

**STRATEGIC LEADERSHIP AND PERFORMANCE OF SELECTED DAIRY  
PROCESSING FIRMS IN NAIROBI CITY COUNTY, KENYA.**

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**OCTOBER, 2024**

**DECLARATION**

This research project is my original work and has not been submitted for award of a degree in any other University.

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## **ABBREVIATIONS AND ACRONYMS**

<b>ANOVA</b>	Analysis of Variance
<b>CEOs</b>	Chief Executive Officers
<b>COMESA</b>	Common Market for Eastern and Southern Africa
<b>EAC</b>	East Africa Community
<b>KCC</b>	Kenya Cooperative Creameries
<b>KPIs</b>	Key Performance Indicators
<b>LTD</b>	Limited
<b>NACOSTI</b>	National Commission for Science, Technology and Innovation
<b>RBV</b>	Resource - Based View
<b>RDCoE</b>	Regional Dairy Centre of Excellence
<b>ROA</b>	Return on Assets
<b>ROE</b>	Return on Equity
<b>ROS</b>	Return on Sales
<b>SPSS</b>	Statistical Package for the Social Sciences
<b>VRIN</b>	Valuable, Rare, Inimitable and Non-substitutability
<b>RDCoE</b>	Regional Dairy Centre of Excellence

## **OPERATIONAL DEFINITION OF TERMS**

### **Brand Promotion**

It is the way to inform, remind and persuade consumers to make decisions in favor of a particular brand or services under the brand.

### **Competitive Strategies**

These are long-term marketing initiatives and plans that organizations put in place to gain competitive advantage and protect their market position.

### **Environmental Analysis**

This is the process of analyzing internal and external features that can either positively or negatively impact a business.

### **Firm Performance**

This is an economic reflection of a dairy firm's capacity to use human and material resources to attain organizational targets. This is based on accuracy, completeness, cost and speed.

### **Human Resource Empowerment**

The process of enhancing human resource knowledge, skills and motivation to facilitate achievement of set organizational goals

**Information Sharing**

It is the act of exchanging data between people within or across organizations or technologies

**Mentoring**

This is a process of creating a relationship between two or more people with the goal of professional and personal development.

**Production Procedures**

These are inside administrative record of the venture that decides the techniques for creation, mechanical norms, offices, conditions and handling methodology.

**Strategic Business Design Adjustments**

It is the most common way of changing business techniques based on detected results. In this stage, which is finished couple with detecting, specialty unit or division heads evaluate the information to decide conceivable asset and ability compromises.

**Strategic Leadership**

This is the practice of the executive management faction of an organization to formulate a vision and influence others to work towards realizing the vision.

**Value Addition**

This is the process of enhancing a product or service by a company before the product is offered to customers.

**Work-life Balance**

This refers to ensuring that employees have a healthy balance between work and life in such a manner that they meet their deadlines at work while still having time for friends and hobbies.

## ABSTRACT

The serious issue in the Kenyan dairy processing firms is poor strategic leadership in the midst of the fierce competition as organizations compete to achieve competitive advantage and market reach through enhanced performance. The fierce competition and interest for incredible initiatives is emphasized by the way that just 15% of milk is offered to the perceived processors and cooperatives. As such, the general objective of the study was to investigate the influence of strategic leadership on the performance of dairy processing firms in Nairobi City County, Kenya. The specific objectives included determining the effect of organizational core competences, organizational culture, organizational processes and networking on the performance of dairy processing firms in Nairobi City County, Kenya. This study was anchored on dynamic capability theory, goal setting theory and resource-based view theory. The study covered six dairy processing firms in Nairobi City County. The study adopted a descriptive research design. The respondents for the study were 350 staff members working with the six active dairy processing firms in Nairobi City County. The study used a semi-structured questionnaire as the data collection instrument. Validity of the research instrument was through content validity while reliability was conducted through Cronbach Alpha with a threshold of 0.7 being the highest. Primary data was analyzed using statistical package for social sciences based on the questionnaires. In particular mean scores, standard deviations, percentages and frequency distribution were used to summarize the responses and to show the magnitude of similarities and differences. Results were presented in tables and charts. Linear regression model was used to establish whether there is a relationship between the variables. From the study findings, it established that core competencies has a significant and direct relationship with core competences and performance of dairy processing firms. The study established that there is a direct relationship between organization culture and performance of dairy processing firms. The study findings indicated that there is significant relationship between organizational process and performance of dairy processing firms and lastly, majority of the respondents agreed that networking impacts performance of dairy processing firms. The management of the dairy processing firms should include core competencies in its strategic plans to ensure continued high performance. The organizational culture should be enhanced in the dairy processing firms in Nairobi City County since it enhances performance and the dairy processing firms must encourage a culture in which employees are allowed to understand how the organization operates. The organizational process must be carefully worked out and applied process in the entire organizations. This process involves determining what work is needed to accomplish the goal and assigning those tasks to individuals. This should result in a work environment where all team members are aware of their responsibilities. The dairy processing firms should focus on ways of maximizing the utilization of relational trust by cultivating trust amongst staff, relational capability by encouraging inter-organizational interactions in open forums, relational strength, and encouraging information sharing amongst their networks in order to boost performance. In addition, these dairy processing firms should create strategic networks and partnerships that are unique and inimitable by other organizations to enable them acquire innovations, resources, skills and competencies, thus improving performance. On the future studies, there is need to focus on a different geographical area to establish whether the results will be similar to the findings of the current study. The study should also cover different variables not used in the current study such as strategic thinking, competitive advantage and organizational resources.

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background of the Study**

There are varying aspects of strategic leadership including formulation of vision, supporting leadership at all organizational levels, inspiring employees and empowerment is key in the attainment of organizational goals. Essential administration assumes a significant part in encouraging hierarchical presentation in a given market. Aldhaheri (2020) contends that essential administration is the driving power that empowers business associations from one degree of execution to the next. In this light, a decent essential initiative gives an extraordinary direction of an association. Strategic leadership does this through facilitating development of strategies that manifest influence on all stakeholders towards propelling the organizations to higher levels of competitive advantage through exemplary performance.

Mui, Basit and Hassan (2018) in Malaysia indicated that many firms in Malaysia are family businesses and there is a lack of strategic leadership literature due to traditional structures, which lead to family feud and business break-outs. Therefore, senior leaders of organizations must evolve to become strategic leaders to break away from the traditional structures and mindset toward strategic leadership to take full advantage of a re-energized leadership pipeline. There is a great need of strategic leaders who can thrive and create value for their companies. If managers fail to become strategic leaders, they might not be able to lead their organizations beyond their current status and sustain the competitive edge in the highly competitive market. Innovative capability of strategic leadership such as new products, creativity, innovation activities, value creation and new ideas with radical changes are reckoned as the most important determinants in impacting

organizational performance in Malaysia. Organization performance can be measured from various performance dimensions such as efficiency, effectiveness and customer satisfaction among others. The performance of a firm is defined from the angle of market-share, effectiveness and efficiency, and that firm performance is the ability of the firm to realize its objectives by using relevant strategic actions.

In Nigeria, re-conceptualization of strategic leadership is very essential, because most of the leadership theorists available are based on the single-actor or hero leader. This notion seems to be erroneous especially in the context of Nigerian tertiary institutions. People in tertiary institutions are potential, if not actual, leaders at a time and under appropriate conditions. They may be entrenched in multiple, coexisting and growing networks of leadership, which form a valuable and difficult-to-copy source of social capital (Hesterly, 2018). They categorize the fact qualities into two broad categories; organizational qualities and personal qualities. Strategic leaders in Nigeria should be able to define the key moments for strategic changes in their organizations. These are critical points in an institution's development since it makes it possible to develop new visions, create new strategies and move through new directions.

In Kenya, Kabeyi (2019) noted that strategic leadership has been identified as one of the key drivers of performance in public organizations in Kenya. The leadership's role is all important because its agenda for action and conclusion about how hard or fast to push for change are decisive in shaping the character of the leaders. Strategic leadership involves motivating, culture building, establishing strategic controls, and creating strong fits between strategy and how the organization does things to ultimately achieve organizational goals.

### **1.1.1 Organizational Performance**

According to Bratianu (2019) organizational performance is the ability of an organization to reach its goals and optimize results through application of different strategies. In today's workforce, organizational performance can be defined as a company's ability to achieve goals in a state of constant change. Organizational performance is measured for different levels of hierarchy and can be assessed for individuals, groups, and the entire organization as a whole. It's important to recognize the subjective nature of organizational performance.

Jackson (2019) alludes that organizational performance is the economic outcome resulting from the interplay among an organization's attributes, actions, and environment. When assessing the organization's performance as a whole, a cohort of measures need to be adopted so that all components can be monitored and evaluated comprehensively. In fact, there is a conscious call to move towards a broader definition of organizational performance, one which recognizes and addresses sustainability of work processes and outcomes. The word "financial performance" refers to the financial metrics used to evaluate and identify the relationship between the company's predetermined objectives and actual performance. It aids management in determining if corporate resources are effectively utilized to create value or significance, hence maximizing shareholder wealth. It can also refer to how well an entity uses available resources to produce a return to financiers or investors. Commercial banks' financial performance has been dwindling taking a dip in 2020 as opposed to before 2017 (Nzuve, 2016).

According to Gao (2018) With the advancement of marketing discipline, "scholars have been developing and evaluating schemes for measuring the performance of marketing

activities for the past half century. Even though research on marketing performance has been very well established, there is no clear and explicit definition of marketing performance. The only agreement that has been reached in the strategic marketing literature is that marketing performance is multidimensional in nature. However, there are many different measures that have been utilized in marketing literature and a superior marketing performance may differ between businesses.

One of the factors which establishes customer satisfaction is experiential marketing. Based on the results of research by Megawati and Novita (2017), it can be proven that experiential marketing has an influence towards customer satisfaction at Ahadiat Hotel & Bungalows. Experiential marketing is an activity of identifying and fulfilling the needs and aspirations of customers, by involving them in two-way communication, which turns the personality of a brand into reality and adds value to the product in the eyes of the targeted audience. When a business gives a good impression to its customers, they will be satisfied and motivated to continue using the goods or services offered by the company.

A competitive strategy can be used by business actors to face their competition. This strategy can be interpreted as a process by which companies build and develop various strategic resources with the potential to generate competitive advantage. Essentially, if a company makes product innovations, its business performance will also increase. This is due to the market orientation that has been implemented, creating a competitive advantage and improving the company's business performance. Competitive advantage can be achieved if customers obtain a consistent difference in the products produced compared to competitors, where the difference is obtained from the results of the company's market orientation. Therefore, in this study, the innovation variable needs to

be included as a mediator of the influence of business strategies on competitive advantage (Krüger, 2021).

### **1.1.2 Strategic Leadership**

According to Mistarishi (2021), strategic leadership is the ability to impact other people in making decisions that foster organizational prospects of long-term success voluntarily with a keen focus on maintaining a short-term organizational stability. Muthimi and Kilika (2018) articulated the importance of having a strategic leadership to help guide an organization in terms of improving its overall performance. In this light, Ahmed (2013) opines that leadership ability is required to formulate strategic vision and influence others to belief in the vision. The strategic leadership body has the responsibility of building and executing capability among the employees enhancing organizational core competencies. In this process, strategic leadership is operationalized as the body that identifies organizational resources, enhances the resources, allocates the resources to foster product quality and also engages in innovation with a view to fortify product quality.

Key strategic leadership actions that characterize strategic leadership entail determination of strategic direction, growth of human capital and, exploiting of core competencies. Palladan, Abdulkadir and Wen (2017) indicate that the main components of strategic leadership in an organization include strategic direction, strategic thinking and management of change. In addition, Strategic leadership components include organization direction, change management and emphasis on skills development. According to Hadrawi (2018), strategic leadership encompasses vision and mission creation, strategic thinking, management of change, staff skill development. The

application of these strategic leadership actions leads to efficiency in service delivery, reduces cost of service delivery and improves customer satisfaction.

According to Mbaya, Maina and Namusonge (2021) strategic leadership also entails strategically planning and enhancing effective organizational processes. In this capacity, the leadership is conceptualized as having a role in determining organizational processes that are aligned with organizational vision and mission. Such processes as enhancing quality management, enhancement, and order fulfillment all play a key role in enabling organizational processes to be effective.

Establishing a reliable organizational culture is an important role the strategic leadership. In terms of decision-making, culture may influence the type of information managers rely on when making decisions. For example, some cultures may emphasize the importance of tradition or the wisdom of experience, while others may value more data-driven approaches. Additionally, different cultures may value different types of information. For instance, some cultures may favor qualitative information, whereas others may favor quantitative data. Culture can also influence the types of questions managers ask during the decision-making process (Hadid, 2021). For instance, some cultures may prioritize asking questions to understand the problem fully, while others may focus more on finding solutions. Culture can also influence the way managers interact with their employees. Managers from different cultural backgrounds may have different expectations of how employees should behave and act. For example, some cultures may emphasize the importance of respect and loyalty, while others may value more creative and independent approaches.

Agha and Alrubaiee (2021) argue that in a highly competitiveness market, core competence has emerged as a central concept for competitive strategy. They define core competence as the knowledge set that distinguishes a firm and provides a competitive advantage over others. Since core competencies may not be easily replicated by competitors, they are better suited in building sustainable competitive advantage in organizations. Core competences are more robust and difficult to imitate because they relate to the management of linkages within the organizations value chain and to linkages into the supply and distribution chains.

Organizational processes hold the organization together and turn strategy into action. A process is a sequence of activities that adds value by producing required outputs from a variety of inputs. Three main elements are placed in a linear arrangement: inputs, throughputs and outputs and understood in terms such as the application of knowledge and skills to transform the input factors into tangible outcomes – managerially desired behaviors and goal attainment. Locating the definition organizationally. Laksmi and Suwandono (2019) explained that each of the systemic factors that may be subject to performance management interventions may be extended to include collective and organization-wide dimensions, where managers take active steps to align people with processes and form a technical system from which to deliver desired levels of service in cost-effective ways.

Given the dynamics in the modern-day business environment, capacity building and manpower development are some of the key activities that any organization must engage in if it hopes to survive. So, all organizations use processes; ordering material, making products, selling services (Svensson et al., 2018). The inputs will generally be the outputs

of other processes. During the transformation, value is added and resources consumed. The output can be an object, information, data or a decision. The customer may be either external or internal to the organization. Any representation of a process should therefore include the input, activities, output and the resources required.

According to Bourne et al., (2018) networking is a life skill and it is in managers' interest to acknowledge its importance and develop their own networking skills. The nature of networking is determined by the underlying motivation of the individual to acquire what he or she needs/desires from the other person. Networking has been described as a psychological need to connect, socialize and work with others. Networking relationships offer support and comfort that can increase one's own value and in turn attract other people to the network. Certain people appear to be born with the instinct for building and the natural ability to build the appropriate connections and relationships. Others may have to acquire these skills by trial and error and the approach to acquiring these depends largely on the individual's attitude and willingness to move out of his or her comfort zone.

Different personality types appear to apply their personality traits, such as temperament, cognition and choice of interaction, with unique style and application to business networking (Njue *et al.*, 2018). Networking relationships allow for successful business practices and the development of mutual respect, trust and social capital, which contribute to the success of networking efforts in a business. The importance of trust and mutual respect in business practice to management by stating that business managers need to engage in some form of networking in order to increase their job satisfaction. In

order to benefit fully from networking, managers need to first acknowledge the importance of networking and establish strategic networking relationships.

### **1.1.3 Dairy Processing Firms in Nairobi City County, Kenya.**

The dairy processing firms in Kenya date back in 1902 following the introduction of first exotic cows by European settlers. Following the formation of Kenya Dairy Board in 1958 under an Act of Parliament the management of milk processing industry was passed over to the board. It would oversee the strategic planning and leadership with a view to enhancing resource productivity. The Kenya Cooperative Creameries Ltd (KCC) monopolized the dairy sector at the time. However, the dairy market was liberalized in 1992 which opened the door for private investors to invest in the sector. This led to the entrance of a number of dairy processing firms into the industry including those based in Nairobi City County. Those in Nairobi City County include The New KCC, Brookside Dairy, Daima Africa, Bio Food Products, Milele Africa, and Eldoville Dairies. These organizations are faced with stiff competition within one of the largest market in Kenya hence the need for these organizations to employ strategic leadership strategies in a bid to foster effective performance in the market.

The Regional Dairy Centre of Excellence (RDCoE) indicates that total annual milk production in Kenya is probably 5 billion litres. An estimated 84% of the produced milk is sold in raw form by dairy cooperatives, milk hawkers and kiosks. Kariuki, Iravo and Kihoro (2018) point out that there are positive effects from value addition on dairy products and profitability of firms and SMEs have the capacity of processing dairy products for superior returns. Moreover, literature shows that, over 70% of milk produced in Kenya is produced in the non-urban regions where the people carry out subsistence

agricultural activities and live below the poverty line. This significantly influences the quality of milk produced and distributed to milk processors owing to poor milking and holding practices.

The existence of informal milk traders, distributors and retailers who sell raw milk, further exacerbates the challenges facing milk processors since their existence may be attributed to failure of the formal system and price differentials between raw and processed milk. Furthermore, the SME dairy processor faces challenges of marketing, cost of processing inputs such as coolers and sourcing of milk because large milk processors who have the economies of scale advantage, are not only merging or acquiring the SME dairy firms, but also zone milk collection areas, (Mwaura, Wasonga, Yazan & Ngugi, 2019). Poor strategic leadership and absence of managerial learning and creativity are also some of the reasons that SMEs do not gain competitive advantage (Kraja & Osmani, 2021).

## **1.2 Statement of the Problem**

The serious issue in the Kenyan dairy processing firms is poor strategic leadership in the midst of the fierce competition as organizations compete to achieve competitive advantage and market reach at through enhance performance. Muriithi (2022) argues that the fierce competition and interest for incredible initiative is emphasized by the way that just 15% of milk is offered to the perceived processors and cooperatives. Furthermore, the dairy handling industry in Kenya is less cutthroat around the world and inside provincial business sectors hence causing the focus to be fixated on the neighborhood market with Nairobi City County being the focal point of this market because of its high population.

In the midst of these competitive environments, most dairy handling firms in Nairobi City County perform poorly (Ndegwa, 2019). This weakness of dairy processing firms' performance with claims that the tasks of these organizations is challenged by adoption of change due to poor leadership in those organizations. The reluctance to acknowledge and embrace change is additionally connected with the lackluster showing of dairy handling firms in Kenya. The issue develops significantly greater when territorial business sectors are opened. With Kenya being an individual from African business sectors, for example, COMESA and EAC, the degree of rivalry has expanded.

Furthermore, inner changes including administrative changes have required change of how tasks in handling firms are made due. Accordingly, these associations have created and carried out cutthroat systems in a bid to stay above water in the serious climate. Ng'ang'a et al., (2023) note that there might be a few parts of key administration in the definition and execution of hierarchical brilliant courses of action in view of the way that all the handling firms have smart plans that reach somewhere in the range of 3 and 5 years. Mtimet and Karugia (2020) fight that a portion of the essential initiative plans have yielded huge development with a specific spotlight on the execution of Brookside. Other vital initiative methodologies have had troubling impact of the associations. As an outcome, serious differences are manifest in the exhibition of various dairy handling firms in Nairobi. This study analyzed by assuming that essential authority is the answer for the issues confronting dairy handling firms in Nairobi County.

Different studies have tended to the idea of strategic leadership and execution yet have left basic holes that will be filled by the ongoing review. Van Dorssen-Boog et al. (2021) laid out the meaning of key administration in building self-authority important to

encourage self-assurance among workers. Be that as it may, these discoveries don't address the setting of complex part of authority. While these logical issues are tended to in Pramono (2020) study, the systemic methodology is generally on lived encounters of representatives and occupation fulfillment. In that capacity, the component of benefit which perspectives on administration capability would address are abandoned. Fitza, (2017) endeavored to address the part of initiative capability however like Quigley and Graffin, (2017) just centered around the impact of the Chiefs on hierarchical execution. These examinations forget about on the component of staggered impact of key initiative subsequently leaving a hole.

Kitonga et al., (2019) endeavored to explore the staggered impact of key administration however doesn't utilize different relapses to examine the information subsequently leaving a hole in the discoveries. As Gekonge (2010) notices, most investigations did about essential administration have been prevalently worried about the issues of well thought out courses of action and execution instead of zeroing in on the immediate and aberrant impact the essential authority. Restricted writing on the relationship between essential initiative and execution implies that this is a region that isn't grasped (Mathinji and Waithaka, 2019). As such, a literature gap exists and needs to be filled both for the sake of the organization and formation of a foundation on which future studies will be carried out. In this light, this study filled the knowledge gap through investigating the influence of strategic leadership on performance of dairy processing firms in Nairobi City County, Kenya.

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

This section covers the objectives of the study. It includes the general objective of the study which is the main objective and then the four specific objectives which the researcher intends to achieve.

#### **1.3.1 General Objective**

The general objective of the study was to investigate the influence of strategic leadership on the performance of selected dairy processing firms in Nairobi City County, Kenya.

#### **1.3.2 Specific Objectives**

- i. To determine the effect of organizational culture on the performance of selected dairy processing firms in Nairobi City County, Kenya.
- ii. To establish the effect of organizational core competences on the performance of selected dairy processing firms in Nairobi City County, Kenya.
- iii. To examine the effect of organizational process on the performance of selected dairy processing firms in Nairobi City County, Kenya.
- iv. To determine the role of networks on the performance of selected dairy processing firms in Nairobi City County, Kenya.

### **1.4 Research Questions**

- i. To what extent does organizational culture affect the performance of selected dairy processing firms in Nairobi City County, Kenya?
- ii. What are the effects of organizational processes on the performance of selected dairy processing firms in Nairobi City County, Kenya?
- iii. To what extent does organizational core competences impact the performance of selected dairy processing firms in Nairobi City County, Kenya?

- iv. What are the effects of networking on the performance of selected dairy processing firms in Nairobi City County, Kenya?

### **1.5 Significance of the Study**

This study will be of significance among different partners. Organizations entering the dairy business in Kenya will profit from the discoveries as they make progress toward contending with rivals in the business. Taking on functional and effective leadership strategies will be pertinent in their interest for upper hand. The study findings will additionally lay out a significant co-connection between essential authority and execution of dairy handling firms in Nairobi County. The current dairy firms in Nairobi County and whole nation will profit from the study findings of the connection between strategic leadership and performance. The significance of strategic leadership and performance of organizations will be supported in this way offering critical data required for dynamic in the business. Too, the government of Kenya will likewise comprehend how guidelines and business ecological changes impact hierarchical administration and at last the exhibition of those associations. As such, policy definition in the dairy processing sector can be established on the findings of this study. Among scholars in academia and research institutions, the study will add to existing knowledge body. It will also present a platform on which further research studies can be established.

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

The general objective of the study was the influence of strategic leadership on the performance of dairy processing firms. Strategic leadership being the independent variable of the study was operationalized in terms of organizational culture,

organizational processes, organizational core competencies as well as networking. Organizational performance which was the dependent variable was operationalized through indicators such as financial performance, market performance, customer satisfaction, shareholder return and competitive advantage. A population of 350 participants was selected. Stratified random sampling was used in the study and the sample was selected from six dairy firm in Nairobi City County. The study covered senior management including the managers and supervisors from the selected dairy firms. The study was anchored on dynamic capability theory, goal setting theory and resource-based view theory.

### **1.7 Limitations of the Study**

The study experienced challenges with data collection from the respondents especially with reference to their being busy with recovering from the effects of COVID - 19 on organizations. The respondents were accorded adequate time to complete the questionnaire. The other setback was the influence of self-reported data since the interpretations were made from the researcher's understanding of what the respondents present in the questionnaires and interviews. As a result, biases emerging from selective memory, telescoping, attribution or exaggeration influenced the analysis of the data. The research anticipated access limitations particularly because data was collected from organizations and from people. As such, organizational policies or personal factors influencing the accessibility of reliable participants in the study limited the collection of data that influenced the study adversely. In solving this challenge, the researcher convinced all the participants in the study that the research was only meant for academic purposes.

## **1.8 Organization of the Study**

This section of the research project comprised of five chapters. In the first chapter, it comprised of the introduction, background of the study, statement of the problem, research objectives, research questions, significance of the study, scope, limitations and the organization of the study. Chapter two of the research project contained the theoretical review, empirical review, research gaps, conceptual framework and lastly the operationalization of the variables. Chapter three focused on the various research techniques used in the study. This included the research design used, study population, sample size, research instruments, the validity and reliability of the research instrument and data collection tools. The focus of chapter four was the findings of the study. Lastly, chapter five focused on the discussion, the conclusion of the study, recommendations and lastly the suggestions for further study.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This section covered the theories past studies. It entailed coverage of the theories which are related to the study. The empirical literature review is about strategic leadership from a global perspective and narrows down to the local literature.

### **2.2 Theoretical Literature Review**

Different theories have been put forward to facilitate understanding of strategic leadership concept and the influence it has on organizational performance. This study was anchored on dynamic capability theory, goal setting theory and resource-based view theory.

#### **2.2.1 Dynamic Capability Theory**

This theory was proposed by Teece and Pisano (1997). It is concerned with organizational aptitude to form and coordinate organizational resources. It is worried about authoritative fitness to frame, coordinate and design inside and outer assets to address tenaciously evolving conditions, (Liu, 2021). The theory underscores that for an association to answer successfully to outer changes, it requires various capabilities. Lessard, Teece, and Leih (2016) noted that dynamic capacities involve the course of unmistakably recognizing exact and legitimate skills that license the association to develop and execute regard sources that drive hierarchical reason.

Liu (2021) outlines three tenets of dynamic capabilities theory. Initial, an association can achieve vital abilities through detecting. This implies that the association can involve inward assets to recognize valuable open doors in the external climate. The hypothesis

features the part of vital design of assets of milk handling firms in a reliably changing business climate that Nairobi City District is. Further, the hypothesis reveals insight into how key authority works with recognizable proof of new open doors to achieve target authoritative execution.

Furthermore, dynamic abilities hypothesis centers on holding onto limit of the association. As per Teece (2018), the holding onto skill of an association involves preparation of hierarchical inward assets to achieve the worth of recognizable open doors. In this light, an association that can decisively activate assets through essential administration acknowledges hierarchical objectives and target execution. Thirdly, dynamic capacities viewpoint centers on the component of change. The authoritative ability to oversee proceeded with reestablishment of approaches in order to upgrade hierarchical execution is basic (Williamson, 2016). This component of the hypothesis directed the review to lay out authoritative influential positions, for example, essential business configuration approaches in accomplishing hierarchical execution objectives.

The three tenets of dynamic capability theory namely sensing, seizing organizational capacity and the aspect of transformation will shed light on the indicators of strategic leadership. The indicators of core competences, organizational culture, organizational processes, and networking will be illuminated by the perspectives of dynamic capability theory. The interrelationship between these indicators and strategic leadership will be illuminated with a view to enhance examination of the influence they have on organizational performance.

### **2.2.2 Goal Setting Theory**

Locke and Latham (1990) are the major proponents of goal-setting theory. The hypothesis suggests that the specification of essential objective and goal described by definition of irksome objectives touch off better execution of vital authority objectives than when pioneers simply work on courageous assurance. Defenders of the hypothesis give that goals execution influence what individuals are driven hence meaning for the whole association. In this light, people can be instructed to focus on unambiguously, endure when there are hardships, and form new ways to deal with contain complex provokes to accomplish put forth objectives and helping the hierarchical presentation.

As per Young (2017), beneficent prizes, development of pay from a singular's work, advancement and acknowledgment are acknowledged when an association has set testing targets. These objectives are set with the arrangement of ideal test and lucidity of objectives. Van der Hoek, Groeneveld and Kuipers (2016) contrast the execution of testing objectives with that of shortsighted objectives and lay out that while testing objectives are executed suitably, they understand more noteworthy outcomes than straightforward objectives. These objectives can zero in on the best way to impact individuals in the association to acknowledge execution objectives. Further, irksome objectives offer course to the pioneers which lead to achievement of the advancement being looked for (Sue-Chan, Rassouli and Latham, 2015).

This hypothesis will give significant pointers on the levels to which milk handling associations utilize various angles in essential administration to achieve put forth targets and execution objectives in Nairobi City Area. This will enlighten the associations' set targets and clarify how vital authority execute its capacities to accomplish key objectives

(Young, 2017). The thought made by the hypothesis that defining key objectives impact execution of individuals and execution of key execution objectives will be tried in the concentrate through the foundation of the impact it has on execution of the organizations concentrated on through examination of the pointers proposed in the review.

### **2.2.3 Resource Based View Theory**

The Resource Based View theory (RBV) was advanced by Penrose in 1959. It is a managerial framework used to determine the strategic resources a firm can exploit to achieve sustainable competitive advantage. RBV focuses attention on an organization's internal resources as a means of organizing processes and obtaining a competitive advantage. Barney stated that for resources to hold potential as sources of sustainable competitive advantage, they should be valuable, rare, imperfectly imitable and not substitutable. The resource-based view suggests that organizations must develop unique, firm-specific core competencies that will allow them to outperform competitors by doing things differently (Barney, 1991).

According to the RBV theory, the resources enable the organization to improve performance by practicing operational efficacy by increasing differentiation and decreasing the cost of production. Rareness create perfect competition since resources will be possessed by fewer organizations. Leaders develop strategies that opponents are not able copy. Immobility of intangible resources like operation process, brand equity, intellectual property helps organizations to enact barriers to imitate their resources. In doing this competitor will be unable to understand what causes organization superior performance. Consequently, strategic leaders are concerned with unique aspects of

resource management to perform better than competitors. Therefore, strategic leaders should be able to link resources to capabilities (Barney, 1991).

The only setback for this theory is that the theory cannot be tested. The adopted methodology is complex thus complicates the theory (Barney, Ketchen and Wright, 2011). Another setback of this theory is that the intangible resources proposed by theory cannot be measured. A strategy is the match an organization makes between the internal resources and skills and opportunities and risks created by its external environment (Mahoney and Pandian, 1992). The resourced view theory is connected to this study, it will assist the senior managers with upgrading the assets for strategy implementation.

## **2.3 Empirical Literature Review**

### **2.3.1 Organizational Culture and Performance**

Quigley and Graffin (2017) did research which focused on the role of CEOs on organizational performance. The review utilized staggered demonstrating which encourages a preferable investigation strategy over ANOVA Examination and a longitudinal research design. External factors and strategic leadership were essential for the factors utilized in the research. The research laid out that executives essentially affect the organizational performance especially on offering direction to all employees to organizational culture. The investigation further established that when the initiative is focused on the making of a qualities and impacting staff members to focus on the course, better performance among the staff is recorded. The research also showed that the appropriately assessed CEOs impact, "is somewhere in the range of 3.9 and 5.0 percent". The study did not address the impact of the strategic leadership particularly concerning founders other than CEOs who likewise fundamentally affect impacting the authoritative

culture and ultimately the organizations performance. The current study will focus on the influence of leadership creating effective culture on the organizational performance in Dairy processing firms in Nairobi City County.

Knies et al, (2016) study focused on the influence of strategic leadership on the performance of public organizations. In the study, 46 individuals from senior management, 112 individuals from middle level management and 156 individuals from lower-level administration consequently a sum of 314 respondents. Defined arbitrary examining method was embraced and 157 respondents were distinguished for the review. Essential information was utilized as gathered through the survey. The review laid out that associations that drew in extraordinary and conditional authority approaches enrolled a basic impact on the exhibition of the association with difference in the spans of the singular associations. The review didn't recognize what impact these methodologies of vital authority have on the devotees regarding vision, inspiration and adherence to ethos practically speaking. It additionally focused on open associations. The current study will focus generally on strategic leadership putting into consideration the various departments and the expanded aspect of strategic leadership to examine the influence of strategic leadership on organizational performance.

Ezeanyim and Ezeanolue (2021) in their study focused on business ethics and organizational performance in South Eastern of Nigeria. The survey design was adopted and a population of one thousand three hundred (1300) small and medium-sized businesses that are managed by the owners were covered. A sample size of 297 owner managers were drawn from the population. The systematic sampling technique was used in this study. Data were collected using copies of questionnaires. The hypotheses were

tested using the Spearman Rank Order Correlation Coefficient. The study found that there is a significant relationship between the dimensions of workplace ethics (integrity and trustworthiness) and the measures of organizational performance (corporate reputation and profitability). It was concluded that workplace ethics in terms of integrity and trustworthiness help in boosting the total performance of owner managers businesses in Rivers State. The study recommended that the owner managers of business organizations should ensure they act with high level of integrity as such will help enhance the firm's reputation. The current study will focus on the influence of leadership creating effective culture on the organizational performance in Dairy processing firms in Nairobi City County.

Kitonga et al., (2018) study went into deeper details of strategic leadership beyond just CEOs and investigated what influence strategic leadership has on not-for-profit organizations in Nairobi City County. A survey assessing strategic leadership practice and organizational performance was completed by managers representing 328 not-for-profit organizations in Nairobi County in Kenya. The study established a significant positive relationship between strategic leadership variables and organizational performance. The results found R value of 0.730 and R<sup>2</sup> value of 0.532 that is 53.2% of corresponding change in the Organizational Performance of NFPs for every change explained by predictor variables. The findings demonstrate that if not-for-profit leaders use well the strategic leadership they are likely to improve their organizational performance significantly. This paper examined the practice of strategic leadership in not-for-profit organizations in Nairobi County in Kenya. Future research that seeks to replicate these findings is warranted. The current study will investigate the impact of

strategic leadership on organizational performance of dairy processing firms in Nairobi City County.

### **2.3.2 Organizational Core Competencies and Performance**

Sultan and Srivastava (2018) conducting a study to assess the role that marketing competence plays in competitiveness of firms. The study was done on agro-processing SMEs in India – 24 Jammu and Kashmir areas. The study used composite score index method in measuring the variables and findings show a positive relationship. The expansion and growth of the SMEs is dependent on managerial and policy applied, and development of the marketing competencies of the marketing team members. Critically, the study does not share its sources for the data and how it was analyzed to obtain the above results. Contextually, the study was done in India and conceptually, the study considers the relationship between marketing capability competence and competitiveness with no mention of performance. The current study will seek to collect information to prove how strategic leadership enhances organizational resources for the development of a good working condition and influence the performance of an organization.

Musibau, Choi and Oluyinka (2014) researched on the impact of sales promotion and product branding on company performance. The study sampled 60 employees. Data was collected using survey questionnaires. Data was analyzed using chi-square ( $\chi^2$ ). It was revealed that product branding and sales promotion affect organizational growth. Kalemb (2015) researched on Contribution of branding in enhancing performance of tourism sector in Rwanda. Findings revealed that there was a relationship between branding and tourism performance in Rwanda. Wed (2016) conducted research on the impact of brand identity on customer loyalty and sales performance in local companies it was revealed

that brand identity has an influence on the customers' loyalty and the sales performance. The current study will investigate the impact of strategic leadership on organizational performance of dairy processing firms in Nairobi City County.

Oloko et al. (2014) examined the marketing strategies that Safaricom Ltd has utilized to spur its remarkable growth in terms of the market share as well as its unprecedented strong super profit within the telecommunication industry in both Kenya and the entire East Africa region. The study found out that various marketing mix and techniques were employed by Safaricom, which included auditory marketing, new product creation, animation, pricing, place, content localization and the techniques were found to enhance the uptake of Safaricom's products hence, resulting to increased revenue leading to profitability. Kimani (2014) explored the effectiveness of the various marketing strategies, which are undertaken at the Kenya Revenue Authority, the success and impact of marketing on the operations of the Authority. The study found that that marketing has greatly affected the amount of revenue collected by KRA. The current study will investigate the impact of strategic leadership on organizational performance of dairy processing firms in Nairobi City County.

Njoroge, Muathe and Bula (2015) investigation was done on human capital resource and its effect on performance in the Kenyan mobile phone companies. The study used explanatory. The target population was 381 respondents and the sample size was 170 respondents from the four mobile phone companies in Kenya. The research adopted stratified random sampling technique. The study used mainly primary data which was collected using self-administered questionnaires. Data was analyzed using inferential statistics. The analysis used statistical package version 11.0 to aid data analysis. The

results were presented using tables. The findings indicated that human capital had a positive significant effect on performance of mobile phone companies. The study recommends that human capital is a key player in establishing performance therefore; managers should introduce more training to improve human capital skills. The current study will broadly investigate how strategic leadership uses enhancement of core competences to influence the performance of dairy processing firms.

Kaleli (2016) on management competence and its impact on the company performance for firms listed at the NSE and targeted all the 64 firms that are listed in the NSE and collected data from human resource managers. The study targeted human resource managers of each of the 64 firms listed on the Nairobi Securities Exchange as at December, 2014, and 34 of them responded. The study adopted the positivist research philosophy and a descriptive survey design. Statistical Package for Social Sciences (SPSS) Version 21 was used to analyze data using regression analysis. Research findings from the test of hypothesis established that management competence has positive and significant effect on firm performance. The study finding supports the Resource-Based View and Knowledge Space Theory which underscore the crucial role of management competence in company performance. The study recommends further investigation of the study variables in non-governmental organizations, small and medium sized enterprises and faith-based organizations. The current study will investigate the impact of strategic leadership on organizational performance of dairy processing firms in Nairobi City County.

Mwithi (2016) thought about capabilities of pioneers and impact on execution for the state enterprises in Kenya. 187 state enterprises were designated and 131 were

remembered for the review and surveys were utilized to gather essential information. The outcomes uncovered that initiative capabilities prompted monetary execution of these state companies and the ideas of administration abilities included perspectives like self and social mindfulness and magnificent social and the board abilities. Simultaneously initiative capability like mindfulness and the general discoveries show a positive connection between these factors. The association size as the directing impact had prompted tremendous impact between administration capabilities and execution. The review covers the pioneers and not thinks about impact of the representatives on execution and furthermore considers just state enterprises in Kenya which are non-benefit making associations, consequently as far as setting there is need to grow writing to cover different associations in various areas of the economy. The current study will investigate the impact of strategic leadership on organizational performance of dairy processing firms in Nairobi City County.

### **2.3.3 Organizational Processes and Performance**

Alzoubi (2015) in his study focused on the impact of business process management on business performance superiority. The study adopted the approach of business processes management life cycle as a basis for detecting the idea of superiority. The sample included (89) managers, and their opinions and responses were used to describe (process identification and design, process modeling and documentation, process monitoring and controlling, and process optimization, in addition to describe the dimensions of business performance superiority, operational and competitive. Multiple regression analysis method was used to test the idea of the study model, to highlight the contribution of business process management to interpretation of organization's business performance superiority. Sustained

superiority requires organization managers to support business processes orientation financially and morally within the business entrepreneurship window, under uncertainty environment, characterized by risk and changeable as future perspective of the value of organization's business performance superiority

A study conducted by Nyaguthii (2022) which focused on the relationship between organizational processes and employees' performance in County Governments in Kenya. The review laid out that hierarchical cycles give a helpful, middle degree of examination of the hierarchical limit. The review technique was utilized to assist with deciding the connection between limit expanding on representatives' presentation in region state run administrations in Kenya. Delineated examining likelihood and basic irregular testing procedures were used in drawing a delegate test from a populace of 47 provinces for the review. The reaction rate was in the level of polls returned. 300 and 81 polls were circulated to the respondents and 300 and 36 were returned hence accomplishing a reaction pace of 88.19 %. Organized polls were managed as the principal information assortment instrument. The concentrate additionally utilized optional information from reading material, diaries, hierarchical manuals and the web. Primary condition demonstrating and multivariate factual apparatuses were utilized to investigate the information. Relapse was utilized to examine the relationship of limit expanding on the workers' exhibition. The speculations were examined utilizing chi and Z-test. The outcomes were introduced in unmistakable information like tables, frequencies, outlines and rates. The finding was that hierarchical cycles emphatically impact worker execution. The scientist encouraged the district government HR expert to plan on the most proficient method to further develop work processes since they affect representatives' exhibition.

The current study will investigate the impact of strategic leadership on organizational performance of dairy processing firms in Nairobi City County.

Pooja (2017) focused on the influence of business process management on organizational performance. Business processes have turned into the most fundamental administration worldview in the new thousand years' serious worldwide market. Longitudinal exploration configuration was used in the study. The targeted population was 216 employees. The effects of business process to the managers on organizational performance were examined in this study. Talking with supervisors and recognizing their points of view and practices for the year 2018-2020 was used to carry out descriptive research design on a sample of 145 organizations. The impacts of business process management (BPM) on organizational performance are investigated in this research. Interviewing managers and identifying their perspectives and practices for the year 2018-2020 was used to perform empirical research on a sample of 145 businesses. The findings of the study show that BPM features have a favorable impact on the efficiency of business operations. The findings are particularly valuable for managers because they highlight the importance of applying the business process management concept more consistently in day-to-day company operations in order to make better decisions. The current study will investigate the influence of strategic leadership on the performance of dairy processing organizations in Nairobi City County.

Mutuku, Muathe and James (2019) examined how e-commerce capability and performance related among Kenyan commercial banks as mediated by competitive advantage. They argued that the banking industry was very competitive thus requiring competitive advantage as well performing banks were of interest to many parties. The

study adopted explanatory research design and surveyed all the 43 commercial banks in operations in Kenya as at 31 December 2016. It used secondary data from banks' websites as well as financial statements and supervision reports on the banks. It found out that competitive advantage was a partial mediator. The study adopted a narrow lens of viewing firm performance by using financial measures only. The current study measured performance broadly. The current study will investigate the influence of strategic leadership on the performance of dairy processing organizations in Nairobi City County.

Wanjiru, Muathe and Kinyua - Njuguna, (2019) examined how competitive advantage mediated the interaction between corporate strategies and firm performance. They used descriptive and explanatory survey designs allowing triangulation of findings thus raising validity of results. It targeted 189 large manufacturing firms in Nairobi City with data collected through semi-structured questionnaires. Analysis was both descriptive and inferential with findings showing that competitive advantage was a mediator in the relationship. The study's explanatory variable was corporate strategies hence focused on whom firms competed with rather than how they competed. The current study's explanatory variable was cost leadership strategy hence addressed cost related performance challenges. The current study will examine influence of strategic leadership on organizational performance in the Dairy sector in Nairobi City County.

Bolo, Lorika and Obonyo (2011) investigated the effects of value chain strategies among milk processing industries in Kenya. The participants in the study were the top management of milk processors and focused on 67 managers. Questionnaires were the data collection instruments used in the study. The questionnaire was administered using the drop and pick method. The collected data was analyzed by use of SPSS. This

empirical investigation used quantitative and qualitative analysis and found that Small Scale Milk Vendors (SSMVs) in Kiambu, County, Kenya, had added value to milk at varying degrees though most of the milk was still sold in raw form and had adopted various methods to influence customer uptake of the dairy products. Access to markets for diversified products had a positive linear relationship on dairy enterprise performance. The study recommends that the government of Kenya and key actors in the dairy sector in an effort to boost the economy and create employment have a major role to play in helping the SSMVs find markets for their value-added dairy products. The study proposes that an intervention for SSMVs in the dairy sector in Kenya based on innovative models anchored on establishing informal and formal networks should be explored as an option to increasing market access for their value-added dairy products. This will help in disposal of seasonal surpluses; reduce losses along the dairy chain and increase productivity and incomes of the SSMVs and the government. The current study will investigate the influence of strategic leadership on the performance of dairy processing organizations in Nairobi City County.

Mbaya, Maina and Namusonge (2021) study investigated strategic Thinking and Performance of Dairy SMEs in Kenya. The study was anchored on the Leidtka Model. Positivism research philosophy was adopted. Descriptive and explanatory research designs were used. A census survey was conducted on all the small and medium-sized dairy processing firms in Kenya and primary data was collected. Descriptive statistics such as mean and standard deviation were used to explain data characteristics, while multiple regression was used to test the effect of the study variables on firm performance. The results showed that strategic thinking has a positive significant effect on the

performance of small and medium-sized dairy processing firms in Kenya, thus it was perceived that strategic thinking aids creation of a path for what the firm wants to become through focusing on their intent, systems, timely thinking, intelligent opportunism and hypothesis-driven research. The study contributes to the body of knowledge by filling contextual, empirical, and conceptual gaps identified earlier in literature and establishing a nexus of strategic thinking and performance of small and medium-sized dairy processing firms in Kenya. The study recommends that strategic thinking should be enhanced particularly by using research to inform their decision-making and practice quick decision-making to mitigate or exploit opportunities while thinking of possible solutions to unexpected challenges. The current study will investigate the influence of strategic leadership on the performance of dairy processing organizations in Nairobi City County.

Mwasiaji (2020) study investigated the influence of providing resources to discovery of new and improved products in dairy processing organizations. The target population used in the study was 23 small and medium enterprises and registered by Kenya Dairy Board. The target population comprised of the CEO, finance heads, advertising manager and the innovation and business development manager. The primary data was collected by use of self-administered semi-structured questionnaire. Data analysis was done by use of descriptive statistics such as frequencies, percentages, mean scores and standard deviation with the aid of SPSS and presented through tables, charts, graphs, frequencies and percentages. The study established that new product design, distribution chains and mergers and acquisitions are all outstanding business entry strategies. The current study

will investigate the influence of strategic leadership on the performance of dairy processing organizations in Nairobi City County.

#### **2.3.4 Networking and Organizational Performance**

Beatrice (2020) in her research focused on the importance of Intra-Organizational Networking for Generation Z and Millennials. The data was gathered with the assistance of 10 expert understudies in the vital HRM instructive program. The target population was 374 respondents. The participants typical age was 47. Around 55.88% of the respondents were more youthful than 40 years of age. Sixty six percent of the participants had an extremely durable agreement, 60.16% of the respondents worked part-time. A self-report questionnaire was distributed among a sample of employees working in a range of different types of organizations ( $n = 374$ ). It was concluded that employability fully mediates the relationship between intra-organizational networking and individual task performance. However, this mediation effect did not vary between younger and older employees. This study extends past research by applying a human capital perspective (in particular, social capital) and life-span development frameworks for explaining employability and task performance enhancement across one's working life. It provides useful insights for stimulating career development and individual performance growth, by means of social capital, herewith increasing the individual employee's chance to survive in nowadays' labor markets. This suggests that functioning organizations should be persistently worried about the manageability of their staff employability to protect their presentation across their vocation. The current study will investigate the influence of strategic leadership networking on the performance of dairy processing organizations in Nairobi City County.

Saula (2022) examined the effect of networking on organizational performance in the banking industry in Nigeria. The purpose was to determine how networking capability influences organizational performance of deposit money banks in Nigeria. The design of the study was a survey and the population was 2,413 low, medium, and senior-level managers of five selected deposit money banks in Nigeria licensed by Central Bank of Nigeria (CBN) for commercial banking. The sample was 463 determined using Krejcie and Morgan (1970) formula in addition to an attrition rate of 40%. The study used the stratified proportionate random sampling technique. Primary data were collected using the structured validated questionnaire from the specified units of measurement with instruments assessed for reliability using the Cronbach alpha coefficient. Results demonstrated all constructs to be highly reliable, Cronbach's alpha coefficients for the constructs ranged from 0.783 to 0.842. The response rate was 86.9%. Data collected were analyzed using multiple linear regression analysis. The finding revealed that networking through ATMs, branches, phones, and the Internet as introduced by Nigerian deposit money banks improved organizational performance ( $\beta = 0.139$ ,  $t = 3.281$ ,  $p < 0.05$ ). The study recommended that executive management should spend more on current technology and financial innovation. This will improve bank efficiency and cut expenses. Through financial innovations, the bank may expand its products and services, improving sales and bank performance. The current study will investigate the influence of strategic leadership networking on the performance of dairy processing organizations in Nairobi City County.

Acquaah (2006) focused on the Impact of Managerial Networking Relationships on Organizational Performance in Sub-Saharan Africa: Evidence from Ghana. The

information for this study were gathered from senior leader's CEOs/overseeing chiefs and their representatives, and tops of the money/bookkeeping capability) of assembling and administration firms working in Ghana. The example comprised of the 200 biggest organizations chose from the Ghana Professional listing and the enrollment index of the Relationship of Ghana Businesses. Likelihood examining was not utilized in choosing the companies; nonetheless, every one of the huge organizations in Ghana were remembered for the review. After a few visits to the organizations' reactions were gotten from 115 firms. Every one of the polls were usable, with the exception of nine for a reaction pace of 53%. The reaction pace of 53% contrasts well and comparative examinations directed in comparative conditions. The findings provide strong support that managerial networking relationships developed with top managers of other firms, government bureaucratic officials, community leaders, and leaders of employee unions and representatives enhance organizational performance. However, managerial networking relationships developed with politicians at different levels of government are either not related to performance or impede performance. The current study will investigate the influence of strategic leadership networking on the performance of dairy processing organizations in Nairobi City County.

Mutia (2015) in Kenya focused on the role of strategic leadership on the development of faith-based organizations in Kenya. The study population comprised of one hundred and twenty-six (126) Bishops and four thousand, six hundred and sixty-seven (4667) clergy serving with the five major Christian denominations in Kenya, namely, the Roman Catholic Church (R.C.C), the Anglican Church of Kenya (ACK), the Presbyterian Church of East Africa (PCEA), the African Inland Church and the Methodist Church in Kenya

(MCK). A Stratified random sampling technique was used to choose a sample size of 95 bishops and 368 clergy drawn from the five churches. The data collection tool used was a self-administered structured questionnaire. Descriptive statistics were presented in the form of frequency distributions, means and pie charts, while factor analysis, correlations, chi-square, Analysis of Variance (ANOVA) and regressions were used to present inferential statistics. Regression was used to test the hypothesis. The data was analyzed using the statistical program for social sciences (SPSS) as a tool. A regression analysis which was done to determine the relationship between setting the strategic direction and the church's infrastructural growth had a strong correlation. In the model summary,  $R^2$  is 0.673 which indicates that the setting of the church's strategic direction causes a 67% variation in the infrastructural growth of the church. On the other hand, the ANOVA tests showed a regression of less than 0.05, which was significant and which established that the setting of the church's strategic direction has a significant influence on the infrastructural growth of the church. The study concluded that the determination of the church's strategic direction positively influences its infrastructural growth and recommends further studies to determine the different leadership styles that are key in ensuring sustainable growth of the church and faith-based organizations in general. The current study will investigate the influence of strategic leadership networking on the performance of dairy processing organizations in Nairobi City County.

King'oo et al., (2020) studied the effect of networking capability on performance of private universities in Kenya. The study was anchored on the Resource Based View theory. It was founded on positivist research philosophy and adopted a cross-sectional descriptive survey research design. Primary data collected from

faculty deans, registrars' administrations and finance, human resource managers and ICT managers was used in the study. Data analysis was carried out using descriptive statistics; means, frequencies and standard deviations and inferential statistics (correlation and regression analysis). The study established that private universities adopted networking capability only to a moderate extent (mean=3.39). There was a significant effect of relational trust ( $\beta=0.194$ ;  $P=0.001$ ), relational capability ( $\beta=0.079$ ;  $P=0.000$ ), relational strength ( $\beta=0.103$ ;  $P=0.017$ ), coordination within networks ( $\beta=0.106$ ;  $P=0.010$ ), and information sharing ( $\beta=0.278$ ;  $P=0.000$ ) on performance of private universities. Initiation of business relationships ( $\beta=0.053$ ;  $P=0.412$ ), and learning for success ( $\beta=0.007$ ;  $P=0.926$ ) had no significant effect on university performance. Overall, the study concluded that networking capability has a significant effect on performance of private universities in Kenya. Based on this conclusion, the study recommended that that private universities in Kenya should focus on ways of creating, maintaining, and maximizing avenues for information sharing, trust amongst stakeholders, inter-university relations, strengthen relations, and improve coordination within their networks. The study contributes to the body of knowledge by proposing a strategic capability model for private universities (and to a great extent public universities) for improving their performance by redirecting their focus to networking capability. The current study will investigate the influence of strategic leadership networking on the performance of dairy processing organizations in Nairobi City County.

Kabetu et al., (2018) in their research looked at the influence of strategic leadership on performance of non-governmental organizations in Kenya. The review took on a spellbinding examination plan. The objective populace accordingly contained 197 high

level administration, mid-level administration and lower-level administration of UN Territory. An example populace of 130 was shown up at by working out the objective populace of 197 with a 95% certainty level and a blunder of 0.05. Essential information was gotten utilizing self-directed polls. The poll is comprised of both unconditional and shut finished questions. Information was dissected involving Factual Bundle for Sociologies (SPSS version 21.0). The investigation discovered that conveying the essential bearing influences execution of UN Territory in Kenya enormously, that reception of center skills extraordinarily influences execution of UN-Environment in Kenya, that that creating human resources influences execution of UN-Living space in Kenya significantly, that supporting powerful corporate culture influences the presentation of UN Natural surroundings in Kenya to a moderate degree and that hierarchical adaptability influences the exhibition of UN-Living space in Kenya modestly. The review presumed that authoritative adaptability affected Execution of UN-Territory in Kenya in Kenya followed by creating human resources then imparting the essential bearing then, at that point, supporting compelling corporate culture, then conveying the essential heading while reception of center abilities affected the Presentation of UN-Living space in Kenya in Kenya. The review suggested that that there is need for preparing and advancement of representatives through hands on preparing as well as giving them chances to look for advanced education, that Global Philanthropic Associations need to take on a powerful observing system and that the Worldwide Helpful Associations ought to survey their administration style and embrace vital authority. Key administration goes quite far in consolidating everybody in dynamic consequently laying out soundness in the tasks of the organization. The current study will

investigate the influence of strategic leadership networking on the performance of dairy processing organizations in Nairobi City County.

## 2.4 Summary of Literature Reviewed and Research Gaps

**Table 2.1: Summary of Research Gaps**

Author	Focus	Findings	Research Gaps	Focus of the Current Study
Quigley and Graffin (2017)	The role of CEOs on organizational performance	The research showed that the appropriately assessed CEOs impact, "is somewhere in the range of 3.9 and 5.0 percent	The study didn't address the impact of the strategic leadership	The focus was on the dairy sector in Nairobi County.
Knies et al, (2016)	The study focused on the influence of strategic leadership on the performance of public organizations	The study established that organization that use strategic approaches are able to perform	The study was carried out in a developed country	The focus was on the dairy sector in Nairobi County.
Ezeanyim and Ezeanolue (2021)	Business ethics and organizational performance in South Eastern of Nigeria	The investigation discovered that unethical standard practices had no significant effect on organizational performance	The study was carried out in Nigeria which has a different business climate with Kenya	The focus was on the dairy sector in Nairobi County.
Kitonga (2017)	Influence of strategic leadership on not-for-profit organizations in Nairobi City County	There is a significant positive relationship between strategic leadership variables and organizational performance	The results of the study cannot be applied in the current study	The focus was on the dairy sector in Nairobi County.
Sultan and Srivastava (2018)	To assess the role that marketing competence plays in competitiveness of firms	The study established that the expansion of an SME is dependent on the managerial and policy resources applied.	This study was focusing on SMEs.	The current study was conducted in the dairy sector in Nairobi City County.
Musibau, Choi and Oluyinka (2014)	The impact of sales promotion and product branding on company	It was established that there is a positive relationship between sales promotion and	The study focused on sales promotion	The current study was conducted in the dairy sector in Nairobi City

	performance	company performance		County.
Kalemb (2015)	Contribution of branding in enhancing performance of tourism sector in Rwanda	There was a relationship between branding and tourism performance in Rwanda	The study was conducted in Rwanda	The current study was conducted in the dairy sector in Nairobi City County.
Wed (2016)	Impact of brand identity on customer loyalty and sales performance in local companies	There is positive relationship between customer and sales performance	The study focused on customer loyalty	The current study was conducted in the dairy sector in Nairobi City County.
Oloko et al. (2014)	The marketing strategies that Safaricom Ltd has utilized to spur its remarkable growth in terms of the market share as well as its unprecedented strong super profit within the telecommunication industry	The study found out that various marketing mix and techniques were employed by different companies to enhance performance	The research focused on marketing in the larger East African region	The current study focused on the dairy sector in Nairobi City County
Kimani (2014)	The effectiveness of the various marketing strategies, which are undertaken at the Kenya Revenue Authority	The study found that that marketing has greatly affected the amount of revenue collected by KRA	The study was conducted at KRA	The current study will be carried out at the dairy sector in Nairobi City County
Njoroge, Muathe and Bula (2015)	Human capital resource and its effect on performance in the Kenyan mobile phone companies.	The findings indicated that human capital had a positive significant effect on performance of mobile phone companies	The study was conducted with a focus on mobile companies	The current study will be carried out at the dairy sector in Nairobi City County
Kaleli (2016)	Management competence and its impact on the company performance for	Research findings that management competence has positive and significant effect on	The study was conducted on NSE listed companies	The current study will be carried out at the dairy sector in Nairobi City County

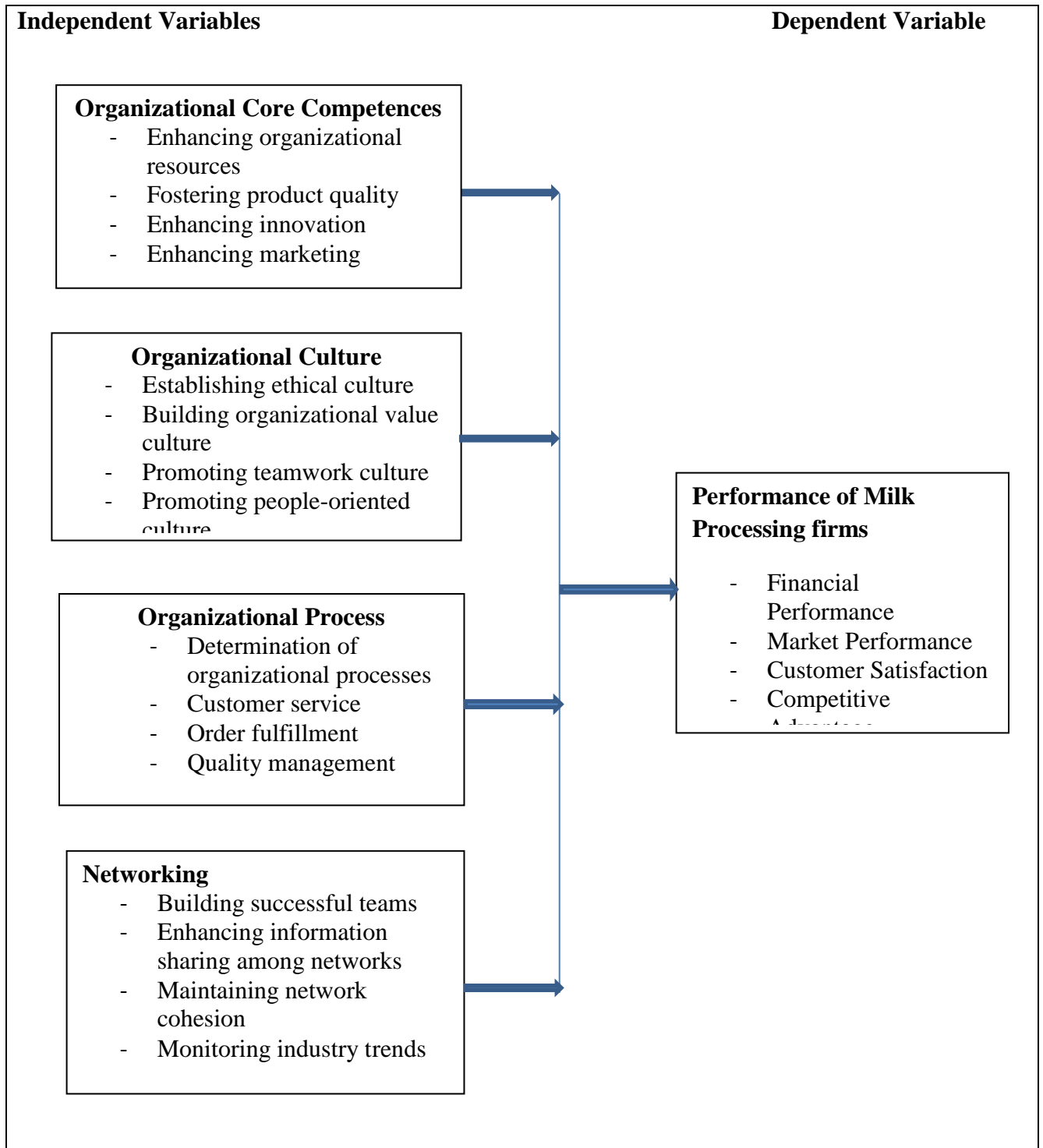
	firms listed at the NSE	firm performance.		
Mwithi (2016)	Capabilities of pioneers and impact on execution for the state enterprises in Kenya	The study established that commercial state corporations for the financial year 2019/2020, majority (83.3%) of the commercial state corporation's achievement were way below the target that is between 50% and 70% of the target.	The study focused on the state corporations	The current study will be carried out at the dairy sector in Nairobi City County
Alzoubi (2015)	Impact of business process management on business performance superiority	The study established that Sustained superiority requires organization managers to support business processes orientation financially and morally within the business entrepreneurship window.	The focus was sustained superiority in an organization.	The current study will be carried out at the dairy sector in Nairobi City County
Nyaguthii (2022)	Relationship between organizational processes and employees' performance in County Governments in Kenya	The finding was that organizational processes positively influence employee performance organizations	The research focused on County governments in Kenya	The current study focused on the dairy sector in Nairobi City County
Mutia (2015)	Influence of strategic leadership on church growth in Kenya.	The study findings established a significant positive impact of strategic leadership practices and the growth or church-based organizations	The research focused on faith-based organizations in Kenya whereas the current study will focus on the dairy sector in Nairobi City	The current study focused on the dairy sector in Nairobi City County.

			County	
Pooja (2017)	Influence of business process management on organizational performance.	The findings of the study show that BPM features have a favorable impact on the efficiency of business operations	The study was conducted in a developed country	The current study focused on the dairy sector in Nairobi City County.
Mutuku, Muathe and James (2019)	The study examined how e-commerce capability and performance related among Kenyan commercial banks as mediated by competitive advantage	It found out that competitive advantage was a partial mediator	The study was conducted in the banking sector in Kenya	The current study focused on the dairy sector in Nairobi City County.
Wanjiru, Muathe and Kinyua - Njuguna, (2019)	The study examined how competitive advantage mediated the interaction between corporate strategies and firm performance	The findings showed that competitive advantage was a mediator in the relationship	The study was conducted in the large manufacturing firms	The current study focused on the dairy sector in Nairobi City County.
Bolo, Lorika and Obonyo (2011)	The effects of value chain strategies among milk processing industries in Kenya	The study had added value to milk at varying degrees though most of the milk was still sold in raw form and had adopted various methods to influence customer uptake of the dairy products	The study was conducted in Kiambu County	The current study focused on the dairy sector in Nairobi City County.
Mbaya, Maina and Namusonge (2021)	The study investigated strategic Thinking and Performance of Dairy SMEs in Kenya	Strategic thinking has a positive significant effect on the performance of small and medium-sized dairy processing firms in Kenya	The study focused on small scales farmers	The current study focused on the dairy sector in Nairobi City County.
Mwasiaji (2020)	The influence of providing resources to discovery of new	The study established that new product design, distribution		The current study focused on strategic

	and improved products in dairy processing organizations	chains and mergers and acquisitions are all outstanding business entry strategies		leadership
Beatrice (2020)	The importance of Intra-Organizational Networking for Generation Z and Millennials	Employability fully mediates the relationship between intra-organizational networking and individual task performance	The study focused on Gen Z.	The current study focused on the dairy sector in Nairobi City County.
Saula (2022)	The effect of networking on organizational performance in the banking industry in Nigeria	The finding revealed that networking through ATMs, branches, phones, and the Internet as introduced by Nigerian deposit money banks improved organizational performance	The study was conducted in Nigeria	The current study was conducted in Kenya
Acquaah (2006)	Impact of Managerial Networking Relationships on Organizational Performance in Sub-Saharan Africa	The findings provide strong support that managerial networking relationships developed with top managers of other firms, government bureaucratic officials, community leaders, and leaders of employee unions and representatives enhance organizational performance	The study was conducted in Ghana	The current study was conducted in Kenya
King'oo et al., (2020)	The effect of networking capability on performance of private universities in Kenya	The study established that private universities adopted networking capability only to a moderate extent	The study was conducted in the private universities in Kenya	The current study focused on the dairy sector in Nairobi City County.
Kabetu et	Influence of	The study found that	The study	The current study

al., (2018)	strategic leadership on performance of non-governmental organizations in Kenya	communicating the strategic direction affects performance of UN Habitat in Kenya greatly, that adoption of core competencies greatly affects performance of UN-Habitat in Kenya	focused on NGOs in Kenya	focused on the dairy sector in Nairobi City County.
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## 2.5 Conceptual Framework



**Figure 2.1 Conceptual Framework**

Source: Researcher (2024)

From the above conceptual framework, it comprised of the four variables. Organizational core competences were guided by enhancing organizational resources, fostering product quality, enhancing innovation and enhancing marketing. Organizational culture focused on establishing ethical culture, building organizational value culture, promoting teamwork culture and promoting people – oriented culture. Organizational process entailed determination of organizational processes, customer service, order fulfillment and quality management. Lastly, on networking building successful teams, enhancing information sharing among networks, maintaining network cohesion, monitoring industry trends.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

The chapter discussed the study design with reference to the study setting. Additionally, it focused on the target population, sample size, sampling techniques, data collection instruments, data collection procedure, pilot test, data analysis, presentation of the data and ethical considerations.

### **3.2 Research Design**

The study adopted a descriptive research design. This research design was ideal to this study since it guarantees that gotten information gives appropriate responses to investigate questions. As per Kim, Sefcik and Bradway (2016), descriptive research design is suitable when the research aims to identify trends, characteristics, frequencies and classifications. These traits are aligned with the aim of this study to establish the influence of strategic leadership on performance of dairy processing firms. Leadership characteristics, trends and the frequencies of success and failures in performance will shed light on the influence sought in the study.

Further, Baillie (2019) contends that descriptive research design also facilitates investigation of organizational abilities, knowledge, opinions, beliefs and behavior of groups and individuals. In this study, the opinions of organizational leaders, their beliefs, knowledge and values were instrumental in understanding the concept of strategic leadership and the influence it has on organizational performance in dairy processing firms. Further, the descriptive research design was suitable because it fosters collection of data that enables understanding of relationships between two types of variables (Muthimi

*et al*, 2021, Miksza & Elpus, 2018). In this light, it allows collection of diverse data within a short period of time. This trait of the design enabled the researcher to collect credible data that was useful in drawing conclusions about the phenomenon under study.

### 3.3 Target Population

The target population of the study was 350 individuals working with the six dairy processing firms in Nairobi City County. These organizations are New Kenya Cooperative Creameries Limited, Kulan Food sources, Milele New, Eldoville Dairies, Daima Africa and Bio Food Products Ltd. These organizations were chosen since they have been in activity for over three years in Nairobi City City and they have been confronting fierce competition from different organizations. As indicated by Hasure and Jadhav (2019), identifiable population refers to units of certain groups that are linked to the research. In this light, the population is viewed as units that have particular characteristics that are related to the study. The senior management staff members in the organization are all in influential positions that can have an impact on the leadership of the dairy processing firms in Nairobi City County.

**Table 3.1 Target Population**

<b>Organization</b>	<b>Frequency</b>	<b>Percentage</b>
New KCC	80	23.4
Kulan Foods	82	22.9
Milele	72	20.6
Eldoville	52	14.9
Daima Africa	29	8.2
Bio Food Products	35	10
<b>Total</b>	<b>350</b>	<b>100</b>

**Source: Kenya Dairy Board (2024)**

### 3.4 Sample Size and Sampling Technique

Rusu (2020) characterizes an example size as the quantity of respondents or perceptions engaged with a review. A review test has two significant impacts in a concentrate to be specific the effect on gauges and the review's ability to make determinations. In this way, an example is a sub-part of the whole review populace (Dunleavy, 2020). Sample size refers to a target representation portion of the whole population. In this study, the sampling frame was the list of all 350 employees of the dairy processing firms in Nairobi City County. These employees include the directors, senior managers and supervisors in dairy processing firms in Nairobi City County. The research adopted Slovin (1960) guideline in coming up with the sample that was used in this study.

$$n = N \div 1 + (N-1)e^2.$$

Where:

n= the required sample size

N = is the Target Population (350)

e = accuracy level required.

Sample calculation

$$n = 350 \div 1 + (350-1)0.05^2$$

**n = 187**

In this way, utilization of Slovin's formula, the review sample size was 187 respondents out of 350. This was 53.4% of the whole population. Stratified random sampling method

was utilized to select the sample size. This method was utilized on the grounds that the sample was drawn from staff from various dairy processing firms. As Malmqvist et al., (2019) noted, the use of stratified random sampling method improves the representation of the strata within the target population. This guarantees that the selected sample was a true representative of the entire selected population.

**Table 3.2 Sample Size**

<b>Organization</b>	<b>Frequency</b>	<b>Sample Reference</b>	<b>Sample Size</b>
New KCC	82	53.33%	44
Kulan Foods	80	53.33%	42
Milele	72	53.33%	38
Eldoville	52	53.33%	28
Daima	29	53.33%	16
Bio Products	35	53.33%	19
<b>Total</b>	<b>350</b>		<b>187</b>

Source: Author (2024)

### **3.5 Data Collection Instrument**

The research adopted structured and semi structured questionnaires in collecting primary data from the respondents. As Cheung (2014) notes, data collection tools are selected with reference to characteristics of the subject including the research topic, the problem of the study, objectives and the kind of data expected. Given that the study investigated the issue of strategic leadership and its relation with organizational performance, structured and semi structured questionnaires were suited to collect the kind of data collected. Part one of the questionnaire was to collect data on the demographic information of the respondents. Part two of the questionnaire collected data on

descriptive statistics regarding the four indicators of strategic leadership namely core competences, organizational culture, organizational processes and networking.

### **3.6 Data Collection Procedure**

In this study, primary data was collected and analyzed. The researcher collected primary data through the use of structured and semi structured questionnaires. The researcher administered the questionnaires in person to the target respondents. In order to maximize response rate, the researcher used drop and pick method. Wan et al. (2015) note that drop and pick later enhances response rate due to the control it accords the research. Further, Jackson-Smith et al., (2016) noted that drop and pick method is preferable for questionnaire administration because it gives the respondents enough time to respond to the questionnaires. In order to fortify researcher control and care, the researcher constantly makes updates on the questionnaire register. Secondary data was collected through analysis of performance record and leadership strategies implemented in the last three years. Further, the researcher needed approval letter from KU Graduate School and NACOSTI research permit to access the study participants.

### **3.7 Validity and Reliability of Data Collection Instruments**

#### **3.7.1 Validity of Research Instruments**

Validity refers to accurateness and meaningfulness of inferences established in study results (Sunaryo & Sumardi, 2017). The meaningfulness and accuracy may be attained through eradication of errors in the collected data (Rahman et al., 2021). Reduction of errors depends on how well the sample is representative of the target population. This was done through ensuring that the representative sample is within the recommended

extent. To enhance face validity, the questionnaires was examined to establish how well they cover the concepts targeted in the study. In order to attain this, the data collection instrument was sent to seasoned researchers for vetting. The experts constituted of researchers in the field of strategic leadership and well versed in using descriptive study design. Expected comments from the expert were on the ability of the instrument to collect target data, if the questions in the questionnaire are meaningful in collecting target details and whether there was anything that could be done to the instrument to collect target data.

### 3.7.2 Reliability of the Research Instrument

Reliability refers to the measure of consistency (Makau and Olando, 2021). Leung (2015) suggested that in order to realize consistency in qualitative research, the methodology used and the epistemological logistics ought to yield similar data ontologically. In order to achieve this, constant data comparison, use of tables and inclusion of the deviant views were used to foster reliability of the data collected in the study. The study made use of Cronbach (Alpha –  $\alpha$ ) model to test the data reliability. A threshold of 0.70 or higher was viewed as being satisfactory.

**Table 3.3: Reliability Results**

<b>Variable</b>	<b>Cronbachs Alpha</b>	<b>Number of Items</b>
Core Competences	0.732	5
Organization Culture	0.741	5
Organizational Processes	0.711	5
Networking	0.797	5

**Source: Research Data (2024)**

From the above reliability results, core competences had a threshold of 0.732. Organization culture had 0.741. There were organizational processes which has a threshold of 0.711 and lastly networking has a threshold of 0.797. This figure indicated that the recommended threshold was achieved.

### **3.7.3 Pilot Test of the Research Instrument**

Wong and Yamat (2020) defines pilot study as an undertaking aimed to assist the researcher in identifying the limitations, weaknesses and flaws associated with research instrument. The findings of this undertaking assisted the researcher to make vital revisions before actually undertaking the research. This study conducted a pilot study with the aim of testing and validating the structured and semi-structured questionnaires. Sunaryo and Sumardi (2017) argue that 10 - 15 subjects could provide reliable information to pre-test the effectiveness of data collection tool. In this light, this study piloted the questionnaires with 10 respondents who were not be part of the sample that participated in the study. This assisted with identifying and correction of the problems the respondents may encounter when answering the questionnaire questions.

### **3.8 Data Analysis and Presentation**

The process of data analysis begins upon the completion of data collection. It entails ensuring completeness and consistency of data. It then leads to coding and classification of data which fortifies analysis (Ali & Bhaskar, 2016). Analysis was conducted through the use of descriptive statistics which was acquired through mean and standard deviation analysis. A multiple regression analysis was conducted and facilitated with the use of statistical package for social scientists (SPSS). The findings were presented in the ANOVA table. Multiple regression models were:  $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$

Where; Y = Performance of Dairy Processing Firms in Nairobi City County

$\beta_0$  = Constant (coefficient of intercept)

$B_1 \dots B_4$  = regression coefficient of four variables.

$X_1$  = Core Competences

$X_2$  = Organizational Culture

$X_3$  = Organizational Processes

$X_4$  = Networking

$\varepsilon$  = Error term

### **3.9 Ethical Considerations**

Protection of the well-being of participating respondents in research is an obligation of every researcher (Chatfield et al., 2020). In this light, the researcher was keen on ensuring that the well-being of the respondent was fortified. The concept of privacy and confidentiality of private information of the respondent was adhered to squarely. Participation of the respondent was based on informed decision of the respondent. As such, informed consent was sought through formal introduction of the objectives and purpose of the study to the respondent. People agreeing to participate in the study filled a consent form to formalize their agreement to participate. A research authorization letter was obtained from the National Commission for Science, Technology and Innovation (NACOSTI).

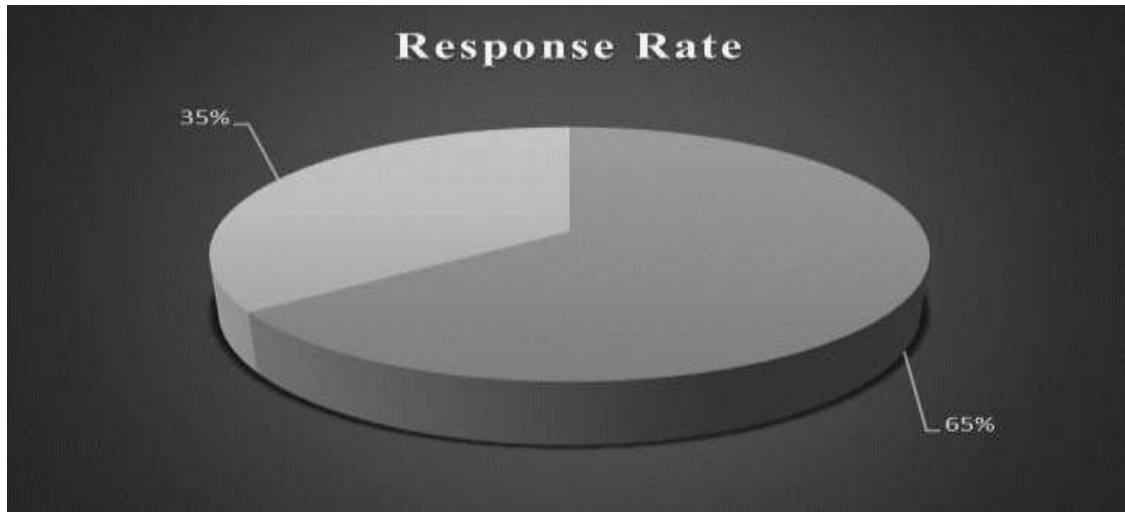
## CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSION

### 4.1 Introduction

In this section, it presents the results and findings which includes the analysis of data and interpretation of the research questions. To describe data and demonstrate the link between the study variables, descriptive and inferential statistics were used.

### 4.2 Response Rate

In this study, 187 questionnaires were given to the staff of the six dairy processing firms in Nairobi City County. Of those, 122 were filled out completely and returned by the respondents as indicated in figure 4.1. This translated to 65 percent of those who responded and 35 percent did not respond. This is in research is considered adequate for the study to go on. According to Orodho (2009), 60% of responses are acceptable for a time period, and any response above 70% is ideal for the investigation.



**Figure 4.1 Response Rate**

**Source: Research Data (2024)**

### 4.3 Respondent's General and Demographic Information

Under the demographic information, the respondents were asked about their general information regarding their gender, position held in the organization, number of years worked, age of the firm, number of employees and lastly the litres of milk produced. The research findings are indicated below.

#### 4.3.1 Respondent's Gender

The study collected data on the respondent's gender whose findings are discussed in Table 4.1 below.

**Table 4.1 Gender Response**

<b>Gender</b>	<b>Frequency</b>	<b>Percentage</b>
Male	79	65
Female	43	35
<b>Total</b>	<b>122</b>	<b>100</b>

**Source: Research Data (2024)**

From the above data in table 4.1 on gender response, male were represented by 65 percent and the female were represented by 35%. From the data analysis, it can be deduced that, there were more male than female in the dairy processing firms in Nairobi City County. This demonstrates both genders were well represented in the research.

#### 4.3.2 Years worked in the Organization

The study collected data on the respondent's years of services whose findings are discussed in Table 4.2 below.

**Table 4.2: Years worked in the Organization**

<b>Years</b>	<b>Frequency</b>	<b>Percentage</b>
Less than 1 Year	14	11
1 -5 Years	22	18
6 – 10 Years	65	54
Over 10 Years	21	17
<b>Total</b>	<b>122</b>	<b>100</b>

**Source: Research Data (2024)**

The participants in the study indicated the number years worked in the dairy processing firms as shown in table 4.2. The study findings indicate that those who has worked for less than 1 year were represented by 11 percent. There was a representation of 18% which was a representation of 1 - 5 years of work. The findings of the research indicated between 6 - 10 years of work. This was represented by 54% and lastly over 10 was represented by 17%. This is an indication that the employees were more skilled and understood how the dairy processing firms operated; therefore, they were knowledgeable enough about the study.

### **4.3.3 Number of Employees**

The study collected data on the years of work of the respondents whose findings are discussed in Table 4.3 below.

**Table 4.3: Number of Employees**

<b>No. of Employees</b>	<b>Frequency</b>	<b>Percentage</b>
1 – 50	4	3
51 – 100	11	10
101 – 200	45	36
201 – 300	51	42
Above 300	11	9
<b>Total</b>	<b>122</b>	<b>100</b>

**Source: Research Data (2024)**

From the above research findings, the number of employees was indicated. There was a response of 3% which represented 1 – 50 employees. 51 – 100 were represented by 10%. There was a response of 36% which represented 101 – 200 employees in the dairy processing firms in Nairobi City County. There was 201 – 300 employees which was represented by 42% and lastly, above 300 employees was represented by 9%. This clearly indicated that the dairy processing firms have adequate employees and this was significant in this study by providing the much-needed information under research.

#### **4.3.4 Litres of Milk Produced**

The study collected data on the litres of milk processed per day whose findings are discussed in Table 4.4 below.

**Table 4.4: Litres of Milk Produced**

<b>Litres of Milk</b>	<b>Frequency</b>	<b>Percentage</b>
1001 - 10,000 Litres	15	13
10,001 - 20,000 Litres	22	18
20,001 - 30,000 Litres	11	9
30,001 - 40,000 Litres	16	13
Above 40,000 Litres	58	47
<b>Total</b>	<b>122</b>	<b>100</b>

**Source: Research Data (2024)**

From the study findings above, 1001 – 10,000 litres were represented by 13%. There was 10,001 – 20,000 litres which was represented by 18 percent. Firms processing 20,001 – 30,000 litres was represented by 9%. There was 30,000 – 40,000 litres which was a representation of 13% and lastly above 40,000 litres which was represented by 47%. This is a clear indication that the selected firms were the most ideal for this research.

## 4.4 Descriptive Analysis

### 4.4.1 Core competencies and Performance

Based on the first research objective, the study attempted to determine the relationship between core competencies and performance of dairy processing firms in Nairobi City County. The respondents were asked to rate their level of agreement with several elements of core competencies that likely relate to performance. The different statements measured the respondents' level of agreement with regards to core competencies and performance of dairy processing firms in Nairobi City County. A five – point Likert Scale was used where 1 indicated a strong disagreement with the statements to 5 which indicated a strong agreement with the statements, the study sought to know the respondents' level of agreement with the statements. Means and standard deviation were used as part of the descriptive statistics to measure the central tendency and dispersion of the research data. The findings are presented in Table 4.5.

**Table 4.5: Descriptive Statistics for Core Competencies**

<b>Statements on Core Competencies</b>	<b>Mean</b>	<b>Std. Dev</b>
Leadership is committed to identify core competences.	4.400	0.600
Leadership is determined to strengthen identified resources.	4.078	0.922
Resources are provided on time to enhance internal capacity.	4.30	0.700
Leadership is committed to improve product quality to improve performance.	4.020	.980
Leadership commits to improving innovation among employees.	4.23	.770
<b>Aggregate Scores</b>	<b>4.08</b>	<b>.92</b>

**Source: Research Data (2024)**

As indicated in the findings in Table 4.5, most respondents agreed that Leadership is committed to identify core competences with a mean score of ( $M = 4.4$ ,  $SD = .600$ ). There was also high agreement that Leadership is determined to strengthen identified resources ( $M = 4.078$ ,  $SD = .922$ ). Additionally, the respondents agreed that resources are provided on time to enhance internal capacity ( $M = 4.30$ ,  $SD = .700$ ). The respondents seemed to be neutral to the statements on leadership is committed to improve product quality to improve performance ( $M = 4.02$ ,  $SD = 0.980$ ) as well as the Leadership commits to improving innovation among employees ( $M = 4.23$ ,  $SD = .770$ ).

The mean range analyzed on the Likert-Scale provided a mean range of 3.80 to 4.40. This range indicated that a good number of the respondents either agreed or agreed strongly that core competencies presented in the research instrument are applied by the dairy firms in Nairobi City County. The standard deviation range for the responses is between 0.600 and 0.770. The highest variation of 0.980 between those who disagreed, agreed or were neutral. The least standard deviation was 0.600. This implies very little variation in opinion of the responses provided for this statement.

This study findings agree with Dzisi and Ofori (2014) who conducted an analysis of the performance of SMEs and the adopted marketing competence in Ghana and established that the accomplishments made by the 900 SMEs is generally dependent on the capacity of these organizations to have the option to showcase their items well in order to increase sales and ultimately performance. The overall results of this study suggest that strategic marketing are drivers of organizational positioning in a dynamic environment, and that it helps to enhance the development of new product/service for existing markets. Results of the study also reveal that the SMEs in Ghana mostly use traditional form of marketing to

reach potential customers and also to entrench their brands. Interestingly, only few of them use modern technology in marketing their product and services; the SMEs should thus adopt more modern technological marketing tool such as mobile marketing to improve on their performance.

#### **4.4.2 Organization Culture and Performance**

The study sought to establish the relationship between organization culture and performance based on the second research objective. The research participants were asked to specify their level of agreement with various elements of organization culture that likely relate to performance of dairy processing firms in Nairobi City County. The different statements measured the respondents' level of agreement with regards to organization culture and performance.

A five – point Likert Scale was used where 1 indicated a strong disagreement with the statements to 5 which indicated a strong agreement with the statements, the study sought to know the respondents' level of agreement with the statements. Means and standards were used as part of the descriptive statistics to measure the central tendency and dispersion of the research data. The findings are presented in Table 4.6.

**Table 4.6: Descriptive Statistics for Organization Culture**

<b>Statement</b>	<b>Mean</b>	<b>Std. Dev</b>
The organization has clearly defined values that guide all employees.	4.25	.750
Decision making in the organization are based on established organizational values.	4.24	.760
There is a clear culture through which the organization relates with other stakeholders.	4.125	.875
The organization maintains a clear culture on how conflicts are resolved.	3.935	1.065
Employees are involved in all decision making as a cultural norm in the organization	4.264	.736
<b>Aggregate Scores</b>	<b>4.059</b>	<b>.0941</b>

**Source: Research Data (2024)**

From the research findings in Table 4.6, most respondents agreed that the organization has clearly defined values that guide all employees ( $M = 4.25$ ,  $SD = .750$ ). The respondents also highly agreed that decision making in the organization are based on established organizational values ( $M = 4.24$ ,  $SD = .760$ ). Additionally, they agreed that there is a clear culture through which the organization relates with other stakeholders ( $M = 4.125$ ,  $SD = .875$ ). The respondents seemed to be neutral to the statements on the organization maintains a clear culture on how conflicts are resolved ( $M = 3.935$ ,  $SD = 1.065$ ). They were also neutral with the statements employees are involved in all decision making as a cultural norm in the organization ( $M = 4.264$ ,  $SD = .736$ ).

The mean range analyzed on the Likert-Scale provided a mean range of 3.935 to 4.26. This range indicates that majority of the respondents either agreed or agreed strongly that the organization maintains a clear culture on how conflicts are resolved. The standard deviation range for the responses is between 0.736 and 1.065. The highest variation of

1.065 between those who disagreed, agreed or were neutral when asked whether there is a clear culture through which the organization relates with other stakeholders. The least standard deviation was 0.736 which indicated that the organization has clearly defined values that guide all employees

These results are in agreement with the findings of Ezeanyim and Ezeanolue (2021) who in their study focused on business ethics and organizational performance in South Eastern of Nigeria. The target population for the review was 4871 which covered agents from the chose producing firms in South - East. The study laid out that a moral environment in an association emphatically affected organizational performance.

#### **4.4.3 Organizational Processes and Performance**

The study sought to establish the relationship between organizational processes and performance based on the third research objective. The respondents were asked to specify whether they were in agreement with the different elements of organizational processes that likely relate to performance of dairy processing firms in Nairobi City County. The different statements measured the respondents' level of agreement with regards to organizational processes and performance of dairy processing firms in Nairobi City County.

A five – point Likert Scale was used where 1 indicated a strong disagreement with the statements to 5 which indicated a strong agreement with the statements, the study sought to know the respondents' level of agreement with the statements. Means and standards were used as part of the descriptive statistics to measure the central tendency and dispersion of the research data. The findings are presented in Table 4.7.

**Table 4.7: Descriptive Statistics for Organizational Processes**

<b>Statements on Organizational Processes</b>	<b>Mean</b>	<b>Std. Dev</b>
There is a clear organizational process in the organization	4.441	.559
The organizational processes are formulated with inclusion of all stakeholders.	4.424	.576
All employees are acquainted the organizational processes.	3.52	1.480
Innovation is encouraged during review of organizational processes.	4.35	.650
All organizational processes are centered on the understanding of customer needs.	4.18	.820
<b>Aggregate Scores</b>	<b>4.11</b>	<b>.89</b>

**Source: Research Data (2024)**

From the findings in Table 4.7, most respondents agreed that there is a clear organizational process in the organization (M = 4.441, SD = .559). The organizational processes are formulated with inclusion of all stakeholders. (M = 4.424, SD = .576). All employees are acquainted the organizational processes (M = 3.52, SD = 1.480). There was also neutrality on innovation is encouraged during review of organizational processes (M = 4.35, SD = .650). All organizational processes are centered on the understanding of customer needs (M = 4.18, SD = .820).

The mean range analyzed on the Likert-Scale provided a mean range of 3.52 to 4.35. This range indicates that majority of the respondents either agreed or agreed strongly that there is a clear organizational process in the organization. The standard deviation range for the responses is between 0.559 and 1.480. The highest variation of 1.480 between those who disagreed, agreed or were neutral on all employees are acquainted the organizational processes. The least standard deviation was 0.559 on a clear organizational process in the

organization. This implies very little variation in opinion of the responses provided for this statement.

The study findings are in agreement with those of Nyaguthii (2022) who focused on the relationship between organizational processes and employees' performance in County Governments in Kenya. The survey method was used to help determine the relationship between capacity building on employees' performance in county governments in Kenya. Stratified sampling probability and simple random sampling techniques were utilized in drawing a representative sample from a population of 47 counties for the study. The response rate was in the percentage of questionnaires returned. Three hundred and eighty-one questionnaires were distributed to the respondents and three hundred and thirty-six were returned thus achieving a response rate of 88.19 %. Structured questionnaires were administered as the main data collection tool. The study also used secondary data from textbooks, journals, organizational manuals and the internet. Structural equation modelling and multivariate statistical tools were used to analyze the data. The finding was that organizational processes positively influence employee performance. The researcher advised the county government HR specialist to strategize on how to improve work processes since they have a great influence on employees' performance.

#### **4.4.4 Networking and Performance**

In this section, the study sought to establish the relationship between networking and performance based on the fourth research objective. The respondents were asked to specify their level of agreement with various elements of networking that likely relate to performance. The different statements measured the respondents' level of agreement with

regards to networking and performance of dairy processing firms in Nairobi City County. A five – point Likert Scale was used where 1 indicated a strong disagreement with the statements to 5 which indicated a strong agreement with the statements, the study sought to know the respondents’ level of agreement with the statements. Means and standards were used as part of the descriptive statistics to measure the central tendency and dispersion of the research data. The findings are presented in Table 4.8.

**Table 4.8: Descriptive Statistics for Networking**

<b>Statements on Networking</b>	<b>Mean</b>	<b>Std. Dev</b>
The organization continuously conducts research on the industry.	4.88	.120
The organization responds promptly to the changes in the industry.	4.22	.580
The organization responds to threats and opportunities in the market.	3.8	1.20
Analysis of resources necessary for networking is conducted severally in the organization.	4.19	.810
The organization has joined networking groups to facilitate better understanding of the industry.	4.09	.910
<b>Aggregate Scores</b>	<b>4.30</b>	<b>.68</b>

**Source: Research Data (2024)**

From the findings in Table 4.8, most respondents agreed that the organization continuously conducts research on the industry (M = 4.88, SD = .120). The respondents agreed that the organization responds promptly to the changes in the industry (M = 4.22, SD =.580). The research findings indicated that the organization responds to threats and opportunities in the market (M = 3.8, SD = 1.20). The respondents seemed to be neutral to the statements on the analysis of resources necessary for networking is conducted severally in the organization (M = 4.19, SD = 0.810). There was neutrality with the

statements on the organization has joined networking groups to facilitate better understanding of the industry ( $M = 4.09$ ,  $SD = .910$ ).

From the research findings, the mean range analyzed on the Likert- Scale provided a mean range of 3.8 to 4.88. This range indicates that majority of the respondents either agreed or agreed strongly that the organization responds promptly to the changes in the industry. The standard deviation range for the responses was between 0.120 and 1.20. The highest variation of .120 between those who disagreed, agreed or were neutral on the organization responds to threats and opportunities in the market. The least standard deviation was 0.120 which indicated that the organization responds promptly to the changes in the industry. This implies very little variation in opinion of the responses provided for this statement.

From the study findings, it can be compared with the findings of Beatrice (2020) whose research focused on the importance of Intra-Organizational Networking for Generation Z and Millennials. The data was gathered with the assistance of 10 expert understudies in the vital HRM instructive program. The objective populace was 374 representatives. The participants' typical age was 47. Around 55.88% of the respondents were more youthful than 40 years of age. Sixty six percent of the participants had an extremely durable agreement, 60.16% of the respondents worked part-time. In view of a progression of different SEM examinations, that's what we reason, in accordance with our assumptions, employability completely intercedes the connection between intra-hierarchical systems administration, yet that, startlingly, this impact didn't shift among more youthful and more established representatives. The finding that employability completely intervened the connection between intra-authoritative systems administration and individual assignment

execution, highlights that social capital affects the representative's exhibition working through their expanded abilities or profession potential. This suggests that functioning associations should be persistently worried about the manageability of their laborers' employability to protect their presentation across their vocation.

#### 4.4.5 Descriptive Statistics for Performance

In this section, the study sought to establish the organizational performance based on the fifth research objective. The respondents were asked to specify their level of agreement with various elements of organizational performance of dairy processing firms in Nairobi City County. The different statements measured the respondents' level of agreement with regards to performance.

A five – point Likert Scale was used where 1 indicated a strong disagreement with the statements to 5 which indicated a strong agreement with the statements, the study sought to know the respondents' level of agreement with the statements. Means and standards were used as part of the descriptive statistics to measure the central tendency and dispersion of the research data. The findings are presented in Table 4.9.

**Table 4.9: Descriptive Statistics for Performance**

<b>Statement</b>	<b>Mean</b>	<b>Std. Dev</b>
Customers of the organization are well understood.	4.72	.280
The organization profits are synchronized with the organizational goals.	3.193	1.807
Any complaints from the customers are noted early and attended to effectively.	3.788	1.212
Average profits indicate that the organization is aligned with its revenue goals.	3.771	1.229
Revenue from sales improves with responsiveness of the leadership.	4.237	.763
<b>Aggregate Scores</b>	<b>4.06</b>	<b>.93</b>

**Source: Research Data (2024)**

From the findings in Table 4.9, most respondents agreed that customers of the organization are well understood ( $M = 4.72$ ,  $SD = .280$ ). The organization profits are synchronized with the organizational goals ( $M = 3.193$ ,  $SD = 1.807$ ). Any complaints from the customers are noted early and attended to effectively ( $M = 3.788$ ,  $SD = 1.212$ ). On neutrality, Average profits indicate that the organization is aligned with its revenue goals ( $M = 3.771$ ,  $SD = 1.229$ ). They were also neutral with the statements on revenue from sales improves with responsiveness of the leadership ( $M = 4.237$ ,  $SD = 0.763$ ).

The mean range analyzed on the Likert-Scale provided a mean range of 3.193 to 4.72. This range indicates that majority of the respondents either agreed or agreed strongly that organizational performance is realized in the dairy processing firms in Nairobi City County. The standard deviation range for the responses is between 0.280 and 1.807. The highest variation of 1.807 between those who disagreed, agreed or were neutral on the organization profits are synchronized with the organizational goals. The least standard deviation in the research findings was 0.280 which indicated that the customers of the organization are well understood. It can be concluded that this implies very little variation in opinion of the responses provided for this statement.

The results are in agreement with previous findings by Saula (2022) who examined the effect of networking on organizational performance in the banking industry in Nigeria. The purpose was to determine how networking capability influences organizational performance of deposit money banks in Nigeria. The design of the study was a survey and the population was 2,413 low, medium, and senior-level managers of five selected deposit money banks in Nigeria licensed by Central Bank of Nigeria (CBN) for commercial banking. Primary data were collected using the structured validated

questionnaire from the specified units of measurement with instruments assessed for reliability using the Cronbach alpha coefficient. The finding revealed that networking through ATMs, branches, phones, and the Internet as introduced by Nigerian deposit money banks improved organizational performance ( $\beta = 0.139$ ,  $t = 3.281$ ,  $p < 0.05$ ). The study recommended that it is also recommended that executive management should spend more on current technology and financial innovation. This will improve bank efficiency and cut expenses. Through financial innovations, the bank may expand its products and services, improving sales and bank performance.

#### 4.5 Regression Analysis for Core Competencies

Multiple linear regression was conducted to determine the magnitude and direction of the relationship between core competencies and performance of dairy processing firms in Nairobi City County. The findings show that core competencies significantly predicted performance of dairy processing firms in Nairobi City County,  $\beta = - 0.463$ ,  $t (61) = - 2.235$ ,  $p < .05$ . This shows that a unit increase in core competencies causes a decrease in performance of dairy processing firms in Nairobi City County by about - 0.46 units. Thus, the study findings conclude that core competencies significantly affect performance of dairy processing firms in Nairobi City County

**Table 4.10: Normality Test**

**Tests of Normality**

	Market Expansion (D2)	Kolmogorov - Smirnov <sup>a</sup>			Shapiro – Wilk		
		Statistic	Df	Sig.	Statistic	df	Sig
Organizational Performance (Mn)	0	.228	10	.152	.865	10	.086
	1	.123	9	.200*	.950	9	.686

**Source: Research Data (2024)**

\*. This is lower bound of the true significance

a. Lilliefors Significance Correction

To determine the normality of data using the Shapiro-Wilk results we look at the ‘Sig.’ column. If  $P < 0.05$ , then this would indicate a significant result. Meaning the data is not normally distributed. From the table above, the p-value are both groups dependent variable, performance, greater than 0.05. The data is normally distributed.

#### **4.6. Summary for Regression Analysis and Hypothesis Testing on Organization Culture**

The multiple linear regression analysis established that organization culture significantly affect performance of dairy processing firms in Nairobi City County,  $R^2 = 0.751$ ,  $F(4,61) = 79.48$ ,  $p < .01$ ;  $\beta = -0.463$ ,  $p < .05$ . This implies that 75.1% of the variation in performance of dairy processing firms in Nairobi City County can be explained by the organization culture. The regression model was found to be statistically significant in predicting the relationship between the organization culture and performance of dairy processing firms in Nairobi City County as it is shown by a significant  $F$ -statistic. The coefficient for organization culture means that each unit increase in organization culture causes a decrease in performance by about - 0.463 units. The study therefore rejected the null hypothesis that organization culture has no significant effect on performance of dairy processing firms in Nairobi City County. This led to the conclusion that organization culture has a substantial impact on performance of dairy processing firms in Nairobi City County supermarket organizational performance in Nairobi City County.

Based on the study findings, the model equation for organization culture was:  $Y = \beta_0 + \beta_1 X_1 + \epsilon$ ;

$$Y = 1.923 + -0.463 \text{ Organization Culture} + 0.20$$

#### 4.7: Regression Analysis for Organizational Process

**Table 4.11: Regression Coefficient for Organizational Processes**

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig
<b>Constant</b>	1.766	.085		20.856	.000
Organizational Processes	0.440	0.24	8.50	18.299	.000

**Source: Research Data (2024)**

##### 4.7.1 Summary for Regression Analysis and Hypothesis Testing for Organizational Process

The multiple linear regression analysis showed that organizational process significantly affect the performance of dairy processing firms in Nairobi City County,  $R^2 = 0.720$ ,  $F(1,61) = 334.840$ ,  $p < .01$ ;  $\beta = 0.440$ ,  $p < .01$ . This implies that 72% of the variation in performance of dairy processing firms in Nairobi City County. The regression model was found to be statistically significant in predicting the relationship between the organizational process and performance of dairy processing firms in Nairobi City County as it is shown by a significant  $F$ -statistic. The coefficient for organizational process means that each unit increase in the process causes an increase in performance by about 0.440 units. The null hypothesis in this case that organizational process has no significant effect on performance of dairy processing firms in Nairobi City County was rejected. This led to a conclusion that the organizational process has a significant effect on performance of dairy processing firms in Nairobi City County.

From the study findings, the model equation for organization process was:

$$Y = \beta_0 + \beta_1 X_1 + \epsilon;$$

$$Y = 1.766 + 0.440 \text{ Organizational process} + 0.024.$$

#### 4.8: Regression Analysis for Networking

To establish whether one or more than one independent variables (networking) explain the changes in the dependent variable (performance) multiple linear regression analysis was conducted to determine the relationship between networking and performance of dairy processing firms in Nairobi City County.

**Table 4.12: Regression Coefficient for Networking**

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients		
	$\beta$	Std. Error	Beta	T	Sig
Constant	1.208	.167		7.224	.000
Networking	.623	.050	.739	12.476	.000

**Source: Research Data (2024)**

The multiple linear regression analysis established that networking significantly affects performance of dairy processing firms in Nairobi City County,  $R^2 = 0.543$ ,  $F(1,61) = 155.654$ ,  $p < .01$ ;  $\beta = 0.623$ ,  $p < .01$ . This implies that 54.3% of the variation in performance of dairy processing firms in Nairobi City County can be explained by the networking. The regression model was found to be statistically significant in predicting the relationship between the networking and performance as it is shown by a significant  $F$ -statistic. The coefficient implies that each unit increase in networking results to an increase in performance of dairy processing firms in Nairobi City County by about

0.6233 units. The study thus rejected the null hypothesis that there is no statistically significant relationship between networking and performance of dairy processing firms in Nairobi City County. The networking therefore has a significant effect on performance of dairy processing firms in Nairobi City County.

Considering the study findings, the model equation for networking was:  $Y = \beta_0 + \beta_1 X_1 + \epsilon$ ;

$$Y = 1.208 + 0.623 \text{ Networking} + 0.050.$$

#### 4.8.1: Regression Analysis for Performance

**Table 4.13: Regression Coefficient for Performance**

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients		
	$\beta$	Std. Error	Beta	t	Sig
Constant	1.815	.052		19.664	.000
Performance	0.350	0.29	7.25	17.154	.000

**Source: Research Data (2024)**

#### 4.8.2 Summary for Regression Analysis and Hypothesis Testing for Performance

The multiple linear regression analysis showed that performance of dairy processing firms in Nairobi City County is indicated as;  $R^2 = 0.812$ ,  $F(1,116) = 361.815$ ,  $p < .01$ ;  $\beta = 0.350$ ,  $p < .01$ . This implies that 67% of the selected dairy firms in Nairobi City County have has tremendous performance. The regression model was found to be statistically significant in indicating the performance of dairy processing firms in Nairobi City County as it is shown by a significant  $F$ -statistic. The coefficient for performance

means that each unit increase in causes an increase in general performance of dairy processing firms in Nairobi City County by about 0.440 units. This led to a conclusion that the performance is major indicator of a well performing of dairy processing firm in Nairobi City County. From the study findings, the model equation for diversification was:

$$Y = \beta_0 + \beta_1 X_1 + \epsilon; Y = 1.815 + 0.350 \text{ Performance} + 0.29.$$

## **CHAPTER FIVE: DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Introduction**

Under this section, there is discussion on the research results and summary of the findings from the data analysis. The findings are also discussed in line with literature review presented by other scholars. Conclusions are then drawn from the study, recommendations for improvement and further studies are also clearly laid out on the strategic leadership and performance of dairy processing firms in Nairobi City County.

### **5.2 Summary of the Study**

The aim of the study was strategic leadership and performance of dairy processing firms in Nairobi City County. The study was guided by four research questions. The study adopted a descriptive research design. Data collection was done through a questionnaire to obtain information from the respondents. The target population comprised of employees from six dairy firms in Nairobi City County. The sample for the study was 187 respondents. From the study analysis, 122 questionnaires were dully filled and returned giving a response rate of sixty five percent. In data analysis, SPSS version 24 was used to analyze and summarize the responses resulting into both descriptive and inferential statistics. The output was then presented using tables and figures.

#### **5.2.1 Effect of Core Competencies on performance**

The study sought to establish the relationship between core competencies and performance of dairy processing firms in Nairobi City County based on the first research objective. The study established that use of core competencies strongly and significantly contributes to performance of dairy processing firms in Nairobi City County. It was also deduced that core competencies is a key determinant of performance of dairy processing

firms in Nairobi City County.

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

The second research objective was to establish the relationship between organization culture and performance of dairy processing firms in Nairobi City County. The research established that the using organization culture strongly and significantly contributes to performance of dairy processing firms in Nairobi City County. It further revealed that organization culture was a significant indicator that directly impacts performance of dairy processing firms in Nairobi City County.

### **5.2.3 Effect of Organizational Processes on Performance**

The third objective sought to establish the relationship between organizational processes and performance of dairy processing firms in Nairobi City County. The established that using organizational process in an organization lead to improved performance. It further established that organizational process was very effective in necessitating performance of dairy processing firms in Nairobi City County.

### **5.2.4 Effect of networking on performance**

The fourth objective was seeking to establish the relationship between networking and performance of dairy processing firms in Nairobi City County. The study established that the application of networking strongly and significantly contributes to performance of dairy processing firms in Nairobi City County. From the study findings, it revealed that networking was very significant on performance of dairy processing firms in Nairobi City County.

### **5.3 Conclusions of the Study**

#### **5.3.1 Core Competencies and Performance**

From the findings, it was established that the adoption of core competencies has a significant effect on performance of dairy processing firms in Nairobi City County. To improve their performance, dairy processing firms have adopted core competencies including marketing competence, human resource competence, research and development competence and financial resource competence. These competencies have led to improved performance of the dairy firms through researching and coming up with innovative products, the marketing team increasing awareness of the products and using qualified and experienced staff to improve organizational effectiveness.

#### **5.3.2 Organization Culture and Performance**

The study findings indicated that implementing organization culture positively impacts performance of dairy processing firms in Nairobi City County. Organizational culture plays a primary function in modeling the behavior and performance of the firm through the collective efforts of individual members of the organization. The dairy processing firms had an organization culture that determined how things were done in those firms, employees were likeminded and held similar beliefs and values, the firms were guided by values of consistency, adaptability and effective communication system, employees had a sense of identity which increased their commitment to work and improved performance.

#### **5.3.3 Organizational Processes and Performance**

The results show that applying organizational processes contributes to performance of dairy processing firms in Nairobi City County. Effective organizations run like a well-designed, well-oiled machine; every part integrates to successfully produce the outcomes the organization sets out to achieve, wasting as little time and resources as possible. The

study established that the dairy processing firms had properly implemented organizing processes which had resulted in a work environment where all team members are aware of their responsibilities. If the organizing process is not conducted well, the results may yield confusion, frustration, loss of efficiency, and limited effectiveness

#### **5.3.4 Networking and Performance**

From the study findings, it can be concluded that networking positively impacts performance of dairy processing firms in Nairobi City County. Investing in worthy networks appears to be at a competitive advantage for the dairy firms in Nairobi City County. According to the study, networking through technology innovation improves the performance of dairy processing firms. For this reason, it is important that the dairy processing firms should continue with the popularization of networking through advanced technology and relevant innovation in the industry as this has a positive effect on their performance.

### **5.4 Recommendations of the Study**

#### **5.4.1 Core Competencies**

The management of the dairy processing firms should include core competencies in its strategic plans and the organizational structure to ensure continued high performance. Other profit-making organizations should adopt core competencies when seeking to improve their performance.

#### **5.4.2 Organization Culture**

The organizational culture should be enhanced in the dairy processing firms in Nairobi City County since it enhances performance. In particular, the dairy processing firms

should encourage employees to pull towards a common goal. They should also encourage a culture in which employees are allowed to understand how the organization operates, vision, mission and goals that guide all stakeholders.

### **5.4.3 Organizational Process**

For optimal performance in the dairy processing firms, the organizational process must be carefully worked out and applied process in the entire organizations. This process involves determining what work is needed to accomplish the goal, assigning those tasks to individuals, and arranging those individuals in a decision- making framework. This should result in a work environment where all team members are aware of their responsibilities. If the organizing process is not conducted well, the results may yield confusion, frustration, loss of efficiency, and limited effectiveness.

### **5.4.4 Networking**

Based on the conclusions of the study, the study recommends that dairy processing firms should focus on ways of maximizing the utilization of relational trust by cultivating trust amongst staff, relational capability by encouraging inter - organizational interactions in open forums, relational strength, initiation of business relationships, coordination within networks, and encouraging information sharing amongst their networks in order to boost performance. In addition, these dairy processing firms should create strategic networks and partnerships that are unique and inimitable by other organizations to enable them acquire innovations, resources, skills and competencies, thus improving performance.

### **5.5 Recommendations for Further Research**

This study was limited to the dairy processing firms in Nairobi. It was recommended that future studies should focus on a different geographical area to establish whether the results will be similar to the findings of the current study. The study should also cover different variables not used in the current study such as strategic thinking, competitive advantage and organizational resources.

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## **APPENDICES**

### **APPENDIX I: INTRODUCTORY LETTER**

From: LUCY KIENDE

To: Respondent

Dear Respondent,

#### **RE: QUESTIONNAIRE**

I am a Postgraduate student from Kenyatta University pursuing a Masters Degree in Business Administration. Am currently conducting a study on “**STRATEGIC LEADERSHIP AND PERFORMANCE OF DAIRY PROCESSING FIRMS IN NAIROBI CITY COUNTY, KENYA**”. Am humbly requesting you to make this a success by filling the research instrument appropriately. The ethical considerations will be out into practices to meet the academic objectives of the research. Your time and cooperation will be of great importance.

Yours Sincerely

**Lucy Kiende**

**MBA Student**

**Kenyatta University**

**APPENDIX II: QUESTIONNAIRE**

**PART A: DEMOGRAPHIC INFORMATION**

1. How many years have you worked in the firm?

Less than 1 Year [ ] 1-5 Years [ ] Between 6-10 Years [ ] Over 10 Years [ ]

2. How many employees does the dairy processing firm have?

1 - 50 employees [ ] 51 - 100 employees [ ] 101-200 employees [ ]

201-300 employees [ ] Over 300 employees [ ]

3. How many liters of milk does the dairy processing firm process in a day?

Less than 1000 litres [ ] 1001-10,000 litres [ ]

10,001-20,000 litres [ ] 20,001-30,000 litres [ ]

30,001- 40,000 litres [ ] Above 40,000 litres [ ]

**PART B: CORE COMPETENCIES**

7. This part of the questionnaire aims at obtaining your opinion on how leadership constantly creates strategic influence with a view to enhance the performance of the organization, Where 1- Strong Agreement, 2 - Agreement, 3 – Not Sure, 4 – Disagreement and 5 – Strong Disagreement.

<b>Statements on Core Competences</b>	1	2	3	4	5
Leadership is committed to identify core competences					
Leadership is determined to strengthen identified resources					
Resources are provided on time to enhance internal capacity					
Leadership is committed to improve product quality to improve performance					
Leadership commits to improving innovation among employees					

8. How do organizational core competences influence the performance of the organization?

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9. This part of the questionnaire aims at obtaining your opinion on how leadership enhances organizational culture with a view to enhance the performance of the

organization, Where 1- Strong Agreement, 2 - Agreement, 3 – Not Sure, 4 – Disagreement and 5 – Strong Disagreement.

**PART C: ORGANIZATION CULTURE**

<b>Statements on Organizational Culture</b>	1	2	3	4	5
The organization has clearly defined values that guide all employees					
Decision making in the organization are based on established organizational values					
There is a clear culture through which the organization relates with other stakeholders					
The organization maintains a clear culture on how conflicts are resolved					
Employees are involved in all decision making as a cultural norm in the organization					

10. How do organizational culture influence the performance of the organization?

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11. This part of the questionnaire aims at obtaining your opinion on how leadership enhances organizational processes with a view to enhance the performance of the

organization, Where 1- Strong Agreement, 2 - Agreement, 3 – Not Sure, 4 – Disagreement and 5 – Strong Disagreement.

**PART D: ORGANIZATIONAL PROCESSES**

<b>Statements on Organizational Processes</b>	1	2	3	4	5
There is a clear organizational process in the organization					
The organizational processes are formulated with inclusion of all stakeholders					
All employees are acquainted the organizational processes					
Innovation is encouraged during review of organizational processes					
All organizational processes are centered on the understanding of customer needs					

12. How do organizational processes influence the performance of the organization?

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13. This part of the questionnaire aims at obtaining your opinion on how leadership enhances networking with a view to enhance the performance of the organization, Where

1- Strong Agreement, 2 - Agreement, 3 – Not Sure, 4 – Disagreement and 5 – Strong Disagreement.

**PART E: NETWORKING**

<b>Statements on Networking</b>	1	2	3	4	5
The organization continuously conducts research on the industry					
The organization responds promptly to the changes in the industry					
The organization responds to threats and opportunities in the market					
Analysis of resources necessary for networking is conducted severally in the organization					
The organization has joined networking groups to facilitate better understanding of the industry					

14. How does organizational networking influence the performance of the organization?

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15. This part of the questionnaire aims at obtaining your opinion on how strategic leadership influences enhance the performance of the organization, Where 1- Strong Agreement, 2 - Agreement, 3 – Not Sure, 4 – Disagreement and 5 – Strong Disagreement.

**PART F: ORGANIZATIONAL PERFORMANCE**

<b>Organizational Performance</b>	1	2	3	4	5
Customers of the organization are well understood					
The organization profits are synchronized with the organizational goals					
Any complaints from the customers are noted early and attended to effectively					
Average profits indicate that the organization is aligned with its revenue goals					
Revenue from sales improves with responsiveness of the leadership					

16. How does organizational networking influence the performance of the organization?

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**The End**

### **APPENDIX III: LIST OF DAIRY FIRMS**

Biofood Products

Daima Africa

Eldoville Dairy

Kulan Foods

Milele Dairy Ltd

New KCC

## APPENDIX IV: APPROVAL LETTER FROM KU GRADUATE SCHOOL



KENYATTA UNIVERSITY  
GRADUATE SCHOOL

E-mail: [dean-graduate@ku.ac.ke](mailto:dean-graduate@ku.ac.ke)

Website: [www.ku.ac.ke](http://www.ku.ac.ke)

P.O. Box 43844, 00100  
NAIROBI, KENYA  
Tel. 810901 Ext. 4150

Internal Memo

FROM: Executive Dean, Graduate School

DATE: 18<sup>th</sup> January, 2024

TO: Lucy Kiende  
C/o Business Administration Dept.

REF: D53/OL/CTY/20928/2020

SUBJECT: APPROVAL OF RESEARCH PROJECT PROPOSAL


This is to inform you that Graduate School Board at its meeting of 8<sup>th</sup> November, 2023 approved your Research Project Proposal for the M.B.A Degree Entitled, "**Strategic Leadership and Performance of Selected Dairy Processing Firms in Nairobi City County, Kenya.**"

You may now proceed with your Data Collection, Subject to Clearance with Director General, National Commission for Science, Technology and Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking and progress report Forms per semester. The Forms are available at the University's Website under Graduate School webpage downloads.

Also, please ensure that you publish article(s) from your project before submitting it to Graduate School for examination as per the Commission for University Education and Kenyatta University guidelines.

Thank you.

  
ANNBELL MWANIKI  
FOR: EXECUTIVE DEAN, GRADUATE SCHOOL

c.c. Chairman, Business Administration.

Supervisors:

1. Dr. Janet Muthimi  
C/o Department of Business Administration  
Kenyatta University

AM/mo

**APPENDIX V: NACOSTI RESEARCH PERMIT**

  
**NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION**  
Date of Issue: **14/February/2024**

**RESEARCH LICENSE**



**This is to Certify that Miss. LUCY KIENDE KIENDE of Kenyatta University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: STRATEGIC LEADERSHIP AND PERFORMANCE OF SELECTED DAIRY PROCESSING FIRMS IN NAIROBI CITY COUNTY, KENYA for the period ending : 14/February/2025.**

**License No: NACOSTI/P/24/33120**

**Applicant Identification Number: 665016**

**Director General**  
*Walter Mburu*  
**NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION**

**Verification QR Code**  


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**See overleaf for conditions**