firm growth. Specific objectives of the study were:

(i) To establish if there was a relationship between sales growth strategy and firm growth in banking, insurance and mobile network service firms in Kenya.

(ii) To investigate if there was a relationship between market growth strategy and firm growth in banking, insurance and mobile network service firms in Kenya.

(iii) To determine if there was a relationship between profit maximization strategy and firm growth in banking, insurance and mobile network service firms in Kenya.

1.4 Value of the Study

In terms of policy, the outcome of this study would be of significance to corporate leaders charged with the responsibility of developing control policies that drive their organizations. The findings of this study will therefore provide a mechanism for addressing policy gaps in the Insurance, Banking and Communications sectors in Kenya thereby providing insight to the relationship between strategic direction and firm growth.

In theory, the study would add to the current scope of knowledge in Strategy development, implementation and control; as well as firm growth in terms of sale turn over. The research would also help in identifying the gaps and other relationship in Strategic Management and organizational growth.

In addition, the findings of the study would bring out the best practices in respect of strategic management and firm growth for possible replication in other organizations in a closely related sector. In this respect, the recommendations of this study will prove useful for efficient, effective and economical use of organizational resources to maximize and balance stakeholder satisfaction. Summarily, the findings of this study will be invaluable for the management of the firms in the three sectors of the economy.

1.5 Chapter Summary

This chapter has presented a discussion on the general background of the study. It entailed a brief discussion on the main concepts that underpin the research.

A synopsis of previous studies on the same theme have been unveiled, and from where conceptual, contextual, and methodological gaps have emerged thereby necessitating this study. The research question has also been posed in this chapter. The research objectives guiding this study have been highlighted, as well as the study value.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter provides a review and summary of empirical studies and literature on organizational strategy, resource based theory, and firm growth. It outlines information available on the concept of strategy, significance of the resource based approach to strategic management, and firm growth.

2.2 Theoretical Foundation

Strategy is the pattern or plan that integrates an organization's major goals, policies and action sequences into a coherent whole. They viewed strategy as a ploy, pattern, position, plan and perspective. Strategy as a ploy is the action taken by an organization with an intention of outwitting rivals (Mintzberg et al 1999). As a pattern, strategy emerges without preconception from a series of actions visualized only after the events it governs.

As a position, strategy is a means of competitively positioning an organization in its external environment. Strategy as a plan specifies a deliberate course of action designed before the actions it governs. Quinn (1980) viewed strategy as the pattern that integrates an organization's major goals, policies and action sequence into a cohesive whole.

2.2.1 Resource Based Theory

Founded by Pfeffer and Salancik in 1978, Resource Based Theory has gained popularity. Recently, there has been resurgence of interest in the role of the firm's resources as a foundation for firm strategy (Grant, 2001).

At the corporate level, theoretical interest in economies of scope and transaction costs have focused attention on the role of corporate resources in determining the industrial and geographical scope of the firm's activities (Grant, 2001). Furthermore, identifying firms' market positions and managerial judgment about demand-side value creation opportunities as resource value drivers highlights the importance of demand-side factors to strategic outcomes. There is also a discussion on how study findings may open avenues for further studies and provide a basis for empirical tests of the resource-based view of strategic management (Schmidt &Keil, 1997).

Interest in the resource-based view of the firm continues to grow in the field of business policy and strategy. Recently, most of this interest seems to have been focused on understanding the empirical implications of this theory and especially on how a firm's resources and capabilities can affect its performance. Evaluating the empirical implications of the resource based view is, of course, a worthwhile endeavor. This research is therefore a presentation of an overview of contributions on the subject (Barney, 1996).

2.2.2 Stakeholder theory

Originated by Edward Freeman in 1984, the stakeholder theory is a theory of organizational management and business ethics that addresses morals and values in managing an organization. Improvements in social welfare are possible where markets are better enabled to operate among stakeholders unconstrained by some single-valued objective. In doing so, we respond to the critics of stakeholder theory who argue that it is an untenable theory due to its inability to specify how stakeholder objectives are to be prioritized (Mitchell, Weaver, Agle, Bailey, and Carlson, 2013).

The principal focus of interest here has been the proposition that corporations practicing stakeholder management will, other things being equal, be relatively successful in conventional performance terms (profitability, stability, growth, et cetera). Stakeholder theory typically contrasts a broadly-defined 'relational' approach to stakeholder management with a 'transactional' approach based on the price mechanism - and has argued that the former is more likely to contribute to social welfare than the latter. The idea that corporations have stakeholders has now become commonplace in the management literature, both academic and professional; the stakeholder theory is therefore instrumental (Donaldson & Preston, 1995).

2.3 Strategic Management Practices

Firms have various strategic management practices aimed at enhancing firm growth. In this study, the constructs of strategic management adopted include sales growth, market growth and profit maximization. These strategies are aimed at increasing firm growth, a major concept in organizational performance measurement.

2.3.1 Sales Growth

In consistency with agency theory, the firms that have free cash flow gain less from sales growth that firms without free cash flow. But different governance conditions affect sales growth and performance in different ways. Having substantial management stock ownership mitigates the influence of free cash flow on performance, despite allowing higher sales growth. In contrast, outside blocks held by mutual funds reduce sales growth substantially, but does not increase performance from sales growth (Brush et al, 2000).

According to Kentaro et al (1997), some firms compete by trying to develop ‘hit’ products in isolation, with little or no reuse of components or coordination with other products. Another way to compete is to leverage a firm’s investment in new technologies, a strategy that is still relatively new. Firms utilizing the rapid design transfer strategy quickly leveraging new platform components across multiple projects increase sales more than otherwise.

According to Covin et al (2006), the relationship between entrepreneurial orientation and sales growth is positive; and this relationship is more positive among firms that employ autocratic decision making and that exhibit an emergent strategy formation process. Perceptions of proficiency at learning from strategic mistakes differently affect the growth rates of firms at different ends of the entrepreneurial continuum, but in manners inconsistent with the hypothesized relationship.

2.3.2 Market Growth

According to Kalyanaram (2002), after correcting for differences in marketing effort, later entrants suffer a long term market share disadvantage. He further posits that new evidence of the penalties associated with later entry are found in statistical estimation of models of cumulative trial, first repeat, and subsequent repeat purchasing.

Significantly lower asymptomatic levels are found in both trial and repeat behavior. Kalyanaram (2002) posits that based on available data, the rate of approach of later entrants to their lower asymptomatic performance measures is either equal to or faster than early entrants and provides evidence of a compensating partial effect accrued by later entrants.

2.3.3 Profit Maximization

Production economics literature contains many studies which assume that the producer's goal is to maximize profits (Moore et al, 2004). For example, some have examined the situation of firms with profit maximizing versus social performance; it would be prudent to use tools of microeconomics to define optimal level of social output that should be produced in each case. Moore et al (2004) further posit that it is wiser to for the firm to act strategically than to be coerced to into making investment in corporate social responsibility at the expense of profit maximization. They further argue that greater overall social output will be achieved by the strategic approach, rather than by the altruistic approach.

According to Smith (2003), the raging debate is: should firms seek only to maximize shareholder value or strive to serve the diverse interests of various stakeholders? He posits that the fundamental concept is that the stakeholder theory demands that interests of all stakeholders should be considered even if it reduces firm profitability.

2.4 Firm Growth

There are several factors that lead to a firm growth. The age of the firm has an impact. Evans (1987) found that young firms, smaller firms have faster growth, and also have a positive coefficient of the interaction between size and age. Dunne and Hughes (1994) found that age had negative effect on company's growth. Nelson and Winter (1982) noted that firms have routines which are transferred from one person to the other. Thus, successful routines which have been producing growth in the past, likely to continue in producing growth in the future. Evolutionary approach implies that there is some serial correlating in growth.

Penrose (1959) suggests that the “Capacities of the existing managerial personnel of the firm necessarily set a limit to the expansion of that firm in any given period of time. During expansion managerial capacity is partially used to educate new personnel, which limits the pace of further expansion. However, once new managerial capacity is created from such training, and operations of prior expansion become routinized, managerial capacity is released, thus, providing possibilities of new growth.

The above argument suggests firm grown is systematically related to the inflow of capital. Ceteris paribus, the more human capital inflow consist in industry – specific human resources the higher will growth rate is. The more human capital inflow increases the diversity of the firm’s knowledge structure the lower will growth rates are. Guiso et al (2004) find that financial development helps small firms more than large firms in Italy. Cetorclli and Strahun (2006) find that uncompetitive local banking markets in USA represent a barrier to the entry of new firms because the new firms have difficulty accessing credit.

Delmar et al (2003) make distinction between relative growth to the growth rate in percentage terms and absolute growth usually measured in the absolute increase in number of employees. It is natural to assume that most productive firms will grow while least productive will decrease in size. Baily et al (1996) observes that, among plants with increasing labor productivity between 1977 and 1987, firms that grew in terms of employees were balanced out by firms that decreased employment.

Labor productivity is attributable to the growing firms. Bottazzi et al (2006) observe a strong positive relationship between productivity and profitability. Disney et al (2003) reveal a negative effect between allocations of market share to productivity while low productivity helps to predict exist. Foster et al (1998) argues that productivity levels are not very helpful in predicting growth rate (Harhoff et al, 1998) identify that subsidiary firms grow faster than non-subsidiary in construction and trade industries. Firms with limited liability have significantly higher growth rate in compassion to other companies. Managers attach utility to the size and growth of their firm, such tent they pursue growth about the shareholder value maximizing level. Owner controlled firms will have lower growth rate than manager controlled firms (Hay And Kamshas, 1994).

Geroski and Toker (1996) examine the growth of firm that are leaders in their respective industries and find that growth of industry sales has a positive effect on firm growth. They further observe that the degree of market concentration is positively related to the growth of these firms. Geroski and Gugler (2004) consider the impact on firm growth of the rivals, where rivals are defined as other firms in the same 3-digit industry. Firm growth seems to be negatively related to rivals growth, an observation that is specifically true for differentiated good industries and advertising intensive industries. Beck et al (2005) observes that firms in richer, larger and fast growing countries have significantly higher growth rates.

2.5 Strategic Management and Firm Growth

Penrose (1959) pointed out that fundamentally a firm's growth is led by an internal momentum generated by learning –by-doing. Managers become more productive over time as they become accustomed to their task.

Executive functions that initially posed problems because of their relative unfamiliarity soon become routinized. As managers gain experience, therefore their administrative tasks requires less attention and less energy. As a result, managerial resources are continually being released. This excess managerial talent can then be used to focus on value creating growth opportunities. Firms are faced with strong incentives to grow, because while the knowledge posed by a firm's personnel tends to increase automatically with experience, there is a challenge to take full advantage of this valuable firm specific knowledge (Penrose, 1959).

It takes time and effort to successfully integrate new managerial resources within the firm, but once this is done these new recruits will be able to execute managerial tasks and, in turn, train managers themselves. In this way firm will grow in order to create value from its unused resources, which in turn will create new resources (Penrose, 1959).

According to Slate (1980), increasing growth will lead to higher operating costs. Although economies of growth provide incentive for firms to grow, fast-growing firms will have higher operating costs than their slower-growing counterparts. Firms are composed of idiosyncratic configuration of resources. These resources can play role in ensuring durable competitive advantage if they are valuable, rare, inimitable and non-substitutable.

A firm can decide upon the direction of a growth project by examining the strength and weakness or its existing resource base (Barney, 1986). Fundamental observation of the managerial theory of the firm is that managers attach utility to the size of their firms. Marris and Baumol et al (1963), noted that a manager's compensation, bonuses, and other perquisites are very often increasing with firm size.

Mueller (1969) argues that some young small firms the pursuit of growth maximization may coincide with that of profit maximization, so that managers have no conflict of interest between his duties to shareholders and his own objectives. In other case however, managers have to choose between fulfilling their mandate of profit maximization (in service of shareholders) and pursuing their own interests of growth maximization. According to managerial theory, utility-maximizing managers are assumed to maximize the growth rate of the firm subject to the constraint of earning a satisfactory profit rate, which should be large enough to avoid being dismissed by shareholders of being taken over by stock-market raiders.

2.6 Empirical Studies and Research Gaps

Previously, studies have been conducted on the subject of strategic management and firm growth both locally and globally. Pitelis (2002) carried out an empirical study on the relationship between growth of the firm and strategic management.

He concluded that because the value of a resource/asset is context dependent, the market for such assets is generally thin. Two powerful economic implications follow: when one is able to secure strategic resources/assets through purchase, they can be bought for less than they are worth to the buyer because this may be considerably more than they are worth to the seller (the converse is also true). He adds that changes in market growth strategies had a direct influence on the growth of a firm.

Peng and Heath (1996) conducted a study on the Growth of the Firm in Planned Economies in Transition: Institutions, Organizations, and Strategic Choice; where they concluded that planned economies in transition offer fascinating grounds to highlight diversity among organizations operating in different institutional environments.

A better understanding of the organizational dynamics that shape such diversity will not only help managers in these countries improve the performance of their firms and help Western managers better deal with them, but will also greatly strengthen our field by incorporating such diversity in our theory-building efforts. They finally concluded that some organizations engage in profit maximization strategies and that this led to increased firm performance which in turn led to increased firm growth.

Ventakraman and Ramanujam (1986) carried out a study on Measurement of Business Performance in Strategy Research: A Comparison of Approaches. They concluded that although problems of a conceptual nature continue to underlie much of the discussion on organizational performance, its use as a key construct in strategy research studies has continued unabated. Strategic management researchers, in their quest for establishing performance implications of strategic conduct of businesses, continue to measure business performance using a wide array of operationalizing schemes.

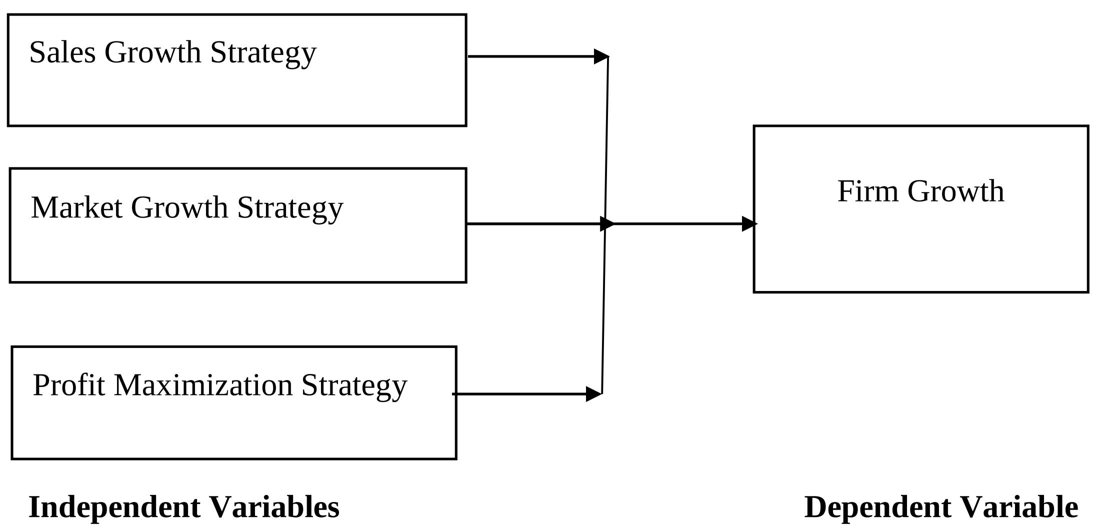
Ongore and K'Obonyo (2011) conducted a study on effects of selected corporate governance characteristics on firm performance: empirical evidence from Kenya; they established that firm performance is measured using Return on Assets (ROA), Return on Equity (ROE) and Dividend Yield (DY). They further found out that using PPMC, Logistic Regression and Stepwise Regression, the paper presents evidence of significant positive relationship between foreign, insider, institutional and diverse ownership forms, and firm performance. They however established that the relationship between ownership concentration and government, and firm performance was significantly negative. Finally, they also established that firm growth was greatly influenced by the sales turnover, among other factors.

In spite of the previous studies on the same subject of Strategic Management and firm growth, the implication of the same in the Insurance, Banking, and Communication sectors in Kenya still remains fairly unexplored. This phenomenon, therefore, presents a research gap. It is for this reason that the researcher deliberately seeks to establish the relationship between Strategic Management and Firm Growth in the Insurance, Banking, and Communication sectors in Kenya.

2.7 Conceptual Framework

From the literature review, the framework depicted in figure 2.1 shows the nexus between strategic management and firm performance.

Figure 2.1: Conceptual Framework



Source: Researcher's Conception

2.8 Chapter Summary

This chapter presented a discussion on the theoretical and empirical literature underpinning the study. The theories that underpin this study are the resource based and stakeholder theories. Sales growth, market growth, and profit maximization constructs of strategy have been discussed as possible major drivers of firm growth.

The concept of firm growth has also been discussed at length, and a nexus between the measures of firm growth and strategic management drawn. A number of empirical studies and a summary of their findings have also been discussed at both local and foreign contexts; from this undertaking, various research gaps have been identified, constituting part of the justification for this study. Finally, a conceptual framework on the relationship between predictor and criterion variables has been presented.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter contains the research methodology and procedures followed in the execution of the research work, which entails: the research design, means of data collection and data analysis method used.

3.2 Research Design

The study will adopt descriptive research design. The design will seek to extract ideas from the respondents in view of seeking to establish how strategic management leads to Firm growth. It will aim to describe how variables of interest lead to Sales growth.

Secondary data will also be used where necessary to clarify variables related to the problem statement. The data will be collected off-site from various publications from the relevant regulatory authorities. Some of the publications that will be reviewed for secondary data include: annual status reports and research publications.

3.3 Target Population

The target population will be all the strategic level managers in all the insurance, banking and communication firms in Kenya. The said population is based in Nairobi where the headquarters are. The selection of the strategic level managers is due to the fact that they are both concerned with making strategic decisions which in turn affect firm growth in sales marketing and profit maximization.

The choice of this cadre of managers is meant to boost content validity of data collected. A test has content validity built into it by careful selection of which items to include (Anastasi & Urbina, 1997). Items are chosen so that they comply with the test specification which is drawn up through a thorough examination of the subject domain.

3.4 Sample Design

According to Kothari (2004), the researcher must select /prepare a sample design which should be reliable and appropriate for his study. The researcher will use the purposive sampling design to target 50% of the insurance, banking and communication firms in Kenya based on their market share. This sample will be considered reliable.

The sample frame will be lists of registered firms in Insurance, Banking, and Communication industries from Insurance Regulatory Authority, Central Bank of Kenya, and Communication Authority of Kenya respectively. Such lists are accessible.

3.5 Data Collection

The study data will be collected through administration of questionnaires. The data collected will have both quantitative and qualitative aspects. The questionnaire will have two sections: section I will collect personal information while section II will elicit information regarding how strategic management leads firm growth in sales.

Both closed and open ended questions will be used to administer the questionnaires. The researcher will have no control over the respondent’s preference and opinions. Research assistants with knowledge will be used to administer the questionnaires.

3.6 Data Analysis

The questionnaires will be studied, analysed, and compared with other sources of evidence: the documents, brochures and information provided by the informants and firms involved and the previous literature reviews conducted on strategic management and firm growth, in Insurance, Banking and Communication industries.

Data will be analyzed mainly through use of descriptive statistics including frequency distribution tables, percentages, bar and pie charts, and measures of central tendency especially the mean, mode and median. In addition to this, advanced statistical techniques (inferential statistics) will also be considered if need arises where applicable, computer application package especially SPSS will also be used to analyze and communicate the research findings.

3.7 Chapter Summary

This chapter has presented a discussion on the overall research methodology used to conduct the study. The study design used was cross-sectional survey while the target population were all registered banking, insurance, and mobile network service firms in Kenya.

The sample design was non-probability (purposive) where half the total number of registered banks and insurance firms were sampled based on their relative market share, a census was conducted on the three mobile network service firms Kenya. Data was collected using a likert-scale type of questionnaire while data analysis was done using the SPSS (version 20).

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the interpretation and presentation of the study findings. It presents the background information of the respondents and the findings of the analysis based on the study objective. Descriptive and inferential statistics form the basis for discussion of the study findings.

4.2 Response Rate

The study targeted a sample size of 50 respondents from which 40 filled in and returned the questionnaires making a response rate of 80 percent. This response rate sufficed for the researcher to draw reasonable conclusions from the study. According to Mugenda and Mugenda (1999), a response rate of 50 percent is adequate for analysis and reporting; a rate of 60 percent is good and a response rate of 70 percent and over is excellent. Based on the assertion, the response rate was considered to be excellent.

Table 4.2: Response Rate

Questionnaire	**Frequency**	**Percentage**
Filled and Returned	40	80
Unreturned	10	20
Total	**50**	**100.0**

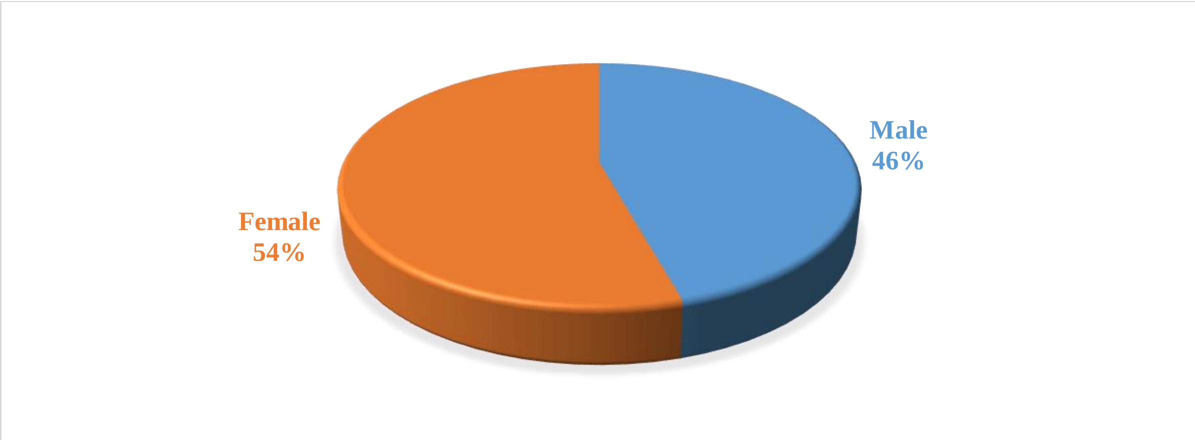
Source: Research Findings

4.3 Demographic Information

4.3.1 Gender of the Respondents

The study sought to determine the gender of the respondents. The results are presented in figure 4.1.

Figure 4. 5: Gender of the Respondents



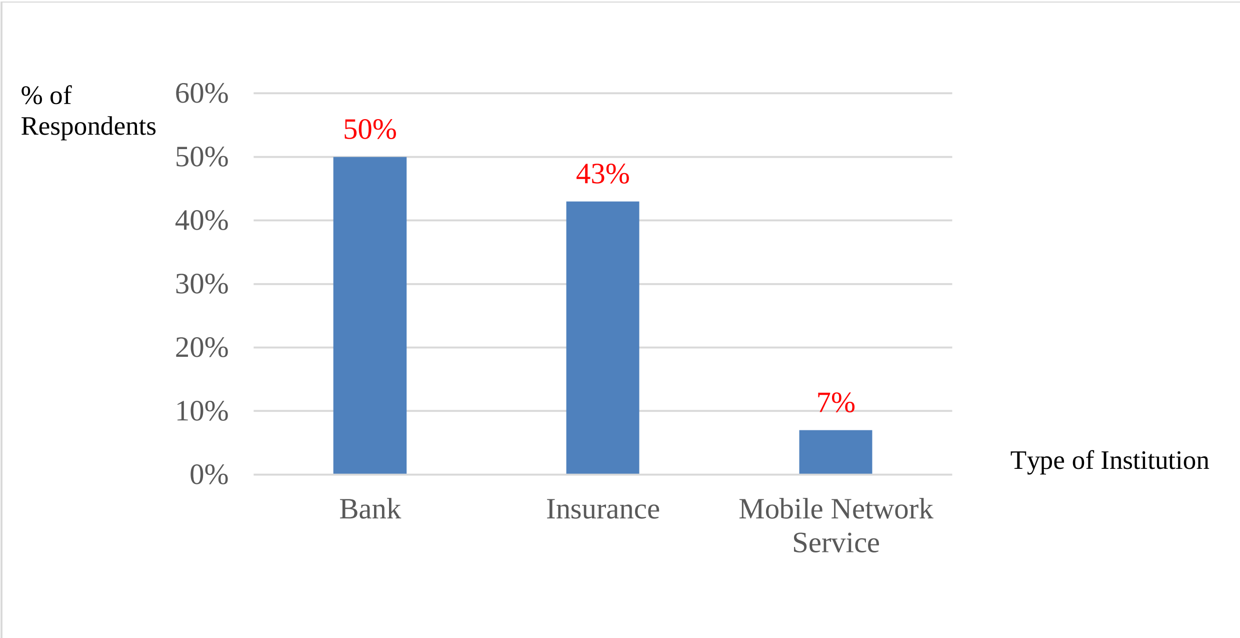
Source: Research Findings

From the findings on figure 4.1, majority of the respondents indicated that they were female as shown by 54% whereas male respondents were 46%. These findings show that both genders were fairly involved in the study and thus the results do not suffer from gender bias.

4.3.2 Type of Institution

The study sought to establish the respondents' institution and therefore requested them to indicate their type of institution.

Figure 4. 6: Type of Institution



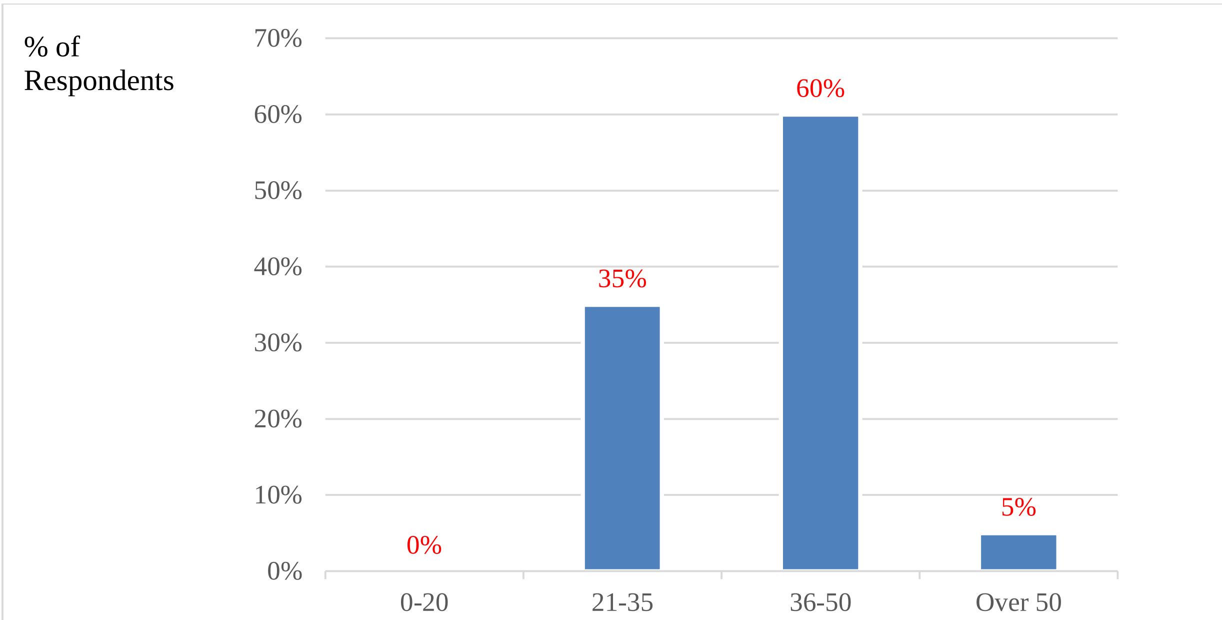
Source: Research Findings

The findings show that majority of the respondents (50%) were from the banks, 43% were from the insurance firms while 7% were from the mobile network service firms. These findings show that there was equitable representation of respondents across the three sectorial contexts.

4.3.3 Age of the Respondents

The study sought to find out the age distribution of the respondents. The results are presented in figure 4.3

Figure 4. 7: Distribution Respondents by Age



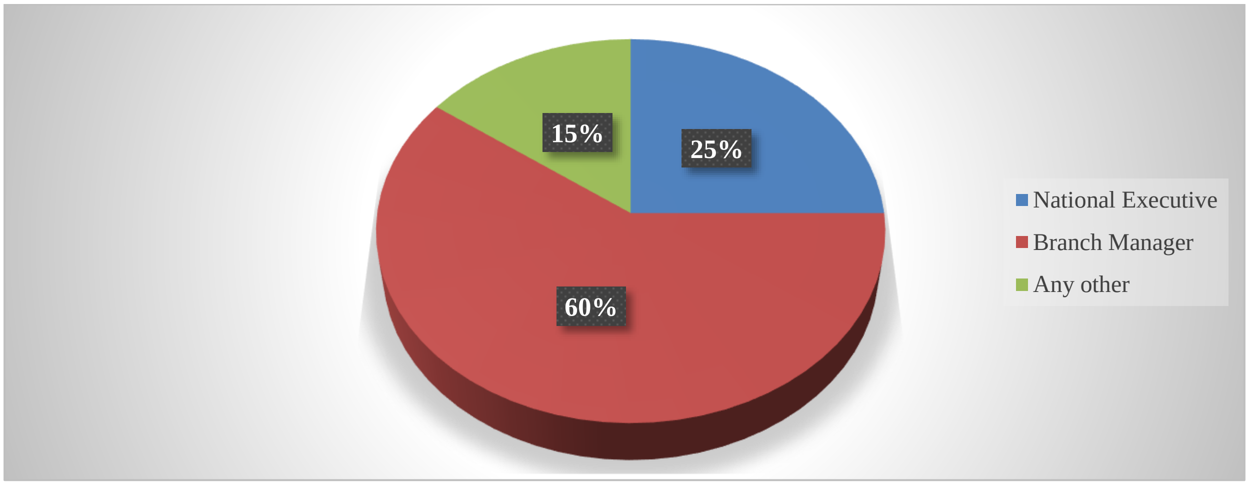
Source: Research Findings

From the study findings, majority of the respondents as shown by 60% were aged between 36 and 50 years, 35% were aged between 21 and 35 years, while 5% were in the 50 years and above; there was no respondent below the age of 21 years. This age distribution implies that all age categories were represented in the study except the age below 20 years, most likely because it required some years of work experience to get to the top management team that exclusively comprised the target population.

4.3.4 Job Title

The respondents were requested to indicate their job titles at the time of the study. The findings are presented in figure 4.4.

Figure 4. 8: Categorization of the Respondents by Job Title



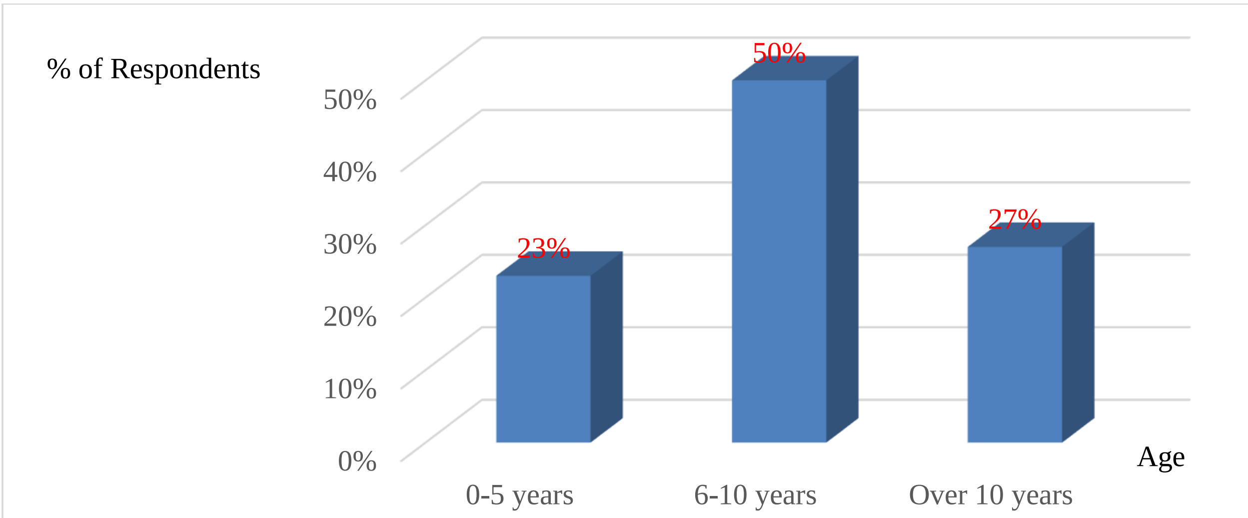
Source: Research Findings

The findings in figure 4.4 revealed that majority of the respondents (60%) were branch managers, 25% were national executives, while 15% of the respondents held other job titles. These findings show that the respondents were senior managers in their organizations and thus would understand the effect of strategic management practices on the performance of their firms.

4.3.5 Length of Service in the Current Position

The study sought to determine the period of time the respondent had served their current positions. The findings are summarized in figure 4.5.

Figure 4.9: Categorization of Respondents by Length of Service in the Current Position



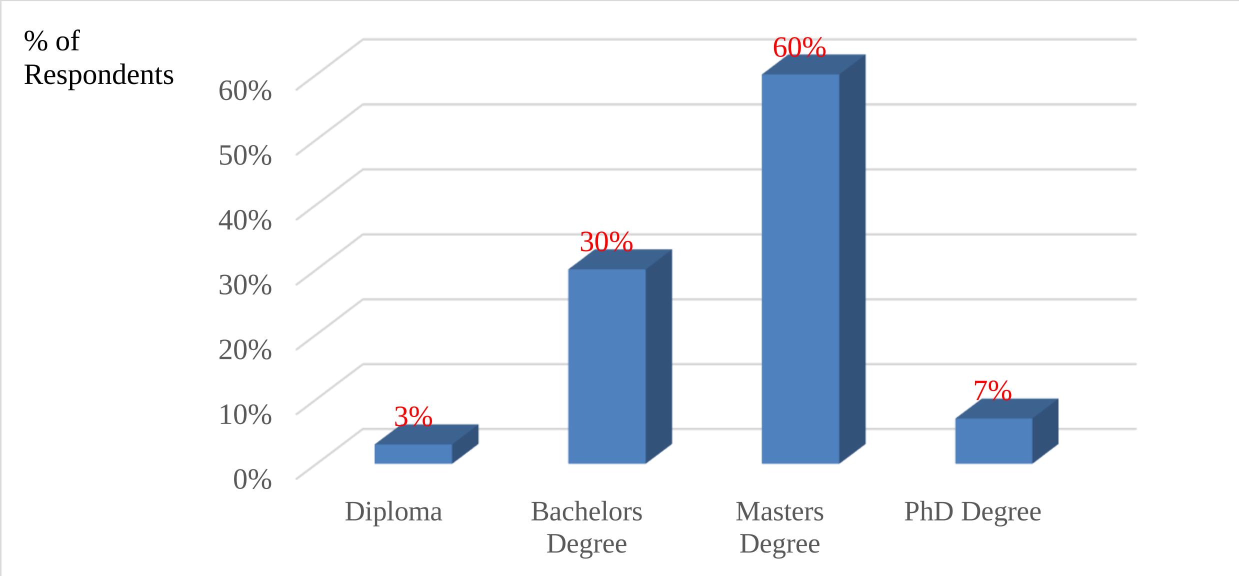
Source: Research Findings

From the findings in the figure 4.5, majority of the respondents as shown by 50% had been working in their organizations for 6 and 10 years, 23% had worked for a period of 2 years and below, while 27% had served for a period of 10 years and above. These findings show that the respondents had been in their current positions in top management for a reasonable long period of time and thus would give credible information related to this study.

4.3.6 Respondents' Educational Qualification

The study sought to establish the respondents' highest educational qualification. The findings were as in figure 4.6 below.

Figure 4.6: Categorization of Respondents by Educational Level



Source: Research Findings

It was established as shown in figure 4.6 above that majority of the respondents (60%) had master's degree, 30% had bachelor's degree, 7% had PhD degree while 3% had diploma. The findings indicate that the respondents had superior educational qualification and hence were competent enough to give valid data on the effect of strategic management practices on the performance of their firms.

4.4 Sales Growth Strategy

The study aimed at establishing the effect of sales growth strategy on the firm growth in Kenya. The analysis was done for each category of firms namely, banking, insurance, and mobile network service firms.

In this section, the researcher sought the respondent's perception regarding the various aspects defining sales growth strategy. The respondents were expected to indicate to what extent they agreed to the various statements that defined sales growth strategy variable.

Responses were captured in a five point Likert scale (1= Very Little Extent, 2 = Little Extent 3= Moderate Extent, 4 = Great Extent and 5 = Very Great Extent) and the general level of acceptance was determined by calculating the means and standard deviation for the various statements as per the responses and tabulated in descending order of mean. The results were as presented in table 4.2.

The findings in table 4.2 below show that majority of the respondents agreed that their organization had a strategy for: regional marketing, as shown by 3.914 for banking firms, 3.826 for insurance firms, 3.275 for mobile network service firms, and 3.672 for the joint effect; competition according to the forces of demand and supply, as shown by a mean of 3.657 for banking firms, 3.463 for insurance firms, 2.968 for mobile network service firms, and 3.363 for the joint effect; sustainability of suppliers concerned with dissemination of products to customers, as shown by a mean of 4.129 for banking firms, 3.906 for insurance firms, 3.251 for mobile network service firms, and 3.762 for the joint effect; complying with government policies so as to remain relevant in market place, as shown by a mean of 3.743 by banking firms, 3.223 for mobile network service firms, and 3.552 for the joint effect;

Table 4.2 Measures of Sales Growth Strategy

Indicators	Banking Firms		Insurance Firms		Mobile Network Service Firms		Overall Effect	
	Mean	Standard Deviation	Mean	Standard Deviation	Mean	Standard Deviation	Mean	Standard Deviation
To what extent does your firm engage in regional marketing as well as to local markets penetration?	3.914	0.236	3.826	0.241	3.275	0.232	**3.672**	**0.236**
To what extent does your firm compete according to the market forces of demand and supply?	3.657	0.199	3.463	0.193	2.968	0.195	**3.363**	**0.196**
To what extent does your firm sustain its suppliers who are concerned with dissemination of its products to customers?	4.129	0.234	3.906	0.133	3.251	0.229	**3.762**	**0.197**
To what extent does you firm comply with government policies so as to remain relevant in market place?	3.743	0.199	3.691	0.118	3.223	0.193	**3.552**	**0.170**
To what extent does your firm discuss competitors' strengths and weaknesses so as to maximize on them for easy market growth?	3.874	0.217	3.199	0.177	2.980	0.198	**3.351**	**0.177**
To what extent does your firm frequently review product prices in comparison to other firms in the market and balance it?	3.971	0.202	3.463	0.189	3.144	0.175	**3.602**	**0.189**
To what extent does your firm pay close attention to planning and monitoring competitors new market entries?	3.829	0.234	3.565	0.203	3.372	0.164	**3.589**	**0.200**
Overall	**3.87**	**0.217**	**3.58**	**0.179**	**3.17**	**0.198**	**3.545**	**0.198**

Source: Research Findings

Discussion of competitors' strengths and weaknesses so as to maximize on them for easy market growth, as shown by a mean of 3.874 for banking firms, 3.199 for insurance firms, 2.980 for network service firms, and 3.351 for the joint effect; frequent review product prices in comparison to other firms in the market and balance in a bid to deliberately attract and retain people with disability, as shown by a mean of 3.971 for banking firms, 3.463 for insurance firms, 3.144 for mobile network service firms, and 3.602 for the joint effect; paying close attention to planning and monitoring competitors new market entries, as shown by 3.829 for banking firms, 3.565 for insurance firms, 3.372 for mobile network service firms, and 3.589 for the joint effect.

The findings further show that the banking, insurance, and mobile network service firms in Kenya ensure sales growth strategy which ultimately improves the performance of the all functions since strategic focus is on growing sales revenue by every organizational unit. These findings concur with those of Ongore and K'Obonyo (2011) that firm growth was greatly influenced by the sales turnover, among other factors.

4.5 Market Growth Strategy

The study aimed at establishing the effect of marketing growth strategy on the firm growth in Kenya. The analysis was done for each category of firms namely, banking, insurance, and mobile network service firms.

The study sought to determine the respondent's opinion on whether marketing growth strategy influences the form growth a firm. In this section, the researcher sought the respondent's perception regarding statements relating to various aspect to marketing growth strategy. The respondents were expected to indicate to what extent they agreed to the various statements that defined marketing growth strategy variable.

Responses were captured in a five point Likert scale (1= Strongly Disagree, 2 = Disagree 3= Moderate, 4 = Agree and 5 = Strongly Agree) and the general level of acceptance was determined by calculating the means and standard deviation for the various statements as per the responses and tabulated in descending order of mean. The results were as presented in table 4.3.

Table 4.3: Measures of Marketing Growth Strategy

Indicators	**Banking Firms**		**Insurance Firms**		**Mobile Network Service Firms**		**Overall Effect**	
	Mean	**Standard Deviation**	**Mean**	**Standard Deviation**	**Mean**	**Standard Deviation**	**Mean**	**Standard Deviation**
To what extent does your firm closely monitor and assess your level of commitment and orientation to serving customer needs?	4.029	0.254	3.874	0.217	3.463	0.189	**3.789**	**0.220**
To what extent are your firm objectives driven primarily by customer satisfaction?	3.943	0.199	3.971	0.202	3.565	0.203	**3.826**	**0.201**
To what extent are your firm's competitive advantage based on understanding customers' needs?	3.771	0.224	3.914	0.236	3.463	0.193	**3.716**	**0.218**
To what extent are your firm's strategies driven by the goal of increasing customer value?	3.971	0.202	3.657	0.199	3.906	0.133	**3.845**	**0.178**
To what extent does your firm frequently and systematically measure customer satisfaction pricing strategies?	3.800	0.216	4.129	0.234	3.691	0.118	**3.873**	**0.213**
Overall	**3.857**	**0.212**	**3.776**	**0.209**	**3.594**	**0.211**	**3.742**	**0.202**

Source: Research Findings

Majority of the respondents agreed that their organization closely monitored and assessed their levels of commitment and orientation to serving customer needs, as shown by a mean of 4.029 for banking firms, 3.874 for insurance firms, 3.463 for insurance firms, 3.789 for mobile network service firms; firm objectives were driven primarily by customer satisfaction, as shown by a mean of 3.971 for banking firms, 3.971 for insurance firms, 3.565 for mobile network service firms, and 3.826 for the joint effect; firm's competitive advantage based on understanding customer needs, as shown by a mean of 3.943 for the banking firms, 3.914 for insurance firms, 3.463 for mobile network service firms, and 3.716 for the joint effect; firm's strategies driven by the goal of increasing customer value, as shown by a mean of 3.829 for the banking firms, 3.657 for the insurance firms, 3.906 for mobile network service firms, 3.845 and for the joint effect.

The findings also revealed that the firms frequently and systematically measured customer satisfaction pricing strategies, as shown by a mean of 3.800 for banking firms, 4.129 for insurance firms, 3.691 for mobile network service firms, and 3.873 for the joint effect; firm paid close attention to after-sales service, as shown by a mean of 3.829 for banking firms, 3.743 for insurance firms, 3.199 for mobile network service firms, 3.590 and for the joint effect; and firm top management regularly discusses competitors' strengths and weaknesses, as shown by 3.657 for banking firms, 3.144 for insurance firms, 3.874 for mobile network service firms, and 3.558 for the joint effect. From these findings, it is clear that the banking, insurance, and mobile network service firms in Kenya practice market growth strategies, a factor that has helped the organizations to improve their form growth.

These findings are consistent with those of Pitelis (2002) that because the value of a resource/asset is context dependent, the market for such assets is generally thin. The study adds that changes in market growth strategies had a direct influence on the growth of a firm.

4.6 Profit Maximization Strategy

The study aimed at establishing the effect of profit maximization strategy on the firm growth in Kenya. The analysis was done for each category of firms namely, banking, insurance, and mobile network service firms.

The respondents were requested to indicate whether profit maximization influenced the firm growth of their firm. In this section, the researcher sought the respondent's perception regarding statements relating to various aspect to profit maximization. The respondents were expected to indicate to what extent they agreed to the various statements that defined profit maximization variable.

Responses were captured in a five point Likert scale (1= Strongly Disagree, 2 = Disagree 3= Moderate, 4 = Agree and 5 = Strongly Agree) and the general level of acceptance was determined by calculating the means and standard deviation for the various statements as per the responses and tabulated in descending order of mean. The results were as presented in table 4.4.

Table 4.4: Measures of Profit Maximization

Indicators	Banking Firms		Insurance Firms		Mobile Network Service Firms		Overall Effect	
	Mean	**Standard Deviation**	**Mean**	**Standard Deviation**	**Mean**	**Standard Deviation**	**Mean**	**Standard Deviation**
To what extent does your firm engage in price planning and monitoring to expand its profit?	3.743	0.199	3.691	0.118	3.971	0.202	**3.802**	**0.173**
To what extent does your firm practice price penetration strategy to maximize profit?	3.914	0.236	3.199	0.177	3.800	0.216	**3.638**	**0.210**
To what extent does your firm compare other competitors' pricing strategies so to improve its income?	3.829	0.209	3.463	0.189	3.771	0.224	**3.688**	**0.207**
To what extent does your firm frequently review product brands in comparison to other firms so as to maximize its income?	3.714	0.175	3.565	0.203	3.971	0.202	**3.640**	**0.193**
To what extent does your firm venture to new regions in view of expanding its income?	3.943	0.224	3.463	0.193	3.743	0.199	**3.716**	**0.205**
Overall	**3.829**	**0.209**	3.476	0.176	3.851	0.209	**3.697**	**0.198**

Source: Research Findings

From the findings, majority of the respondents agreed that their firms: engaged in price planning and monitoring to expand its profit, as shown by a mean of 3.943 for banking firms, 3.691 for insurance firms, 3.971 for mobile network service firms, and 3.802 for the joint effect; practiced price penetration strategy to maximize profit, as shown by a mean of 3.914 for the banking firms, 3.199 for insurance firms, 3.800 for mobile network service firms, and 3.638 for the joint effect; compared other competitors' pricing strategies so to improve their income, as shown by 3.829 for banking firms, 3.463 for insurance firms, 3.771 for mobile network service firms and 3.688 for the joint effect; frequently reviewed product brands in comparison to other firms so as to maximize their income, as shown by a mean of 3.743 for banking firms, 3.565 for insurance firms, 3.971 for mobile network service firms, and 3.640 for the joint effect; and venture to new regions in view of expanding its income, as shown by a mean of 3.714 for the banking firms, 3.463 for insurance firms, 3.743 for mobile network service firms, and 3.716 for the joint effect.

The above findings are an indication that the banking, insurance, mobile network service firms in Kenya have embraced profit maximization strategies since according to Peng and Heath (1996), some organizations engage in profit maximization strategies and that this led to increased firm performance which in turn led to increased firm growth.

4.7 Firm Growth

In this section, the researcher sought the respondent's perception of the statements of measures relating to the effect of strategic management on firm growth. Responses were captured in a five point Likert scale (1= Strongly Disagree, 2 = Disagree 3= Moderate, 4 = Agree and 5 = Strongly Agree).

The general level of acceptance was determined by calculating the means and standard deviation for the various statements as per the responses and tabulated in descending order of mean for each type of firm, and the overall effect. The results were as presented in table 4.5.

Table 4.5: Measures of Firm Growth Strategy

Indicators	**Banking Firms**		**Insurance Firms**		**Mobile Network Service Firms**		**Overall Effect**	
	Mean	**Standard Deviation**	**Mean**	**Standard Deviation**	**Mean**	**Standard Deviation**	**Mean**	**Standard Deviation**
My firm's sales growth strategies have greatly contributed to the overall sales turnover.	4.000	0.239	3.673	0.099	4.194	0.357	**3.956**	**0.232**
My firm's market growth strategies have greatly enhanced the growth of market share.	3.886	0.196	2.544	0.137	3.925	0.253	**3.452**	**0.195**
My firm's profit maximization strategies have enhanced growth of profit margins and overall return on assets.	3.971	0.202	3.075	0.202	4.107	0.371	**3.718**	**0.258**
Overall	**3.952**	**0.212**	**3.097**	**0.146**	**4.075**	**0.327**	**3.707**	**0.228**

Source: Research Findings

Majority of the respondents agreed that in their firms: sales growth strategies had greatly contributed to the overall sales turnover, as shown by a mean of 4.000 for banking firms, 3.673 for insurance firms, 4.194 for mobile network service firms, and 3.956 for the joint effect; market growth strategies had greatly enhanced the growth of market share, as shown by a mean of 3.886 for banking firms, 2.544 for insurance firms, 3.925 for mobile network service firms, and 3.452 for the joint effect;

Profit maximization strategies had enhanced growth of profit margins and overall return on assets, as shown by a mean of 3.971 for the banking firm, 3.075 for the insurance firm, 4.107 for mobile network service, and 3.718 for the joint effect. These findings are consistent with those of Peng and Heath (1996) that among other factors, the return on assets (a profitability measure) greatly influenced firm growth.

4.8 Regression Analysis

Regression analysis was undertaken using the joint (overall) effect values to cater for the combined effect of relationships between the independent and dependent variable in banking, insurance, and mobile network service firms in Kenya.

4.8.1 Sales Growth Strategy

Table 4.6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.889	.790	.736	.22462

Adjusted R squared is coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variable(s). From the findings in the above table, the value of adjusted R squared was 0.736 an indication that there was variation of 73.6% in firm growth due to changes in sales growth strategy at 95% confidence interval . This shows that 73.6% changes in firm growth could be attributed to changs in sales growth strategy. R is the correlation coefficient which shows the relationship between the study variables, from the findings shown above there was a strong positive correlation between the study variables as shown by 0.889.

Table 4.7: Analysis of Variance

Model		**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
1	Regression	1.293	1	.431	3.814	.001[b]
	Residual	37.968	34	.113		
	Total	39.261	35			

From the ANOVA statistics in table 4.7, the regression model had a fit with the data ($F=3.814$, $P < 0.01$). This is an indication that sales growth strategy had a significant influence on firm growth.

Table 4.8: Coefficients

Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**T**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	1.508	1.131		1.333	.001
	Sales Growth Strategy	.481	.228	0.203	2.110	.002

As shown in table 4.14 beta coefficient is significant ($\beta = 0.481$, $t = 2.110$, $P < 0.01$). This implies that for every unit change in sales growth strategy there was 41.1% increase in performance.

From the data in the above table, the established regression equation was:

$$\mathbf{Y = 1.508 + 0.481X_1}$$

From the above regression equation, it was revealed that if there were no changes in sales growth strategies, firm growth would be at 1.508. However, a unit change in sales growth strategy would lead to increase in firm growth by a factor of 0.481. At 5% level of significance in market growth strategy was found to significantly influence firm growth.

4.8.2 Market Growth Strategy

Table 4.9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.788[a]	.621	.604	.06210

Adjusted R squared is coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variable(s), from the findings in the above table the value of adjusted R squared was 0.604 an indication that there was variation of 60.4% on firm growth due to changes in market growth strategies at 95% confidence interval .

This adjusted R square shows that 60.4% changes in firm growth could be accounted to changs in market growth strategies. R is the correlation coefficient which shows the relationship between the study variables, from the findings shown in the table above there was a strong positive relationship between the study variables as shown by 0.788.

Table 4.10: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Residual	2.844	1	0.711	4.903	.001[b]
	Regression	10.875	34	0.145		
	Total	13.719	35			

Critical Value =2.0196 (F-Distribution Table)

From the ANOVA statistics in table above, the processed data, which is the population parameters, had a significance level of 0.1% which shows that the data is ideal for making a conclusion on the population's parameter as the value of significance (p-value) is less than 5%.

The F critical at 5% level of significance was 2.0196 since F calculated (4.903) is greater than the F critical; this shows that the overall model was significant. This is an indication that market growth strategies significantly influenced firm growth.

Table 4.11: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	Constant	1.445	0.453		3.190	.002
	Market Growth Strategies	0.421	0.145	.297	2.903	.003

From the data in the above table the established regression equation was

$$\mathbf{Y = 1.445 + 0.421\, X_2}$$

From the above regression equation, it was revealed that if there were no changes in market growth strategies, firm growth would be at 1.445. However, a unit change in market growth strategy would lead to increase in firm growth by a factor of 0.421. At 5% level of significance in market growth strategy was found to significantly influence firm growth.

4.8.3 Profit Maximization Strategy

Table 4.12: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.881[a]	.776	.724	.01121

Adjusted R squared is coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variable(s), from the findings in the above table, the value of adjusted R squared was 0.724 an indication that there was variation of 72.4% on firm growth due to changes in profit maximization strategies at 95% confidence interval. This shows that 72.4% changes in firm growth could be explained by changes in profit maximization strategies. R is the correlation coefficient which shows the relationship between the study variables, from the findings shown in the table above there was a strong positive relationship between the study variables as shown by 0.881.

Table 4.13: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Residual	2.844	1	0.745	4.726	.001[b]
	Regression	10.875	34	0.167		
	Total	13.719	35			

Critical Value =2.0196 (F-Distribution Table)

From the ANOVA statistics in table above, the processed data, which is the population parameters, had a significance level of 0.1% which shows that the data is ideal for making a conclusion on the population's parameter as the value of significance (p-value) is less than 5%. The F critical at 5% level of significance was 2.0196 since F calculated (4.716) is greater than the F critical; this shows that the overall model was significant. This is an indication that profit maximization strategies significantly influenced firm growth.

Table 4.14: Coefficients

Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	**Constant**	**1.213**	**0.453**		**3.190**	**.002**
	Diversity training	0.532	0.197	.014	2.701	.005

From the data in the above table the established regression equation was

$$\mathbf{Y = 1.213 + 0.532\ X_3}$$

From the above regression equation, it was revealed that if there were no changes in profit maximization strategies, firm growth would be at 1.213. However, a unit change in profit maximization strategy would lead to increase in firm growth by a factor of 0.532. At 5% level of significance in profit maximization strategy was found to significantly influence firm growth.

4.8.4 Effect of Strategic Management on Firm Growth

Table 4.15: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.808(a)	.653	. 633	.69440

Adjusted R squared is coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variable, from the findings in the above table the value of adjusted R squared was 0.633.The figure was an indication that there was variation of 63.3% on firm growth due to changes in sales growth strategy, market growth strategy and profit maximization strategy at 95% confidence interval.

This shows that 63.3% changes in firm growth could be explained by changes in sales growth strategy, market growth strategy and profit maximization strategy. R is the correlation coefficient which shows the relationship between the study variables, from the findings shown in the table above there was a strong positive relationship between the study variables as shown by 0.808.

Table 4.16: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	0.813	3	0.271	3.045	.021[b]
	Residual	2.759	31	0.089		
	Total	3.572	35			

From the ANOVA statistics in table above, the processed data, which is the population parameters, had a significance level of 2.1% which shows that the data is ideal for making a conclusion on the population's parameter as the value of significance (p-value) is less than 5%. The F critical at 5% level of significance was 2.0196 since F calculated (3.045) is greater than the F critical; this shows that the overall model was significant. This is an indication that sales growth strategy, market growth strategy and profit maximization strategy significantly influenced firm growth.

Table 4.17: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	**Std. Error**	**Beta**		
1	Constant	1.298	.453		2.865	.006
	Sales Growth Strategy	.237	.160	.198	2.479	.012
	Market Growth Strategy	.231	.126	.245	3.834	.001
	Profit Maximization Strategy	.239	.145	.008	2.065	.023

$p<0.05$, dependent variable; Firm Growth

From the data in the above table the established regression equation was

$$\mathbf{Y = 1.298 + 0.237\, X_1 + 0.231\, X_2 + 0.239\, X_3}$$

From the above regression equation it was revealed that if change in sales growth strategy, market growth strategy and profit maximization strategy were each zero, firm growth would be at 1.298. However, a unit change in sales growth strategy would lead to increase in firm growth by a factor of 0.237, unit change in market growth strategy would lead to increase in firm growth by a factor of 0.231 and a unit change in profit maximization strategy would lead to increase in firm growth by a factor of 0.239.

At 5% level of significance, sales growth strategy, market growth strategy and profit maximization strategy were each found to significantly influence firm growth.

4.9 Discussion of Findings

4.9.1 Relationship with Theory

Resource based view of the firm posits that resources at the disposal of a firm can actually be a source of competitive advantage. Furthermore, identifying firms' market positions and managerial judgment about demand-side value creation opportunities as resource value drivers highlights the importance of demand-side factors to strategic outcomes.

The findings of this study have adduced evidence in support of the resource based theory of the firm. In this regard, the study reveals that prudent utilization of a firm's human, physical, financial, and intellectual resources will lead to increased sales growth, a variable which directly confounds overall firm growth and hence performance. In addition, the study findings have adduced evidence that a firm's resource base is likely to enhance market growth though ability to expand to new markets, thereby leading to increased firm growth.

Furthermore, a firm's ability to implement profit maximization strategy will depend on the availability of the requisite resources. It can therefore be concluded that the findings of the study are in agreement with resource based theory.

Stakeholder theory argues that a firm in comprised of a variety of stakeholders who are found both inside and outside the firm. According to the theory, firm growth and performance should not be limited to a narrow view of the interest of a few stakeholders but should be balanced.

The study findings are in support of the stakeholder theory since it has shown that sales growth would be enhanced if all relevant stakeholders are involved and consulted in strategy formulation, its implementation, and even monitoring and evaluation. In this regard, staff, top management team, customers, suppliers, government, and competitors can each be of significance to the management of sales growth strategy in a firm. Also, market growth will depend on both individual and collective input of every a firm's stakeholders.

For example, the strategy of delivering new products to new markets will require consultation with current scope of customers, staff, top management team, shareholders and even suppliers. Finally, to drive profit maximization strategy, a firm will need to push sales volume and increase unit margin; this strategy will require involvement of managers, staff, suppliers, and even customers to reduce costs, and increase sales volumes. Therefore, it can be concluded that the findings of this study are in concurrence with the stakeholder theory.

4.9.2 Relationship with Previous Research

The findings of this study have adduced evidence to the effect that the banking, insurance, and mobile network service firms in Kenya ensure sales growth strategy which ultimately improves the performance of the all functions since strategic focus is on growing sales revenue by every organizational unit. These findings concur with those of Ongore and K'Obonyo (2011) that firm growth was greatly influenced by the sales turnover, among other factors.

From the study findings, it is clear that the banking, insurance, and mobile network service firms in Kenya practice market growth strategies, a factor that has helped the organizations to improve their form growth. These findings are consistent with those of Pitelis (2002) that because the value of a resource/asset is context dependent, the market for such assets is generally thin. The study also adds that changes in market growth strategies had a direct influence on the growth of a firm.

Finally, the findings are also an indication that the banking, insurance, and mobile network service firms in Kenya have embraced profit maximization strategies since according to Peng and Heath (1996), some organizations engage in profit maximization strategies and that this led to increased firm performance which in turn led to increased firm growth.

4.10 Chapter Summary

This chapter has presented the study findings and their interpretations. The findings have been presented following the structure of the questionnaire: the demographics; statements relating to sales growth; statements relating market growth; statements relating to profit maximization; and finally statements relating to firm growth.

Results from regression analysis have been presented for the relationship between each independent variable and the dependent variable, and the later a joint effect has been presented. Various statistics have been used including R, R-square, adjusted R-square, and the ANOVA. There was generally a strong effect of strategic management practices on firm growth of banking, insurance, and mobile network service firms in Kenya from the findings unveiled in this chapter.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The following conclusion and recommendations were made from the study findings. The responses were based on the objectives of the study. The study sought to determine the effect of strategic management on the firm growth of banking, insurance, and mobile network service firms in Kenya.

5.2 Summary of Findings

5.2.1 Sales Growth Strategy

The respondents were requested to indicate whether sales growth strategy influenced the growth of banking, insurance, and mobile network service firms in Kenya. The findings revealed that sales growth strategy affected performance of banking, insurance, and mobile network service firms in Kenya to a great extent. Findings also concluded that majority of the respondents agreed that their organization has a strategy for: regional marketing; competition according to the forces of demand and supply; sustainability of suppliers concerned with dissemination of products to customers; complying with government policies so as to remain relevant in market place; frequent review of product prices in comparison to other firms in the market and balance in a bid to deliberately attract and retain people with disability; paying close attention to planning and monitoring competitors new market.

This shows that the firms ensured changes in sales growth strategies, which ultimately improved the overall sales turnover. These findings concur with those of Ongore and K'Obonyo (2011) that firm growth was greatly influenced by the sales turnover, among other factors.

5.2.2 Market Growth Strategy

The study sought to determine the respondent's opinion on whether market growth strategy influenced the growth of banking, insurance, and mobile network service firms in Kenya to a great extent. The findings further revealed that majority of the respondents agreed that their firms had a strategy for: close monitoring and assessment of their levels of commitment and orientation to serving customer needs; driving firm objectives primarily by customer satisfaction; competitive advantage based on understanding customer needs; driving firm strategies the goal of increasing customer value; frequently and systematically measuring customer satisfaction and pricing strategies; paying close attention to after-sales service; and regular discussion of competitors' strengths and weaknesses by top management.

From these findings, it is clear that the banking, insurance, and mobile network service firms in Kenya do have market growth strategies, a factor that has helped the firms to increase their market share. These findings are consistent with those of Pitelis (2002) that because the value of a resource/asset is context dependent, the market for such assets is generally thin. He adds that changes in market growth strategies had a direct influence on the growth of a firm.

5.2.3 Profit Maximization Strategy

The respondents were requested to indicate whether profit maximization strategy influenced the firm growth of banking, insurance, and mobile network service firms in Kenya to a great extent. The study findings concluded that profit maximization strategy affected the growth of banking, insurance, and mobile network service firms in Kenya to a great extent and that majority of the respondents agreed that their firms had strategies for: Price planning and monitoring to increase profit; practicing price penetration to maximize profit; frequent review of product brands in comparison to other firms so as to maximize income; and venturing into new regions in view of increasing income.

These findings are an indication that the banking, insurance, and mobile network service firms in Kenya have embraced profit maximization strategies. These findings are consistent with those of Peng and Heath (1996) that among other factors, the return on assets (a profitability measure) greatly influenced firm growth.

5.3 Conclusion

From the findings, the study concludes that a firm's sales growth strategy is vital to its growth, and that firms that have sales growth strategy are seen to grow faster than their counterparts. This is because a well formulated, implemented and monitored sales growth strategy provided unity of direction for all relevant stakeholders.

Further conclusions are drawn that firms that have market growth strategy record faster growth. This is because a well-managed market growth provided a clear product-market scope of the organization in both the short, medium and long-term of the organization.

The study also concludes that profit maximization strategy increases profit margins and overall return on assets thereby enhancing faster firm growth. This is because profit margins and sales volume would be increased under clear and well defined targets and means of achieving them.

5.4 Recommendations

The study recommends that policy formulation aimed at enhancing growth of enterprises in Kenya should consider seriously implications of such policies on sales growth, market growth, and profit maximization strategies of the organizations. This is because the three variables have been indicated to have major implications on firm growth.

The study further endorses that in order to have a proper policy-practice nexus, strategic and other management practitioners ought to conduct proper if-analysis on sales growth, market growth, and profit maximization strategies on the growth of the firms under their control and direction. This is because a change in each of the three variables leads to a major change in the firm growth.

Finally, the study suggests that the academics and management researchers should work in collaboration with policy makers and practitioners in an effort to steer growth of organizations in their contexts. Specifically, the study recommends that the academics should develop models that can be used by management practitioners to enhance the growth of their firms.

5.5 Limitations

Several limitations were encountered in the course of this study. Some respondents were uncooperative in filling the questionnaires; this limitation was mitigated by invoking a conversation with the respondent's first to make them at ease. This strategy was used also to reduce the risk of the respondents giving socially-correct responses.

Some respondents also took longer than expected time to fully complete the questionnaire; the researcher however ensured questionnaire submission was done early enough to allow significant time for completion. Early preparation of questionnaires and pre-testing of the same also helped the researcher time for analysis and presentation.

5.6 Areas for Further Research

This study sought to determine the the effect of strategic management on the growth of banking, insurance, and mobile network service firms in Kenya. The study recommends an in-depth study should be done on challenges facing implementation of sales growth, market growth, and profit maximization strategies among banking, insurance, and network service firms in Kenya.

The study further recommends a study on the sustainability issues facing strategic management among banking, insurance, and mobile network service firms in Kenya. The study also suggests a study of other strategy variables among banking, insurance, and mobile network service firms in Kenya.

5.7 Chapter Summary

This chapter entailed a synopsis of the study findings, overall conclusions and recommendations. It was established that sales growth, market growth, and profit maximization strategies had significant influence on the growth of banking, insurance, and mobile network service firms in Kenya.

The study has put forth a number of recommendations for strategic intervention in line with the study findings. A few limitations of the study have been highlighted as well as the mitigations the researcher used in each. Finally, the study has discussed some areas for further research.

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APPENDICES

Appendix I: Questionnaire

SECTION A

DEMOGRAPHICS

Name: (optional)--

Gender ◯ Male ◯ Female

Type of institution

◯ Bank ◯ Insurance firm ◯ Mobile Network Service Firm

Please answer the following questions (Tick appropriately)

1.What is your age bracket?	0-20 years ☐	21-35 years ☐	36-50 years ☐	Over 50 years ☐
2. What is your current job title?	National Executive ☐	Branch Manager ☐	Any other ☐	

3. For how long have you held your position?	0-5 years ☐	6-10 years ☐	Over 10 yrs ☐	
4. What is the highest Educational qualification?	Diploma ☐	Bachelors Degree ☐	Masters degree ☐	Ph.D Degree ☐

SECTION B

Sales Growth Strategy

Please indicate the extent, to which your firm is characterized by each of the following, using a five point scale where:

1=Not at all, 2= Little extent, 3= Moderate extent, 4=Great extent, 5=Very great extent

	1	2	3	4	5
1. To what extent does your firm engage in regional marketing as well as to local markets penetration?	☐	☐	☐	☐	☐
2. To what extent does your firm compete according to the market forces of demand and supply?	☐	☐	☐	☐	☐
3. To what extent does your firm sustain its suppliers who are concerned with dissemination of its products to customers?	☐	☐	☐	☐	☐
4. To what extent does you firm comply with government policies so as to remain relevant in market place?	☐	☐	☐	☐	☐
5. To what extent does your firm discuss competitors' strengths and weaknesses so as to maximize on them for easy market growth?	☐	☐	☐	☐	☐
6. To what extent does your firm frequently review product prices in comparison to other firms in the market and balance it?	☐	☐	☐	☐	☐
7. To what extent does your firm pay close attention to planning and monitoring competitors new market entries?	☐	☐	☐	☐	☐

SECTION C

Market Growth

Please indicate the extent, to which your firm is characterized by each of the following, using a five point scale where:

1=Not at all, 2=Little extent, 3=Moderate extent, 4=Great extent, 5=Very great extent

	1	2	3	4	5
1. To what extent does your firm closely monitor and assess your level of commitment and orientation to serving customer needs?	☐	☐	☐	☐	☐
2. To what extent are your firm objectives driven primarily by customer satisfaction?	☐	☐	☐	☐	☐
3. To what extent are your firm's competitive advantage based on understanding customers' needs?	☐	☐	☐	☐	☐
4. To what extent are your firm's strategies driven by the goal of increasing customer value?	☐	☐	☐	☐	☐
5. To what extent does your firm frequently and systematically measure customer satisfaction pricing strategies?	☐	☐	☐	☐	☐
6. To what extent does your firm pay close attention to after-sales service?	☐	☐	☐	☐	☐
7. To what extent does your firm's top management regularly discusses competitors' strengths and weaknesses?	☐	☐	☐	☐	☐

SECTION D

Profit Maximization

Please indicate the extent, to which your firm is characterized by each of the following, using a five point scale where:

1=Not at all, 2=Little extent, 3=Moderate extent, 4=Great extent, 5=Very great extent

	1	2	3	4	5
1. To what extent does your firm engage in price planning and monitoring to increase its profit?	▢	▢	▢	▢	▢
2. To what extent does your firm practice price penetration strategy to maximize profit?	▢	▢	▢	▢	▢
3. To what extent does your firm compare other competitors' pricing strategies so to improve its income?	▢	▢	▢	▢	▢
4. To what extent does your firm frequently review product brands in comparison to other firms so as to maximize its income?	▢	▢	▢	▢	▢
5. To what extent does your firm venture to new regions in view of increasing its income?	▢	▢	▢	▢	▢

SECTION E

Firm Growth

Please indicate the extent, to which your firm is characterized by each of the following, using a five point scale where:

1=Not at all, 2=Little extent, 3=Moderate extent, 4=Great extent, 5=Very great extent

	1	2	3	4	5
1. My firm's sales growth strategies have greatly contributed to the overall sales turnover.	☐	☐	☐	☐	☐
2. My firm's market growth strategies have greatly enhanced the growth of market share.	☐	☐	☐	☐	☐
3. My firm's profit maximization strategies have enhanced growth of profit margins and overall return on assets.	☐	☐	☐	☐	☐

THANK YOU

Appendix II: List of Commercial Banks, Insurance, and Mobile Network Service Firms in Kenya

A. Licensed commercial banks as at June, 2016

1. ABC Bank (Kenya)
2. Bank of Africa
3. Bank of Baroda
4. Bank of India
5. Barclays Bank of Kenya
6. CfC Stanbic Holdings
7. Chase Bank Kenya (In Receivership)
8. Citibank
9. Commercial Bank of Africa
10. Consolidated Bank of Kenya
11. Cooperative Bank of Kenya
12. Credit Bank
13. Development Bank of Kenya
14. Diamond Trust Bank
15. Ecobank Kenya
16. Equity Bank
17. Family Bank
18. Fidelity Commercial Bank Limited
19. First Community Bank
20. Giro Commercial Bank
21. Guaranty Trust Bank Kenya
22. Guardian Bank
23. Gulf African Bank
24. Habib Bank
25. Habib Bank AG Zurich
26. Housing Finance Company of Kenya
27. I&M Bank
28. Imperial Bank Kenya (In receivership)
29. Jamii Bora Bank
30. Kenya Commercial Bank
31. Middle East Bank Kenya
32. National Bank of Kenya
33. NIC Bank
34. Oriental Commercial Bank
35. Paramount Universal Bank
36. Prime Bank (Kenya)

37. Sidian Bank
38. Spire Bank
39. Standard Chartered Kenya
40. Trans National Bank Kenya
41. United Bank for Africa
42. Victoria Commercial Bank

B. List of Insurance Companies in Kenya, as at June 2016

1. AAR Insurance Kenya
2. APA Insurance - Part of Apollo Investments Company
3. Africa Merchant Assurance Company - AMACO
4. Apollo Life Assurance
5. AIG Kenya Insurance Company
6. British-American Insurance Company Kenya Limited
7. Cannon Assurance Company Limited
8. Capex Life Assurance Company
9. CIC General Insurance
10. CIC Life Assurance
11. Continental Reinsurance
12. Corporate Insurance Company
13. Directline Assurance Company
14. East Africa Reinsurance Company
15. Fidelity Shield Insurance Company
16. First Assurance Kenya Limited
17. GA Insurance Company
18. Geminia Insurance Company
19. ICEA LION General Insurance Company
20. ICEA LION Life Assurance Company
21. Intra Africa Assurance Company
22. Invesco Assurance Company
23. Kenindia Assurance Company
24. Kenya Orient Insurance
25. Kenya Reinsurance Corporation
26. Liberty Life Assurance Kenya Limited
27. Madison Insurance Company Kenya
28. Mayfair Insurance Company
29. Mercantile Insurance Company
30. Metropolitan Life Insurance Kenya
31. Occidental Insurance Company
32. Old Mutual Life Assurance Company

33. Pacis Insurance Company
34. Pan Africa Life Assurance
35. Phoenix of East Africa Assurance Company
36. Pioneer Assurance Company
37. Real Insurance Company
38. Resolution Insurance Company
39. Takaful Insurance of Africa
40. Tausi Assurance Company
41. Heritage Insurance Company
42. Jubilee Insurance Company Limited
43. Monarch Insurance
43. Company
44. Trident Insurance Company
45. UAP Insurance Company
46. UAP Life Assurance Company
47. Xplico Insurance Company

C. List of Mobile Network Service Firms in Kenya, as at June 2016

1. Safaricom Kenya Limited
2. Airtel Kenya Limited
3. Telkom Kenya Limited

Appendix III: Introduction Letter

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS

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P.O. Box 30197
Nairobi, Kenya

DATE.........23/09/2016 .

TO WHOM IT MAY CONCERN

The bearer of this letter ...KULUNDU RUTH KHATIEVI.........

Registration No.....D61/8835/2005..........................

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
23 SEP 2016
P.O. Box 30197 – 00100, NAIROBI

PATRICK NYABUTO
SENIOR ADMINISTRATIVE ASSISTANT
SCHOOL OF BUSINESS