INFLUENCE OF STRATEGIC MANAGEMENT PRACTICES ON PERFORMANCE OF QUANTITY SURVEYING FIRMS IN NAIROBI COUNTY

BY

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UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

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of Business in Partial Fulfillment of the Requirement for the
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SUMMER 2018
STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: ________________________  Date: ______________________

Barrack Ong’ondo (ID 649898)

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

Signed: ________________________  Date: ______________________

Prof. Peter M. Lewa

Signed: ________________________  Date: ______________________

Dean, Chandaria School of Business
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ABSTRACT

The purpose of this study was to establish the influence of strategic management practices on performance of quantity surveying firms in Nairobi County. To achieve this purpose, the study was guided by three specific objectives which sought to elucidate on the concepts of strategic management practices within quantity surveying firms. To identify challenges of strategic management practices within quantity surveying firms. To establish the benefits of strategic management practices within the quantity surveyor’s firms. To investigate the areas for improvement of operations in quantity surveying firms in Kenya.

A descriptive research was adopted because the study was aimed at collecting information from respondents on the influence of strategic management practices on performance of quantity surveying firms in Nairobi County. The target population for this study was 66 respondents who oversee strategy implementation in quantity surveying firms in Nairobi County. This comprised of quantity surveyor, director of operations and office manager. The purposive sampling was applied resulting into 64 respondents. Data collection was done using a questionnaire, and out of the total of 64 questionnaires were distributed only 55 were filled and returned giving a response rate of 86%. Descriptive statistics was undertaken by use of means and standard deviation by using statistical package for social sciences (SPSS) and the findings presented in tables and figures.

An analysis of the benefits of strategic management practices revealed that top management take formal responsibility for the firm’s strategic business planning and strategic planning is top priority activity, performed on regular basis e.g. yearly. Majority agreed that the external/market analysis identify key threats to the business and Key Opportunities. The findings on the area of improvement established that most firms have a deep understanding of the customer needs and how they might develop over the years. The findings also indicated that the firms have developed the customer strategy based on the above analysis.

The study concluded, quantity surveying firms have a challenge in time management when it comes to adhering to strategic management practices. Secondly, top management takes formal responsibility for the firm’s strategic business planning. Lastly, most firms have a deep understanding of the customer needs and how they might develop over the
years. Customer facing staffs are empowered to offer excellent customer service and can solicit customer feedback and act on the information.

The study recommends that quantity surveying firms should ensure structure in place allows employees to correspond to the tasks to be performed. The companies also need to invest in development of rare knowledge and abilities of employees to mitigate skill gaps that might arise. Secondly, to succeed in strategic practices, the firms need to invest in time and resources. There is a need to understand the customer and undertake continuous marketing research to better understand the dynamic needs of the customers. Thirdly, top management should be encouraged to take formal responsibility for the firm’s strategic business planning and to ensure success there is a need to involve all the stake holders in the process. Lastly, there is a need for quantity surveyor’s firm to fully understand customer needs and how they might be developed. This is attainable through having a customer strategy that focuses fully on the customer needs and deliver product/service beyond customer expectations.

More research needs to be done on concepts of strategic management practices, challenges of strategic management practices, benefits of strategic management practices and areas for improvement of operations in quantity surveying firms based in other parts of the country to generalize the findings.
ACKNOWLEDGEMENT

I give thank the Almighty God for granting me peace, knowledge, and health that has enabled me to complete this research work.

I acknowledge the immense contribution of my supervisor, Prof. Lewa for his patience, support and professional guidance and availability. My sincere gratitude also goes to Dr. Paul Katuse for his relentless review of my thesis and to the staff of United States International University – Africa, Chandaria School of Business, Kenya, for their support and assistance.
DEDICATION

This thesis is dedicated to my beloved wife, the shining light in my life and best friend Evlyne Muo, my son Trevor, my ever-smiling lovely daughters Sharlize and Neemah who are my pillars and great source of endless inspiration.

To my mum, Elizabeth Daniel Achieng, I lack proper words to express my appreciation and gratitude for all the support during this research thesis.
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<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>AAK</td>
<td>Architectural Association of Kenya</td>
</tr>
<tr>
<td>BORAQS</td>
<td>Board of Registration of Architects and Quantity Surveyors</td>
</tr>
<tr>
<td>CAD</td>
<td>Computer Aided Design</td>
</tr>
<tr>
<td>CPD</td>
<td>Continuing Professional Development</td>
</tr>
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<td>ERB</td>
<td>Engineers Registration Board</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>HRM</td>
<td>Human Resource Management</td>
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<tr>
<td>IQSK</td>
<td>Institute of Quantity Surveyors of Kenya</td>
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<tr>
<td>JBC</td>
<td>Joint Building Council</td>
</tr>
<tr>
<td>JBCC</td>
<td>Joint Building Construction Council</td>
</tr>
<tr>
<td>KNBS</td>
<td>Kenya National Bureau of Statistics</td>
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<tr>
<td>NCA</td>
<td>National Construction Authority</td>
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<tr>
<td>NEMA</td>
<td>National Environment Management Authority</td>
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<td>NHC</td>
<td>National Housing Corporation</td>
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<td>PPDA</td>
<td>Public Procurement Disposal Act</td>
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<tr>
<td>QS</td>
<td>Quantity Surveyor</td>
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<tr>
<td>RBV</td>
<td>Resource Based View</td>
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<tr>
<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
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<td>TMT</td>
<td>Top Management Teams</td>
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem

There is a straight connect between strategic planning and economic performance of a firm. Strategically focused firms are more likely to post better results than similar firms whose management does not embrace strategic management; who regard strategic planning as secondary in a firm. Simerson (2011) posit that strategic planning is critical to a firm as it is to individuals, in that it gives a clear and distinctive direction to the firm. Without a clear strategy, the reason of the firm may become indistinct to its workers, misjudged by collaborators; assets might be misappropriated and in totality, the firm will realize sub optimally. In the 21st century coupled with current business trends, firms need clear strategies to enable them to enter and perform successfully in the new markets as well and maintaining their market share through the adoption of technology to gain competitive advantage.

Strategic management as a science began to be developed in the 1950s in view of the “long-range planning” idea, and later “strategic planning,” which reflected the desire to plan the direction of development for already existing, large organizations for several years ahead, independent of whatever economic conditions might arise. It is no surprise that these theories barely examine the issue of scope or structure of the firm. However, against the background of market saturation and strengthening competition, companies are faced with the problems of how and where they should compete in the future (Sharkovsky, 2016). Strategic management concerns with dealing with main issues of the firm’s actions: the preferred business in which the firm will take on, and the preferred of competitive strategy that will grant the firm to profit. Awonusi, In Opeibi, In Schmied, In Adedeji, Trunkey, & United States (2017) every profession must evolve in response to the ever-increasing changes in the global business environment. The professional service firms in the quantity surveying profession cannot be absolved from this challenge, and thus the need for a strategic approach towards sustaining and advancing their competitiveness drives. However, insights into how these firms address and approach competitiveness in their operating environment is elusive and therefore remains a research issue.
Strategy can be defined in terms of decisions a firm takes in relation to business objectives and the courses of action to achieve them (Lowie & Drucker, 1963), in an attempt to answer the performance predicament in organizations, he also argued that all employees should have personal performance objectives aligned strongly to the company strategy, a concept which most organizations adopt to-date through the strategy cascade, where the top management allows the employees through the reporting line develop their personal performance objectives.

Although there are regional differences, the primary drivers of growth have been rapidly emerging consumer markets, regional economic integration, investment in infrastructure, technological leap-frogging, and the opening of new markets, especially in the service sector. African economies also face commensurate challenges. Across the continent, economies remain largely agrarian, underpinned by resource-driven growth and still dominated by the in-formal sector (George, Corbishley, Khayesi, Haas, & Tihanyi, 2016). As far as we have reviewed, African business literature can be classified into three main strands: the factors affecting foreign direct investment, entrepreneurship, and strategies for achieving sustainable development (Asongu, Rapuluchukwu, & Tchamyou, 2016).

Most firms go through the trouble of strategy formulation with the hope of gaining a competitive advantage over the competition, the most significant fact in today’s organizations is to have competitive goals and achieve them, it is therefore very important to consider how, and what affects firms in achieving their strategic objectives. It has been pointed out that strategic management is very useful to firms during turbulent times (Moussetis, 2011). Where the external environment is changing rapidly, professionals must constantly re-examine and change their services scope if firms have to remain successful. Over the past decade, a lot of external changes have taken place in Kenya. The country was affected by such international trends as the recession and globalization of competition. Locally, the government has been implementing a very ambitious economic reform program. In the face of these and other external developments, one would expect firms in Kenya to turn to strategic management as a way of securing future success (Namada, Bagire, Aosa, & Awino, 2017).

The survival of all organizations globally and indeed in Africa more specifically in Kenya, which is striving to be Africa’s business hub, is gradually becoming dependent on
the capability to adopt competitive strategies and reflect dynamism. Strategic management in the management of modern firm is the key to ensuring sustainability and gaining firm’s strategic objectives. However, there is limited scholarly literature on research and publication to document private firm’s strategic formulation, implementation, assessment and control in Kenya. It is evident that strategic planning originated in the USA and then spread to other parts of the world. Because of this pattern, American companies would be expected to take the lead in practicing strategic management. Similarly, in Kenya, foreign companies would lead local ones in strategic management practices (Namada, Bagire, Aosa, & Awino, 2017).

Strategic management provides overall direction to the enterprise and involves specifying the organization's objectives, developing policies and plans designed to achieve these objectives, and then allocating resources to implement the plans. Academics and practicing managers have developed numerous models/frameworks to assist in strategic decision making in the context of complex environments. Strategic management practice is an important practice as it gives a strong influence (Kennedy, George, Vitalice, & Okello-Odongo, 2015) towards firms’ success.

Strategic management encompasses the execution of the actions and putting in place measures that allow resources to be aligned and decisions to be assessed based on the long-term objectives (Kennedy, George, Vitalice, & Okello-Odongo, 2015). As a process, it comprises setting organization’s goals, developing policies and strategies to achieve the goals and establishing a detailed implementation plan to ensure the ends are met (Kennedy, George, Vitalice, & Okello-Odongo, 2015). Therefore, the strategy should be focused on an organization’s competitiveness, positioning in the industry and how to use the strengths to a strategic advantage. There are various approaches of strategic devising. For an overall concept and plan strategy, strategic approach is considered the overall planning which effectively aids the management of a process. It is also an organization’s process of defining its strategy and resolving on resources allocation to pursue the strategy.

Strategy and strategic approach history date back from ancient Greece to the 21st century. Unlike mathematics, physics or material science, the strategy does not involve of universal truths that can be documented through scientific theorems and proofs (Steiner,
However, the history of strategic approach shows that scientific and management advancements have been integrally related to the field for centuries. Strategic approach fuses a combo of quantitative and qualitative fields’ ideologies. Management and industrial sciences have formalized the domains of operations, logistics, and finance and complemented the quantitative aspect with the qualitative human dimensions of psychology, sociology and human resource management. The combined quantitative and qualitative elements address diverse organization needs including professional, technical, and strategic demands. Strategic planning models have been proposed by numerous academic and business writers to enhance the development of new strategies (Steiner, 2010). These strategic planning models offer specific instructions on how to approach, execute and evaluate the development of strategic concepts. There is a rapid increase in strategic planning methods which is a common attribute of any topic that focuses on procedural processes.

In the last decade, there has been a rapid increase in demands for quantity surveying consultancy services as well as increased competition. In the same period a sharp rise in the number of quantity surveying consultancy firms has been experienced as educational institutions continue to churn out quantity surveyors. At the same foreign firms entering the Kenyan market is also on the increase. The growth of transnational enterprises in energy exploitation, manufacturing and construction in the newly industrialized economies has facilitated the Internationalization of quantity surveying consultancy services. The government of Kenya has continued to allocate more expenditure on large infrastructural projects as witnessed in the upsurge of Chinese contractors in the country, while the private sector has experienced booms especially in the property sector (Steiner, 2010).

1.2 Statement of the Problem

There are different concerns and threats that affect Nairobi’s competitiveness and sustainability of quantity surveying consultancy firms. The firms have experienced burdensome times especially over a continued period of lusterless achievement in the current business environment (Steiner, 2010). The post-election unrest in 2007 and the 2009 Global Economic crunch caused challenges to the construction industry in Kenya and globally. Then in the recent past is the peril of terrorism in which Kenya has been affected in different sectors of the economy, construction is one of the pillars of the
economy was not spared. This has brought down the construction sector in Kenya to its lowest point ever, and the major players were affected. The protracted poor performance experienced in the last two decades has raised the concern of key stakeholders. It is therefore critical to examine and find out the strategic planning practices that are being employed and how this has impacted on the performance of the sector. Studies have been done on the importance of strategic management practices in Kenya. Kanyora and Okello (2008) conducted a study on Influence of strategic management practices on performance of construction firms in Kenya: a case of reliable concrete works limited, Kenya. Musita (2013) conducted a study on the strategic planning practices and risk management strategies adopted by commercial banks in lending to SMEs. A study by Burugo & Owour (2017) was done on the influence strategic management practices a case study of Chai trading company limited. However, these studies mainly focused on the financial achievement of the firms. Secondly, these studies were mainly surveying and case studies (Burugo & Owour, 2017). While these studies had value to the area of current research, none of them was done on the effect of strategic management practices on performance of quantity surveying consultancy firms as they were either in the private or public companies or financial institutions. Hence this gap which the current research seeks to satiety by providing a response to the question, what influence do strategic management practices have on the performance of quantity surveying consultancy firms in Nairobi?

The Board of Registration of Architects and Quantity Surveyors the body charged with the regulation of the architects and quantity surveyors profession under the Constitution CAP 525, requires that quantity surveyor's consultancy Firms, ought to be managed and run by registered quantity surveyors, as part of their professional study, quantity surveyors are not taught in the universities anything related to management of firms and organization to prepare them for the world of running consultancy Firms, leadership and strategy. Consequently, even if quantity surveyors acquire the skills of quantity surveying and other related services, they lack the soft skills of managing firms, formulating strategies and evaluating strategies. This is exasperated by the fact the consulting quantity surveying firms are prohibited from advertising their services to gain competitive advantage. Therefore, this study has been prompted by the fact that since quantity surveying firms are managed by quantity surveyors as opposed to trained managers, it is necessary to determine whether they embrace strategic management practices, and if
positive, what are the benefits of the same towards the performance of the firm. This will also aid future researchers to explore more in the same research area.

Previous studies on the quantity surveying consultancy firms in Kenya have focused majorly on the financial aspect of the profession impacting on the services in Kenya. A study by Aosa (2011) looked at the strategic issues and challenges facing Kenyan firms in general. The major challenges to the firms were that most local firms were within the family control and hence had no knowledge of strategic management practices as opposed to multilateral firms with support from their mother organization which employed the use of strategic management in their operations. While these studies have highlighted the challenges facing the firms in Kenya, no study has been done in the quantity surveying consultancy firms in Kenya in relation to the influence of strategic planning practices on the performance. Consequently, there is a need for a study to establish how the strategic planning practices influence the performance of the quantity surveying consultancy firms.

1.3 General Objective of the Study

The objective of this study was to appraise the influence of strategic management practices on performance of quantity surveying firms in Nairobi County.

1.4 Specific Objectives

The specific objectives include:

1.4.1 To identify strategic management practices within quantity surveying firms in Nairobi

1.4.2 To identify challenges facing quantity surveyor’s firms in Nairobi in the formulation and operationalization of strategic management practices;

1.4.3 To highlight the benefits of strategic management practices within the quantity surveyor’s firms in Nairobi.

1.5 Significance of the Study

The study is of importance to the following stakeholders:

1.5.1 Quantity Surveyors and Consultants

Based on the above statement of the problem, there is a current gap in the area under research. There is an insufficient article on the subject under research. Hence, this study builds on the available knowledge on the topic by bridging the gaps highlighted above.
Theoretically, the study is important as it will add to the general understanding of strategic management practices and their effect on professional firm’s performance hence adding to the existing body of knowledge to the benefits researchers. It is hoped that the study will also spur further study on the area.

1.5.2 Clients and Project Developers

The research can assist construction developers and clients and other construction development agencies increase the success of constructing projects through proper strategic management from the cost consultant. Through the applications of this findings, the consultants are able to implement strategies that are able to prevent factors that would otherwise impact negatively on the project in terms of cost escalation and project delays in implementation of the construction activity.

1.5.3 Scholars and Researchers

This study will bring forth valuable information through the research findings that will give a body of understanding to scholars and researchers who seek to explore and investigate the influence of strategic management strategies within professional consultant firm's performance. From the findings, the study will also determine areas for further research and investigations.

1.6 Scope of the Study

This study focused on the quantity surveying firms in Nairobi County - Kenya. The respondents of this study was managing partners, top management of quantity surveying firms. The research was conducted between the month of June to November, 2017. Some of the foreseen limitation for the research was lack of properly documented literature on the strategic management of the firms. There was a lack of commitment on the side of respondents to go through the questionnaire and gave authentic response due to their busy schedule as top management. A Proper understanding of the questionnaire by the respondent was also a hindrance. However, some of these issues were worked through with guidance and assistance of the researcher to the respondent including working with their schedule during interviews and questionnaires. The data collection process was another obstacle as it dependes fully on the cooperation of the respondents.
1.7 Definition of Terms

1.7.1 Strategic management

Strategic Management is concerned with making decisions and taking corrective actions to achieve long term targets and goals of an organization (Kanyora & Okello, 2015).

1.7.2 Competitive Advantage

Competitive advantage is the ability of the firm to effectively use organizations resources to satisfy customer demands as compared with its competitors (Hutzschenreute & Israel, 2009).

1.8 Chapter Summary

This chapter provides the current situation and duels on the background of the study it also highlights the following: statement of the problem, general objective, specific objectives, justification of the study, the scope of the study and definition of terms relating to the research. Chapter two of the study tackle literature review, chapter three presents the research methodology, chapter four the results, and findings, while chapter five presents discussion, conclusion, and recommendation of the study.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

There is a wide-ranging article on the general subject of strategic management practices for organizations spanning to several decennia. This chapter provides an analysis of articles that are relevant to the study from different scholarly researchers. Previous studies have attempted to link strategic management practices and organizational performance. (Gwaya, Masu & Wanyona, 2014), recommended that the management variables for Kenya should comprise of the six variables of cost, quality, time, scope, human resources and project performance.

2.2 Strategic Management Practices Within Quantity Surveying Firms

What is strategy? According to John and Richard (2013), strategy is referring to large scale, future oriented plans for interacting with the competitive environment to achieve goals and objectives. Formulation and implementation of these strategies is mostly done by the top management of an organization. Therefore, strategic management is the set of decisions and actions that result into formulation and implementation of plans designed to achieve a company's objectives (Pearce & Robinson, 2011). Intense competition in domestic and international markets, more demanding, assertive customers and rapid advancement of has placed greater pressure on organizations to seek ways to achieve a sustained competitive advantage.

2.2.1 Strategic Management in Quantity surveying firms

Cost leadership or low-cost strategy put emphasis on organizational efficiency. This strategy involves the process through which the company is able to produce or distribute goods and services at a lower cost than competitors within the industry. Porter defines strategy of cost leadership as trading standard products combined with aggressive pricing (Porter, 1996). Enida and Kume (2015) states that cost leadership strategy was proposed by Porter, as a successful way to achieve sustainable competitive advantage by reducing and controlling the costs. Some of the ways to realize low cost strategy and achieving the required performance are economies of scale, control and reduction of administrative costs, the curve of experience, technology. Cost Leadership also tends to be more
competitor oriented rather than customer oriented (Lynch, 2003). Lynch (2003) states that a firm that successfully pursues cost leadership strategy emphasizes vigorous pursuit of cost reduction, tight cost and overhead control, research and development and advertisement among others to achieve a low-cost position.

Sources of cost advantage depend on industry structure. Cost advantages may come from economies of scale, economies of scope, propriety technology, and preferential access to materials among other factors. With cost advantages, firms are able to have above average return or can command price. Grant (2005) argues that common to the success of Japanese companies in consumer goods industries such as cars, motorcycles, consumer electronics, and musical instruments has been the ability to reconcile low cost with high quality and technological progressiveness.

Performance is the ability of an object to produce results in a dimension (Laitinen, 2002). According to Rauch et al. (2009), there are two types of firm performance. They care perceived firm performance and archival data. Archival data involves aspects of firm performance especially related to financial performance measured from secondary sources while perceived performance involves use of perceptions of managers in a firm about the company’s performance. This study chose to use perceived indicators to measure firm performance. This is considered to be the most appropriate measure as discussions with managers suggested that in general it was not possible to obtain a wide range of hard measures of performance (Rauch et al., 2009).

Strategic management is concerned with the strategic processes that produce requirements answers to an organization changing environment, this is the most general acceptance of the idea. In other terms, strategic management is involved in deploying a firm's internal strengths and weakness to take advantage of its external opportunities and minimize its external threats (Adeleke, 2008). Therefore, it is the management of change that organizations face. It involves the system of corporate values, the corporate culture, and all managerial process of change, such as leadership, planning, control, and human resources management (Ryszard, 2014).

In construction, many researches were carried out on strategic management practices including studies by Chinowsky and Meredith (2000), Dikmen and Birgonul (2003), Price et al. (2003) and Dansoh (2005). The traditional philosophy of management in construction emphasizes on the ability to plan and execute. According to Abu Bakar
(2014) the management of the quantity surveying firms is important in order to improve its performance and increase the number of national Gross Domestic Product (GDP), since the quantity surveying firms contributes on average between 5 to 9% of GDP in developing countries. The effective management must have a strategy and must operate on the day to-day level to achieve it. Also, it was noted that while project management topics receive significant focus from construction professionals, less attention is paid to strategic management. However, the need for a strategic perspective for construction companies has long been stressed by many researchers (Abu Bakar, 2014).

### 2.2.2 Organizational Performance

An analysis of a company's performance as compared to goals and objectives. Within corporate organizations, there are three primary outcomes analyzed: financial performance, market performance and shareholder value performance, also in some cases, production capacity performance may be analyzed (Business Dictionary, 2016).

Cost advantages could be found through via many sources. The organizations which successfully practice cost leadership include; economies of scale, diseconomies of scale, experience differences, size differences and learning curve economies, differential low cost access to productive inputs, technological advantages independent of scale and policy choices (Barney & Hesterley, 2006). According to Paul and Jane (2015), growth and increased performance is developed by identifying and seeking out new opportunities, promoting the firm’s products and services, including responsibility for technical appraisals and supply of advice to customers on all aspects of the firm’s business from procurement to final delivery. The quantity surveying firms ’core business is undertaking projects in erecting new structures or refurbishing existing ones for a variety of clients. The success or failure of construction projects has been pegged on the pillars of cost, time and quality achieved (Paul & Jane, 2015)

Paul and Jane (2015). Additionally adds that other approaches or philosophies as measures of performance within the quantity surveying firms. These include BPR (business process re-engineering), TQM (total quality management), CP (continuous improvement) and BPM (business process management). This has a holistic view of performance and does not concentrate measure of success on the traditional pillars of cost, quality and time. These measures are directly related to the strategic objectives set as the core nature of business entities is to perpetuate success through a robust and
successful road map chartered through the firm’s mission and vision (Paul & Jane, 2015). It therefore involves the development of a framework upon which performance measures can be developed and implemented as to identify the degree to which an organization is able to implement its strategy.

According to Takim and Akintoye (2014), construction projects encompass a number of phases, stakeholders, processes that require a great deal of input in the form of tangible and intangible resources. The level of success in a project which translates to the performance of the construction firm largely depends on the expertise of management, financial, technical and organizational process flows. Chan and Tam (2010) emphasize that just as in any industry, the key success factor or rating is based on quality. A construction project is deemed successful when it is completed on time, within budget and in accordance to the primary stakeholder's specifications. According to Hanson et al. (2013) there are several factors that if not mitigated properly can have a negative impact on the performance of the construction firm. These include; poor conflict resolution procedures and poor workmanship. The generally perceived factors that influence quality performance can be grouped under the headings of client, project, project environment, project team leaders, project procedures and project management procedures (Chan and Tam, 2010).

2.2.3 Effective Strategic Management Approaches

According to Tang (2016), successful strategic management is highly required in confrontation of nowadays increasing global business turbulence, nonetheless successful strategic management entails the best options for strategic formulation and strategic approaches in sequence, and therefore how to assess and choose the best model for strategic formulation will be of the first and foremost importance and within the process of the formulation the best strategic approaches should be availed for further analysis. These approaches are namely: SOSTAC, PESTEL, SMART principle, RBV (resource-based view), Balance Scorecard, Input - Output model and Blue Ocean strategies.

Strategy formulation process and in between the strategic models presented, to choose the approach best-fitting to the managerial situations is the managers’ or entrepreneurs’ priority to ensure the effectiveness of strategic management. Without proper strategic planning and strategic options no success of strategic management will be warranted.
Paying good attention on strategic approaches is therefore of great importance to effectiveness of strategic management.

Different strategic approaches applied by firms will be resulted in different effectiveness of strategic management. In order to ensure success of the strategic options, every firm ought to seek the best strategy-fit with its internal capacities and external environment. Each company should adopt a unique approach to creating its strategy, which should include creating a competitive advantage by choosing a specific set of activities to deliver value to the customer (Porter, 1996). The right strategic approaches will be adopted depending on the various resources and core competences of the firms, thus there is no the best strategic solution existed for all the companies, however every company can find the best strategic fit.

2.3 Challenges Facing Quantity Surveyor’s Firms

The changes in the built environment pose a lot of challenges to all profession that work within it with the quantity surveyor being no exception. However, these challenges offer business opportunities and avenues for greater achievement. According to Ofori (2012) the challenges of the profession can be divided into two namely sustainability and unethical leadership qualities. On the issues of viability, the improvement and use of wide-ranging valuation tools for green building incorporating the existing tools which focus only on environment aspect. Ofori (2012) intimated that the area of sustainability is the aspect in which the quantity surveyor can focus on. This offers the quantity surveyor the opportunity to go afar the current attention on cost but to offer leadership in the extent of complete economic capability of built matters which joins the issues of sustainability.

Secondly the building industry according to Mohammed and Christopher (2011) and cited by (Ofori, 2012) found to be the most corrupt industrial sector. Field (2005) cited by Ofori (2012) propose that the cumulative principled difficult in building profession may view opening roughly principled matters among senior professional and comparatively undeveloped professional. From the statement above, it will not be out of place to explorer some of the reasons leading to this perception of corruption among construction profession and for that matter the quantity surveyor. Most quantity surveying firms have to compete against each other in order to secure consultancy services with the construction industry. Even though the Ghana Institute of Surveying has a scale of fees which serves a guide to quoting for their services, firms had to undercut in desperate
situation to win jobs and be able to stay in business. When this happens, it affects the quality of services and documentation to be delivered. This intends affects the development of the profession in that the firm is not able recruit high quality profession and also purchase Computers and other software in the development of new emerging trajectories.

Quantity surveyors are required to provide professional services. Therefore, in the event of the professional given advice that will lead to the client suffering injury or incurring most cost that it should ought to be, the client will sue the consultant for damages. In such cases the quantity surveyor is therefore expected to indemnify it services. Smith (2004) stated that the development of computer aided designs (CAD) and automatically generated quantities are seen a chief challenge mainly in footings of the practical character of the quantity surveyor. This is because quantity surveying was seen a profession where measurement was taken physically on the site and taking off done manually before the preparation of Bill of Quantities (BOQ). This challenge is as result of the fact that the computer will be taken away section works been performed by human. The built environment is largely traditional by its nature, but the quantity surveying profession happens to be the one that is most conservative in terms of information technology. Most firms fill that the failure to alter and re-engineer procedures to take benefit of high-tech developments is bringing the profession depressed.

According to Ofori (2012) most quantity surveying firms has documented the point that development cost managing is not high-class purview of the quantity surveyor and that other professional are carrying out those services. Project management firm and large accountancy firm are seen as major threat to the quantity surveying profession in terms of cost management and planning issues. Most quantity surveying firms are of the view that their companies are not been marketed enough. However, the notion that your works speaks for you and that company plaque are small in size are disincentives to the marketing of the profession. Most quantity surveyor’s hold the view that the mother association should do enough to make the profession marketable. Quantity surveyors within the industry are disgruntled with the excellence of graduates coming from our tertiary institutions principally in relations of main expertise in quantity and building information. This is because most graduate are not interested in the technical knowledge but are interested in becoming project managers.
The strategy literature claims that between 50% and 80% of strategy implementation efforts fail (Jonk & Ungerath, 2006; Raps, 2004; Atkinson, 2006). According to Bell, Dean, and Gottschalk (2010), strategy execution is commonly the most complicated and time-consuming part of strategic management, while strategy formulation is primarily an intellectual and creative act involving analysis and synthesis. Thus, it is important to study the properties of successful strategy implementation.

According to Cater and Pucko (2010), the implementation of strategies was a key driver of the emergence of strategic management in late 20th century. Egelhoff (1993) investigated whether organizations are looking for great strategy or great strategy implementation by analyzing Asian firms that have competed successfully by focusing on the implementation of not so distinctive strategies instead of attempting to develop unique strategies. According to Zaribaf and Bayrami (2010), the majority of large organizations had problems with strategy implementation. The literature supports the view that unlike strategy formulation, strategy implementation cannot be achieved by top management alone; it requires the collaboration of everyone inside the organization and, on many occasions, parties outside the organization. While formulating a strategy is normally a top-down endeavor, implementing it requires simultaneous top-down, bottom-up, and across efforts.

2.3.1 Lack of Emphasis on Strategic Planning

The lack of emphasis on strategic planning in construction relative to other sectors has been established by many scholars (Chinowsky and Meredith, 2000; Price, 2003; Dansoh, 2005). As a project-based industry, greater focus has traditionally been expended upon shorter-term, operational and tactical planning to execute projects (Dansoh, 2005). Often, strategic planning process may be unstructured, non-routine, non-repetitive, and more complex than operational planning (Junnonen, 1998). In a survey of strategic management practice of US major contracting and design firms, Chinowsky et al. (2001) concluded that firms generally emphasized on technology and its integration for knowledge transfer, and awareness of the need for market expansion, whilst they put less attention to long-life education for middle and upper-level employees and lack understanding of securing their competitive advantage and of financial instruments for achieving long-term objectives. This suggests little long-term investment in human capital and organization learning for developing organizations.
Recently, Soetanto et al. (2007) conducted a questionnaire survey of construction directors and managers to explore current strategic planning practices in construction organizations in the UK. The findings indicate that strategic planning is an informal process relying on personal experience and intuition. For some, planning longer-term seems difficult given the way construction order is made. This confirms the belief that construction is dynamic, highly turbulent, rapidly changing industry and therefore a low level of strategic planning (Price & Newson, 2003). Most respondents used fairly simple tools, such as SWOT and competitor analyses; few exercised ‘what-if’ analysis within top management circle. The approaches tended to be ‘top-down’ in orientation, where senior managers determined the company strategic plan and then they communicated this to staff. This policy could potentially negate innovative ideas which may emerge from staff at the lower levels within the management hierarchy. The majority had a shorter-term orientation to the future and admitted to having experienced external events that had changed the course of their plan.

2.3.2 Challenge Influence on the Enacted Strategy

In an in-depth case study of medium-size contractor, Green et al. (2008) suggested that strategy is a collective endeavor by a loosely defined group of organization members. The members shape strategy through their actions rather than through any formal plan, within social and physical context of the organization. Further, they found no evidence to suggest that formal strategic planning have any significant influence on the enacted strategy. Although based on only one historical case study, the work has nevertheless elaborated the idiosyncratic process by which construction firm interacts with its environment and reconfigures resources and capabilities over time.

Odunga (2011) study investigated the strategic management practices of construction firms in Kenya. The study had a singular objective to establish the strategic management practices adopted by construction firms in Kenya. The research was carried out by using a cross sectional survey design. A sample size of 70 registered construction firms with the Ministry of Public works was used. A structured questionnaire was used to collect data for analysis. Responses were received from 72.86% of the selected respondents. The findings showed that; most firms had a vision, a mission statement and set objectives which were either written down or implied. The firms also carried out situational analysis to establish their strategic position in their operating environment. In addition, the firms
had strategies on how to achieve their objectives. The firms were therefore actively involved in the strategic formulation process. A majority of the firms however did not have strategic plans on how to achieve their laid down objectives. This therefore hindered proper strategic management implementation.

Nyariki (2013) research sought to establish strategic management practices and their influence on performance of SMEs in Kenya. The study adopted the descriptive cross-sectional research design. The target population for this study was the top 100 SMEs (2012) in Kenya because it was the rich area and is concentrated with lots of SMEs. The study established that majority of the SMEs had adopted strategies in the past. The study further established that external factors contributed to adoption of new strategies to a very great extent; internal factors such as internal processes, top managers’ ability to develop effective strategies, firm’s resources, organizations behavior and characteristics also influenced their organizations adoption of new strategies as organizations seek to remain competitive in the market. The study also found out that majority of the SMEs adopted various strategies to a great extent in order to achieve competitive advantage; they included: market strategy, products reputation, customers’ differentiation, product pricing, cost control, technology, quality of the product, product and service innovations and customer service strategies.

2.3.3 Challenges on Government Agencies

In another study Masita (2013) sought to analyze the strategic management practices by Government agencies in the road construction industry in Kenya. The research focused on the six agencies that manage the road construction and maintenance in the country. The practices studied included goal setting, strategic analysis, strategy formulation, strategy implementation and evaluation and monitoring. The study applied descriptive research design. Through this study, it was established that all the six agencies in the road construction industry in Kenya follow strategic management practices. Despite there being no uniform process adhered to, all the agencies exhibited all the components of the strategic management process. The research carried out on this study led to identification of the crucial aspects of strategic management practices that facilitated better management and therefore enhanced achievement of the mandates of the agencies.
The sector faces stiff competition in pricing among competitors, with high risks, and margins of profit generally low when compared to other areas of the economy. Consequently, pricing is one of the most important aspects of marketing in construction. But unlike in other industries, transactions and contracting in construction are conducted through the competitive bidding process, so that pricing mostly takes place in the bidding process. Up until today, there has been only one pricing approach used in construction: cost-based pricing. The typical procedure in cost-based pricing involves estimating the project cost, then applying a markup for profit. Many researchers propose a bidding strategy based on this approach (Mochtar & Ardit, 2000).

2.4 Benefits of Strategic Management Practices Within the Quantity Surveyor’s Firms

Strategic management practices can be helpful when a firm applies the approach to strategic management practices which matches the situation they are in. The gains according to (Dauda, 2010, Nmadu 2007, Akingbade, 2007, Adeleke, Ogundele and Onunga, 2008) include: Overall strategic management practices can make a difference! Basically, using the strategic management approach, where managers at all levels of a business interact in planning and implementation has great behavioral consequences almost like those of participative decision making (Pearce and Robinson, 2003, Adeleke, Ogundele and Oyenuga, 2008).

Nmadu (2007) maintains that despite all these benefits, the greatest persuasions for use of the strategic management approach are the financial benefit associated with successful practitioners. Greater financial and competitive success than would be possible otherwise is one benefit chief executives can reasonably expect. This has been statistically proven along the lines of; In summary, it would be stressed that strategic management has become more important to managers in recent years and defining the mission of their organization in specific terms have made it easier for managers to give their organization a sense of purpose. Moreover, organization that get involved in strategic management are better able to predict the future than others (Dauda, 2010).

In order for a company to succeed in long-term, a company in minimum has to spot the changes in business environment, understand the consequences, and to change actions accordingly. Moreover, it is possible to see future’s changes in advance and to gain advantage from future opportunities and even threats. If a company does not understand
the consequences of the change that has happened in the environment and change its operations accordingly, it will die sooner or later. These are the reasons why analyzing the environment is so important for companies (Kamensky, 2008). On the other hand, Kotler (2000) divides the environments into two: internal and external environments. The internal analysis points out the strengths and weaknesses of the company, while the external analysis points out the opportunities and threats in the market.

Opportunities and threats present factors in an organization’s external environment. These factors are forces that organizations cannot control, but in order to be successful they have to be aware of them. Companies have to be awake and constantly observe conditions in its environment to seize opportunities and to discover threats. Opportunities arise when organizations can become profitable from the exploitation of opportunities and benefit from these conditions in its environment. Companies can get an edge over its competitors by exploiting these opportunities; therefore, companies should strive for taking the greatest possible advantage out of opportunities. On the other hand, while exploiting opportunities, a company should try to minimize and avoid threats in its external environment. If a company is not prepared for these conditions, it can, in the worse scenario, jeopardize the whole business. Therefore, companies should be prepared to tackle these external threats so that they will not come as a surprise and then it can be too late to react. (Hitt et al. 2007).

2.4.1 Focus Strategy

The generic strategy of focus rests on the option of a narrow competitive scope within an industry. The focuser picks a segment or group of segments in the industry and modifies its strategy to serving them to the isolation of others. The focus strategy has two distinctions: First, differentiation focus an organization seeks differentiation in its target segment, while in second, cost focus an organization looks for a cost advantage in its target segment (Porter, 1985). The two variants of the focus strategy rest on differences between a focuser's target segment and other segments in the industry. The target segments must either have buyers with unusual needs or else the production and delivery systems that best serves the target segment must differ from that of other industry segments. Cost focus exploits differences in cost behavior in some segments, while differentiation focus exploits the special needs of buyers in certain segments (Porter, 1985).
Caxton (2015) expresses, a firm using a focus strategy often enjoys a high degree of customer loyalty, and this entrenched loyalty discourages other firms from competing directly. Because of their narrow market focus, firms pursuing a focus strategy have lower volumes and therefore less bargaining power with their suppliers. However, firms pursuing a differentiation-focused strategy may be able to pass higher costs on to customers since close substitute products do not exist (Caxton, 2015). Firms that succeed in a focus strategy can tailor a broad range of product development strengths to a relatively narrow market segment that they know very well. Some risks of focus strategies include imitation and changes in the target segments. Furthermore, it may be easy for a broad-market cost leader to adapt its product in order to compete directly. Finally, other focusers may be able to carve out sub-segments that they can serve even better (Caxton, 2015). In the last several years, the economic crisis has determined significant changes in the condition’s organizations have to operate. The organizations that seek performance must learn how they can increase their abilities at managing the new, volatile risks that they face and how can they transform the adaptability into a strategic capability.

2.4.2 Focus Strategy in Construction Industry

The focus strategy. Another strategy proposed by Porter (1985) is the strategy of focusing. Through focus strategy, the organization aims to serve the customers in a narrow market segment (Davidson, 2001) through low cost or differentiation. Developing the studies about Porter’s competitive strategies, Thompson et al., (2009) declare that a focused strategy aimed at securing a competitive edge based on either low cost or differentiation becomes increasingly attractive as more of the following conditions are met: The target market niche is big enough to be profitable and offers good growth potential; Industry leaders do not see that having a presence in the niche is crucial to their own success; It is costly or difficult for multi segment competitors to put capabilities in place to meet the specialized needs of buyers comprising the target market niche and at the same time satisfy the expectations of their mainstream customers; The industry has many different niches and segments, thereby allowing a focuser to pick a competitively attractive niche suited to its resource strengths and capabilities. Implementation of this strategy provides to firms the integration of a range of activities associated with differentiation and low cost in a target market niche from which the company generates higher profits (Thompson et al., 2009).
All organizations face the challenge of adapting to their environment, whether it provides contexts for growth or for decline. Firms seek to develop a fit with the environment, which often requires a change in their organizational system and practices (Carmeli, Gelbard, & Gefen, 2010). The ability to adapt, learn and change, to turmoil and jolts in the external environment clearly affects the performance outcomes and the viability of the organization. The importance of top management teams (TMTs) in making strategic decisions and navigating the organization through an ever-dynamic environment is anchored in strategic leadership or upper echelon research (Finkelstein, Hambrick, & Cannella, 2009). Through strategic decision-making, TMTs shape the orientation, structure, and context of the organization, thereby influencing the type and the sequence of responses to changes in the task environment, and by extension the organizational outcomes (Finkelstein et al., 2009).

The most important decisions in adaptation planning are made during the scoping phase. But, some studies suggest that many organizations tend to spend very little time on scoping and see adaptation as a technical issue which can be tackled on a project level as a discrete package of work, either in-house or by specially commissioned external consultants. While it may be convenient to see adaptation in this way, and while this approach is certainly appropriate for some questions which relate to a wider program of work, it may not always be sufficient (Brown, Gawith, Pringle & Lonsdale, 2011).

2.4.3 Development and Adaptability of Focus Strategy for the Construction Industry

The challenge of applying traditional strategic planning models to construction firms has been recognized by many authors on the subject (Langford and Male, 2001). However, Porter’s (1980) generic strategies for identifying strategic options or competitive advantage does not pose a similar challenge. On the contrary, the generic strategy framework has practical application to contracting and PSFs alike and has previously been used in the analysis of the construction industry (Price et al., 2003). Porter’s generic strategies broadly take the form of cost leadership, differentiation or focus/market niche. The capacity of a firm to develop strategies is vital for avoiding decline and strategic erosion on the one hand, and a key for fostering growth and viability on the other (Beer, 2003). However, many organizations struggle to change and adapt to new strategies developed, thereby failing to create environmental fit (Beer, 2003). Failure to adapt to the strategies means that an organization provides inappropriate responses, which results in a
misfit between the firm and its environment, as well as misalignment between organizational goals and strategies and organizational structure.

Therefore, the challenge of reconciling seemingly fundamentally opposing demands between capacity and stagnation also occurs in a micro-dynamic context (Zacher, Rosing, Henning, & Frese, 2011). Stagnation emerges when managers are self-centered or overly focused on a particular feature without paying adequate attention to others such as focusing on the internal environment of the organization without considering developments in the competitive environment in the construction industry, and vice versa.

In theory, adaptability of strategies has a direct implication on achieving success, especially in a changing environment. In the present turbulent times, when construction industry is changing drastically, it is expected that this relationship between adaptability of strategies and performance is identified in most industries (Mintzberg, 2013). In the last decades, researchers have focused simultaneously on strength of culture and certain dimensions as the determinants of superior performance. It has been stated that organizations that are characterized by a strong culture and adaptability, are also high performers. In addition to this theory, mentioned that high performing firms are likely to have strong cultures, values which encourage adaptable behaviors, and to value customers, employees and shareholders equally. Adriana (2011) states in her studies that: corporate culture will become more important for performance in the future; cultures which inhibit strong performance are common and easily developed; and cultures can be changed to enhance performance.

The focus strategy addresses a specific market niche, geographical area and/or customers. It is suitable for specialized construction firms because it focuses on maintaining a faithful group of clients by providing good services and encouraging personal relationships (Hassan, 2015). This strategy is also realistic for small firm sizes as they require limited resources and entry barriers to small market segments may be low. This strategy requires a smaller number of staffs who have essential skills and a wide breadth of knowledge, can handle multiple tasks and are well trained (Hassan, 2015). This strategy focuses on three elements: strong networking, IT, and specific projects. Construction firms that adopt a focus strategy have to be selective in choosing the market segments that they wish to enter. The construction firms that adopt this strategy will focus their services on the same geographical area where they have already established
themselves and where they have a good relationship with the clients and other professionals (Hassan, 2015).

Reeves and Daimler (2011) states that traditional approaches to focus strategy assume a relatively stable world. They aim to build an enduring competitive advantage by achieving dominant scale, occupying an attractive niche, or exploiting certain capabilities and resources. But globalization, new technologies, and greater transparency have combined to upend the business environment in the construction industry. Sustainable competitive advantage no longer arises from positioning or resources. Instead, it stems from the four organizational capabilities that foster rapid adaptation (Reeves & Deimler, 2011): The ability to read and act on signals of change; The ability to experiment rapidly and frequently not only with products and services but also with business models, processes and strategies; The ability to manage complex and interconnected systems of multiple stakeholders; The ability to motivate workforce.

2.5 Chapter Summary
This Chapter to be made up of literature review carried out by the researcher related to the research objectives. The researcher reviewed and undertook various literature related to the area of study to form the body of chapter two which was then be aligned to the study objective. The next chapter presents the different methods that the researcher uses for data collection, analysis, presentation and discussions of the findings of the research. This include details on the research strategy, the different categories of respondents and how the data collected during fieldwork. Also, the ways through which the different data sets was subjected to analysis and presented for discussion.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
Chapter three presents an analysis of the research methodology that was used in this study. It discusses the research design especially with respect to the choice of the design. This chapter also analyses the population of study, sample and sampling techniques, data collection methods as well as data analysis and presentation methods that was employed in the research.

3.2 Research Design
According to Cooper and Schindler (2014) educates us that research design is the plan and structure of investigation so conceived to acquire answers to a study questions or the goals. It includes a plan of what the researcher would do from writing theory and their operational implication to the final analysis of the information in the visible form. The structure of the research problem includes the framework, organization or configuration of the relationships among variables of a study. The research design that was used in this research was descriptive in nature. Cooper and Schindler (2014) further states that descriptive studies try to discover reply to the questions who, what, when, where and sometimes how depending on the research question. The study was directed by specific objectives of the research: To highlight the strategic management practices; To identify challenges facing quantity surveyor’s firms in the formulation and operationalization of strategic management practices; To highlight the benefits and challenges of strategic management practices within the quantity surveyor’s firms in Nairobi County. For the researcher to be able to gather exhaustive information about the populace, the descriptive design was adopted. The descriptive design presents appropriate and succinct recommendations that top management and managing partners of quantity surveying firms can make use of as well as scholars working in related field.

3.3 Population and Sampling Design

3.3.1 Population
A population is the total collection of elements about which we wish to make inferences (Cooper et al. 2014. Barber & Rigby (2012) define it as a set of all individuals that are relevant to a study. According Board of Registration of Architects and Quantity
Surveyors list of registered quantity surveyor’s firm membership (2017) there are 66 registered quantity surveying firms of which 64 are based in Nairobi County, representing 96.97% of the practicing firms. The target population in this research was managing partners and top management of the firms. In this Research, 64 registered quantity surveying consultancy firms was selected randomly from the total population accounting to 100 % of the target population. This sample is thus large. According to Gay and Airasen (2003) a sample size of between 30% and 50% of the total population is representative.

3.3.2 Sampling Design

3.3.2.1 Sampling Frame

According to Blumberg, Cooper and Schindler (2014). A sampling frame can be defined as the list of elements from which the sample is truly drawn. The frame was selected from practicing quantity surveyors who are responsible for running the quantity surveying firms. Blumberg et al. (2014) further noted that a sample is a subset of a specific populace while sampling is the usual procedure concerned with the selection of individual observations intended to yield some knowledge about a populace of concern especially for the intention of statistical inference.

3.3.2.2 Sampling Techniques

The target respondents were those in top management positions or managing partners of the firms, due to the nature of the research. At the firm level therefore, the respondents from the registered quantity surveying consultancy firms was selected via purposive sampling. Purposive sampling assumes that with good judgment and right strategy, elements can be handpicked and developed as representative of a population (Hoyle, Harris & Jude, 2002).

3.3.2.3 Sampling Size

A study by Saunders, Lewis and Thornhill (2012) contend that the larger the sample size the lower the likelihood of error in generalizing to the population. They also inform us that the choice of sample size is governed by the confidence the researcher needs to have in their data, the margin of error that they can tolerate, the type of analysis to be undertaken, and to a lesser extent, the size of the total population from which your sample
is being drawn. The sample size is a representative of the target population. Gay et al (2003) also argue as noted earlier that a sample size of between 30% and 50% of the total populace is a representative and adequate for the analysis.

Table 3.1 Population Distribution

<table>
<thead>
<tr>
<th>Category</th>
<th>Population</th>
<th>Sample</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>64</td>
<td>32</td>
<td>50</td>
</tr>
<tr>
<td>Managing Partners</td>
<td>64</td>
<td>32</td>
<td>50</td>
</tr>
<tr>
<td>Total</td>
<td>128</td>
<td>64</td>
<td>100</td>
</tr>
</tbody>
</table>

Source, BORAQS 2018

3.4 Data Collection
Primary data collection method was adopted for the study. Questionnaires were used to capture the needed data from the target populace. The questionnaires were structured with like art scale and which the researcher personally administered to the respondents. The research questions were set on a Likert scale, which reduces misinterpretation of the questions and gives easier guidance to the respondents. According to Cooper et al (2006), states that a Likert Scale can be defined as a design to examine how strongly linked subjects agree or disagree with statements usually on five-point scale (Sekaran, 2003). According to Myers and Hansen (2006), the Likert Scale is the most frequently used variation of the summated rating scale where the individuals who take part in the activity are asked to express a favorable or unfavorable attitude toward the object of interest. The responses are given a numerical score and the scores measure the participant’s overall attitude. The Likert Scale is easy and quick to construct, reliable and provides a greater volume of information than other scales. The question forms were hand delivered and emailed to the firms using their registered mail contacts within Nairobi.

3.5 Research Procedure
The researcher tests the quality of the questionnaire, a pilot test was carried out on a group of 10 quantity surveying firms within the population but not included in the sample size, to check the quality of the questionnaire. The pilot test was able to determine the duration that the respondents was able to take when responding to the questionnaire. Thereafter, suggested amendments based on the outcome was done on the questionnaire.
A revised questionnaire was administered to the respondent forming the sample size. Personal follow ups through emails and phone calls was done to ensure that respondents complete the questionnaires within stipulated time. A target response rate of about 90% was required from the sample size. The questionnaire was able to clearly outline the confidentiality and anonymity of the respondent on the gathered information.

3.6 Data Analysis Method

The information that was collected was reviewed and edited to ensure that it is accurate, consistent and complete. Microsoft Excel was used to input raw data on a worksheet while actual data analysis was done by IBM SPSS 24.0. The data was analyzed quantitatively and statistically. Data analysis was carried out by using descriptive statistics (Frequency distribution and measures of the central tendency) and the results interpreted, inferences made and presented on pie charts, graphs, tables and percentages. For establishing the relation to performance of the firm, the study was based on the performance within a duration of 3 years (2014-2016). The research was also testing the relationship between strategic planning practices and performance by using Least Squares regression analysis. Correlation analysis describes the degree to which the dependent variable is linearly related to the independent variables. It measures the degree of association between two variables. Usually correlation analysis is used in conjunction with regression analysis to measure how well the regression line explains the variation of the dependent variable. Previous studies on the same area have utilized similar models before.

3.7 Chapter Summary

This chapter outlines the research methodology that was adopted in seeking to understand the research phenomenon. A qualitative research approach was used because it was more appropriate than quantitative. The populace was comprising of owners and top administration of the firms. Simple random sampling technique was have used to select the sample from 120 practicing firms in Nairobi. The employees were categorized into two categories namely owners and administration staff. Information was collected using a questionnaire developed by the researcher. The questionnaire developed was pilot tested and modified before being administered to the respondents. The chapter also indicate the technique and the tool that was used for data analysis such as descriptive statistic and
Statistical Package for Social Science SPSS. Findings of the study was presented in the next, chapter four.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the results of the study and their interpretations. The chapter has findings on the demographic information of the respondent’s education and work experience. The chapter presents perceptions of the respondents on factors affecting the performance of quantity surveying firms in Nairobi County. To achieve this the findings are presented in line with the research questions which seek to elucidate on selected theories and concepts of strategic management, to identify challenges of strategic management in quantity surveying firms in Nairobi County, to highlight the benefits of strategic management values within the quantity surveyor’s firms in Nairobi and to propose areas for improvement of operations in quantity surveying firms in Kenya.

4.1.1 Response Rate

The research issued a total of 64 questionnaires and a total of 55 were filled and returned giving a response rate of 86%. This was sufficient for the study as indicated in table 4.1.

Table 4.1: Response Rate

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filled and returned</td>
<td>55</td>
<td>86</td>
</tr>
<tr>
<td>Non-response</td>
<td>9</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>64</td>
<td>100</td>
</tr>
</tbody>
</table>

4.2 Respondents Bio Data

4.2.1 Highest Education

To analyse the literacy levels, the result established that majority of respondents accounting for 27% were college degree holders while 55% had a university degree and Post university holders represented 18% as shown in table 4.2 below. This implies that the data received that the response received was precise as the respondents were very literate to comprehend the questions asked.
Table 4.2: Highest Level of Education

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>College</td>
<td>15</td>
<td>27</td>
</tr>
<tr>
<td>University</td>
<td>30</td>
<td>55</td>
</tr>
<tr>
<td>Post University</td>
<td>10</td>
<td>18</td>
</tr>
<tr>
<td>Total</td>
<td>55</td>
<td>100</td>
</tr>
</tbody>
</table>

4.2.2 Job Category

To analyse the respondents job description, the result established that majority of respondents accounting for 68% were quantity surveyors, and 26% Managing partners while 6% were office managers as shown in table 4.3. This implies that the data received that the response received was relevant to the study.

Table 4.3: Job Category

<table>
<thead>
<tr>
<th>Description</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantity surveyor</td>
<td>44</td>
<td>68</td>
</tr>
<tr>
<td>Director of operations</td>
<td>27</td>
<td>26</td>
</tr>
<tr>
<td>Office Manager</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>55</td>
<td>100</td>
</tr>
</tbody>
</table>

4.2.4 Registration Status

To analyse the registration status, the result established that majority of respondents accounting for 64% were registered while 36% were not registered quantity surveyors as shown in table 4.4 below.

Table 4.4: Registration Status

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>35</td>
<td>64</td>
</tr>
<tr>
<td>No</td>
<td>20</td>
<td>36</td>
</tr>
<tr>
<td>Total</td>
<td>55</td>
<td>100</td>
</tr>
</tbody>
</table>
4.2.5 Duration in the industry

To establish the duration, the respondents have worked in the firm, the findings revealed that majority of the respondents have worked in the firms for over 10 years representing 49%, those of between 6-10 years were 25%, and those of 3-5 years were 16%. The study also established that those of less than 3 years’ experience were 9% as shown in table 4.5

Table 4.5: Duration in the industry

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 3 years</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>3 – 5 years</td>
<td>9</td>
<td>16</td>
</tr>
<tr>
<td>6 – 10 years</td>
<td>14</td>
<td>25</td>
</tr>
<tr>
<td>Over 10 years</td>
<td>27</td>
<td>49</td>
</tr>
<tr>
<td>Total</td>
<td>55</td>
<td>100</td>
</tr>
</tbody>
</table>

4.2.6 Firm Registration

To analyse the firm’s registration, the result established that majority of firms were sole proprietors accounting for 65%, partnerships were 18%, and 16% were limited liability companies as shown in table 4.6.

Table 4.6: Firm Registration

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited Liability Company</td>
<td>9</td>
<td>16</td>
</tr>
<tr>
<td>Partnership</td>
<td>10</td>
<td>18</td>
</tr>
<tr>
<td>Sole proprietor</td>
<td>36</td>
<td>65</td>
</tr>
<tr>
<td>Total</td>
<td>55</td>
<td>100</td>
</tr>
</tbody>
</table>

4.2.9 Number of Employees

The study established that most of the firms had 21-25 employees accounting for 24% of the total response received, 22% had over 36 employees, and 18% had 16-20 employees. At the same time 15% had 30-35 employees and 13% had 26-30 employees. At the same time only 9% had 10-15 employees as shown in Table 4.7
### Table 4.7: Number of Employees

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-15</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>16-20</td>
<td>10</td>
<td>18</td>
</tr>
<tr>
<td>21-25</td>
<td>13</td>
<td>24</td>
</tr>
<tr>
<td>26-30</td>
<td>7</td>
<td>13</td>
</tr>
<tr>
<td>30-35</td>
<td>8</td>
<td>15</td>
</tr>
<tr>
<td>Above 36</td>
<td>12</td>
<td>22</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>55</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

#### 4.3 Strategic Management Practices Within Quantity Surveying Firms

The first objective of the study sought to establish concepts of strategic management practices within quantity surveying firms. Respondents were asked several questions that they were rating with (1) Strongly Disagree (2) Disagrees, (3) Neutral, (4) Agree, and Strongly Agree (5). To achieve this objective, the study analysed the Resource Based View Theory.

##### 4.3.1 Descriptive Analysis of Value

Respondents agreed that there is existing structure of employees, in sense of their competitiveness, corresponds to the tasks, which should be performed (M=4.65, SD= .5335). It was also revealed that the number of employees corresponds to the amount of work, which should be performed (M=4.32, SD=.7970). It was also established that the employees have knowledge and abilities for performing key business processes (M=4.52, SD=.7841) as indicated in Table 4.8.
Table 4.8: Descriptive Analysis of Value

<table>
<thead>
<tr>
<th>Value</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>The company offers products/services with unique characteristics</td>
<td>55</td>
<td>2.95</td>
<td>1.009</td>
</tr>
<tr>
<td>The company creates and maintains products/services with appealing features</td>
<td>55</td>
<td>3.05</td>
<td>0.755</td>
</tr>
<tr>
<td>The company does research to match products/services with customer needs</td>
<td>55</td>
<td>3.41</td>
<td>1.06</td>
</tr>
<tr>
<td>The company offers products/services at affordable prices</td>
<td>55</td>
<td>3.41</td>
<td>1.084</td>
</tr>
<tr>
<td>The company always strives to lead in product/service delivery in our sector</td>
<td>55</td>
<td>3.83</td>
<td>0.73</td>
</tr>
<tr>
<td>The company always keeps the customers aware of our product/service attributes</td>
<td>55</td>
<td>3.61</td>
<td>0.893</td>
</tr>
<tr>
<td>The company has highly skilled and creative product development teams</td>
<td>55</td>
<td>3.64</td>
<td>1.128</td>
</tr>
</tbody>
</table>

4.4 Strategic Management Practices and Performance

To determine relationship between Strategic Management Practices and performance regression was done between Strategic Management Practices as a predictor variable against the performance.

Table 4.9: Model Summary of Strategic Management Practices and Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.867a</td>
<td>.737</td>
<td>.733</td>
<td>.257</td>
</tr>
</tbody>
</table>

Note: a. Predictors: (Constant), Economic Influence

The $R^2$ of the model was 0.737. This means that 73.7 percent of the variations in the performance achieved is as a result of Strategic Management Practices and Performance. The 26.3 percent difference is due to factors not predicted in this model symbolized by the error term. Given this strong model, the study tested whether there is a strong empirical ground to conclude that Strategic Management Practices significantly enhances Performance.
Table 4.10: ANOVA of Strategic Management Practices and Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Regression</td>
<td>10.56</td>
<td>1</td>
<td>10.56</td>
<td>197.68</td>
<td>.000 b</td>
</tr>
<tr>
<td>Residual</td>
<td>4.17</td>
<td>232</td>
<td>.054</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>14.73</td>
<td>233</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


From ANOVA in Table 4.11, there is a p-value of 0.000. The study concludes that there is a significant relationship between Strategic Management Practices and Performance. This implies that Strategic Management Practices have a significant influence in enhancing performance. The standardized coefficient is 0.85 and p value is 0.000. The study used linear regression model to test the relationship between Strategic Management Practices and performance in the industry. The linear equation model is stated as: \( Y = \alpha_0 + \alpha_1X_1 + \epsilon \): Where \( Y \) = performance, \( \alpha \) = Constant value, \( X_1 \) = Strategic Management Practices and \( \epsilon \) = error term.

The following were the results of the model in Table 4.11,

Table 4.11: Coefficients Variation of Strategic Management Practices

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1  (Constant)</td>
<td>-.371</td>
<td>.323</td>
</tr>
<tr>
<td>Strategic Management Practices</td>
<td>1.05</td>
<td>.076</td>
</tr>
</tbody>
</table>

Note: a. Dependent Variable: performance
The study thus represents performance as,

\[
\text{performance} = 1.049 + 0.847 \times \text{Strategic Management Practices} + \epsilon
\]

It means that a unit change in Strategic Management Practices causes a change of 0.85 in performance.

### 4.4.1 Descriptive Analysis of Challenges of Strategic Management Practices

The findings established that strategic management involves a great deal of time and effort that proves too much for the available staff (M=4.59, SD=.501). It was also established that there are difficulties in long-range environmental forecast because of the volatile nature of the economy (M=4.26, SD=.709). It was also established that implementation and control of strategic management practices are rarely undertaken (M=4.17, SD=0.714).

#### Table 4.12: Descriptive Analysis of Challenges of Strategic Management Practices

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic management involves a great deal of time and effort that proves too much for the available staff.</td>
<td>55</td>
<td>4.59</td>
<td>.501</td>
</tr>
<tr>
<td>There are difficulties in long-range environmental forecast because of the volatile nature of the economy.</td>
<td>55</td>
<td>4.26</td>
<td>.709</td>
</tr>
<tr>
<td>Implementation and control of strategic management practices are rarely undertaken.</td>
<td>55</td>
<td>4.17</td>
<td>.714</td>
</tr>
<tr>
<td>Adoption of strategic management practices restrict the organization to the most rational and risk-free opportunities</td>
<td>55</td>
<td>2.58</td>
<td>1.316</td>
</tr>
<tr>
<td>We have experienced failure to understand the customer</td>
<td>55</td>
<td>2.99</td>
<td>1.315</td>
</tr>
<tr>
<td>We undertake inadequate or incorrect marketing research due to limited resources</td>
<td>55</td>
<td>2.46</td>
<td>1.116</td>
</tr>
<tr>
<td>We have a challenge in predicting environment reaction</td>
<td>55</td>
<td>3.46</td>
<td>1.030</td>
</tr>
<tr>
<td>We face stiff competition in pricing among our competitors</td>
<td>55</td>
<td>4.49</td>
<td>.501</td>
</tr>
<tr>
<td>We lack staff, equipment and processes to handle the new strategy</td>
<td>55</td>
<td>2.36</td>
<td>.709</td>
</tr>
</tbody>
</table>

Majority disagreed that adoption of strategic management practices restricts the organization to the most rational and risk-free opportunities (M=2.58, SD=1.316). It was
however disagreed that have experienced failure to understand the customer (M=2.99, SD=1.315). It was also disagreed that respondents undertake inadequate or incorrect marketing research due to limited resources (M=2.46, SD=1.116). There was uncertainty of the firms having a challenge in predicting environment reaction (M=3.46, SD=1.030). There was however an agreement that the firms face stiff competition in pricing among our competitors (M=4.49, SD=.501). The respondents however disagreed that they lack staff, equipment and processes to handle the new strategy (M=2.36, SD=.709).

4.5 Benefits of strategic management practices within the quantity surveyor’s firms

The third objective of the study sought to identify Benefits of strategic management practices within quantity surveying firms. Respondents were asked several questions that they were rating with (1) Strongly Disagree (2) Disagrees, (3) Neutral, (4) Agree, and Strongly Agree (5).

4.5.1 Descriptive Analysis of Benefits of Strategic Management Practices

It was revealed that Top management take formal responsibility for the firm’s strategic business planning (M=3.96, SD=.812) and strategic planning is top priority activity, performed on regular basis e.g. yearly (M=4.07, SD=.896).

Table 4.13: Descriptive Analysis of Benefits of Strategic Management Practices

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Top management take formal responsibility for the firm’s strategic business planning</td>
<td>55</td>
<td>3.96</td>
<td>.812</td>
</tr>
<tr>
<td>2. Strategic planning is top priority activity, performed on regular basis e.g. yearly</td>
<td>55</td>
<td>4.07</td>
<td>.896</td>
</tr>
<tr>
<td>3. Organization follow a defined set of procedures in its Strategic planning process</td>
<td>55</td>
<td>4.11</td>
<td>.818</td>
</tr>
<tr>
<td>4. The organization provide resources (managers time, money, Staff support) specifically for strategic planning</td>
<td>55</td>
<td>4.48</td>
<td>1.125</td>
</tr>
<tr>
<td>5. The firm have a written mission statement</td>
<td>55</td>
<td>3.78</td>
<td>.899</td>
</tr>
<tr>
<td>6. The firm periodically gather and analyze data about market and other external factors which affect the business</td>
<td>55</td>
<td>3.01</td>
<td>1.207</td>
</tr>
</tbody>
</table>

As shown in Table 4.13 The findings also established that organization follow a defined set of procedures in its Strategic planning process (M=4.11, SD=.818) and majority
agreed that the organization provide resources (managers time, money, Staff support) earmarked specifically for strategic planning (M=4.48, SD=1.125). The study also revealed that the firm have a written mission statement (M=3.78, SD=.899) although there was a lack of agreement on whether the firm periodically gather and analyze data about market and other external factors which affect the business (M=3.01, SD=1.207).

Majority agreed that the external/market analysis identify key threats to the business? Key Opportunities? (M=4.61, SD=1.206). Although an agreement couldn’t be reached to establish if the business performance and operational characteristics are better compared with those of competitors? (M=3.23, SD=1.125). The analysis also show that the firm make strategic decisions (implementation action plans) Based upon the strategic plan (M=4.58, SD=1.171) and the firm set clearly defined and measurable performance standards for each plan element (M=4.31, SD=1.002). Most of the firms develop an organized system for monitoring how well performance standards are met (M=4.15, SD=1.025).

4.6 Performance of Firms

The study analyzes performance of firms and to achieve this objective respondent were asked to provide their firm’s Net Income after Tax in KES and sales growth rate in percentage for the 2014-2016.

4.6.1 Descriptive Analysis of Net Income after Tax

The study revealed that no firm recorded Zero income over the period, however for the period, firms with 0-25 million in incomes grew from 18% in 2014 to 44% in 2016. Over same period firms with 26-50 million recorded the highest income in 2014 at 45% and a low of 31% in 2016. It was also established that firms with 51-100 million recorded the highest income in 2014 at 27% and a low of 18% in 2016. Likewise, firms with over 100 million recorded the highest income in 2014 at 9% and a low of 4% in 2015.
Table 4.14: Net Income after Tax in KES for the Period 2014-2016

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th></th>
<th>2015</th>
<th></th>
<th>2016</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>Zero</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>0-25 Million</td>
<td>10</td>
<td>18</td>
<td>22</td>
<td>40</td>
<td>24</td>
<td>44</td>
</tr>
<tr>
<td>26-50 Million</td>
<td>25</td>
<td>45</td>
<td>20</td>
<td>36</td>
<td>17</td>
<td>31</td>
</tr>
<tr>
<td>51-100 Million</td>
<td>15</td>
<td>27</td>
<td>11</td>
<td>20</td>
<td>10</td>
<td>18</td>
</tr>
<tr>
<td>Over 100 Million</td>
<td>5</td>
<td>9</td>
<td>2</td>
<td>4</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Totals</td>
<td>55</td>
<td>100</td>
<td>55</td>
<td>100</td>
<td>55</td>
<td>100</td>
</tr>
</tbody>
</table>

4.6.2 Descriptive Analysis of Sales Growth Rate in Percentage

The study revealed that no firm recorded Zero sales growth rate over the period, however for the period, firms with 0-5 percent sales declined from 22% in 2014 to 20% in 2016. Over same period firms with 6-10 percent sales growth recorded the highest growth in 2015 at 58% and a low of 51% in 2016. It was also established that firms with over 10 percent sales growth recorded the highest growth in 2016 at 29% and a low of 25% in 2014 as shown in Table 4.16

Table 4.15: Descriptive Analysis of Sales Growth Rate for the Period 2014-2016

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th></th>
<th>2015</th>
<th></th>
<th>2016</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>Less than Zero (%)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>0-5 (%)</td>
<td>12</td>
<td>22</td>
<td>8</td>
<td>15</td>
<td>11</td>
<td>20</td>
</tr>
<tr>
<td>6-10 (%)</td>
<td>29</td>
<td>53</td>
<td>32</td>
<td>58</td>
<td>28</td>
<td>51</td>
</tr>
<tr>
<td>Above 10 (%)</td>
<td>14</td>
<td>25</td>
<td>15</td>
<td>27</td>
<td>16</td>
<td>29</td>
</tr>
<tr>
<td>Totals</td>
<td>55</td>
<td>100</td>
<td>55</td>
<td>100</td>
<td>55</td>
<td>100</td>
</tr>
</tbody>
</table>

4.7 Chapter Summary

This chapter has highlighted results and findings. The first section provided an analysis of demographic data of the respondents, the second section dealt with data on concepts of strategic management, the third section looked at the data on challenges concepts of strategic management, and the fourth section covered issues of benefits of strategic management practices. The fifth section covered issues of improvement of strategic
management practices while the last section looked at performance of quantity surveying firms. In chapter five this result will be discussed, and relevant conclusions and recommendations made with regard to strategic management practices.
CHAPTER FIVE

5.0 DISCUSSION CONCLUSION AND RECOMMENDATION

5.1 Introduction

This section will seek to analyse the findings, and this is done by comparing and contrasting the results obtained with previous literature related to strategic management practices. This was organized based on the specific research questions on strategic management practices in quality surveying firms.

5.2 Summary of the Study

The purpose of this study was to establish the influence of strategic management practices on performance of quantity surveying firms in Nairobi County. To achieve this purpose, the study was guided by three specific objectives which sought to identify strategic management practices within quantity surveying firms in Nairobi, to identify challenges facing quantity surveyor’s firms in Nairobi in the formulation and operationalization of strategic management practices and finally to highlight the benefits of strategic management practices within the quantity surveyor’s firms in Nairobi.

A descriptive research was adopted because the study was aimed at collecting information from respondents on the influence of strategic management practices on performance of quantity surveying firms in Nairobi County. The target population for this study was 66 respondents who oversee strategy implementation in quantity surveying firms in Nairobi County. This comprised of quantity surveyor, director of operations and office manager. The purposive sampling was applied resulting into 64 respondents. Out of the total of 64 questionnaires were awarded only 55 were filled and returned giving a response rate of 86%.

Analysis of the first objective revealed that respondents agreed that there is existing structure of employees, in sense of their competitiveness, corresponds to the tasks, which should be performed. It was also revealed that the number of employees corresponds to the amount of work, which should be performed. It was also established that the employees have knowledge and abilities for performing key business processes. The findings also show that rarity of knowledge and abilities of employees is considered during their recruitment and the employees have specifics knowledge and abilities. It was also revealed that the employees’ creativity and innovations have been encouraged. It was
however disagreed by many that the companies invest in development of rare knowledge and abilities of employees.

The findings revealed that knowledge and abilities that employees possess can be hardly imitated. It was established that majority disagreed that the knowledge that employees possess is unavailable or difficult to obtain, due to the small number of people who possess it. The findings also show that there was uncertainty that Knowledge of employees is hardly transferable (in terms of simplicity of obtaining or learning. The study also revealed that the costs of acquiring valuable knowledge and abilities are high, and in that sense, these attributes of employees are unattainable. The study revealed that knowledge and abilities of employees are complementary with other resources. It was also established that the employees are empowered according to their knowledge and abilities. Majority agreed that the compensation system is structured in such a way that it motivates employees to use their knowledge and abilities while cooperation and communication between employees at all hierarchical levels and between hierarchical levels is encouraged.

An analysis of the challenges of strategic practices and the findings established that strategic management involves a great deal of time and effort that proves too much for the available staff. It was also established that there are difficulties in long-range environmental forecast because of the volatile nature of the economy. It was also established that implementation and control of strategic management practices are rarely undertaken. Majority disagreed that adoption of strategic management practices restricts the organization to the most rational and risk-free opportunities as well as experienced failure to understand the customer neither did respondents undertake inadequate or incorrect marketing research due to limited resources. There was however an agreement that the firms face stiff competition in pricing among competitors the respondents however disagreed that they lack staff, equipment and processes to handle the new strategy.

An analysis of the benefits of strategic management practices revealed that top management take formal responsibility for the firm’s strategic business planning and strategic planning is top priority activity, performed on regular basis e.g. yearly. The findings also established that organization follow a defined set of procedures in its Strategic planning process and majority agreed that the organization provide resources
managers time, money, Staff support earmarked specifically for strategic planning. The study also revealed that the firm has a written mission statement although there was a Lack of agreement on whether the firm periodically gather and analyze data about market and other external factors which affect the business. Majority agreed that the external/market analysis identify key threats to the business and Key Opportunities. The analysis also show that the firm make strategic decisions (implementation action plans) Based upon the strategic plan and the firm set clearly defined and measurable performance standards for each plan element. Most of the firms also acknowledged that they develop an organized system for monitoring how well performance standards are met.

5.3 Discussion

5.3.1 Strategic Management Practices within Quantity Surveying Firms

Analysis of the first objective revealed that respondents agreed that there are existing structure of employees, in sense of their competitiveness, corresponds to the tasks, which should be performed. Savage et al., (2011) agrees that for either for-profit or not-for-profit top managers and managing partners, managing a professional partnership is daunting. One logic is that the top management performance focal point shifts from firm profit or mission accomplishment to balancing that clear-cut goal with the successful dealing with the social problem. Another reason is that the stakeholder relation- ships for the collaborative drive are complex, involving multiple stakeholders with varying interests and goals

It was also established that the employees have knowledge and abilities for performing key business processes. The theory focuses on the Value (V), rarity (R), imitability (I) and organizational (O) aspects of resources and capabilities leading to the VRIO framework. According to the framework, value adding processes give a firm competitive edge whereas processes that do not add value negatively impact on the firm’s competitiveness as they lead to unnecessary interruptions (Candy & Gordon, 2011). Where resources are not adding value, they should be purposefully abandoned (Swaim, 2011). Rarity is a competitive advantage that arises where the firm can provide services or a product in the market that no other or few firms have. If the resource is beneficial and rare, then it can be a source of competitive advantage.
The findings also show that rarity of knowledge and abilities of employees is considered during their recruitment and the employees have specifics knowledge and abilities. Candy and Gordon (2011) contends that resource-based view theory hypothesizes that the competitive advantage of a firm is determined by resource uniqueness. Hence, the starting point is to review the resources at the disposal of operating firms. Wang (2009) defines resources to mean both tangible and intangible assets that an organization uses to choose and implement its strategies. Tangible resources include financial, technological, physical and organizational resources while intangible resources include human, reputations and innovation (Candy & Gordon, 2011).

It was also revealed that the employees’ creativity and innovations have been encouraged. Scholar argue that competitive advantage theory which is grounded on RBV had simple interpretation and assumes that for a firm to continuously enjoy their competitiveness it must place their focal point on how they have managed to attain their attributes to always maintain their standards. In that regard, we can convincingly say that RBV has furnished us with the basic understanding of the factor that impacts on the sustainability of the competition of the firm. Even though, there have been controversies associated with RBV and its applicability many still believe that it is conceptualized rather than giving an empirical evidence, therefore, there is need to dwell on understanding how to clarify the remnant in the field (Fahy, 2015).

The study also revealed that the costs of acquiring valuable knowledge and abilities are high, and in that sense, these attributes of employees are unattainable. Hence, Cool, Costa and Derick (2002) argue that if there was the same stock of resources in all firms in an industry, then there would be no strategy available to one firm that cannot be available to the other firms. This theory has its critics. Foss (1998) argues that it does not provide any unit for analysis. Since the individual resources from a cog of this theory, it can only provide a unit for analysis only if individual resources are identifiable and well defined. Secondly, the value ignores the exogenous nature of value as well as the environment (Barney, 2001).

The study revealed that knowledge and abilities of employees are complementary with other resources. With its emphasis on internal firm resources as sources of competitive advantage, the popularity of the RBV in the strategic management practices has been no exception. The resources and capabilities of the RBV have significantly and
independently influenced the fields of strategy. By turning attention toward the internal resources, capabilities, and competencies of the firm such as knowledge, learning, and dynamic capabilities (Hoskisson, Hitt, Wan & Yiu, 1999). It has brought strategy researchers to inescapably face many issues about the management of people (Barney, 1996).

5.3.2 Strategic Management Practices within Quantity Surveying Firms

An analysis of the challenges of strategic practices and the findings established that strategic management involves a great deal of time and effort that proves too much for the available staff. This concurs with previous literature which indicates that between 50% and 80% of strategy implementation efforts fail (Jonk & Ungerath, 2006; Raps, 2004; Atkinson, 2006). According to Bell, Dean, and Gottschalk (2010), strategy execution is commonly the most complicated and time-consuming part of strategic management, while strategy formulation is primarily an intellectual and creative act involving analysis and synthesis. Thus, it is important to study the properties of successful strategy implementation.

The study established that there are difficulties in long-range environmental forecast because of the volatile nature of the economy. This is in line with past research which indicates that a lack of emphasis on strategic planning in construction relative to other sectors has been established by many scholars (Chinowsky & Meredith, 2000; Price, 2003; Dansoh, 2005). As a project-based industry, greater focus has traditionally been expended upon shorter-term, operational and tactical planning to execute projects (Dansoh, 2005). Often, strategic planning process may be unstructured, non-routine, non-repetitive, and more complex than operational planning (Junnonen, 1998). In a survey of strategic management practice of US major contracting and design firms, Chinowsky et al. (2001) concluded that firms generally emphasized on technology and its integration for knowledge transfer, and awareness of the need for market expansion, whilst they put less attention to long-life education for middle and upper-level employees and lack understanding of securing their competitive advantage and of financial instruments for achieving long-term objectives. This suggests little long-term investment in human capital and organization learning for developing organizations.

It was also established that implementation and control of strategic management practices are rarely undertaken. According to Cater and Pucko (2010), the implementation of
strategies was a key driver of the emergence of strategic management in late 20th century. Egelhoff (1993) investigated whether organizations are looking for great strategy or great strategy implementation by analyzing Asian firms that have competed successfully by focusing on the implementation of not so distinctive strategies instead of attempting to develop unique strategies. According to Zaribaf and Bayrami (2010), the majority of large organizations had problems with strategy implementation. The literature supports the view that unlike strategy formulation, strategy implementation cannot be achieved by top management alone; it requires the collaboration of everyone inside the organization and, on many occasions, parties outside the organization. While formulating a strategy is normally a top-down endeavor, implementing it requires simultaneous top-down, bottom-up, and across efforts.

Majority disagreed that adoption of strategic management practices restricts the organization to the most rational and risk-free opportunities. Soetanto et al. (2007) conducted a questionnaire survey of construction directors and managers to explore current strategic planning practices in construction organizations in the UK. The findings indicate that strategic planning is an informal process relying on personal experience and intuition. For some, planning longer-term seems difficult given the way construction order is made. This confirms the belief that construction is dynamic, highly turbulent, rapidly changing industry and therefore a low level of strategic planning (Price & Newson, 2003). Most respondents used fairly simple tools, such as SWOT and competitor analyses; few exercised ‘what-if’ analysis within top management circle. The approaches tended to be ‘top-down’ in orientation, where senior managers determined the company strategic plan and then they communicated this to staff. This policy could potentially negate innovative ideas which may emerge from staff at the lower levels within the management hierarchy. The majority had a fairly shorter-term orientation to the future and admitted to having experienced external events that had changed the course of their plan.

5.3.3 Benefits of Strategic Management Practices within Quantity Surveyor’s Firms

An analysis of the benefits of strategic management practices revealed that top management take formal responsibility for the firm’s strategic business planning and strategic planning is top priority activity, performed on regular basis e.g. yearly. Similar findings were expressed by Odunga (2011) in his study to investigate the strategic
management practices of construction firms in Kenya. The study had a singular objective to establish the strategic management practices adopted by construction firms in Kenya. The research was carried out by using a cross sectional survey design. The findings showed that; most firms had a vision, a mission statement and set objectives which were either written down or implied. The firms also carried out situational analysis to establish their strategic position in their operating environment. In addition, the firms had strategies on how to achieve their objectives. The firms were therefore actively involved in the strategic formulation process.

The findings also established that organization follow a defined set of procedures in its Strategic planning process and majority agreed that the organization provide resources managers time, money, Staff support earmarked specifically for strategic planning. Same sentiments were expressed by Nyariki (2013) in her research when she sought to establish strategic management practices and their influence on performance of SMEs in Kenya. The study adopted the descriptive cross-sectional research design. The study established that majority of the SMEs had adopted strategies in the past. The study further established that external factors contributed to adoption of new strategies to a very great extent; internal factors such as internal processes, top managers’ ability to develop effective strategies, firm’s resources, organizations behavior and characteristics also influenced their organizations adoption of new strategies as organizations seek to remain competitive in the market. The study also found out that majority of the SMEs adopted various strategies to a great extent in order to achieve competitive advantage; they included: market strategy, products reputation, customers’ differentiation, product pricing, cost control, technology, quality of the product, product and service innovations and customer service strategies.

The study also revealed that the firm has a written mission statement and this finding concur with Masita (2013) study which sought to analyze the strategic management practices by Government agencies in the road construction industry in Kenya. The practices studied included goal setting, strategic analysis, strategy formulation, strategy implementation and evaluation and monitoring. Through this study, it was established that all the six agencies in the road construction industry in Kenya follow strategic management practices. Despite there being no uniform process adhered to, all the agencies exhibited all the components of the strategic management process. The research carried out on this study led to identification of the crucial aspects of strategic
management practices that facilitated better management and therefore enhanced achievement of the mandates of the agencies.

There was however a lack of agreement on whether the firm periodically gather and analyze data about market and other external factors which affect the business. Other studies however note that in order for a company to succeed in long-term, a company in minimum has to spot the changes in business environment, understand the consequences, and to change actions accordingly. Moreover, it is possible to see future’s changes in advance and to gain advantage from future opportunities and even threats. If a company does not understand the consequences of the change that has happened in the environment and change its operations accordingly, it will die sooner or later. These are the reasons why analyzing the environment is so important for companies (Kamensky, 2008). On the other hand, Kotler (2000) divides the environments into two: internal and external environments. The internal analysis points out the strengths and weaknesses of the company, while the external analysis points out the opportunities and threats in the market.

Majority agreed that the external/market analysis identify key threats to the business and Key Opportunities. Kotler (2000) states that opportunities and threats present factors in an organization’s external environment. These factors are forces that organizations cannot control, but in order to be successful they have to be aware of them. Companies have to be awake and constantly observe conditions in its environment to seize opportunities and to discover threats. Opportunities arise when organizations can become profitable from the exploitation of opportunities and benefit from these conditions in its environment. Companies can get an edge over its competitors by exploiting these opportunities; therefore, companies should strive for taking the greatest possible advantage out of opportunities. On the other hand, Hitt et al. (2007) elaborates that while exploiting opportunities, a company should try to minimize and avoid threats in its external environment. If a company is not prepared for these conditions, it can, in the worse scenario, jeopardize the whole business. Therefore, companies should be prepared to tackle these external threats so that they will not come as a surprise and then it can be too late to react (Hitt et al. 2007).
5.4 Conclusion

5.4.1 Strategic Management Practices within Quantity Surveying Firms

Within the quantity surveyor’s industry there exist structure of employees, in sense of their competitiveness, and corresponds to the tasks, which they should perform. The sector is also well staffed as the number of employees corresponds to the amount of work, which should be performed. In addition, during their recruitment, specific knowledge and abilities are sought. The employees are empowered according to their knowledge and abilities and the compensation system is structured in a way that motivates employees to utilize their knowledge and abilities fully.

5.4.2 Challenges of Strategic Management Practices within Quantity Surveying Firms

The quantity surveying firms have a challenge in time management when it comes to adhering to strategic management practices. There are also experienced difficulties in long-range environmental forecast because of the volatile nature of the economy and as such control of strategic management practices are rarely undertaken. As per the findings quantity surveyors firm have the perception that adoption of strategic management practices does not restrict the organization to the most rational and risk-free. Although in the sector the firms face stiff competition in pricing among competitors.

5.4.3 Benefits of Strategic Management Practices within Quantity Surveyor’s Firms

As per the findings top management take formal responsibility for the firm’s strategic business planning and strategic planning is considered a top priority activity that should be performed on regular basis. The firms have also set in place a defined set of procedures accompanied by the available resources. The institutions have a written mission statement and use of external market analysis identify key threats and opportunities to the business. They also make strategic decisions based upon the strategic plan and clearly defined and measurable performance standards for each plan element are set. To ensure the targets are met, there are organized systems for monitoring how well performance standards are met.
5.5 Recommendation

5.5.1 Recommendation for Improvement

5.5.1.1 Strategic Management Practices within Quantity Surveying Firms

Quantity surveying firms should ensure structure that structures in place allows employees to correspond to the tasks to be performed. Regular staffing needs should also be assessed on the regular to ensure that at a given time the number of employees always corresponds to the work load. Employees’ creativity and innovations also need to be encouraged to ensure the firms gain competitive advantage. The companies also need to invest in development of rare knowledge and abilities of employees to mitigate skill gaps that might arise. Cooperation and communication between employees at all hierarchical levels and between hierarchical levels should also be highly encouraged.

5.5.1.2 Challenges of Strategic Management Practices within Quantity Surveying Firms

In order to succeed in strategic practices, the firms need to invest in time and resources, in addition employees ought to know that benefits of such practices. Implementation and control of strategic management practices need to be adopted fully in the industry in order for the firms to enjoy competitive advantage. There is a need to understand the customer and undertake continuous marketing research in order to better understand the dynamic needs of the customers.

5.5.1.3 Benefits of Strategic Management Practices within Quantity Surveyor’s Firms

Top management should be encouraged to take formal responsibility for the firm’s strategic business planning and in order to ensure success there is a need to involve all the stake holders in the process. The findings show that strategic planning is top priority activity, performed on regular basis there is a need to evaluate the benefits accrued from the process as well as the current defined set of procedures and amendments to ensure efficiency. The organizations need to review the amount of resource utilized for strategic planning and where possible a review done as per the need assessed. The institutions should be encouraged to periodically gather and analyze data about market and other external factors which might affect the smooth running of the business.
5.5.1.4 Areas for Improvement of Operations in Quantity Surveying Firms
There is a need for quantity surveyors’ firm to fully understand customer needs and how they might be developed. This is attainable through having a customer strategy that focuses fully on the customer needs and deliver product/service beyond customer expectations. To achieve this, the firms need to regularly solicit customer feedback to improve products or services and monitor how well competitors are doing on the same metrics. The firms should be encouraged to continuously empower their staff to provide excellent customer service and regularly solicit customer feedback and act on the information.

5.5.2 Recommendation for Further Research
This study sought to establish the influence of strategic management practices on performance of quantity surveying firms in Nairobi County. More research needs to be done on concepts of strategic management practices, challenges of strategic management practices, benefits of strategic management practices and areas for improvement of operations in quantity surveying firms based in other parts of the country in order to generalize the findings.
REFERENCES


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https://doi.org/10.1177/1548051811400750


https://doi.org/10.1007/s10551-012-1380-9


APPENDICES
Appendix I. Cover Letter

Barrack Omondi Ong’ondo

United States International University- Africa (USIU-A)

P.O. Box 14634-00800

Nairobi

Date:

Dear Respondent,

I am carrying out a research on the influence of strategic management practices on performance of quantity surveying firms in Nairobi county. This study is in partial fulfillment of the requirement of the Degree of Masters in Business Administration (MBA) at the United States International University - Africa.

The research will use registered quantity surveying firms as the case study from which your reputable firm has been selected as one of the respondents; the result of this research will provide the stakeholders with key insight of the factors affecting strategic performance of consultancy firms.

This is an academic research, confidentiality and anonymity of the respondent will be strictly given priority to, and respondent will not identify themselves. Kindly spare some time to complete the questionnaire attached.

Should you require a summarized report of the findings of the research, kindly on a piece of paper, share your address for the researcher to be able to furnish you with the same.

Thank you in advance,

Yours sincerely,

Omondi Barrack Ong’ondo
Appendix II. Questionnaire

SECTION I:

PART A: RESPONDENTS BIO DATA

This section focuses on obtaining information on your personal background. Kindly answer all the questions by ticking in the boxes or filling the spaces provided.

1. What is your level of education?
   O level [ ]  College [ ]  University [ ]  Post University [ ]

2. What is your job category?.................................................................

3. Are you a registered Quantity Surveyor?      Yes [ ]      No [ ]

4. How long have you been in the industry?
   Less than 3 years [ ]  3 – 5 years [ ]  6 – 10 years [ ]  Over 10 years [ ]

PART B: FIRM PROFILE

5. How is the firm registered?
   Limited Liability Company [ ]  partnership [ ]  Sole proprietor [ ]

6. When did the firm commence business?.........................................................

7. How many employees does the firm have?
   10-15 [ ]  16-20 [ ]  21-25 [ ]  26-30 [ ]  30-35 [ ]  Above 36 [ ]

9. Are the directors/partners trained in management?
   Yes [ ]  No [ ]
Section C: Strategic Management Practices within Quantity Surveying Firms

Please tick the number which represents the extent to which you agree with the following statements: (1) Strongly Disagree (2) Disagrees, (3) Neutral, (4) Agree, and Strongly Agree (5).

<table>
<thead>
<tr>
<th>Statements</th>
<th>Strongly</th>
<th>Disagree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly</th>
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<tbody>
<tr>
<td>The company charges lower price than our competitors</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>The company reduces labour input through automations</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>The company vigorously pursue cost reduction</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>The company have access to low cost raw materials than our competitors</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>The company strives to reduce cost in administration activities</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<td>5</td>
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<tr>
<td>The company outsources functions to control costs</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>The company continuously exercise tight cost control and pay attention to details</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>The company identifies underperforming areas in order to cut costs</td>
<td>1</td>
<td>2</td>
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<td>4</td>
<td>5</td>
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<tr>
<td>The company focuses on product design technique that economize on cost of materials</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<td>5</td>
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<tr>
<td>The company enjoys high level of expertise in manufacturing process engineering.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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</tbody>
</table>
Section D: Challenges of Strategic Management Practices within Quantity Surveying firms

Please tick the number which represents the extent to which you agree with the following statements: (1) Strongly Disagree (2) Disagrees, (3) Neutral, (4) Agree, and Strongly Agree (5).

<table>
<thead>
<tr>
<th>Variable</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic management involves a great deal of time and effort that proves too much for the available staff.</td>
<td></td>
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<tr>
<td>There are difficulties in long-range environmental forecast because of the volatile nature of the economy.</td>
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<tr>
<td>Implementation and control of strategic management practices are rarely undertaken.</td>
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<tr>
<td>Adoption of strategic management practices restrict the organization to the most rational and risk-free opportunities</td>
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<tr>
<td>We have experienced failure to understand the customer</td>
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<tr>
<td>We undertake inadequate or incorrect marketing research due to limited resources</td>
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<tr>
<td>We have a challenge in predicting environment reaction</td>
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<td>We face stiff competition in pricing among our competitors</td>
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<tr>
<td>We lack staff, equipment and processes to handle the new strategy</td>
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</tbody>
</table>
Section E: Benefits of strategic management practices within the quantity surveyor’s firms

Please tick the number which represents the extent to which you agree with the following statements: (1) Strongly Disagree (2) Disagrees, (3) Neutral, (4) Agree, and Strongly Agree (5).

<table>
<thead>
<tr>
<th>Variable</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top management take formal responsibility for the firm’s strategic business planning</td>
<td></td>
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<td></td>
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<tr>
<td>Strategic planning is top priority activity, performed on regular basis e.g. yearly</td>
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<td></td>
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<tr>
<td>Organization follow a defined set of procedures in its Strategic planning process</td>
<td></td>
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<tr>
<td>The organization provide resources (managers time, money, Staff support) earmarked specifically for strategic planning</td>
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<td>The firm have a written mission statement</td>
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<tr>
<td>The firm periodically gather and analyze data about market and other external factors which affect the business</td>
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</tbody>
</table>

PERFORMANCE OF FIRMS

Please provide your firm’s Net Income after Tax in KES for the last three years by ticking appropriately

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zero</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>0-25 Million</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>26-50 Million</td>
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<td></td>
<td></td>
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<tr>
<td>51-100 Million</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Over 100 Million</td>
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<td></td>
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</tbody>
</table>
Please provide the sales growth rate by your firm in percentage (%) for the last three years by ticking appropriately.

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than Zero (%)</td>
<td></td>
<td></td>
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<tr>
<td>0-5 (%)</td>
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<tr>
<td>6-10 (%)</td>
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<tr>
<td>Above 10 (%)</td>
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</table>

Thank You