THE EFFECTS OF STRATEGIC LEADERSHIP PRACTICES ON THE FINANCIAL PERFORMANCE OF EAST AFRICAN BREWERIES LTD

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DECLARATION

I declare that this research project is my original work and has not been submitted to any other university for award of a Masters's degree,

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DEDICATION

This work is dedicated to my family, friends and lecturers for making this project possible through support and prayers.

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ABBREVIATIONS

EABL	East African Breweries Ltd
MSMEs	Micro, small, and medium-sized businesses
SWOT	Strengths, Weaknesses, Opportunities, Threats
ROA	Return on assets
ROI	Return on investment
ROE	Return on equity
SMEs	Small and medium-sized organizations
VIF	Variance Inflation Factor

ABSTRACT

Strategic leadership practices and financial performance are important to businesses because they are key determinants of organizational success. Previous studies have provided positive and negative findings on the effect of strategic leadership practices. Therefore, it highlights the necessity for further investigation. The research aimed to evaluate the effect of change management practices, strategic planning processes, and strategic innovation on the financial performance of the company. The study aimed to evaluate the effects of strategic leadership practices on the financial performance of East African Breweries Ltd. The foundation of the investigation was the upper echelon theory, transformational leadership theory and contingency theory. The research employed a case study approach using primary and secondary data from EABL employees and annual reports. The study was done using a sample of 128 employees. Data was collected using a closed ended questionnaires and the analysis was done using SPSS. The regression results show that the strategic leadership practices included in the analysis accounts for 75.9% of the variability in financial performance. Moreover, the regression results imply that change management, strategic planning processes, and strategic innovation do not exhibit statistically significant relationships with financial performance at the conventional significance level of 0.05. The study results recommend that leaders and managers within East African Breweries Ltd. (EABL) reassess their current change management strategies. The study findings also recommend that policymakers in Kenya should encourage an environment conducive to strategic leadership practices within organizations. Policymakers should consider initiatives that incentivize companies to prioritize effective change management strategies. The study findings also recommend that scholars and academicians in Kenya should delve deeper into research concerning strategic leadership practices and their impact on financial performance.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Performance reflects a firm's ability to generate revenue and create value for its stakeholders. Revenue growth and profitability are used to evaluate financial performance (Alshehhi, Nobanee & Khare, 2018). The financial performance of a corporation is affected by its strategic practices. Strategic practices encompass the decisions taken by an entity to achieve its long-term goals and objectives (Kabetu & Iravo, 2018). Effective strategic leadership also helps a company align its goals and objectives with its stakeholders. Moreover, strategic leadership practices can help the company to manage risks effectively (Panno, 2020). Strategic leadership practices and financial performance are important to businesses because they are key determinants of organizational success.

Kumar (2021) research evaluated the effects of strategic leadership on the performance of Indian pharmaceutical firms. The results show a strong association between performance and strategic leadership. Gomera, Mishi & ChinyaMurindi (2018) examined the how strategic planning influences the financial performance in South African micro, small, and medium-sized businesses (MSMEs). The results show an association between strategic planning and MSMEs' financial performance. Moreover, the association between change management techniques and the performance of Kenyan commercial banks (Tayari & Mutinda, 2019). The results show a strong correlation between performance and change management.

The research was informed by upper-echelon, contingency, and transformational leadership theories. The upper echelon theory was the study's anchoring theory. The theory argues that top-level leaders' personal characteristics, experiences, and values affect organizational outcomes (Neely Jr et al., 2020). Therefore, the decision-making of the top management team in EABL are influenced by their backgrounds, beliefs, and experiences. According to contingency theory, effective leadership is dependent on a variety of situational conditions and there is no one technique that works for all situations. Therefore, the setting and environment of EABL determined the effectiveness of the study. In addition, transformational leadership theory posits that leaders who inspire, motivate, and challenge their followers can lead to exceptional performance (Murphy & Anderson, 2020). Transformational leadership theory is applicable to EABL because effective leaders inspire and motivate followers to achieve their full potential.

1.1.1 Strategic Leadership Practices

Accomplishing the aims and objectives of a corporation requires its executives to engage in strategic leadership practices (Henry, 2021). It entails evaluating the business's internal and external environments, determining its strengths and weaknesses, and devising and putting into practice measures to increase its performance and competitiveness. Further, strategic leadership practices involve formulating and implementing strategies to achieve organizational goals and objectives. Therefore, it enables leaders to make informed choices and adapt strategically to meet the changing environment.

Strategic leadership practices can differ based on the company and setting. One key component of strategic leadership is strategic planning. The component involves developing a long-term plan for achieving the organization's goals. Strategic planning involves figuring out the purpose and vision of the company, doing a SWOT analysis, establishing goals and objectives, and designing strategies and tactics to attain those goals (Kabeyi, 2019). According to Henry (2021), change management involves implementing changes within an organization to ensure they are successful and achieve their intended outcomes. It involves assessing the need for change and communicating the changes to employees (Henry, 2021). Strategic innovation refers to the deliberate and systematic pursuit of new ideas and processes that can give an organization a competitive advantage (Kabeyi, 2019).It involves fostering a culture of innovation within the organization and encouraging creativity. Leaders must also allocate resources and support research and development efforts to drive innovation (Henry, 2021). The study considers the three strategic leadership practices to evaluate its effects on the performance of EABL.

1.1.2 Financial Performance

Financial performance may be defined as the assessment of a company's financial health and capacity to make profits, maintain liquidity, and manage its assets and liabilities efficiently (Binsaddig, 2023). It entails scrutinizing a company's financial statements to assess its profitability, solvency, liquidity, and efficiency (Kabetu & Iravo, 2018). Therefore, it helps to determine how effective it is to use resources to generate revenue and maintain profitability.

The components of financial performance include profitability, liquidity and solvency. Profitability measures how well a business generates revenues from its activities. It includes metrics such as return on investment (ROI), gross profit margin, net profit margin, ROE and ROA (Binsaddig, 2023). The capacity of a corporation to fulfill its immediate financial obligations is measured by its liquidity. It includes metrics such as the current, quick, and cash ratios. According to Binsaddig, 2023), solvency gauges the company’s capacity to offset its long-term financial obligations. Metrics like the interest coverage ratio, the debt-to-equity ratio and the debt-to-assets ratio are part of it. This study measures financial performance using sales growth, net income growth and earnings per share.

1.1.3 East African Breweries Limited

East African Breweries Limited (EABL) is a leading alcoholic beverage company in East Africa, headquartered in Nairobi, Kenya. The company was founded in 1922. Since its inception, it has become a major player in the alcoholic beverage industry. It operates in several countries, including Kenya, Uganda, and Tanzania and sells its products in over 10 African countries (Kamencu & Deya, 2018). EABL manufactures and sells a variety of alcoholic beverages, including beer, spirits, and non-alcoholic drinks. Moreover, EABL has partnerships with other global beverage companies, such as Diageo and Heineken, allowing it to distribute its products in the East African market.

According to EABL (2023), the company is strongly committed to sustainability and CSR and has implemented many programs to promote responsible drinking, support local communities and safeguard the environment. The company has also been recognized for promoting gender diversity and inclusion in the workplace. EABL is listed on the NSE and has a high market capitalization (Ogero & Ochiri, 2018). The company has consistently delivered strong financial performance, with high net sales and profit. Therefore, EABL is an important player in the East African economy and significantly impacts the region's beverage industry and its local communities.

1.2 Research Problem

Leadership activities play a critical role in driving financial performance. There is a consensus among scholars that strategic leadership practices can positively impact financial performance (Kumar, 2021). The relationship is encouraged by the argument that leadership practices help organizations develop a clear sense of direction and focus, which leads to effective strategies that improve financial performance (Waititu, 2016). According to Kabetu & Iravo (2018), strategic leadership practices lead to improved financial performance. Leaders who adopt a strategic approach are more likely to make informed decisions within the firm's long-term goals and objectives. Strategic leadership practices have been adopted in EABL over the past few years. The company has focused on innovation, expansion into new markets, and diversification of product offerings (Njari & Muathe, 2018). The company has been changing the composition of its board over the last few years. These initiatives have improved financial performance, with the organization reporting record profits in recent years.

Ongongo & Mang'ana (2022) investigated how strategic leadership affects performance. The investigation established that strategy evaluation and leadership practices positively and significantly influence performance. Lola & Nyangau's (2018) study explored how strategic leadership affected Kenya's public sector's performance. The study's results revealed that motivational inspiration, idealized influence, individual consideration, and intellectual stimulation significantly improved Kenya's public sector performance.

There has not been much research done in empirical studies on the direct and indirect relationships between strategic leadership and financial performance. Moreover, there is a lack of adequate empirical evidence on the influence of strategic leadership on the performance of East African Breweries Limited. The empirical evidence presented by the researchers shows a mixed reaction to the effect of strategic leadership on performance. The current research fills a gap in the literature because most studies have not majored in EABL. The current study majors in strategic planning, visionary thinking and strategic innovation. As shown by the empirical evidence, most studies do not focus on the variables that present a gap that the present study addresses. Therefore, this research seeks to address the question, what are the effects of strategic leadership practices on the financial performance of East African Breweries Limited?

1.3 Research Objective

To examine the effect of strategic leadership practices on the financial performance of East African Breweries Limited.

1.4 Value of the Study

The findings of this scrutiny provide important insights for business leaders and managers. The results can help these professionals improve their strategic leadership practices, which may enhance the financial performance of their respective companies.

The study's findings can be useful to policymakers regulating the alcoholic beverage industry in Kenya and beyond. Policymakers can use the findings to inform their policies on leadership practices in the industry. Therefore, the research contributes to developing effective policies that foster growth and sustainability.

The results also add to the existing knowledge of leadership practices and their impact on performance. The study findings provided scholars and academicians with empirical evidence on the efficacy of strategic leadership practices. Therefore, it enhances the understanding of how effective the practices can influence financial performance.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The section provides an overview of the previous studies supporting the objective. It presents the theoretical framework to understand leadership practices and their influence on financial performance. The chapter also includes strategic leadership practices and an empirical review. Moreover, the chapter has a conceptual framework section. A literature review summary is also provided to give an overview of the key findings.

2.2 Theoretical Review

The section provides a critical analysis of existing theoretical frameworks related to the study. The study is guided by the upper echelon theory, contingency theory and the transformational leadership theory.

2.2.1 Upper Echelon Theory

The theory was introduced by Donald C. Hambrick and Phyllis A. Masonin, 1984. The Upper Echelon Theory states that an organization's strategic choices and performance are influenced by its top executives' characteristics, values, and experiences (Abatecola & Cristofaro, 2020). The theory focuses on the idea that the backgrounds and skills of top leaders shape their strategic decision-making. The Upper Echelon Theory contends that the preferences of senior executives are influenced by their demographic traits (Neely et al., 2020). These individual differences shape leaders' strategic choices and subsequently influence organizational performance.

One major criticism of the theory is that it oversimplifies the relationship between top executives and organizational outcomes. Critics argue that the theory overlooks the influence of external factors, such as industry dynamics, competitive forces, and market conditions (Abatecola & Cristofaro, 2020). The Upper Echelon Theory is applicable to the research. The theory is applicable in the study to examine how the leadership team at EABL shape the strategic planning process. It helped to analyze the impact of their personal experiences and cognitive biases on the strategic decisions they make. The theory is also applicable in investigating how the leadership team's values and perspectives affect the adoption of change management practices within EABL. It also helped in exploring whether the leadership's commitment to change and their willingness to innovate impacts the success of change initiatives. It is also applicable in examining how the upper echelon's attitudes towards innovation and risk-taking influence the organization's ability to engage in strategic innovation.

2.2.2 Transformational Leadership Theory

James V. Downton propagated the transformational leadership hypothesis in 1973. James MacGregor Burns continued to improve it in 1978. The theory suggests that leaders with specific qualities and behaviors can motivate their followers to achieve extraordinary outcomes. According to this theory, transformational leaders go beyond transactional exchanges and influence followers by appealing to their higher-order needs, values, and aspirations (Peter & Placido, 2023). These leaders inspire and empower their followers. They stimulate them to exceed their self-interests and work towards the organization's collective goals.

One critique of transformational leadership theory is that it places too much emphasis on the leader and idealizes their qualities. The focus on the leader's charismatic and heroic attributes overlooks the importance of followers' contributions and the organizational context (Reza, 2019). However, the theory applies to the current study. The theory helps in analyzing the idealized influence exhibited by the company's leaders. Therefore, it helps the study to evaluate how these behaviors contribute to performance outcomes (Reza, 2019). Additionally, the theory guides the study in exploring how transformational leadership practices align with the organizational culture and values of East African Breweries Limited. It shows how leaders' ability to articulate a compelling vision and stimulate innovation influences performance.

2.2.3 Contingency Theory

The theory was proposed by Fred Fiedlerin, 1964. According to the Contingency Theory, there exists no one-size-fits-all criterion of leadership. Furthermore, according to the theory, the efficacy of a leadership style relies on the situation in which it is used. Different situations require different leadership styles to achieve optimal outcomes (Lartey, 2020). The theory emphasizes the importance of aligning leadership behaviors with the demands of the environment and the characteristics of the followers. Fiedler identified leader-member relations, positional power and task structure as the three situational factors determining a situation's favorableness.

Critics argue that Fiedler's situational variables are limited and do not encompass the full range of factors influencing leadership effectiveness (McAdam, Miller & McSorley, 2019). Therefore, it leads to questions about its generalizability across different contexts. However, the contingency theory is highly applicable to the study. It investigates how the organization's situational factors interact with leadership behaviors to influence outcomes. The theory suggests that the effectiveness of change management, strategic planning, and strategic innovation practices may vary depending on the unique circumstances faced by the company. Therefore, contingency theory can help analyze how different strategic leadership practices align with specific demands.

2.3 Strategic Leadership Practices

Strategic leadership practices encompass a set of behaviors that leaders employ to guide an organization toward its strategic goals. The strategic leadership practices used in the study are strategic planning, strategic innovation and change management.

2.3.1 Strategic Planning

Strategic planning is a critical technique in strategic leadership. It provides a structured approach for defining the organization’s direction and making resource allocation decisions to achieve those goals (Kerzner, 2019). Strategic planning is crucial because it enables the company to anticipate market trends and identify potential opportunities proactively. EABL can align its business activities with its long-term vision, mission, and values by engaging in strategic planning, ensuring a coherent and coordinated approach.

The measurement of strategic planning effectiveness can be achieved through measures that reflect the successful implementation and impact of the practice (Hristov & Chirico, 2019). These metrics may include financial parameters such as revenue growth, profitability, ROI, and market share. Moreover, benchmarking against industry peers and tracking performance over time provide valuable insights into the overall financial performance attributable to strategic planning.

2.2.2 Strategic Innovation

Strategic Innovation refers to the proactive and continuous pursuit of innovative ideas that enable the firm to realize a competitiveness. Strategic innovation involves fostering a culture of creativity and encouraging experimentation (Chen, Yin & Mei, 2018). Through Strategic Innovation, companies can identify untapped market segments. As a result, they can create value for their customers and stakeholders. By introducing innovative offerings, the company can differentiate itself from competitors.

One commonly used metric to measure strategic innovation is revenue growth. It reflects the company's ability to expand its market presence through innovative products and strategies (Daniel, 2018). Another crucial measurement is customer satisfaction and loyalty. It can be assessed through surveys, feedback mechanisms, and customer retention rates. Positive customer feedback and high customer retention demonstrate that the innovative offerings are meeting long-term financial success.

2.2.3 Change Management

Hussain et al. (2018) describe change management as the planned approach and collection of procedures used by businesses to successfully move from their present condition to a desired future one. It encompasses the changes in planning, implementing, and monitoring processes. According to Ratemo (2018), embracing change enhances operational efficiency. It also reduces resistance to change and fosters a culture of innovation. Therefore, it allows the company to seize new opportunities and streamline operations.

The effectiveness of change management can be measured by measuring the success rate of change initiatives. It is evaluated by assessing whether the implemented changes have improved efficiency, increased market share, and profitability. According to Tayari & Mutinda (2019), change is measured through employee engagement and acceptance of change. It can be assessed through surveys and interviews to gauge employee willingness to embrace change. It also evaluates their overall satisfaction during the change process.

2.4 Empirical Review

The empirical review analyzes the existing empirical research studies on the variables considered in the study. It deals with studies that have collected and analyzed data to answer the research questions.

2.4.1 Change Management and Financial Performance

Ratemo (2018) focused on the effect of change management methods used by media organizations throughout the digital migration on their performance in Kenya. The intention was to assess the impact of power-coercive, normative-reeducation, empirical-rational, and environmental-adaptive techniques. A regression model was used in the research to evaluate the impact of various change management techniques on organizational performance (Ratemo, 2018). According to the results, performance was positively and significantly impacted by environmental adaptation, power coercion, normative education, and empirical rationality.

Alrumaih (2017) focuses on the effect of change management on company performance. The investigation aimed to comprehend the significance of change management and its implications on enterprise performance. A desk review was considered for the study to shed light on the significance of change management in enhancing companies' performance (Alrumaih, 2017). The findings added more insights into the strategies and approaches that can result to successful change management.

Tayari & Mutinda (2019) investigate the connection between change management techniques and the firm effectiveness of Kenyan commercial banks. The goal was to evaluate how these changes in innovation, culture, leadership, and organizational structure affected the performance of these institutions. The descriptive approach was utilized. The results show a strong correlation between performance and change management (Tayari & Mutinda, 2019). In particular, it was discovered that innovation, cultural change, leadership change, and organizational structure change all positively impacted the performance of commercial banks.

Daniel (2019) focuses on how change management affects how well businesses function in Nigeria. The study aimed to evaluate how organizational enablers affect development and how management change affects organizational effectiveness. Both secondary and primary data sources were employed in the research (Daniel, 2019). The research comes to the conclusion that managers everywhere are adjusting to change because it is unavoidable. The research reveals a positive association between change management and business performance.

The reviewed studies focus on change management approaches and their implication on performance in different industries and contexts, such as media firms, commercial banks, and companies in Nigeria. However, this research study specifically targets the brewing industry and examines the effects of change management, strategic planning process, and strategic innovation. The studies also used various research methodologies and methods of analysis. However, the research contributes by employing a descriptive methodology suitable for EABL.

2.4.2Strategic Planning and Financial Performance

AlQershi (2021) focused on the association between strategic planning, strategic thinking, strategic innovation, human capital, and the performance of SMEs. The goal was to evaluate the mediating function of human capital in the link between these strategic practices and SME performance and the effects of the components. Data were gathered in Yemen's industrial sector. The findings prove that strategic planning, innovation, and strategic thinking significantly influence human capital. Additionally, the link between strategic planning, strategic innovation, strategic thinking, and company performance is mediated by human capital.

Gomera, Chinya Murindi & Mishi (2018) focus on the Buffalo City Metropolitan region in the Eastern Cape Province to study the link between strategic planning and financial performance in small, medium, and micro-enterprises (SMMEs) in the South African environment. The goal is to evaluate whether strategic planning enhances SMMEs' financial performance. To examine the data, regression and correlation analysis were performed. The results show a strong correlation between SMME financial performance and strategic planning. Additionally, it was discovered that particular elements of strategic planning, such as assessment, formulation, execution, and control positively influenced financial performance.

The studies evaluate SMEs in Yemen and South Africa to see how performance relates to strategic planning in various circumstances. However, the study focuses primarily on the brewing sector and investigates how the strategic planning process affects EABL's financial performance.

2.4.3Strategic Innovation and Financial Performance

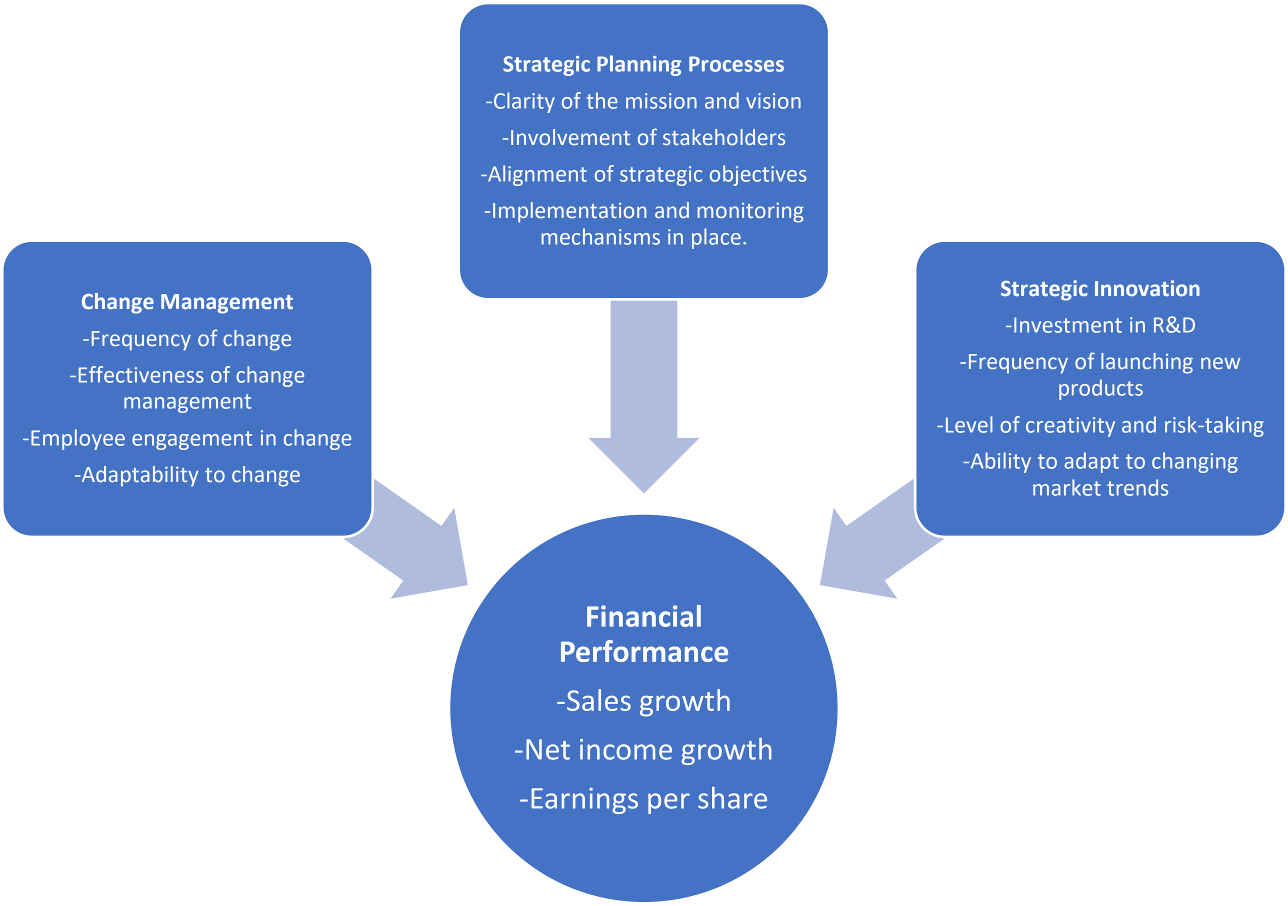
Saunila (2014) focused on the link between organizational innovation capabilities and company performance, concentrating on financial and operational performance. The goal of the research is to pinpoint particular elements of innovation capabilities that affect business success. Quantitative data was gathered from selected Finnish SMEs through a web-based questionnaire. The results show that different aspects of business performance are impacted differently by ideation and organizational frameworks, participative leadership culture, and know-how growth. When compared to operational performance, these factors were found to have a stronger impact on financial performance.

YuSheng & Ibrahim (2020) also researched the impact of innovation adoption on bank performance in Ghana. The study investigated how organizational, process, product and marketing innovations affect bank performance. Structural equation modelling and exploratory factor analysis were utilized to evaluate the data gathered. The results show that the recognized innovation aspects greatly influence bank innovation. Additionally, there is a direct and favorable correlation between organizational, marketing, and product innovations and bank success. The study also reveals a favorable association between the four aspects of innovation and innovation capability.

The studies used structural equation modeling and exploratory factor analysis. However, the research contributes by employing a different methodology for collecting data in EABL. The studies focus on various contexts, including Finnish SMEs and banks in Ghana. However, this research study targets East African Breweries Limited operating in Kenya. As a result, the research will close any gaps in the existing literature.

2.5 Conceptual Framework

Independent and dependent variables make up the conceptual framework. The predictor variables represent the strategic leadership practices employed by the company. The organization's financial performance was treated as the dependent variable. The factors used to measure these variables help understand the nexus between strategic leadership practices and financial performance.



Source: Author (2023)

Figure 1: Conceptual Framework

2.6 Summary of the Studies and Research Gaps

The reviewed studies collectively explore the effects of strategic leadership practices on performance. Ratemo (2018) and Tayari & Mutinda (2019) delve into change management strategies' favorable influence on media organizations and commercial banks' performance. AlQershi (2021) emphasizesa, Chinyamurindi & Mishi (2018) explore the mediating role of human capital in strategic planning's effect on SMEs' performance, while Saunila (2014) and YuSheng &Ibrahim (2020) emphasize innovation capability's contribution to overall company success. However, a notable gap exists in the literature concerning the specific impacts of change management, strategic innovation and strategic planning on the financial performance of East African Breweries Limited (EABL) within the brewing industry. Additionally, the study focuses on a unique geographical location and industry, contributing fresh insights to the existing body of knowledge.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section outlines the investigation's research design as well as the population that was chosen. The chapter also includes the sampling technique and the sample size required to collect the data to complete the study. The data collection procedures used in the research and the research instruments used in data collection are also discussed in the chapter. Data analysis and presentation processes are also captured in the section.

3.2 Research Design

According to Curtis, Comiskey & Dempsey (2016), a research design is the plan that a researcher develops to address the research objectives. A descriptive case study design was embraced for the study. The descriptive case study design focuses on providing a detailed and in-depth exploration of a particular phenomenon. The descriptive case study design helps in gaining a comprehensive understanding of the specific context in which EABL operates. Moreover, it helped in collecting rich and detailed data. The data allows to enhance the validity and reliability of the study. A case study design is effective because it helps in exploring how various aspects of strategic leadership interact and collectively affect performance. Therefore, the design is effective in drawing conclusions in the study.

3.3 Population

According to Abutabenjeh & Jaradat (2018), population refers to individuals with common characteristics. It represents the broader target group to which the research findings are intended to be applicable (Abutabenjeh & Jaradat, 2018). The study population consisted of 1653 employees in the company. The population comprised individuals directly involved in the organization's strategic leadership processes. These individuals know the strategic leadership practices being utilized in the company. Employees from the marketing and innovation department, corporate relations department, communications department, accounting department and human resource department, who had direct involvement in strategic leadership practices within East African Breweries Limited were interviewed to provide relevant insights into the connection between those practices and financial performance.

3.4 Data Collection Procedures

The research used primary and secondary sources of information. Primary data was gathered using questionnaires. The data was used to measure the company's change management, strategic planning process, and strategic innovation.

A questionnaire that includes relevant questions related to change management, strategic planning process, and strategic innovation was administered to the respondents. Closed-ended questions are used to gather data from employees. The questionnaires will be administered through in-person interviews to maximize data collection. Once the questionnaires are collected, they are checked for missing responses. Coding of the data was also done to ease analysis. Annual reports and financial statements were used to retrieve secondary data. The study considered the company's financial performance for 5 years. The data was collected from 2018 to 2022. The sources offer information about the sales, net income, and earnings per share. The data was compiled and organized systematically for analysis.

3.6 Data Analysis and Presentation

The data analysis in the study was performed with the aid of SPSS. Both descriptive and inferential statistics are the outputs of the data analysis. The primary properties of the gathered data were described by descriptive statistics. Clear comprehension of the central tendency, variability, and distribution of the relevant variables was provided by the analysis. Mean determined the average value of the variables. Standard deviation assessed the spread of the data. Measures of skewness and kurtosis were also used in the study. Inferential statistics were also evaluated in the study. The findings helped to conclude the relationship between the variables. These statistical techniques assessed the significance and strength of relationships. The effect of the predictor factors on the dependent variable were evaluated using regression analysis. Understanding how the predictor factors affect the dependent variable was possible due to the analysis. The means of the several groups was compared using t-tests and analysis of variance (ANOVA). It was utilized to evaluate if there are significant differences in financial performance.

3.6.1 Analytical Model

The study's analytical framework is:

$Y= \beta_0 + \beta_1 X1+\beta_2 X2+\beta_3 X3+\alpha$

Y=Financial performance

X1=Change management

X2=Strategic planning process

X3=Strategic innovation

$B_0, B_1, \beta_2, \beta_3$ =Linear regression coefficient values

α = Random error term

3.6.2 Operationalization of Variables

Table 1: Operationalization of variables

Variable	Measurement	Citation of the Source
Change Management	Frequency of change Effectiveness of change communication Employee engagement in change Adaptability to change.	Tayari & Mutinda (2019) and Daniel (2019)
Strategic Planning Process	Clarity of the mission and vision Involvement of stakeholders Alignment of strategic objectives Implementation and monitoring mechanisms in place.	AlQershi (2021) and Gomera, Chinya Murindi & Mishi (2018)
Strategic Innovation	Investment in R&D Frequency of launching new products Level of creativity and risk-taking Ability to adapt to changing market trends	Saunila (2014) and YuSheng & Ibrahim (2020)
Financial performance	Sales growth Net income growth Earnings per share	(Binsaddig, 2023).

3.7 Diagnostic Tests

A normality test assessed whether the data collected from the questionnaires and secondary sources are normally distributed. Shapiro-Wilk test and the Kolmogorov-Smirnov test were used in the test. A multicollinearity test was also done since the study involves multiple independent variables in a regression analysis (Bell, Bryman & Harley, 2022). Therefore, it affects the stability and reliability of regression results. The variance inflation factor (VIF) was used to detect multicollinearity.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

The section outlines an analysis of the gathered data and presentation of the results in tables. It also entails a discussion of the various parts of the study. The section starts with the demographic characteristics. The characteristics considered in the study are education level, job positions, and length of employment. The chapter also discusses the diagnostic tests used in the study. It describes the collinearity statistics and normality tests. The chapter also discusses the descriptive statistics related to change management, strategic planning processes, strategic innovation, and financial performance. It also presents an analysis of the correlation between change management, strategic planning processes, strategic innovation, and financial performance. The analysis provided in the chapter is further presented through regression model. Finally, the chapter discusses the key findings derived from the analysis.

4.2 Response Rate

The response rates was as shown below, It encompasses the frequency and the response rates.

Table 2: Response Rate

Questionnaire	Frequency	Percentage Response rate
Administered	128	100%
Returned	128	100%
Not returned	0	0%

The table shows that 128 questionnaires were administered. Out of the 128 questionnaires, all 128 were returned. It indicates a response rate of 100%. Therefore, every questionnaire that was given out was completed and returned.

4.3 Demographic Characteristics

The section covers education levels, job position and length of employment of the participants

4.3.1: Education Level

Table 3: Education level

Education Level				
		Frequency	Valid Percent	Cumulative Percent
Valid	High School Diploma	32	25.0	25.0
	Bachelor's Degree	43	33.6	58.6
	Master's Degree	47	36.7	95.3
	Doctorate/Ph.D.	6	4.7	100.0
	Total	128	100.0	

The study’s results show that 36.7% of the employees considered in the scrutiny held a master’s degree. Moreover, 33.6% of the employees considered held bachelor’s degree. Additionally, a quarter of the participants possessed a High School Diploma. Additionally, 4.7% had achieved Ph.D. qualifications. The distribution indicates a relatively well-educated workforce within the company. A notable proportion of the employees have pursued higher education beyond the undergraduate level. The distribution of educational qualifications indicates a higher level of expertise within the organizational context of East African Breweries Ltd.

4.3.2 Job Position

Table 4: Job Position

		Frequency	Valid Percent
Valid	Entry-level	23	18.0
	Mid-level employee	30	23.4
	Senior-level employee	30	23.4
	Manager	24	18.8
	Executive	21	16.4
	Total	128	100.0

The results of the investigation show that the distribution of job positions among the surveyed employees at East African Breweries Ltd (EABL) varied across different hierarchical levels. Mid-level employees and senior level comprised the largest segment. Each accounted for 23.4% of the surveyed population. The employees in these levels collectively formed approximately 46.8% of the sample. The combination of the mid-level and senior-level roles suggests a predominant presence of employees with an extensive understanding of the company's inner workings and strategic undertakings. The managers accounted for 18.38% of the employees selected in the study. Moreover, the executive level constituted the smallest representation at 16.4%. The entry-level employees considered in the study account for 18% of the sample used in the study.

4.3.3 Length of Employment

Table 5: Length of Employment

Length of Employment with East African Breweries Limited				
		Frequency	Valid Percent	Cumulative Percent
Valid	Less than 1 year	15	11.7	11.7
	1-3 years	27	21.1	32.8
	4-6 years	20	15.6	48.4
	7-10 years	42	32.8	81.3
	More than 10 years	24	18.8	100.0
	Total	128	100.0	

The findings of the study show that there is a diverse distribution of employment length among the employees of EABL. The majority of respondents comprised 32.8% of the total sample size. The employees have worked for the firm for a span of 7 to 10 years. The results indicate a substantial portion of the workforce demonstrating a significant level of commitment and longevity within the organization. Moreover, 18.8% of the participants have served for more than 10 years at EABL. Therefore, it shows that the company has a high level of retention rate. Therefore, it indicates a positive work environment for long-term employment. Fewer employees have served for shorter periods. Around 11.7% of respondents have less than a year of experience with the company. Moreover, 21.1% have been employed for a period ranging from 1 to 3 years. The distribution reflects a continuous effort by the company to attract and retain talent. The middle range of employment duration encompassing 4 to 6 years constitutes 15.6% of the respondents. The segment represents a smaller proportion compared to the 7-10 years and more than 10 years categories.

4.4 Diagnostic Tests

4.4.1 Collinearity Statistics

Table 6: Collinearity table

Coefficients			
		Collinearity Statistics	
Model		Tolerance	VIF
1	Change Management	.294	3.403
	Strategic Planning Processes	.761	1.314
	Strategic Innovation	.347	2.884
a. Dependent Variable: Financial Performance			

Variance Inflation Factor (VIF) is a statistical measure that indicates the extent to which an independent variable is correlated with other independent variables. High VIF values are above 10. Such values suggest that the predictor variables are highly correlated. Therefore, it makes it difficult to isolate the true effect of each variable on the exogenous variable. All three VIF values are below 10. Therefore, it implicates that there is no significant multicollinearity among the predictor variables. The findings show that the regression results are reliable. Therefore, the individual effects of each strategic leadership practice can be interpreted with confidence.

4.4.2 Test of Normality

Table 7: Test of Normality

Tests of Normality						
	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Change Management	.318	5	.109	.865	5	.247
Strategic Planning Processes	.309	5	.133	.801	5	.082
Strategic Innovation	.221	5	.200*	.904	5	.434
Financial Performance	.231	5	.200*	.873	5	.279

The Kolmogorov-Smirnov and Shapiro-Wilk statistics above 0.05 show that the variables are normally distributed. Change management, strategic planning processes, strategic innovation, and financial performance have p-values above 0.05 as indicated by significance level. Therefore, it suggests that the variables are normally distributed. Therefore, change management, strategic planning processes, strategic innovation, and financial performance are normally distribution.

4.5 Strategic Leadership Practices

The section includes a discussion of the mean and standard deviation of the various variables considered in the study. It discusses the mean and standard deviation values of change management, strategic planning processes and strategic innovation.

4.5.1 Change Management

The table below shows the mean and standard deviation of the change management variable considered in the study.

Table 8: Change Management

Question	Mean	Std. Deviation
The frequency of change in our organization is reasonable and manageable.	3.148	.833
The communication about changes within the organization is effective.	3.305	.927
I feel engaged and involved in the change processes at work.	3.031	.783
Our organization is adaptable and flexible in response to changes.	3.484	1.122
The change initiatives in our organization have clear objectives and expected outcomes.	4.109	.872
I receive timely and relevant information about upcoming changes.	3.227	.990

The first statement asks whether the organization's change frequency is reasonable and manageable. The mean score for this statement is 3.148. The value is slightly above the midpoint of the scale. Therefore, employees generally feel that the change frequency in their organization is appropriate. The standard deviation score for this statement is 0.833. The value suggests some variability in employee opinions about the frequency of change.

The second question associated with change management was about the effectiveness of communication about changes. The mean score for this statement was 3.305. This suggests that employees generally feel that communication about organizational changes is compelling. The standard deviation score for this statement is 0.927. The value shows some variability in employee opinions about communication effectiveness about changes.

The third statement is about engagement and involvement in the change processes. The statement has a mean score of 3.031. The value suggests that employees generally feel engaged and involved in the change processes at work. The standard deviation score for this statement is 0.783, implying some variability in employee opinions about their level of engagement in the change processes.

The fourth question elaborates on the adaptability and flexibility of the organization in response to changes. The mean score for this statement is 3.484. Therefore, EABL employees feel that their organization is adaptable and flexible in response to changes. The standard deviation score for this statement is 1.122. The value suggests that there is variability in employee opinions about the adaptability and flexibility of their organization.

The fifth statement discussed the clarity of the objectives and outcomes of the change initiatives. The mean score for this statement is 4.109. The employees agree that the change initiatives in their organization have clear goals and expected outcomes. The standard deviation score of 0.872 suggests some variability in employee opinions about the clarity of objectives and desired results for change initiatives.

The last statement was about the timeliness and relevance of the information about upcoming changes. The mean score for this statement is 3.227. The value suggests that employees receive timely and relevant information about forthcoming changes. The standard deviation score for this statement is 0.99, meaning there is some variability in employee opinions about the timeliness and relevance of information about upcoming changes.

4.5.2 Strategic Planning Process

The table contains information about the mean and standard deviation of strategic planning process variable.

Table 9: Strategic planning process

Question	Mean	Std. Deviation
The mission and vision of our organization are clearly defined and communicated.	3.086	.823
Stakeholders are actively involved in the strategic planning process.	3.008	1.046
The strategic objectives of our organization are well aligned.	3.219	.896
Our organization has effective implementation and monitoring mechanisms for strategic plans.	3.320	1.101
The strategic planning process in our organization considers external market trends and competition.	4.156	.873
Our organization regularly evaluates and adjusts strategic plans based on performance and feedback.	2.961	.967

The first statement shows that the organization's mission and vision are clearly defined and communicated. The mean score for this statement is 3.086, slightly above the scale's midpoint. The value shows that employees feel that the mission and vision of their organization are clearly defined and communicated. The standard deviation score for this statement is 0.823. The value suggests that there is variability in employee opinions about the clarity of the mission and vision.

The second statement discussed the stakeholder's strategic planning processes. The mean score for this statement is 3.008. The value suggests that employees feel stakeholders are actively involved in strategic planning. The standard deviation score for this statement is 1.046. The deal means that there is variability in employee opinions about the level of stakeholder involvement in the strategic planning process.

The third statement asked about the alignment of the organization's strategic objectives. The question had a mean response rate of 3.219, above the scale's midpoint. The value suggests that employees feel that their organization's strategic objectives are well aligned. The standard deviation was 0.896. The value shows some variability in employee opinions about aligning strategic goals.

The fourth statement shows that the organization has effective implementation and monitoring mechanisms for strategic plans. The mean score for this statement is 3.32. The value suggests employees feel their organization has effective implementation and monitoring mechanisms for strategic objectives. The standard deviation score for this statement is 1.101. Therefore, it shows that employee opinions about the effectiveness of implementation and monitoring mechanisms for strategic plans vary significantly from the mean.

The fifth statement elaborates on considering external market trends and competition in the organization's strategic planning process. The mean score for this statement was 4.156. The value suggests that employees generally feel that the strategic planning process in their organization considers external market trends and competition. The standard deviation score for the statement is 0.873. The value suggests that there is some variability in employee opinions.

The last statement asked the respondents how the organization evaluates strategic plans based on performance. The mean score for the statement is 2.961. The value suggests that employees generally feel that their organization does not regularly assess and adjust strategic plans based on performance and feedback. The standard deviation score for the statement is 0.967. The value suggests some variability in employee opinions about the frequency of evaluation and adjustment of strategic plans.

4.5.3 Strategic Innovation

The table includes data on the strategic innovation variables. The table shows the mean and standard deviation of the questions associated with strategic innovation.

Table 10: Strategic Innovation

Question	Mean	Std. Deviation
Our organization invests significantly in research and development.	3.250	.869
Our organization frequently launches new products/services in the market.	2.836	.946
Creativity and risk-taking are encouraged and rewarded in our organization.	3.211	1.161
Our organization quickly adapts to changing market trends.	3.664	1.110
We have dedicated resources and teams focused on innovation within our organization.	3.594	1.239

Our organization actively seeks and implements feedback and ideas from employees and customers.	3.234	.846

The first question asked the respondents whether the organization invests significantly in research and development. The mean score for this statement is 3.25. The employees feel that their organization invests considerably in research and development. The standard deviation of 0.869 shows variability in employee opinions about the level of investment in research and development.

The second statement asked about the frequency of launching new products in the market. The mean score for this statement is 2.836. The value suggests that employees feel that their organization does not frequently launch new developments in the market. The standard deviation score for this statement is 0.946. The value shows that the responses do not deviate significantly from the mean.

The third statement asked the respondents about creativity and risk-taking to know whether they are rewarded in the organization. The mean score for this statement is 3.211. It suggests that employees feel that their organization encourages and rewards creativity and risk-taking. The standard deviation score for this statement is 1.161. The value indicates a lot of variability in employee opinions about how creativity and risk-taking are encouraged and rewarded.

The fourth statement was about adaptability to changing market trends. The mean score for the statement was 3.664, above the scale's midpoint. The value suggests that employees feel their organization quickly adapts to changing market trends. The standard deviation score was 1.11. The value indicates a lot of variability in employee opinions about the speed of adaptation to changing market trends.

The fifth statement was about the dedication of resources and teams to innovation. The mean score was 3.594. The value suggests that employees feel their organization has dedicated teams focused on innovation. The standard deviation score for this statement is 1.239, which is high. The value indicates a lot of variability in employee opinions about the availability of dedicated resources and teams for innovation.

The last statement asked about implementing feedback and ideas from employees and customers. The mean score for this statement is 3.234. The value suggests that employees feel that their organization actively seeks and implements feedback from employees and customers. The standard deviation is 0.846, implying that there is low variation in employee opinions about the extent to which input and ideas from employees and customers are implemented.

4.5.4 Financial Performance

The section shows the mean and standard deviation of financial performance of the company.

Table 11: Financial Performance

Question	Mean	Std. Deviation
Sales Growth in Percentage	10.048	13.684
Net income Growth in Percentage	25.5520	65.628
Earnings per share	8.8000	4.147

The mean sales growth in percentage is 10.048%. The sales have a standard deviation of 13.684%. The value suggests that sales growth has been relatively high. The departure from the mean is also high, showing some variability in sales growth rates.

The mean net income growth in percentage is 25.552%. It has a standard deviation of 65.628%. The value suggests that net income growth has been very high. Therefore, there has been a lot of variability in net income growth rates.

The mean earnings per share is $8.80. The value of the standard deviation is $4.147. The deal suggests that earnings per share have been moderate. There is also a slight variation in earnings per share.

4.5 Correlation

Correlation refers to a statistical computation that quantifies the strength and direction of the association between two constructs. Table 8 shows the correlation of the predictor with the dependent variable.

Table 12: Correlation

Correlations					
		Change Management	Strategic Planning Processes	Strategic Innovation	Financial Performance
Change Management	Pearson Correlation	1	.115	.097	.513
	Sig. (2-tailed)		.197	.277	.377
	N	128	128	128	5
Strategic Planning Processes	Pearson	.115	1	.052	-.504
	Sig	.197		.556	.387
	N	128	128	128	5
Strategic Innovation	Pearson Correlation	.097	.052	1	.561
	Sig. (2-tailed)	.277	.556		.326
	N	128	128	128	5
Financial Performance	Pearson Correlation	.513	-.504	.561	1
	Sig. (2-tailed)	.377	.387	.326	
	N	5	5	5	5

Correlation values between 0 and 0.3 or -0.3 signify a weak positive or negative correlation. Ranges from 0.3 to 0.7 or -0.3 to -0.7 indicate a moderate positive or negative correlation. Values from 0.7 to 1.0 or -0.7 to -1.0 represent a strong positive or negative correlation.

The correlation between change management and firm's financial performance is 0.513. Moreover, the correlation between strategic planning processes and financial performance is -0.504. In addition, the correlation between strategic innovation and financial performance is 0.561. Apart from the strategic planning process, the other variables considered in the study had a positive correlation with enterprise performance.

4.6 Regression Model Summary

The section presents the regression results. It presents the model summary using the value of R squared.

Table 13: Model Summary

Model Summary										
				Std.	Change Statistics					
Model	R	R Square	Adjusted R Square	Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.969[a]	.940	.759	.0948437	.940	5.210	3	1	.309	2.087
a. Predictors: (Constant), Strategic Innovation, Strategic Planning Processes, Change Management										
b. Dependent Variable: Financial Performance										

The value of adjusted R squared is 0.759. The adjusted R squared value indicates the proportion of variation in financial performance that is explained by strategic leadership. The adjusted R-squared value of 0.759 suggests that the strategic leadership practices included in the analysis account for 75.9% of the variability in financial performance. The results indicate a strong relationship between the strategic leadership practices and the financial performance of East African Breweries Ltd.

4.7 Analysis of Variance

Table 14: ANOVA

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.141	3	.047	5.210	.309[b]
	Residual	.009	1	.009		
	Total	.150	4			
a. Dependent Variable: Financial Performance						
b. Predictors: (Constant), Strategic Innovation, Strategic Planning Processes, Change Management						

The value of the F statistic is 5.210. The statistic assesses the significance of the model's significance. An F-value of 5.210 suggests that there is some evidence that at least one of the predictors has a non-zero effect on financial performance. The F statistic is 0.309. hence the overall model was statistically insignificant as it exceeded the threshold of 0.05.

4.8 Regression Coefficient

Table 15: Regression coefficient table

The table shows the regression coefficient output. It also shows the significance of each construct considered in the study.

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.050	.219		.227	.858
	Change Management	.182	.101	.816	1.804	.322
	Strategic Planning Processes	-.180	.056	-.898	-3.195	.193
	Strategic Innovation	.026	.089	.124	.297	.816
a. Dependent Variable: Financial Performance						

The study found that change management, strategic planning and strategic innovation had an insignificant association with the financial performance of EABL. The values have a significance level higher than 0.05. Therefore, none of the variables considered in the research had a significant impact on EABL’s financial performance.

4.9 Discussion of Findings

The R-squared results demonstrate that the model incorporating strategic leadership practices accounts for a substantial portion of the variability in East African Breweries Ltd.'s financial performance. It indicates that approximately 75.9% of the variations observed in financial performance are attributed to the inclusion of these strategic leadership variables within the analysis. Therefore, the results suggest a strong relationship between strategic leadership practices and the financial performance of the company. The results also imply that the strategic leadership practices are collectively influential in explaining a significant proportion of the fluctuations in financial performance within East African Breweries Ltd. The high R-squared value reinforces the notion that the variables used in the study play pivotal roles in shaping the company's financial performance.

The F-statistic assesses the overall significance of the regression model. The values of the F statistic suggest that at least one of the predictors possesses a non-zero effect on financial performance. The associated significance value of 0.309 is higher than 0.05. The results suggest that the overall regression model incorporating strategic leadership practices is not statistically significant. The results signal a need for further investigation of additional factors that explain the association between strategic leadership practices and performance.

Change management has a weak positive and statistically insignificant influence on the firm's financial performance. The results suggest that change management has a negligible impact the performance of East African Breweries Ltd. Moreover, strategic planning processes do not have a statistically significant association with performance. Therefore, the construct has a weak negative and insignificant impact on the financial performance of East African Breweries Ltd. Additionally, strategic innovation has a weak positive and insignificant impact on performance of EABL. The results imply that change management, strategic planning processes, and strategic innovation do not exhibit statistically significant relationships with financial performance which align with Ratemo (2018), who documented that change management methods positively influence performance. Tayari & Mutinda (2019) results are also similar to the study findings because they found that change management techniques and innovation positively affected performance. Moreover, the study findings are also similar to those of Daniel (2019), who found that change management positively affects performance. YuSheng & Ibrahim (2020) study is also similar to the current study because both found that innovation has a positive correlation with performance. The results are also similar to those of Saunila (2014), who noted that innovation capacity had a positive effect on performance.

CHAPTER FIVE

SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

5.1 Introduction

The section provides an overview of the investigation's key findings, recommendations, and conclusions. It recaps the essential aspects of the investigation. Moreover, it highlights the significant insights from the analysis. The chapter evaluates the implications of the findings and offers recommendations based on the findings. The chapter also discusses the conclusions that encapsulate the essence of the study.

5.2 Summary of Findings

The R-squared results imply that change management, strategic planning processes, and strategic innovation account for substantial variability in East African Breweries Ltd.'s financial performance. The results suggest that these elements play a critical role in influencing the company's financial performance. However, despite the good fitness of these strategic leadership practices, there are aspects beyond these factors that also affect EABL's financial performance. The results show that EABL should further explore additional variables that might contribute to the remaining variability in financial performance to gain a more comprehensive understanding.

The F statistics results imply that strategic leadership practices collectively influence EABL's financial performance. However, the relationship does not achieve statistical significance at conventional levels. The F-value suggests some evidence that at least one of the predictors (change management, strategic planning processes, and strategic innovation) affects financial performance. However, the significance value indicates that the overall model lacks statistical significance. Therefore, there might be additional factors influencing financial performance that need consideration by EABL to bolster their understanding.

The results show that change management does not possess a statistically significant relationship with EABL's financial performance. Therefore, EABL should reassess the methodologies and aspects of change management being implemented to enhance its potential impact on performance. The negative association between strategic planning processes and financial performance indicates that an increase in strategic planning processes results to an escalation in financial performance. The relationship was insignificant. Therefore, EABL should delve deeper into the execution of its strategic planning processes to understand why they might not be positively influencing EABL’s financial performance.

The coefficient for strategic innovation suggests a positive link with financial performance. However, the p-value indicates a lack of statistical significance. Therefore, EABL might need to reevaluate its approach to strategic innovation. They should consider incorporating additional innovative strategies that could affect financial performance.

5.3 Conclusion of the Study

The study concludes that the collective influence of strategic leadership practices on financial performance did not achieve statistical significance at conventional levels, as indicated by the F-statistics and t-test. The lack of significance implies that the overall model lacks statistical robustness. Therefore, there might be unaccounted factors that necessitate consideration by EABL to refine their comprehension of what affects financial performance. Hence, the research suggests that EABL should explore other strategic leadership practices, such as visionary planning, strategic thinking, and strategic alignment, to evaluate whether they affect the financial performance of EABL.

The investigation derives that individual analysis of the strategic leadership practices reveals varied impacts on EABL's financial performance. The study concludes change management has a statistically insignificant association with EABL's financial performance. Therefore, it prompts the need for a reevaluation of the implementation strategies within change management to enhance its potential impact on financial performance.

The negative association between increased strategic planning processes and financial performance is not statistically significant. Therefore, it prompts a necessity for EABL to reevaluate the functionality of its strategic planning processes. The company should understand why these processes might not positively influence financial performance. The strategy would be effective to refine their strategic approach because the current approaches are not leading to improved financial performance.

The findings accentuate a positive association between strategic innovation and financial performance. However, the relationship is not statistically significant. Therefore, it indicates a need for EABL to reassess its approach to strategic innovation. Incorporating additional innovative strategies will yield a more significant impact on financial performance. The research concludes that strategic leadership practices have an insignificant nexus with the financial performance of EABL. Therefore, the company should invest in methodologies within change management, understand the dynamics of strategic planning processes, and refine approaches to strategic innovation to gain a significant impact on EABL's financial performance.

5.4 Recommendations of the Study

The study findings recommend that leaders and managers within East African Breweries Ltd. (EABL) reassess their current change management strategies. The statistical insignificance in the association between change management and financial performance shows a need to refine the methodologies employed in managing organizational change. Leaders should actively seek impactful approaches that can significantly enhance the influence of change management on EABL's financial performance. Moreover, EABL's leadership should analyze their strategic planning processes critically. Leaders should examine the execution of their strategic planning by seeking areas for improvement. They should also explore strategies that align effectively with the company's financial performance. The leaders should encourage adaptability and re-evaluate goals. They should also ensure practical implementations that significantly affect strategic planning. EABL leaders should also reconsider their approach to strategic innovation. It is recommended that the company fosters a culture of innovation and promotes experimentation. It should also embrace diverse ideas to enhance the impact of strategic innovation on financial performance.

The study findings recommend that policymakers in Kenya should encourage an environment conducive to strategic leadership practices within organizations. Policymakers should consider initiatives that incentivize companies to prioritize effective change management strategies. The approach can involve offering resources and frameworks that aid in implementing successful organizational changes. Therefore, it will foster an ecosystem that promotes innovation. It also provides a platform for sharing best practices among companies in Kenya. Furthermore, policymakers should advocate for initiatives that facilitate strategic planning processes. They should provide access to resources and foster collaborations between industries and educational institutions to enhance strategic planning skills. They should also encourage a supportive infrastructure for businesses to refine their planning methodologies.

The study findings recommend that scholars and academicians in Kenya should delve deeper into research concerning strategic leadership practices and their impact on financial performance. There is a need for comprehensive studies that explore additional variables beyond those examined in this research to provide an understanding of the factors influencing financial performance in organizations within Kenya's context. Additionally, it is recommended that scholars and academicians actively engage in knowledge dissemination. They should facilitate educational programs aimed at fostering a better understanding of effective change management, strategic planning, and innovation strategies for businesses in Kenya. Collaborations with industry experts will enrich academic knowledge and practical application. Therefore, it will contribute to the enhancement of strategic leadership practices in Kenya.

5.5 Study Limitations

One limitation of the scrutiny is the focus on a specific set of strategic leadership practices, such as change management, strategic planning processes, and strategic innovation, without considering other potentially influential factors. The limited scope overlooks critical elements affecting EABL's financial performance. Therefore, it results in an incomplete comprehension of the entire landscape of strategic leadership practices that affect the organization’s performance. Another limitation of the study is the reliance on quantitative analysis alone. The reliance on the approach does not capture the qualitative aspects of strategic leadership practices. Qualitative methods could offer deeper insights into the contextual issues affecting the nexus between strategic leadership and financial performance.

Another limitation of the study is the period of data used. The scrutiny majored in secondary data from 2018 to 2022. Economic and market fluctuations within a specific period influence the observed relationships between strategic leadership practices and financial performance. An analysis over a broader timeframe with control variables incorporating dynamic market conditions could provide a clear comprehension of the issue under study. Another limitation of the study is the specific focus on East African Breweries Ltd. The findings might not be generalizable to other companies. The variations in organizational structures could affect the observed relationships.

5.6 Suggestions for Future Research

Future research should explore additional strategic leadership practices. It should investigate the impact of other strategic leadership practices, such as visionary planning, strategic thinking, and strategic alignment, on the financial performance of East African companies. It should also analyze whether these practices contribute significantly to financial performance. Future studies should also involve comprehensive studies on factors influencing financial performance. The researchers should conduct comprehensive studies that consider a broader range of variables beyond the examined strategic leadership practices. The studies should investigate the influence of market dynamics and economic conditions on financial performance in the East African context.

Future studies should consider doing a longitudinal analysis of strategic leadership impact. They should perform longitudinal studies to analyze the long-term effects of strategic leadership practices on financial performance. The studies will involve tracking changes in leadership strategies over time. The changes should be correlated with financial performance trends. Future studies should also involve comparative studies. They should compare the strategic leadership practices and financial performance of Kenyan companies with those in other regions. The studies should be able to identify and disseminate best practices that could be adopted to improve financial outcomes in the Kenyan context.

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APPENDIX 1: QUESTIONNAIRE

Please provide the following information about yourself before proceeding to Section B. Your responses will remain confidential and will only be used for research purposes.

Section A: Demographic Information

1. Education Level:
   - High School Diploma [ ]
   - Bachelor's Degree [ ]
   - Master's Degree [ ]
   - Doctorate/Ph.D. [ ]
   - Other (specify: ________) [ ]
2. Job Position/Title:
   - Entry-level employee [ ]
   - Mid-level employee [ ]
   - Senior-level employee [ ]
   - Manager [ ]
   - Executive [ ]
3. Length of Employment with East African Breweries Limited:
   - Less than 1 year [ ]
   - 1-3 years [ ]
   - 4-6 years [ ]
   - 7-10 years [ ]
   - More than 10 years [ ]

Section B: Strategic Leadership Practices

Please rate your level of agreement with the following statements about strategic leadership practices at East African Breweries Limited, using a 5-point Likert scale ranging from strongly disagree to strongly agree. Select the appropriate response for each statement.

Change Management

Question	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
1. The frequency of change in our organization is reasonable and manageable.					

2. The communication about changes within the organization is effective.					
3. I feel engaged and involved in the change processes at work.					
4. Our organization is adaptable and flexible in response to changes.					
5. The change initiatives in our organization have clear objectives and expected outcomes.					
6. I receive timely and relevant information about upcoming changes.					

Strategic Planning Process

Question	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
1. The mission and vision of our organization are clearly defined and communicated.					
2. Stakeholders are actively involved in the strategic planning process.					
3. The strategic objectives of our organization are well-aligned.					
4. Our organization has effective implementation and monitoring mechanisms for strategic plans.					
5. The strategic planning process in our organization considers external market trends and competition.					
6. Our organization regularly evaluates and adjusts strategic plans based on performance and feedback.					

Strategic Innovation

Question	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
1. Our organization invests significantly in research and development.					

2. Our organization frequently launches new products/services in the market.					
3. Creativity and risk-taking are encouraged and rewarded in our organization.					
4. Our organization quickly adapts to changing market trends.					
5. We have dedicated resources and teams focused on innovation within our organization.					
6. Our organization actively seeks and implements feedback and ideas from employees and customers.					

Thank you

APPENDIX 2: SECONDARY DATA COLLECTION SHEET ON FINANCIAL PERFORMANCE

Data Collection Sheet

	2018	2019	2020	2021	2022
Sales growth					
Net income growth					
Earnings per share					