EFFECT OF STRATEGIC MANAGEMENT PRACTICES ON ORGANIZATIONAL PERFORMANCE OF FINTECH IN AFRICA: A CASE STUDY OF CELLULANT CORPORATION

BY

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UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

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CORPORATION

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AFRICA

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STUDENT’S DECLARATION

I, the undersigned, declare that this is an 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: __________________________

Anthony Muiruri Kimani (650274)

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

Signed: __________________________  Date: __________________________

Professor Paul Katuse

Signed: __________________________  Date: __________________________

Dean, School of Business
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Anthony Kimani, 2018
ABSTRACT

The main aim of the study was to establish the effect of strategic management practices on organizational performance of Fintech companies in Africa: A case study of Cellulant Corporation. The specific objectives of the study were to establish the effect of strategy formulation, implementation, and evaluation of the organizational performance of Cellulant Corporation. The study employed a descriptive correlational research design where it targeted the strategic management team at Cellulant Corporation (country managers, finance managers, product development team managers and implementation engineers). A probability (simple random) and non-probability (cluster) sampling techniques were used to select study participants. The sample size for the study was 39 from a total population of 43. The questionnaire was the central data collection tool where the researcher used Google Forms as a way to administer it for data collection. Its data was analyzed both descriptively (mean, frequencies, percentages, and standard deviation) and inferentially. Analyzed data were presented descriptively in the form of tables, graphs and pie charts. Findings on the first objective revealed that the effect of strategy formulation was found to be at an R Squared coefficient of 0.178. For the second objective, the impact of strategy implementation on organizational performance was estimated to be at an R Squared coefficient of 0.232. Analysis of the final goal estimated the R Squared coefficient relating to the effect of strategy evaluation on organizational performance to be 0.267. These findings were majorly consistent with most previous studies. It was concluded that strategy formulation practices at Cellulant Corporation were not up to expectations and there is much to be done in this regard to facilitate the enhancement of organizational performance. It was also concluded that strategy implementation practices were partly the reason that causes dismal performance as reflected by annual and other periodic KPIs. The study equally found that strategy evaluation had a significant effect on organizational performance but needed to be substantially improved for it to make an impact at Cellulant Corporation. Recommendations suggested the inclusion of more operational members in strategy formulation, the adoption of a more objective formula in resource allocation, and preempting terminal underperformance through rigorous formative evaluations.
ACKNOWLEDGMENT

Firstly, I Give God thanks for giving me the strength and life to complete this project. I am also sincerely appreciative to Cellulant Corporation, and it's staff members who took their time to respond to the survey questionnaire. I also wish to appreciate the efforts of my research supervisor, Professor Paul Katuse for his relentless and ever forthcoming assistance towards completing this dissertation. The integrity that this work has is majorly attributed to his competent advice. Finally, I acknowledge the efforts of all instructors within the field of strategic management at USIU Kenya for they have worked tirelessly to ensure I have the conceptual ability to carry out such a massive project.
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<tbody>
<tr>
<td>ATM</td>
<td>Automated Teller Machine</td>
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<td>CA</td>
<td>Communication Authority</td>
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<td>CBK</td>
<td>Central Bank of Kenya</td>
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<td>CEO</td>
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<td>Product Development Manager</td>
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<tr>
<td>PESTLE</td>
<td>Political, Economic, Social, Technological, Legal and Ecological</td>
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<tr>
<td>ROI</td>
<td>Return on Investment</td>
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<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
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<td>SWOT</td>
<td>Strengths, Weaknesses, Opportunities, and Threats</td>
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Digital financial service provision is a rather new industry that is fast growing in popularity. Its popularity is growing worldwide with time, and Fintech companies now pose a major threat to conventional banking systems and their models. While the concept is thought to be new, its roots can be traced way back in the 1950's with the introduction of credit cards and the 1960's when Automated Teller Machines (ATMs) were also introduced (Dhar & Stein, 2017). More sophisticated record-keeping systems coupled with e-commerce platforms have also been developed over time in the advancement of financial technology where customers could easily pay through payment gateways. Currently, the leading companies in this industry are Bloomberg, Thomson Reuters TRI +0%, SunGard, and Misys MUSJY (Arner, Barberis, & Buckley, 2015). Due to the consistent growth of this industry and its firms, the issue of organizational performance has now become of concern to all stakeholders such as employees, management, the public, investors, and financiers.

The value of this industry is further underscored by the fact that the global investment into the sector stands at an estimated $49.7 billion (Gozman, Liebenau, & Mangan, 2018). There are about 1,360 Fintech companies currently operating in more than 50 countries worldwide, with ease of access said to be the biggest factor that leads to their popularity everywhere they are. The most investment into Fintech is in the USA, the UK, Ireland, China, Europe, and India. Within this industry, the finance and lending sector seems to have the most significant proportion of the investment as it commands 19% of the total investment (Vives, 2017). Processing and payment sector follow this as it has 14%. The much investment made in this industry implies that it is closely monitored by all stakeholders and more specifically its management. The turbulent times that define the contemporary corporate world necessitate sound plans that can only be formulated and implemented through strategic management.

In Africa, Fintech companies have been lauded for their contribution to the financial inclusion of the unbanked population that is about 80% according to a research conducted by McKinsey (Chironga, Grandis, & Zouao, 2017). This is the market that most of these
companies strive to secure using various products tailored to specific needs. The strategic management of Fintech firms in Africa is unique in that the industry is not as much disrupting conventional banking system since not much of the population is banked. Firms operating in this region, therefore, tend to enjoy much freedom and less competition, but this is said to be subject to change as more companies join the industry. The organizational performance of these firms is, therefore, being followed keenly by stakeholders to determine its prospects. At the same time, companies are continually reinforcing their long-term strategies to cement their position in the market and command as big market shares as possible before it is saturated (Chironga, Grandis, & Zouao, 2017).

The African industry is however faced with issues that are particularly disfavoring the long-term business of fintech firms. The biggest challenge is that majority of clients are financially unstable and are likely to default on unsecured loans advanced to them. In Nigeria, PiggyBank reports that Internet connectivity is one of the challenges that make it difficult for it to penetrate the market further (Kendall, Schiff, & Smadja, 2014). On top of connectivity, South African Electrum laments the low literacy levels among Africans when it comes to the use of technological gadgets. While this is slowly improving with time, it remains a stumbling block to many potential customers to join the bandwagon. It is for these reasons that there is a need for management to adapt their strategies to prevailing circumstances and still propel these firms to higher organizational performance especially in the long run.

Despite being in Africa, Kenya was considered to be the country with the most favorable environment of financial and digital inclusion in the world in the year 2017 (Ngunjiri, 2017). This report was published by Brookings Institution's Centre for Technology Innovation, which is a Washington DC-based Non-Governmental Organization. The survey included 26 countries, and in all three annual studies for 2015, 2016, and 2017, Kenya held the first position. The report also indicated that the percentage of adult Kenyans that were covered by Fintech and other financial companies was 75%, while that of women was estimated to be at 71% (Ngunjiri, 2017). Countries that came close to Kenya in this regard were Brazil, Mexico, South Africa, Colombia, and Uganda. According to Fintech Africa, there are 39 Fintech Companies including firms such as Branch, Cellulant, PesaPal, M-Pesa, Tala, and EastPesa among others. These firms offer
different products to the market, but with time, they see themselves almost converging on the type of products and services they provide to customers.

With such an overwhelming number of firms in the same industry and the same country, Kenya is one of the hotly contested Fintech markets. Due to the different services offered by these companies, it is difficult to quantify their market shares. However, M-Pesa is the most widely used as it is integrated into a mobile platform with as the most popular telecommunication business in the country (Kangethe, 2017). The rest of the companies try to as much differentiate themselves from M-Pesa for them to position themselves in the market. This role is charged to both business level managers and strategic management levels to secure company survival in both the short and long run. These firms have gone into ensuring that competent individuals discharge the vital management roles for purposes of competitiveness and performance. Most Fintech companies in the Kenyan industry offer unsecured loans, but others such as Cellulant offer more diverse products that stretch farther than banking on interest from advancing loans to the population (Reuters, 2018).

Cellulant is a Fintech company headquartered in Nairobi, Kenya, and it offers digital financial solutions to the African market. Its strategic mission is to "build a world-class business led by entrepreneurial, value-driven people; for Africa, by Africans, in Africa" (Cellulant, 2018). The company is now in 13 countries and serves over 10 million customers. The services provided by the company include e-commerce payment gateways, money transfer, digital banking solutions, and agency banking. Cellulant has cordial partnerships with banks, and it currently serves 120 banks across Africa with digital banking solutions. Because of its prominence in this regional market, it is considered to be one of the biggest firms in this regard. The fact that it operates in several countries means that it encounters more diverse challenges in its operations. In each of the countries, the company is met with strategic issues that influence its organizational performance.

The biggest problem the company faces in Kenya is the intense competition that comes as a result of the number of firms participating in the market. The firm’s strategy seems to be by offering more products than a typical Fintech company. It is for this reason that Cellulant does not deal with advancing loans to clients, which would have been quite difficult to excel in this market from the many players already saturating this sub-market.
Instead, it offers more complex services that other firms find to be above their reach. Their strategy is also anchored on the fact that it has been in the business for a decade compared to most other firms in the same industry that are considered to be start-up businesses (Cellulant, 2018). Their experience gives them credibility to handle sensitive services such as being trusted with payment gateways and banks’ digital platforms. Just like any other commercial organization, one of Cellulant’s purposes is to have outstanding organizational performance.

Studies on strategic management are gaining much attention in this industry due to how dynamic it is. Interest mostly comes from the management of Fintech firms as they seek to understand the trends within their environment and even more importantly how to predict the future of the industry. It is only through such efforts that these firms can get to organize and position themselves strategically to reap the best regarding performance. This performance is mostly measured regarding profitability, market share, and growth rate, and it determines the organizational success of such firms (Maduenyi, Oke, Fadeyi, & Ajagbe, 2015). It will be significant find out how these parameters are or can be influenced by elements of strategic management practices such as strategy formulation, strategy implementation, and strategy evaluation. Insights regarding their impact are as useful to management as are insights into the overall effect that these elements of strategic management have on the organizational performance of fintech companies.

This study comes from a background of thin literature materials on the topic as applied on Fintech companies. The limited availability of research in this specific field prompted the researcher to pick an interest and find out information that could empower management and other stakeholders alike. Specifically, the study deliberates on the effect of strategic management on the organizational performance of Cellulant Corporation. While there are several elements and sub-elements within the strategic management, the study only examines three major concepts in this regard namely strategy formulation, strategy implementation, and strategy evaluation. On the other hand, organizational performance is characterized by its pertinent elements of profitability, market share, and growth rate. Before delving further into the issues of concern, it is important to outline the actual problems that the researcher feels needed urgent attention, and this information is as compiled in the succeeding section of the problem statement.
1.2 Statement of the Problem

Coping with change is the main problem that Cellulant is facing by belonging to the Fintech industry. Being a technological company affiliated with the Fintech industry, Cellulant is prone to experience dynamic changes within its environment. It has already navigated through changing times as has been the case in the past ten years where there have been changes in the preferences and attitudes of customers towards Fintech companies and services (Orembo, 2017). It must continue to do so to remain competitive.

When it comes to policymaking in the sector, there are regulatory bodies that command authority over companies in different capacities. In Kenya, the Central Bank of Kenya (CBK), Capital Markets Authority (CMA), and Communication Authority (CA) have a considerable effect on the extent to which Cellulant and other such companies formulate and implement strategies to adapt to the changing landscape (Fick, 2018). Lately, there has been an outcry from these firms to have their regulator. This request is being reviewed, and a draft bill has been introduced to parliament to have these companies regulated by one body called Financial Markets Conduct Authority. With such a change, the performance of Cellulant may be in jeopardy, and it might need to adjust its strategic management practices to adapt to this policy change.

Research on the topic is scanty, especially in the local industry. Despite the industry experiencing a boom in the recent past, only a handful of scholarly studies have been conducted to capture these moments and make sense of them. The closest study was conducted by Nzioka (2017), where the scholar deliberated on the strategic responses to environmental challenges and competitive advantage in Fintech firms of Kenya. No study specifically deals with the role played by strategic management practices on the performance of Fintech Companies. It serves as a major gap that this prospective study seeks to fill and become a beacon of reference for future studies.

1.3 General Objective

The overall objective of this research was to determine the effect of strategic management practices on the organizational performance of Cellulant Company in Kenya.
1.4 **Specific Objectives**

The definite objectives that guided the study were three in number and areas outlined hereunder.

**1.4.1** To determine the effect of strategy formulation on organizational performance of Cellulant Corporation in Kenya

**1.4.2** To examine the role played by strategy implementation in influencing organizational performance at Cellulant Corporation, Kenya

**1.4.3** To investigate the impact of strategy evaluation on the organizational performance of Cellulant Corporation in Kenya

1.5 **Significance of the Study**

This study is bound to benefit several stakeholders by empowering them with information on issues related to strategic management and organizational performance of fintech companies. The most impacted stakeholders are management teams of Fintech firms, supervisors, and future researchers.

**1.5.1 Management of Fintech**

As already stated beforehand, there is little scholarship on this topic for management of Fintech firms to review. The findings of the study may enable strategic management teams at Cellulant and other Fintech companies to develop proper evidence-based strategic management practices and policies that will result in better organizational performance.

**1.5.2 Supervisors**

This study enlightens supervisors of Fintech firms including Cellulant on the importance of proper implementation and evaluation of strategic management practices. This is in a bid to facilitate the meeting of short and long-term goals. Proper evaluations unveil loopholes in the strategies and hence provide formidable solutions that aid in the process of implementing organizational strategies.
1.5.3 Academicians and Future Researchers

Finally, findings from this research add to the existing body of literature in the field of strategic management and therefore serve as reference points for other researchers on the subject.

1.6 Scope of the Study

The ambit of the study was limited to the examination of the effect of strategic management practices on organizational performance. In strategic management practices, issues of concern were strategy formulation, strategy implementation, and strategy evaluation. Regarding organizational performance, the study measured it regarding profitability, market share, and growth. The study was conducted at Cellulant Corporation and targeted its strategic management team (country managers, finance managers, product development team as well as the implementation managers). The research was conducted between June and August 2018, but it encompassed 10-year information about the company in question.

1.7 Definition of Terms

1.7.1 Organizational Performance

Organizational performance encompasses three specific areas of firm outcomes: financial performance (profits, return on assets, return on investment); product market performance (sales, market share) and shareholder return (total shareholder return, economic value added) (Bakar, Tufail, Yusof, & Virgiyanti, 2010).

1.7.2 Strategy Evaluation

Strategy evaluation is the process of comparing the actual performance against the desired performance (Raduan, Jegak, Haslinda, & Alimin, 2009).

1.7.3 Strategy Formulation

Strategy formulation is the establishment of long-term plans for the effective and efficient environmental management of opportunities and threats, matching it with corporate strengths and weaknesses (Raduan, Jegak, Haslinda, & Alimin, 2009).
1.7.4 Strategy Implementation

Strategy implementation is the process of operationalizing the objectives in the organization by deriving short-term objectives from the long-term objectives and further deriving the functional tactics from the business strategy (Pearce & Robinson, 2017).

1.7.5 Strategic Management Practices

Strategic management practices are defined as the science and art of formulating, implementing, and evaluating organizational cross-functional decisions in order to achieve its objectives (Bakar, Tufail, Yusof, & Virgiyanti, 2010).

1.8 Chapter Summary

This chapter sought to give a general background of strategic management practices and organizational performance. It presented the objectives of the study as well as the possible beneficiaries. In chapter two literature reviews was conducted where each objective of the study will be reviewed in detail as per previous scholarly works. A research methodology of how the research was conducted was covered in Chapter three. Chapter four presented findings as per study objectives, and chapter five presented the summary of findings, conclusions, and recommendations of the study.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter deliberated on the review of literature pertinent to the topic at hand, which is on strategic management practices and their effect on organizational performance. It is organized into three major sections concerning the objectives of the study formulated in the first chapter of the report.

2.2 Strategy Formulation and Organizational Performance

With regards to this objective there currently no studies that were conducted within the Fintech industry and the consulted ones were pulled from various sectors and parallels were drawn to depict possible implications. Strategy formulation and organizational performance is an area that has received scholarly attention from around the globe. Studies have been conducted to illustrate links between these two variables as separate studies or within other studies as is the case with the current investigation.

The earliest study examined in this review is that by Gregory Dess, which was conducted to investigate the relationships between strategy formulation and organizational performance within the paints and allied industry (Dess, 1987). It was motivated by the fact that the industry was highly competitive in the 1980's and firms strived to have a competitive advantage by use of sound strategy formulation practices. Results from the study indicated that the two variables were highly correlated at a Pearson correlation coefficient of 0.83 (p=0.000, n=19). Similar results were realized in the review by Grant (1999) where the relationship was also said to be high. The justification for both studies was that strategy formulation was being used to perform environmental scanning through the use of SWOT and PESTLE analyses, which are known to be highly relevant models in organizational planning. While these studies were generally discussing the effect of strategy formulation, others are more specific as they dealt with elements of strategy formulation such as environmental scanning, stakeholder consultation, and goal setting.

2.2.1 The Role of Environmental Scanning

In the study by Babatunde and Adebisi (2012), the researchers individually analyze the effect of strategic environmental scanning on organizational performance in Nestle and
Cadbury Plc. Nigeria. Their findings indicate that environmental scanning is having a significant impact on the performance of an organization with the coefficient of determination (R²) of 0.297 (p=0.000, n=140). The explanation was that strategic environmental scanning results in management are capturing potential changes in the environment, and this empowers them to adopt strategies to match the dynamics of the market. Many studies have complemented the findings made herein such as in Srinivasan, Mukherjee, & Gaur (2011) where evidence gathered supported the use of environmental scanning while firms are going through mergers and acquisitions. Another study still in support of this notion is Lau, Liao, Wong, & Chiu (2012) where environmental scanning is considered to be the most critical element of strategy formulation processes in the business sector.

Zhang, Majid, and Foo (2011) examine the contribution of environmental scanning to organizational performance. Specifically, the study argues that with environmental scanning, a firm can cope with uncertainties and also becomes capable of formulating adaptive strategies. By anticipating changes in the environment, a firm is, therefore, able to appropriately act in enhancing the business interests of the company and protect its profitability. This link between environmental scanning and performance of organizations is also envisaged in the study by Agbim, Oriarewo, & Zever (2014) in which credit is given to firms that engage in environmental scanning at strategic levels because of the effect that this process has on their ultimate performance financially and otherwise. According to the study, environmental scanning contributes about 50% to the performance of a business entity especially if such an entity belongs to an industry that is highly competitive. The same reason for change and adaptation to it is also given in Beal (2000) as justification for the relevance of environmental scanning.

Environmental scanning has also been investigated in Frishammar & Åke Hörte (2005) regarding its role in establishing organizational performance. In this study, different firms were evaluated regarding their use of environmental scanning tools including PESTLE, SWOT, and BCG Matrix. The performance of the firms was also investigated. Results indicated that the firms that used the tools more had a higher likelihood of scoring highly in their financial performance. The coefficient of determination (R²) was 0.35, implying that 35% of the variation in performance of the companies could be explained by the difference in a firm's intensity of use of environmental scanning tools. It also meant that 65% of the influence exerted on organizational performance came from factors that were
outside of the parameters specified among the independent variables in the model. Cousins, Lawson, Petersen, & Handfield (2011) supported the research by providing further evidence linking the specific tools investigated therein to organizational performance. According to the study, SWOT analysis as a tool emerged as the most effective tool that can lead to higher organizational performance if used effectively by strategic management teams.

2.2.2 The Role of Goal Setting

Strategy formulation also entails setting goals to guide the implementation and evaluation of strategies. According to Poister & Streib (2005), goal setting is a core activity that needs to be accorded adequate attention because it supports other functionalities of strategic management. The study links goal setting to the performance by stating that performance is usually predetermined by the goals that have been set in the beginning. It argues along similar lines as Chun & Rainey (2005) where performance is considered to be an abstract term that is only given its meaning by goal setting. Any performance can be good or bad, but it is only by comparing it to the original goals that one can tell whether the entity has performed well or not (Slater, Olson, & Hult, 2006). Should the performance be equal or higher than the goals set, performance would be deemed to be acceptable. The opposite is true for when the ultimate performance comes below the established goals and objectives.

According to Kuratko & Audretsch (2009), a set of goals and objectives is a primary function of strategic management. In the study, the researchers examine the role of different two kinds of goals in the performance of a firm namely long-term and short-term goals. Vision and mission are considered to be the long-term goals while action plans and daily targets were considered to be short-term goals. Similar to the observation made in Chenhall (2005), it was established that long-term goals had a bigger impact on organizational performance rated at an R Squared coefficient of 0.444 (p=0.000, n=100). It was found that short-term goals also had an impact on organizational performance but at an R Squared coefficient of 0.372 (p=0.000, n=100). The combined effect of the two kinds of goal setting was found to be at a coefficient of determination (R2) of 0.579 (p=0.000, n=100). These figures indicate as already established in Nzioka (2017) that there are always better results when long term and short term goals are combined into one hybrid strategy.
The role of goal setting is also investigated in the research compiled by Olson, Slater, & Hult (2005), where the authors opine that all organizational activities are guided by goals formulated from the strategic level of management. The day-to-day running of any organization is also said to be linked to the expressed goals initially. Without the guidance of these goals, it is impossible for line managers to determine how much productivity is expected from them. As already established in Chun & Rainey (2005), operational level objectives are established after careful examination and breaking down of strategic and business level goals. When an organization seeks to act in the absence of intentions, it risks underperforming since goals are usually set at challenging levels to motivate the urge in employees to work towards the good of the organization. Similarly, it is reported in Kuratko & Audretsch (2009) that strategic goals give direction to all departments, and are therefore inevitable regardless of the setting or industry an organization is in. The study views mission and vision as goals that propel an organization's conduct and thus setting of goals is not only advisable but also mandatory for an organization that is disciplined enough to care about its long-term sustainability.

2.2.3 The Role of Stakeholder Consultation

Kenyoru (2015) investigated the effect of stakeholder involvement during strategy formulation in the performance of firms. Findings from the study established that due to the importance of stakeholders, it is relevant that they are involved in all stages of strategic management practices including during its formulation. It was found that the effect of stakeholder involvement during strategy formulation was rated at a beta coefficient of 0.234 (p=0.004) and was, therefore, a significant factor in this regard. These findings rhyme with those made in Poister (2010) where the effect of stakeholder engagement was said to contribute to at least 40% of the performance of a company. These two studies imply that when stakeholders are brought together to the discussion table at the start of a project, there is a high likelihood that the enterprise in question will succeed. In Gao & Zhang (2006), stakeholder involvement in strategy formulation is considered crucial because the approach ensures the comprehensiveness of the prospective strategy so that all scenarios are adequately evaluated before settling for the most suitable strategy.

The study by Conner (2015) also delved into investigating the role played by stakeholder consultation in influencing the performance of organizations. Outcomes from this piece of
research indicated that there was a high correlation between the degree to which stakeholders are engaged during the planning phase of strategic management and the eventual level of performance. The relationship was computed to be at a Pearson correlation coefficient of 0.658 (p=0.000, n=75). The findings made therein were consistent with those made in Epp (2013) where the overall effect of consulting with stakeholders was found to positively impact organizational performance by influencing the productivity and morale of employees. This was however only in cases where representatives of employees are also involved in the process of strategy formulation. As Greco, Sciulli, & D’Onza (2015) argue, when all formulate a strategy through stakeholder consultation, everyone owns it, and therefore everyone works tirelessly towards ensuring that it materializes. Furthermore, consultation with stakeholders makes a strategy more thought and deliberated on and thus makes it more effective during implementation. Epp (2013) found that when all relevant stakeholders are consulted, a strategy has 11% better chances of fulfilling its objective than if only a handful of stakeholders are consulted at the top of the organizational hierarchy.

Okoth (2016) examines the impact of stakeholder consultation during the planning of strategies and finds out that it has a significant effect on the performance of firms. According to the findings made in the research, the coefficient of determination (R2) was 0.461 (p=0.000, n=120). It implied that variation could explain 46.1% of the variation in performance of firms in stakeholder consultation during strategy formulation. It also means that 53.9% of the variation in organizational performance can only be explained by factors that are beyond the ones encompassed in the regression model in question. Beal (2000) cites this study in its study on the effect of stakeholder consultation and further posits that stakeholders are important to be consulted during formulation of strategies since some of them are responsible for implementing and evaluating them. Without their input, Okoth (2016) finds that such strategies might not receive adequate support to facilitate their success in later stages. The role played by stakeholders, in this case, is to validate what has been deliberated on by strategic teams.
2.3 Strategy Implementation and Organizational Performance

The second objective of the study relates to the determination of the impact that strategy implementation has on organizational performance. It would have been quite helpful if there were studies that were relevant to the Fintech industry where it would have been easy to draw an inference to the case of Cellulant Corporation (Arner, Barberis, & Buckley, 2015). However, just like the case was with strategy formulation, there were no studies that dealt with the said topic within the Fintech industry. As a result, this review undertook an examination of sources that are not within this industry but still discussed the links between strategy implementation and organizational performance.

While many elements fall under strategy implementation, this review examines the effect that three factors have on organizational performance. These elements are an organization, resource allocation, and communication. However, before gaining an understanding on the impact that these elements have on organizational performance, it was deemed equally important also to review the general studies that link strategy implementation and organizational performance (Dhar & Stein, 2017).

One particular study that examines the role played by strategy implementation on organizational performance is Heracleous (2000). The source claims that it is during execution that the actual performance is created, and therefore it is a crucial stage that must never be dismissed or taken for granted. The effect of strategy implementation was as a result of this estimated to be at an R Squared coefficient of 0.747 (p=0.000, n=50). This means that 74.7% of the variation in organizational performance could be explained by the difference in the integrity of strategy implementation practices.

Ogunmokun, Hopper, & McClymont (2005) also carried out a similar study and findings from this research established the coefficient of determination (R2) to be at 0.635 meaning that the variation in strategy implementation practices could explain 63.5% of the difference in organizational performance. In Chaimankong & Prasertsakul (2012), it was said that the reason that strategy implementation is crucial is that it is usually the primary focus of attention by most stakeholders and is the only stage that can be controlled on a real-time basis.
2.3.1 The Role of the Organization Function

According to Rich, Lepine, & Crawford (2010), the organization function in strategy implementation plays a significant role in ensuring that an organization achieves the level of performance that it needs. The study argues from the point of view division of labor and specialization makes it possible for high productivity. This is where different individuals are assigned various tasks that suit their competence and abilities. Concerning Zheng, Yang, & McLean (2010), organizational performance is a product of individual performances of employees in an organization, and it is, therefore, crucial that individual performance is maximized. The source further argues that in the absence of division of labor and specialization, a strategy risks being wrongly deployed or achieve substandard results. Halevy, Y. Chou, & D. Galinsky (2011) however downplays the role played by a division of labor and states that it is only feasible for organizational performance to be enhanced when this factor is coupled with other corporate functions such as resource allocation and departmentalization in a firm. As also noted in Arner, Barberis, & Buckley (2015), the division of labor and specialization are essential practices in contemporary organizations since they lead to higher productivity by effectively exploring workers’ capabilities.

In another study by Chiang & Hsieh (2012), the role played by the organization function is considered to be crucial to the attainment of company objectives. The estimated effect of this factor was computed to have a coefficient of determination (R2) of 0.694 meaning that the variation in the organizational function could explain 69.4% of the variation in organizational performance. Specifically, the study found that within the organizational function, departmentalization ranked the highest (β=0.333) followed by the hierarchy of authority (β=0.295). In contrast, the study by Hao, Kasper, & Muehlbacher (2012) found that hierarchy of authority is a more active element of an organization in determining the performance as its beta coefficient was found to be 0.411 while departmentalization was found to be at a beta coefficient of 0.347. Both of these elements of an organization together with a division of labor and specialization are held in high regard by scholars in the field of strategic management as they have been repeatedly referred to in various studies (Cousins, Lawson, Petersen, & Handfield, 2011; Babatunde & Adebisi, 2012).
Departmentalization and coordination were the only factors in the organization function for which Jiménez-Jiménez & Sanz-Valle (2011) investigated its effect on organizational performance. Their overall effect was estimated with a coefficient of determination (R2) of 0.540 meaning that they could influence organizational performance by 54.0%. In determining the impact of each of the factor, the study found that coordination had a higher beta (0.355) compared to that of departmentalization, whose beta was computed to be at 0.306. These factors formed part of the research by Maduenyi, Oke, Fadeyi, & Ajagbe (2015), and through qualitative analysis, the research found that they were both highly effective but that coordination had a seemingly higher impact of organizational performance, which was determined in qualitative terms. The study by Csaszar (2012) finds that departmentalization has the marginal effect on corporate performance when it is on its own. This means that departmentalization often relies on other factors for it to exert its influence on organizational performance.

2.3.2 The Role of Resource Allocation

As an element of strategy implementation, resource allocation has received a fair amount of attention from scholars, some of whom have sought to relate it to organizational performance. Nath, Nachiappan, & Ramanathan (2010) finds a direct link between resource allocation and organizational performance explicitly by indicating that the former significantly the latter. The study finds this effect to be as a result of resource allocation bringing in the physical facilities that are necessary for any strategic plan to be fulfilled. In addition to this, it is also indicated that the effect comes as a result of these resources empowering organizational members to work towards the attainment of strategic objectives. This notion is also held in Surroca, Tribó, & Waddock (2010) as the sources advocates for adequate resource allocation citing the reason that inadequate distribution of resource results in strategy implementation is like riding a car without gas. Similarly, Conner (2007) calls for careful consideration when allocating resources because it is a determinant of whether a firm performs well or poorly in the end.

In the research compiled by Sisaye (1992), the aspect of allocating resources has been given much weight as it was considered to be crucial to organizational performance. The study tested the effect of over, optimal, and under-allocation of resources to the prospects of organizational performance. Both over and under-allocation were found to contribute negatively towards performance. Over-allocation was found to lead to wastage and lack
of efficiency. Under-allocation was found to be detrimental because it led to capacity issues and lower productivity. Optimal allocation of resources was found to be the most suitable level of allocation as it had little wastage and was thus efficient. Similar sentiments are shared in (Libin, 2013) where the author suggests a positive effect that resource allocation has on performance to a considerable extent beyond which performance dwindles. While over-allocation is a less researched topic, Alidrisi & Mohamed (2012) partially investigates it and finds that it is not good for the performance of a business entity.

Resource allocation is also the subject of analysis in Agarwal, Anand, Bercovitz, & Croson (2012) where it was ascertained that it plays a significant role in influencing the performance of an entity. The source claims that when resources are sufficiently provided, it builds morale among employees and they take responsibility for performance since they would not have any complaint against management. As observed in Babatunde & Adebsi (2012), one of the major setbacks in performance in commercial entities is the lack of morale by workers who complain that management least concerns itself with providing adequate resources to facilitate their productivity. Heracleous (2000) also lauds resource allocation but also pairs it with proper planning for it to be effective. The source argues that even with adequate resources, a firm may still not perform highly if it does not have a solid plan on how these resources are to be transformed to the performance by workers and other organizational members.

### 2.3.3 The Role of Communication

According to Neves & Eisenberger (2012), communication is a critical element of the strategy implementation process as it helps in the coordination of efforts, resources, people, and activities. The role played by communication in the performance of a commercial entity is estimated to be at an R Squared coefficient of 0.250 meaning that it influences 25% of organizational performance. The study further states that communication is especially useful and imperative in big companies since there are usually many activities, people, resources, and efforts being applied to cause positive change in such organizations. Furthermore, Myers & Sadaghiani (2010) argue that organizations operating on the large scale need to entrench sound communication practices in their strategies because it is the only way that long-term plans formulated at the top can be broken down into smaller achievable and short-term goals. Similar
sentiments are expressed in Den Hartog, Boon, Verburg, & Croon (2013) where the source claims that communication is a fundamental component in big entities due to the amount of coordination needed between and among activities.

The research by Kibe (2014) finds proper communication to be an integral part of strategy implementation due to its ability to provide information on time to stakeholders and thereby empowering them to act in good time. The study finds poor communication to lead to lags in action by stakeholders, and this may cause inconveniences to customers and or employees. The level of competitiveness is also likely to be negatively influenced if there is poor communication. Giant firms in almost any industry have integrated information systems that facilitate communication with stakeholders both within and outside organizational premises (Ngozi & Ifeoma, 2015). This is a highly recommended practice since there are persons outside the organization with whom a firm may need to communicate in the course of doing business such as suppliers and advertisers. These stakeholders are equally important because they play different but crucial roles in the organization in question. In fact, according to Florea (2014), internal stakeholders depend on their external counterparts just as they rely on internal parties hence the need for excellent communication with both. The study further considers external communication to play a crucial role in enhancing the success of organizations since such entities operate in an open system and not a closed one where external communication would not be necessary.

The study by Husain (2013) also considers communication within and outside an organization to be vital if a firm is earnestly seeking to accomplish its goals and objectives. The performance of organizations is as a result of this link with communication during the implementation of strategies. The authors argue that it is impossible for lower management and other subordinates to appreciate the importance of goals and strategies formulated from above if such information is not well communicated to them and in good time. The study also finds the need for constant interactions between seniors and junior members in an organization to seek clarification and provide it respectively. For Shamsan & Otieno (2015) and Unzicker, Clow, & Babakus (2000), strategy implementation is characterized by back and forth communication between and among different levels of management in a firm. These communications are said to be the drivers of success in any commercial entity and that they should be encouraged at all times.
2.4 Strategy Evaluation and Organizational Performance

The study by Abdalla (2015) argues that more than ever organizations need to achieve the very best training and performance improvement possible. Today's competitive environment requires a workforce that cannot only learn quickly, but that can rapidly and consistently transform new learning into enhanced individual, team, and organizational performance. The source finds that thoughtful, efficient, and constructive evaluation is at the heart of continuous improvement and is vital to unlocking the desperately needed potential of learning for performance improvement.

Similar sentiments are shared in Chepkwony (2016) where it is argued that when the evaluation is held as sacred in an organization. The two studies agree on the fact that there is always the feeling that an individual needs to perform when there is a prospective evaluation than when there is none. For this reason, it is believed in both cases that strategy evaluation impacts performance as it drives up the urge to perform highly and impress during evaluation. However, the effect of evaluation can be separated into two aspects of formative and summative assessment.

2.4.1 Summative Evaluation

According to Kakunu (2012), summative evaluation is the form of evaluation applied at the end of a project or financial year. Its findings suggested that strategic summative evaluations provide a method for verifying the efficiency and effectiveness of organizational strategies, as well as a way to determine whether the strategy being implemented is moving the business toward its intended strategic objectives. The evaluations were also found to help in establishing when and what actions are necessary to align business performance with the targets. In Yuliansyah, Rammal, & Rose (2016), summative evaluations are lauded for their comprehensiveness in establishing performance. The argument presented therein is that it is rather impossible for an evaluation to thoroughly measure performance accurately unless the period has come to an end. While this may be true to some extent, other studies have also opined that there are periodical criteria that are used and do not require for the end of a financial period for them to be valid.

Chenhall (2005) opines that strategic evaluations begin by establishing a performance target according to business objectives. This performance target includes both qualitative
and quantitative performance benchmarks to which the individual and organizational performance are compared actual. Qualitative benchmarks are subjective factors such as skills, competencies, and flexibility. Quantitative benchmarks include "hard facts" such as net profit, earnings per share of stock or staff turnover rates.

In the study by Goodwin & Wright (2001), strategic evaluations are observed to work under the assumption that because the business environment is dynamic, variances will commonly exist between ideal and actual performance. Regular strategic evaluations provide an objective, effective way for a business to evaluate, analyze and modify performance expectations. A favorable variance can tell a business what it's doing right and confirm it's on the right track while a negative variance can be a signal that the performance of management and staff needs to change.

With such information, Bunnefeld, Hoshino, & Milner-Gulland (2011) advise that business is well positioned to work towards the improvement of performance to match or surpass expectations. Additionally, the source suggests that summative evaluations ought to be about measuring performance concerning the standards set at the beginning of a period. To make evaluations effective in influencing future performance, it is vital for management to consider revising goals at the end of a season if there is a need to do so. The purpose is to make goals both challenging and realistic (Tayler, 2010).

Baker, Collier, & Jayaraman (2017) argue that when summative strategic evaluations pinpoint areas where the business did meeting strategic objectives, corrective actions can attempt to solve the problem in future periods. A good example cited in the source is if a business establishes strategic technical goals are not achieved because staff do not have up-to-date qualifications, the business can design training programs that bring skill sets in line with technical objectives.

Pérez-López, Moreno-Romero, & Barkemeyer (2015) argue that if a business discovers the business object itself is out of line – such as unrealistic gaols – it can take steps to change the objective and bring it to the line with real-life potential. Summative evaluation role in organizational performance was the subject of investigation in Alidrisi & Mohamed (2012) where it was established that it creates the feeling of responsibility among management and staff of a firm. Previous strategy evaluations also provide guidance and directions that are to be followed in subsequent periods for better performance.
Summative evaluations in business are also said to be beneficial in positively influencing performance because they seek to reveal the deficiencies that have caused an aspect to fail. This kind of evaluation is both forward-looking and also considering historical information. According to Bhattacharyya & Cummings (2015), its purpose is always to look for better ways of achieving organizational goals. It does not matter whether goals have been achieved or not; summative evaluations must still present recommendations for better practices in the future nevertheless.

This is consistent with (2015) where it was found that performance in subsequent periods is a product of previous period's performance and the extent to which management is willing to adjust concerning recommendations made in summative evaluations. The more management makes these adjustments, and the more likely performance will increase in the future. Spencer & Carasco-Saul (2017) found the probability of enhanced performance from following recommendations in evaluation reports to be at 0.77. This means that 77% of the time's evaluation recommendations are applied from summative evaluation reports end up impacting organizational activities and processes positively. From this analysis, it appears that summative evaluations are highly impactful in the performance of an organization, and this model of evaluation is highly recommended in the studies conducted by Lau, Liao, Wong, & Chiu (2012) and Abdalla (2015).

2.4.2 Formative Evaluation

Concerning Yuliansyah, Rammal, & Rose (2016), formative evaluations are ones that are done concurrently with the period of performance. They can be considered to be smaller versions of summative evaluations since they break down the overall period into smaller and more specific time components. They are however less frequent than monitoring, though they get their data directly from monitoring procedures. Formative evaluations may take place spontaneously when a need arises. Because of their shorter scope of coverage, they are quick to set up and complete. Their recommendations are usually on what the company could change about the current operations within the same period of evaluation.

Agrawal (2016) finds formative evaluations to be vital because they provide information about performance early enough for management to make the necessary arrangements to avert a crisis before it is too late. The study finds fault in summative evaluations for the reason that they do not readily provide solutions to current problems, but instead, they
seek to get information to preempt problems in subsequent periods. On the other hand, formative evaluations are intent on improving the current period's performance by gauging performance against standards set and deploying corrective actions where the need arises (Gupta, 2016). It is from these corrective actions that formative evaluations gain popularity. According to Conner (2007) Once it has been established that a firm's performance is a bit off course, management can institute adjustments that will not only help in bringing back production in the current period but also other periods to come in the future.

Formative evaluations have been found in Yang, Kueng, & Hong (2015) to be entirely instrumental in positively influencing organizational performance when they are paired with monitoring procedures. The source posits that formative evaluation gives meaning to monitoring procedures, which are carried out every-day. The outcomes of this study indicated that this form of evaluation is just as important as a final evaluation that occurs at the end of a financial period. Salam (2017) laments that many firms are too obsessed with a summative evaluation to the extent that they disregard the role that formative evaluation plays in determining organizational performance. According to the same source, most firms tend to confuse formative evaluations with monitoring processes, and hence several organizations find themselves practicing the latter without knowing how much they are missing from also engaging in the former.

Controversially, Song, Moon, Chen, & Houston (2018) find that formative evaluation is more effective at enhancing productivity and hence performance relative to summative evaluation. The source claims that when evaluations and monitoring procedures are carried out now and then in a firm, there is likely to be disciplined and that it is this discipline that ultimately leads to better organizational performance. According to the study, monitoring is a practice that involves continuous examination and scrutiny of organizational processes seeking to understand how progress is being achieved. On the other hand, formative evaluations use data from monitoring processes to establish whether and to what extent objectives are being achieved. While one is intent on establishing the level of performance of an organization, the other one is intent on recording the progress of processes and activities within an organization (Agrawal, 2016).

In the study by Alidrisi & Mohamed (2012), the authors commend formative evaluation procedures' role that they play in ensuring the quality of operations. The link between this
evaluation and quality prospects comes because when there are interim evaluations, it gives an opportunity for members to engage in corrective actions and salvage quality of operations in case it was going south. Even if the quality of operations is found to be in line, there is still an opportunity to improve upon this performance if there are any channels that have not yet been engaged so far (Den Hartog, Boon, Verburg, & Croon, 2013). Most management professionals hold formative evaluation in high esteem because of its capability to make timely interventions that help to improve performance without having to wait until the end of a fiscal year. As Cousins, Lawson, Petersen, & Handfield (2011) posit, the purpose of the evaluation is to improve performance, and that it makes more sense for a period's performance to also be improved by its evaluation sessions. This is only possible with formative evaluations since they occur several times in a year.

Gao & Zhang (2006) agree with these findings but on the front of enhancing profitability prospects rather than just quality performance. The source asserts that a firm has the opportunity to change tact in case things are not working out early on in the financial year. At times, competitive environment changes in the midst of a given year, and it becomes necessary that an organization has to adjust their strategies to match the dynamics currently taking shape. At such a time, it is also necessary that such an organization understands whether and to what extent the current strategy is deficient and hence for them to make informed adjustments, and this process requires information that is best supplied by formative evaluations. The same notion is expressed in Poister (2010) where the conclusion was that formative evaluation practices benefit a company greatly by giving them real-time control over the performance prospects of an organization.
2.5 Chapter Summary

This chapter looked into the works of other authors with regards to the critical aspects of strategy formulation, implementation, and evaluations. It further went on to show the relationship between the variables encompassed in the study namely strategic management practices and organizational performance. The section was majorly empirical drawing from various sources of literature and seeking to make sense of their findings. For purposes of organization, the section was presented in three subsections concerning the research objectives formulated at the beginning of the study.

In the case of the effect of strategy formulation on organizational financial performance, it was found that most studies supported the fact that indeed this strategic management practice was highly influential. This practice was presented concerning selected constituent elements of strategy formulation which were environmental scanning, goal setting, and the role of stakeholder consultation during strategy formulation. In all of these cases, the elements were found to influence performance positively.

For the case of the effect of strategy implementation on organizational performance, it was also found that most studies supported the fact that indeed this strategic management practice was instrumental. The practice was also presented concerning selected constituent elements of strategy implementation, which were organization function, resource allocation, and communication during strategy implementation. Even here, the elements were found to influence performance positively.

Finally, the effect of strategy evaluation on organizational performance was reviewed, and it was found that most studies were in support of the fact that this strategic management practice positively affected performance. This practice was presented concerning the two forms of strategy evaluation, which are summative evaluation and formative evaluation. In all of these cases, the two forms of evaluation were found to influence performance positively.

The significant gap identified in this review is that there is not a single study that investigated the effect of strategic management practices on organizational performance within the Fintech industry. It would have been more relevant to find articles, books, and other sources that were particularly touching on the topic at hand, but this was not the case. Secondly, most of the studies were conducted outside Kenya. The environment in
Kenya is unique, and the findings made from investigations abroad may not be applicable in the country. Finally, some studies were found to be obsolete due to the time that they were conducted, and because of these reasons, there was a need for a fresh study to examine the effect of strategic management practices of Fintech firms in Kenya.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter described the procedures that the researcher followed in conducting the study. It highlighted the methods that were used in collecting data to meet the aims and objectives of the study. The chapter explained the research design, the target population, sampling technique, the instruments, and procedures for data collection, analysis and presentation.

3.2 Research Design

The research design is a master plan defining the methods and procedures for collecting and analyzing the needed information (Zikmund, Babin, Carr, & Griffin, 2010). According to Cooper & Schindler (2011), research design is a plan that guides the time scope and gives a practical guideline for the activities that should be implemented in the research process to (or “intending to”) answer the research question. Further, the research design gives a clear direction on how to select the various sources and types of information required and defines the relationship between the variables of the study.

The study employed a descriptive correlational research design. It is an approach to research where the purpose is to investigate the relationships and associations between and among study variables (Zikmund, Babin, Carr, & Griffin, 2010). In this study, the dependent variable is organizational performance while the independent variables are strategy formulation, implementation, and evaluation. The task was, therefore, to investigate the links and associations herein as already hypothesized in the objectives of the study. The design utilized both qualitative and quantitative data. Quantitative data was majorly be procured through close-ended questionnaires while qualitative data was obtained from open-ended questions.

3.3 Population and Sampling Design

3.3.1 Population

Cooper and Schindler (2011) define a population as the sum of all the elements about which the researcher intends to make assumptions. To define the population, a researcher specifies the unit being sampled, the geographical location and the temporal boundaries.
The study targeted the strategic management team at Cellulant Corporation (country managers, finance managers, product development team managers and implementation engineers).

### 3.3.2 Sampling Design

#### 3.3.2.1 Sampling Frame

According to Cooper and Schindler (2011), a sampling frame is a list of all elements in a population from which a sample is drawn. The sampling frame of the study included strategic management team at Cellulant Corporation one per country (10 country managers, 11 finance managers, 11 product development team managers and 11 implementation engineers). Thus, the total target population for the study was 40 study participants.

#### 3.3.2.2 Sampling Techniques

This study employed both non-probability and probability sampling techniques namely cluster sampling and simple random sampling respectively in determining study participants in the sample. Cluster sampling technique was found to be the most suitable since the respondents belonged to four clusters under their professional titles. Within these clusters, simple random sampling was used to identify the actual persons to take part in the study.

#### 3.3.2.3 Sample Size

The sample size is a representation of the whole population that seeks to present the qualities of the whole population (Zikmund, Babin, Carr, & Griffin, 2010). A sample is a subset where every item in population has the same probability of being in the sample (Mugenda & Mugenda, 2008). A good sample is an accurate, precise and unbiased representation of the target population. Using Yamane’s formula, the minimum sample size out of a population of 40 respondents was found to be 36.

\[
n = \frac{N}{1 + N \times (e^2)}
\]

where

\[
N = \text{Population}, \quad n = \text{sample size}, \quad e = \text{margin for error (0.05)}
\]

\[
n = \frac{40}{1 + 40 \times (0.05^2)} = 38.8262 \approx 39 \text{ Respondents}
\]
Table 3.1 shows the study the population and sample size.

Table 3.1: Study Population and Sample Size

<table>
<thead>
<tr>
<th>Category /level</th>
<th>Population</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country managers</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Country Finance Managers</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>Implementation Engineers</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>Product Development Managers</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>43</strong></td>
<td><strong>39</strong></td>
</tr>
</tbody>
</table>

3.4 Data Collection Methods

The study collected primary data where close-ended and open-ended questionnaires were used as tools for primary data collection. An open-ended questionnaire is a reformulated written set of question to which respondents record their answers. A close-ended questionnaire is one where respondents are confined to a set of options beyond which they cannot select to respond (Sekaran & Bougie, 2010). For this study, respondents were required to indicate their level of agreement or disagreement between 1 and five where 1 strongly disagrees, and 5 strongly agrees. The key is available in appendices. In administering questionnaires, the researcher will upload them to Google Forms.

A questionnaire is a reformulated written set of question to which respondents record their answers, using carefully defined alternatives (Sekaran & Bougie, 2010). The questionnaire will be prepared by the researcher, and it contained both close-ended and open-ended questions to allow the respondents express themselves exhaustively. It was divided into two sections: Section A addressed the demographics of the respondents and section while Section B addressed the objectives of the study separately.

The validity of the questionnaire was determined through the use of expert analysis where university research supervisors were in charge of advising the researcher about the relevance of the questions. The research used a test and retest method to determine the reliability of the instrument. It necessitated the researcher to conduct a pilot study using five respondents to test the reliability of the data collection instrument before the actual data collection was done.
3.5 Research Procedures

The researcher requested for an introductory letter from the United States International University, Nairobi that he used to get a research permit from National Commission for Science, Technology, and Innovation. A pilot test was then done, which is a tool that is administered to detect weaknesses in research design and instruments (Cooper and Schindler, 2011). Based on the feedback obtained the questions were fine-tuned resulting in the final data collection instrument. The researcher then e-mailed the link to the questionnaires to the respective respondents since they were located in different countries. Respondents were then given two weeks for filling in their responses. It was adequate time for the respondents to fill in the questionnaires despite their busy schedules. After data was collected, it was processed and analyzed using MS Excel and SPSS. A report was compiled to detail the entire research process and findings. It was ultimately submitted to the Chandaria School of Business at United States International University, Kenya.

3.6 Data Analysis Methods

Demographic data were analyzed using frequency and percentages. The primary research objectives of the study were analyzed by the use of both descriptive and inferential statistics. Descriptive statistics used were the mean, standard deviation, and ranks. Inferential statistics employed were in the form of regression test results. After analysis, data was crosschecked and verified for errors, completeness, and consistency. Relevant information was then exported from SPSS v.20 to an MS Word document to report. This information was presented descriptively using tables and pie charts.

3.7 Chapter Summary

This chapter has described the methodology that was used in conducting the research. The component of research methodology is research design, population and sampling design, data collection, research procedures and data analysis methods. Out of a population of 43, 39 participants were considered and the research instruments to be used are questionnaires and interview guides. Analysis entailed both descriptive and inferential statistics. The next chapter presents the research findings based on the study objectives.
CHAPTER FOUR

4.0 DATA ANALYSIS AND PRESENTATION

4.1 Introduction

This chapter dealt with the compilation, presentation, and analysis of data collected during the data collection phase. It contains sections which correspond to the objectives of the study. It begins with an analysis of the demographic attributes of respondents after which it goes ahead to analyze the main study objectives in the following order. The questionnaire response rate was good since out of the 43 links to the online questionnaires sent to respondents out, 39 (91%) obliged and were therefore considered for analysis.

4.2 Demographic Attributes of Respondents

To analyze the profile of the respondents, frequency distribution tables, percentages and charts were used. The parameters considered within the scope of this analysis were gender, age, position, education, and work experience.

4.2.1 Gender

The first item of analysis on demographic attributes of respondents was regarding their gender affiliations. Table 4.1 below summarizes the frequency and percentage composition for the masculine and feminine gender affiliations.

Table 4.1: Distribution of Respondents by Gender

<table>
<thead>
<tr>
<th>Category of Gender</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>25</td>
<td>64.1</td>
</tr>
<tr>
<td>Female</td>
<td>14</td>
<td>35.9</td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Regarding gender, it was found that there were more males than there were females. The males had a percentage composition of 64.1% (25) while the ladies composed 35.9% (14) of the total of 39 respondents. The pie chart below graphically presents this information showing the disparity existing between male and female respondents that participated in the study.
4.2.2 Age

The second parameter to be analyzed under the demographic attributes of respondents was regarding their distribution of age. Table 4.2 summarizes the findings made in this regard.

Table 4.2: Distribution of Respondents by Age

<table>
<thead>
<tr>
<th>Category of Age Bracket</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-30 Yrs</td>
<td>6</td>
<td>15.4</td>
</tr>
<tr>
<td>31-40 Yrs</td>
<td>30</td>
<td>76.9</td>
</tr>
<tr>
<td>41-50 Yrs</td>
<td>3</td>
<td>7.7</td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Regarding age distribution, the majority of the respondents were found to belong to the age category 31-40 years who claimed 76.9% (30) composition followed by those between 18 and 30 years who had 15.4% (6) composition. The third most populated age category was found to be that constituted by individuals between 41 and 50 years, as they claimed 23% (3) composition. The pie chart in Figure 4.2 below graphically presents this information showing the disparity existing among the three age groups of respondents that participated in the study.
4.2.3 Job Position

The third item of analysis on the demographic attributes of respondents was the job categories of respondents that participated in the study. Table 4.3 summarizes the findings made for this section of the analysis.

Table 4.3: Distribution of Respondents by Job Position

<table>
<thead>
<tr>
<th>Category of Job Position</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Manager (CM)</td>
<td>11</td>
<td>28.2</td>
</tr>
<tr>
<td>Product Development Manager (PDM)</td>
<td>10</td>
<td>25.6</td>
</tr>
<tr>
<td>Implementation Manager (IM)</td>
<td>8</td>
<td>20.5</td>
</tr>
<tr>
<td>Others</td>
<td>6</td>
<td>15.4</td>
</tr>
<tr>
<td>Country Finance Manager (CFM)</td>
<td>4</td>
<td>10.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>39</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

The job category with the biggest number of respondents was for country managers as they constituted 28.2% (11) of the total number of respondents. This group was followed by product development managers who were slightly fewer as they constituted 25.6% (10). The third most dominant category of respondents concerning their job positions was found to be implementation managers as they were 20.5% (8). Those that did not specify their job positions were categorized as others, and they constituted 15.4% (6). The least popular group in this regard was found to be country finance managers as they were 10.3%.
10.3% (4). This information is better visually presented in the pie chart in Figure 4.3 below.

![Pie Chart - Distribution of Respondents according to Job Position](image)

**Figure 4.3: Pie Chart - Distribution of Respondents according to Job Position**

### 4.2.4 Work Experience

The fourth parameter analyzed the demographic attributes of respondents was work experience, which is basically how many years the respondents had spent working for Cellulant Corporation. A summary of the findings is exhibited in Table 4.4 below.

<table>
<thead>
<tr>
<th>Category of Length of Work Experience</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-2 Yrs</td>
<td>11</td>
<td>28.2</td>
</tr>
<tr>
<td>3-5 Yrs</td>
<td>12</td>
<td>30.8</td>
</tr>
<tr>
<td>6-8 Yrs</td>
<td>11</td>
<td>28.2</td>
</tr>
<tr>
<td>9-11 Yrs</td>
<td>3</td>
<td>7.7</td>
</tr>
<tr>
<td>&gt;11 Yrs</td>
<td>2</td>
<td>5.1</td>
</tr>
<tr>
<td>Total</td>
<td><strong>39</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Findings suggested that majority of the respondents had between 3 and 5 years in their positions at Cellulant Corporation. These respondents constituted 30.8% (12) of the total number of study participants. Those with 0-2 years and 6-8 years of experience tied at the second position as they both constituted 28.2% (11) composition. This was followed by those between 9 and 11 years at 7.7% (3), and then finally followed by those with above 10 years of experience at 5% (2) composition. This information is graphically presented in the pie chart in Figure 4.4 below.
The last item of analysis under the demographic characteristics of respondents was on their educational level. Findings are exhibited in Table 4.5 below.

Table 4.5: Distribution of Respondents by Level of Education

<table>
<thead>
<tr>
<th>Category of Educational Level</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Und. Degree</td>
<td>20</td>
<td>51.3</td>
</tr>
<tr>
<td>Master</td>
<td>19</td>
<td>48.7</td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
<td>100.0</td>
</tr>
</tbody>
</table>

All respondents were found to belong to only two categories of an undergraduate degree and master degree. Those with undergraduate degrees formed the majority of respondents as they were 51.3% (20) while those with master degree qualifications constituted 48.7% (19). This information is graphically presented in the pie chart in Figure 4.5 below.
Figure 4.5: Pie Chart - Distribution of Respondents according to Level of Education

4.3 Exploration of Data

This section endeavored to explore data to establish the normality of data for main variables and also analyze missing data in the responses offered.

4.3.1 Test for Normality

For this test, four summary variables were selected for analysis. The variables were strategy formulation, strategy implementation, strategy evaluation, and organizational performance. Findings are as exhibited in Table 4.6 below.

Table 4.6: Normality - Test Results

<table>
<thead>
<tr>
<th></th>
<th>Kolmogorov-Smirnova</th>
<th></th>
<th>Shapiro-Wilk</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Statistic</td>
<td>df</td>
<td>Sig.</td>
</tr>
<tr>
<td>Strategy Formulation</td>
<td>.094</td>
<td>39</td>
<td>.200*</td>
</tr>
<tr>
<td>Strategy Implementation</td>
<td>.110</td>
<td>39</td>
<td>.200*</td>
</tr>
<tr>
<td>Strategy Evaluation</td>
<td>.131</td>
<td>39</td>
<td>.089</td>
</tr>
<tr>
<td>Organizational Performance</td>
<td>.108</td>
<td>39</td>
<td>.200*</td>
</tr>
</tbody>
</table>

* Lower bound of the true significance.  
a. Lilliefors Significance Correction

The Kolmogorov-Smirnov test is only applicable to tests of normality for datasets that have more than 2,000 observations. Since the dataset in question has only 39 observations, the Shapiro-Wilk test was preferred. For all the variables subjected to the said test, findings indicated a p-value of greater than 0.05. This compels the research to
reject the null hypothesis that the data is not normal in favor of the alternative hypothesis stating that the data in question is normal.

4.3.2 Missing Data Analysis

Apart from the normality of data, the study also found it relevant to analyze missing data and what proportion of the data expected was missing. If a significant amount of data is missing, it will imply that the findings made may be unreliable. Findings are as summarized in Table 4.7 below.

Table 4.7: Results on Missing Data Analysis

<table>
<thead>
<tr>
<th></th>
<th>Actual N</th>
<th>Missing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Max N</td>
<td>Count</td>
</tr>
<tr>
<td>SF1</td>
<td>39</td>
<td>0</td>
</tr>
<tr>
<td>SF2</td>
<td>39</td>
<td>0</td>
</tr>
<tr>
<td>SF3</td>
<td>39</td>
<td>0</td>
</tr>
<tr>
<td>SF4</td>
<td>39</td>
<td>0</td>
</tr>
<tr>
<td>SF5</td>
<td>39</td>
<td>0</td>
</tr>
<tr>
<td>SF6</td>
<td>39</td>
<td>0</td>
</tr>
<tr>
<td>SF7</td>
<td>39</td>
<td>0</td>
</tr>
<tr>
<td>SF8</td>
<td>39</td>
<td>1</td>
</tr>
<tr>
<td>SI1</td>
<td>39</td>
<td>0</td>
</tr>
<tr>
<td>SI2</td>
<td>39</td>
<td>1</td>
</tr>
<tr>
<td>SI3</td>
<td>39</td>
<td>0</td>
</tr>
<tr>
<td>SI4</td>
<td>39</td>
<td>0</td>
</tr>
<tr>
<td>SI5</td>
<td>39</td>
<td>0</td>
</tr>
<tr>
<td>SI6</td>
<td>39</td>
<td>1</td>
</tr>
<tr>
<td>SI7</td>
<td>39</td>
<td>0</td>
</tr>
<tr>
<td>SI8</td>
<td>39</td>
<td>0</td>
</tr>
<tr>
<td>SE1</td>
<td>39</td>
<td>0</td>
</tr>
<tr>
<td>SE2</td>
<td>39</td>
<td>0</td>
</tr>
<tr>
<td>SE3</td>
<td>39</td>
<td>0</td>
</tr>
<tr>
<td>SE4</td>
<td>39</td>
<td>1</td>
</tr>
<tr>
<td>SE5</td>
<td>39</td>
<td>0</td>
</tr>
<tr>
<td>SE6</td>
<td>39</td>
<td>0</td>
</tr>
<tr>
<td>SE7</td>
<td>39</td>
<td>1</td>
</tr>
<tr>
<td>SE8</td>
<td>39</td>
<td>0</td>
</tr>
<tr>
<td>OP1</td>
<td>39</td>
<td>0</td>
</tr>
<tr>
<td>OP2</td>
<td>39</td>
<td>0</td>
</tr>
<tr>
<td>OP3</td>
<td>39</td>
<td>0</td>
</tr>
<tr>
<td>OP4</td>
<td>39</td>
<td>1</td>
</tr>
<tr>
<td>OP5</td>
<td>39</td>
<td>0</td>
</tr>
<tr>
<td>OP6</td>
<td>39</td>
<td>1</td>
</tr>
<tr>
<td>30</td>
<td>1170</td>
<td>1163</td>
</tr>
</tbody>
</table>
The total number of variables encompassed in this analysis was 30. Out of these, only seven (7) variables had missing data, meaning respondents did not offer responses in the respective questions. For each case of the variables with missing data, only one respondent failed to provide their response to a question. The total number of responses expected from the study was 1,170, but only 1,163 were solicited. The percentage of missing data was thus computed to be at 0.6%, which is insignificant. The inference drawn from this examination is that the findings made in this study are reliable by not having lots of missing data in them.

4.4 The Effect of Strategy Formulation on Organizational Performance at Cellulant Corporation

The first objective of the study wanted to examine the effect of strategy formulation on organizational performance at Cellulant Corporation. In carrying out the determination both descriptive and inferential statistics were used.

4.4.1 Descriptive Statistics on Strategy Formulation

The descriptive statistics used in this regard were the mean, standard deviation, and ranks. For this and subsequent analysis of descriptive statistics in this report, the following scale of mean interpretation in Table 4.8 will be used.

<table>
<thead>
<tr>
<th>Range</th>
<th>Legend</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.00-1.80</td>
<td>Strongly Disagree</td>
<td>Very Low/Very Poor</td>
</tr>
<tr>
<td>1.81-2.60</td>
<td>Disagree</td>
<td>Low/Poor</td>
</tr>
<tr>
<td>2.61-3.40</td>
<td>Neutral</td>
<td>Average</td>
</tr>
<tr>
<td>3.41-4.20</td>
<td>Agree</td>
<td>Good/High</td>
</tr>
<tr>
<td>4.21-5.00</td>
<td>Strongly Agree</td>
<td>Very Good/Very High</td>
</tr>
</tbody>
</table>

Table 4.9 below presents findings made regarding the strength of strategy formulation policies and practices at Cellulant Corporation.
Table 4. 9: Results of Analysis of Descriptive Statistics on Strategy Formulation

<table>
<thead>
<tr>
<th>Question/Statement</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>The process of formulating strategies at Cellulant is succinct</td>
<td>3.69</td>
<td>1.055</td>
<td>2</td>
</tr>
<tr>
<td>We do thorough environmental scanning while formulating strategies</td>
<td>3.54</td>
<td>1.120</td>
<td>5</td>
</tr>
<tr>
<td>We use several evidence-based strategic models while formulating strategies</td>
<td>3.36</td>
<td>1.112</td>
<td>7</td>
</tr>
<tr>
<td>The goals set during strategy formulation are reasonably achievable</td>
<td>3.41</td>
<td>.880</td>
<td>6</td>
</tr>
<tr>
<td>The goals set during strategy formulation are realistic</td>
<td>3.59</td>
<td>.850</td>
<td>3</td>
</tr>
<tr>
<td>We engage all relevant stakeholders while formulating strategies</td>
<td>3.56</td>
<td>.882</td>
<td>4</td>
</tr>
<tr>
<td>Stakeholders involved during formulation bring various expertise on board</td>
<td>3.90</td>
<td>.940</td>
<td>1</td>
</tr>
<tr>
<td>Approaches with the majority support end up being adopted</td>
<td>3.21</td>
<td>.843</td>
<td>8</td>
</tr>
<tr>
<td><strong>Strategy Formulation</strong></td>
<td><strong>3.5371</strong></td>
<td><strong>.63058</strong></td>
<td></td>
</tr>
</tbody>
</table>

The table above shows that the mean for strategy formulation policies and practices to be good as it was computed at 3.537. The standard deviation of 0.63 suggests that the responses were not that dispersed. The top evaluated statement was that “Stakeholders involved during formulation bring various expertise on board” which scored a mean of 3.90 and therefore interpreted as high. The lowest evaluated statement was that “Approaches with the majority support end up being adopted” as its mean was calculated at 3.21 and was interpreted as being average.

4.4.2 Analysis of Qualitative Data Relating to Strategy Formulation

Under qualitative data gathered for the section of strategy formulation, questions sought to understand the scope of people involved in the process and the activities that are undertaken therein. In most of the national branches of Cellulant Corporation, respondents indicated that members involved in strategy formulation are drawn from strategic and business areas. A majority, however, indicated that only a few are drawn from the operational segments of the corporation. The titles that dominated the responses were CEO, country managers, country finance managers, product development managers, Chief Technology Officer (CTO), Chief Financial Officer (CFO), and sales marketing teams.
For the question of the type of activities involved in strategy formulations, the majority of respondents indicated that the activities majorly revolved around making marketing deliberations. Some of the specific activities given were sizing the market, market analysis, competitor analysis, revenue model analysis, and environmental scanning. Other non-marketing activities included value proposition, determining firm competencies, budgeting, and evaluation of the company's roadmap to achieving its vision. One comprehensive response commented as follows.

“Start with a hypothesis, Market sizing, product exploration, Competitor analysis now and in the future and analysis of competing products, analyzing market needs/ gaps, analysis of commercial model & costs likely to be incurred in execution, go to market plan, people organization, synergy between our strengths and opportunity at hand.”

4.4.3 Regressing Organizational Performance on Strategy Formulation

It was deemed necessary for the study to articulate the nature of the causal relationship that the variables under study had. This was done by running a regression analysis whereby the dependent variable of organizational performance was regressed on the independent variable of strategy formulation. Table 4.10 was obtained and summarized after running the procedure with SPSS.

Table 4. 10: Regression Test Results for Hypothesis #1

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. The error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.421</td>
<td>.178</td>
<td>.155</td>
<td>.53525</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Strategy Formulation

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>2.135</td>
<td>.495</td>
<td>4.317</td>
</tr>
<tr>
<td></td>
<td>Strategy</td>
<td>.389</td>
<td>.138</td>
<td>2.827</td>
</tr>
<tr>
<td></td>
<td>Formulation</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From the table, R Squared was computed at 0.178, which is considered to be low. The R Squared value of 0.178 means that strategy formulation has an influence of 17.8% on the organizational performance at Cellulant Corporation. The rest of the influence on organizational performance comes from other factors. From the coefficients section of the
table, it is observed that the p-value of strategy formulation was estimated to be at 0.008. This value is below the threshold of significance set at 0.05. For this reason, the null hypothesis that strategy formulation has no significant effect on organizational performance is hereby rejected in favor of the alternative hypothesis. Enough evidence has been gathered to suggest that strategy formulation has a causal effect on organizational performance, though minimal.

4.5 The Effect of Strategy Implementation on Organizational Performance at Cellulant Corporation

The second objective of the study focused on examining the effect of strategy implementation on organizational performance at Cellulant Corporation. To carry out this determination both descriptive and inferential statistics

4.5.1 Descriptive Statistics on Strategy Implementation

The descriptive statistics used in this regard were the mean, standard deviation, and ranks. Table 4.11 below presents findings made regarding the strength of strategy implementation policies and practices at Cellulant Corporation.

Table 4.11: Results of Analysis of Descriptive Statistics on Strategy Implementation

<table>
<thead>
<tr>
<th>Question/Statement</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Departmentalization of Cellulant highly facilitates the implementation of strategies</td>
<td>3.49</td>
<td>.942</td>
<td>3</td>
</tr>
<tr>
<td>There is a clear line of authority for members to follow during strategy execution</td>
<td>3.95</td>
<td>.899</td>
<td>1</td>
</tr>
<tr>
<td>Roles and responsibilities are appropriately allocated by competence and capability</td>
<td>3.85</td>
<td>.745</td>
<td>2</td>
</tr>
<tr>
<td>Management provides adequate physical resources for the implementation of strategies</td>
<td>3.31</td>
<td>1.004</td>
<td>4</td>
</tr>
<tr>
<td>Management provides adequate financial resources for the implementation of strategies</td>
<td>3.03</td>
<td>1.013</td>
<td>8</td>
</tr>
<tr>
<td>Management provides adequate human resources for the implementation of strategies</td>
<td>3.08</td>
<td>1.024</td>
<td>7</td>
</tr>
<tr>
<td>Internal communication is conducted in an orderly and timely fashion while implementing strategies</td>
<td>3.18</td>
<td>.885</td>
<td>6</td>
</tr>
<tr>
<td>Communication with external stakeholders is orderly and timely</td>
<td>3.21</td>
<td>.801</td>
<td>5</td>
</tr>
<tr>
<td><strong>Strategy Implementation</strong></td>
<td><strong>3.3846</strong></td>
<td><strong>.65794</strong></td>
<td></td>
</tr>
</tbody>
</table>
Findings indicate that the mean for strategy implementation policies and practices was found to be at the mean of 3.385, which was interpreted as average. The standard deviation of 0.658 suggests that the responses were not that dispersed. The top evaluated statement was that "There is a clear line of authority for members to follow during strategy execution" which scored a mean of 3.95 and therefore interpreted as high. The lowest evaluated statement was that "Management provides adequate financial resources for the implementation of strategies" as its mean was calculated at 3.03 and was interpreted as average.

4.5.2 Analysis of Qualitative Data Relating to Strategy Implementation

Qualitative data collected for this section of analysis was guided by the questions of how organized the company is in implementing strategies and what formed the basis of resource allocation to strategies. Majority of responses were not entirely confident of the organization the company has in implementing strategies. Statements were indicating that top-level management did not consider the operational headaches that came as a result of implementing strategies. The lack of realistic goals was also lamented as a cause for concern during implementation. It was also claimed that there is internal fighting as departments fight for shared resources during implementation. Lack of clarity of goals and the proper organization was also lamented as the cause for failure during strategy implementation. One respondent stated that they could describe it as organized chaos, and went ahead to explain.

"Might not have the semblance of order, but those in the business long enough generally know where everything is. However regarding strategic movement, only those at the top know how the business is performing towards the fulfillment of strategy, and even we do not always face and convey the truth."

Regarding what formed the basis of resource allocation, the majority of responses indicated that the size and potential of the opportunity in question is the central determinant of how well funded a strategy is. This is clear from the fact that most of them considered Return on Investment (ROI), level of risk, and overall profit potential. However, other bases of resource allocation suggested were available finances, urgency (timeliness) of activities, and track record of the team in performance. It was also found
that resource allocation is one of the major bottlenecks when it comes to the implementation of strategies at Cellulant Corporation, thereby limiting its development.

4.5.3 Regressing Organizational Performance on Strategy Implementation

Even for this objective, it was deemed necessary for the study to articulate the nature of the causal relationship that the variables under study had. This was done by running out a regression analysis whereby the dependent variable of organizational performance was regressed on the independent variable of strategy implementation. Table 4.12 was obtained and summarized after running the procedure with SPSS.

Table 4.12: Regression Test Results for Hypothesis #2

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. The error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.481a</td>
<td>.232</td>
<td>.211</td>
<td>.51738</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Strategy Implementation

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>2.070</td>
<td>.440</td>
<td>.481</td>
<td>4.708</td>
</tr>
<tr>
<td>1  Strategy Implementation</td>
<td>.426</td>
<td>.128</td>
<td>.481</td>
<td>3.340</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organizational Performance

Findings indicated that the R Squared was computed at 0.232, which is considered to be low. The R Squared value of 0.232 means that strategy implementation has an influence of 23.2% on the organizational performance at Cellulant Corporation. The rest of the influence on organizational performance comes from other factors. From the coefficients section of the table, it is observed that the p-value of strategy implementation was estimated to be at 0.002. This value is below the threshold of significance set at 0.05. Just like it was the case with strategy formulation, the null hypothesis that strategy implementation has no significant effect on organizational performance is hereby rejected in favor of the alternative hypothesis. There was enough to suggest that strategy implementation has a significant causal effect on organizational performance, though minimal.
4.6 The Effect of Strategy Evaluation on Organizational Performance at Cellulant Corporation

The third objective of the study sought to examine the effect of strategy implementation on organizational performance at Cellulant Corporation. In carrying out this determination both descriptive and inferential statistics were used.

4.6.1 Descriptive Statistics on Strategy Evaluation

The descriptive statistics used in this regard were the mean, standard deviation, and ranks. Table 4.13 below presents findings made regarding the strength of strategy evaluation policies and practices at Cellulant Corporation.

Table 4.13: Results of Analysis of Descriptive Statistics on Strategy Evaluation

<table>
<thead>
<tr>
<th>Question/Statement</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual evaluations performed on strategies are comprehensive enough</td>
<td>3.38</td>
<td>1.016</td>
<td>6</td>
</tr>
<tr>
<td>All relevant stakeholders are involved in summative evaluations</td>
<td>3.62</td>
<td>.990</td>
<td>1</td>
</tr>
<tr>
<td>Terminal evaluations are carried out by competent teams</td>
<td>3.46</td>
<td>.942</td>
<td>3</td>
</tr>
<tr>
<td>Summative evaluations find very little negative deviations from expectations</td>
<td>2.68</td>
<td>.809</td>
<td>8</td>
</tr>
<tr>
<td>Interim evaluations performed on strategies are comprehensive enough</td>
<td>3.46</td>
<td>.790</td>
<td>3</td>
</tr>
<tr>
<td>All relevant stakeholders are involved in formative evaluations</td>
<td>3.41</td>
<td>.818</td>
<td>5</td>
</tr>
<tr>
<td>Formative evaluations are carried out by competent teams</td>
<td>3.61</td>
<td>.823</td>
<td>2</td>
</tr>
<tr>
<td>Formative evaluations find very little negative deviations from expectations</td>
<td>2.79</td>
<td>.801</td>
<td>7</td>
</tr>
<tr>
<td><strong>Strategy Evaluation</strong></td>
<td><strong>3.3054</strong></td>
<td><strong>.62096</strong></td>
<td><strong>62096</strong></td>
</tr>
</tbody>
</table>

Findings indicate that the mean for strategy evaluation policies and practices was computed to be at a mean score of 3.305, which was interpreted as average. The standard deviation of 0.621 suggests that the responses were not that dispersed. The top evaluated statement was that "All relevant stakeholders are involved in summative evaluations" which obtained a mean score of 3.62 and therefore interpreted as high. The lowest evaluated statement was that "Summative evaluations find very little negative deviations from expectations" as its mean was calculated at 2.68 and was interpreted as average.
4.6.2 Analysis of Qualitative Data Relating to Strategy Evaluation

Qualitative data obtained for purposes of analysis in this section related to the determination of the processes involved in the summative and formative evaluation. Most summative evaluations were said to be done on a quarterly basis and at the end of the year, where evaluative teams would be tasked to investigate to determine how far the company has made strides. The main items of analysis are Monthly Active Users (MAUs), ROI, and budget performance. For the case of formative evaluations, monthly Key Performance Indicators (KPI) forms are available in the company to determine the progress made in performance. The key KPI established for measuring short-term performance is mainly MAUs. On formative evaluations, one respondent indicated that these are mostly carried out for new products, and further commented as follows.

"Mostly for new products, we have daily scrums and daily stand-ups that on a daily basis sometimes hourly assess the impact and any changes that need to be made to better the outcome of the strategy chooses."

4.6.3 Regressing Organizational Performance on Strategy Evaluation

To establish the final objective of the study, it was vital that the study articulates the nature of the causal relationship that the variables under investigation had. This was done by carrying out a regression analysis whereby the dependent variable of organizational performance was regressed on the independent variable of strategy evaluation. Table 4.14 was obtained and summarized after running the procedure with SPSS.

Table 4. 14: Regression Test Results for Hypothesis #3

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. The error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.516a</td>
<td>.267</td>
<td>.247</td>
<td>.50543</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Strategy Evaluation

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Model</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>1</td>
<td>1.911</td>
<td>.444</td>
<td>.444</td>
<td>4.305</td>
</tr>
<tr>
<td>Strategy Evaluation</td>
<td>1</td>
<td>.484</td>
<td>.132</td>
<td>.516</td>
<td>3.668</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organizational Performance

Findings indicated that the R Squared was computed at 0.267, which is considered to be low. The R Squared value of 0.267 means that strategy evaluation has an influence of
26.7% on the organizational performance at Cellulant Corporation. The rest of the impact on organizational performance comes from other factors. From the coefficients section of the table, it is observed that the p-value of strategy evaluation was estimated to be at 0.001. This value is below the threshold of significance set at 0.05. Just like it was the case with strategy formulation and strategy implementation, the null hypothesis that strategy evaluation has no significant effect on organizational performance is hereby rejected in favor of the alternative hypothesis. From the study, it was clear that strategy evaluation has a significant causal impact on organizational performance, though minimal.

4.7 Chapter Summary

This chapter has deliberated on the analysis and presentation of findings on the topic at hand. Demographic attributes of respondents indicated more male respondents; most of them were middle-aged; the majority were country managers, with average work experience; and they were found to be well educated. Strategy formulation policies and practices were found to be good, and their effect on organizational performance was significant but low. Strategy implementation and evaluation policies and practices were found to be average, and just like strategy formulation, their impact on organizational performance was substantial but minimal. The next chapter discusses these findings in depth to give a more informed analysis of the situation as it is at Cellulant Corporation.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This is the final chapter of this report, and it serves to discuss the findings presented in the preceding section, deliberates on conclusions, recommendations, and also suggests areas which need further research.

5.2 Summary

This study focused on establishing the effect of strategic management practices on the organizational performance of Fintech Companies. The selected company that was investigated was Cellulant Corporation. It was centered on the problem of intense competition that has become typical in the Fintech industry where Cellulant Corporation operates in. The study focused on three research objectives namely determining the effect of strategy formulation, implementation, and evaluation of the organizational performance of the said company. This study was found to be significant to different stakeholders especially management of Fintech firms, supervisors, and future researchers.

The section on literature review found compelling evidence that linked all independent study variables of strategy formulation, strategy implementation, and strategy evaluation to organizational performance. The major gap identified in this review is that there is not a single study that investigated the effect of strategic management practices on organizational performance within the Fintech industry. It would have been more relevant to find articles, books, and other sources that were particularly touching on the topic at hand, but this was not the case. Secondly, most of the studies were conducted outside Kenya. The environment in Kenya is, and the findings made from investigations abroad may not be applicable in the country.

This third chapter described the methodology that was used in conducting the research. The component s of research methodology are research design, population and sampling design, data collection, research procedures and data analysis methods. The preferred research design for the study was identified to be descriptive correlational, and it
employed both quantitative and qualitative approaches (mixed approach). Out of a population of 43, 39 participants were considered and the research instruments to be used are questionnaires and interview guides. In collecting data, an online form was used that hosted a questionnaire with closed and open-ended questions. Respondents who took part in the study were identified through cluster sampling and simple random sampling techniques. Analysis entailed both descriptive and inferential statistics.

The fourth chapter deliberated on the analysis and presentation of findings on the topic at hand. Demographic attributes of respondents indicated more male respondents; most of them were middle-aged; the majority were country managers, with average work experience; and they were found to be well educated. Strategy formulation policies and practices were found to be good, and their effect on organizational performance was significant but low. However, strategy implementation and evaluation policies and practices were found to be average, and just like strategy formulation, their effect on organizational performance was significant but minimal. These findings revealed the situation as it is at Cellulant Corporation to the fact that the company could have done better in influencing its organizational performance.

5.3 Discussion

This section discusses the findings obtained in the study in light of other studies conducted beforehand. It aims to reveal consistencies and inconsistencies between the current study and those carried out in the past. It is organized concerning the objectives of the study.

5.3.1 Effect of Strategy Formulation on Organizational Performance

In this objective, the study sought to find out whether and to what extent strategy formulation affected organizational performance. First, it was found that the policies and practices within the strategy formulation function were well above board. Majority of activities deliberated on during the process of formulating strategies related to marketing and these were sizing the market, market analysis, competitor analysis, revenue model analysis, and environmental scanning. Concerning by Babatunde and Adebisi (2012), one of the primary reasons for formulating strategies is to ensure that competitors do not overshadow a firm. The source claims that it is rather impossible to separate strategy formulation with market planning because activities involved in the two processes have
lots of similarities. The fact that it was being handled well by Cellulant shows that management accords the process the seriousness it deserves.

In capturing the effect of strategy formulation, findings indicated that this effect was significant but minimal. The implication was that strategy formulation could be relied upon to improve organizational performance, but such improvement may not be to a large extent. These findings are partly consistent with those made in Kenyoru (2015), where the researchers found that strategy formulation is the core business process that determines the success or failure of an enterprise. The source claims that a good strategy is one that is well crafted to anticipate all possible scenarios and create contingencies. While the study in focus found some minimal effect, its significance was plausible enough to suggest the effect is existent in the case of Cellulant Corporation.

Conner (2007) also supports this premise where it concludes that with a good strategy formulation process, an organization can be sure of reaping financial benefits. The quoted study shows that businesses that use clear strategy establishment and management models are successful and more lucrative than firms that do not have a robust strategy formulation and plan. Nzioka (2017), it is said that strategy formulation facilitates the organization to have a forward-looking objective and allows the organization to evaluate its priorities carefully. This gives the organization the ability to change its landscape and its goals. Cellulant had strategy formulation policies and practices that were considered to be above average. However, this may not be enough since the industry is highly competitive and dynamic. It seems that there is a need for more aggressiveness when it comes to the formulation of strategies to positively impact organizational performance.

There was, however, one outstanding issue at Cellulant concerning their policies and practices in strategy formulation. Management involved less of the lower level and operational staffs in the process of formulating strategies. Majority of those that were required were top and middle-level management and staff. This may cause a problem during implementation since it is the operational staffs that are expected to take this responsibility (Conner, 2015). Their input ought to be captured from the time a strategy is being implemented. According to Okoth (2016), a right section of the problems faced during implementation emanate from the fact that there was inadequate consultation during the formulation of a strategy. This is especially so when the actual handlers of the implementation process are locked out of deliberations to formulate and plan company
strategies. This seems to be the case with Cellulant hence limiting its effect on organizational performance.

5.3.2 Effect of Strategy Implementation on Organizational Performance

The analysis also encompassed the investigation of the impact of strategy implementation on organizational performance. The process of strategy implementation was considered to be crucial to the achievement of organizational goals and objectives. This only underscored the level of importance that ought to be accorded to it. Unfortunately, it was found that the process was being handled with mediocrity since it policies and practices were considered to be average. Implementing a strategy requires lots of dedication and commitment since it is what breathes life into the previously formulated strategies. Csaszar (2012) notes that when implementation plans are inadequate or generally fall out of favor with implementation teams, there is a high probability that such processes will not be up to expectations. It seems that this was the case with Cellulant Corporation's strategy implementation processes.

Regarding the actual effect that strategy implementation has on organizational performance, it was found that it was significant but also minimal. Here, the implication was that implementing strategies at Cellulant could be relied upon to make improvements in organizational performance, but only to a small extent. This is in line with the findings made in Hao, Kasper, & Muehlbacher (2012), where the authors suggested that implementing strategies in businesses creates tangible value to the company since it is where most action takes place. Indeed, this is relatable from the fact that it during strategy implementation that organizations get to do what they had previously aimed to do. The value emanating from the implementation of strategies and plans gives an organization a lifeline, and hence the need to reinforce it. Organizational success is said to be always forthcoming in cases where implementation processes are regarded highly by organizational members (Arner, Barberis, & Buckley, 2015).

Concerning the study by Husain (2013), strategic implementation is a fundamental step in turning a company’s vision of a project into reality. Through a series of action-based phases and tasks, the implementation process maps out the life cycle of a strategy. Without strategic implementation, a strategy would not be able to get off the ground, since strategic implementation functions as a project’s blueprint. The implementation
process identifies what tasks need to be completed, and when. It is also well elaborated in the study conducted by Nath, Nachiappan, & Ramanathan (2010) that strategy execution is action-based and uses a variety of tools to keep the project team on track. The fact that Cellulant had averagely rated implementation policies and practices, it goes on to mean that the company was missing out big on its functions. It is not surprising that its performance was also reflective of the lack of focus that Cellulant had given to the function of strategy implementation.

The challenges that were found to bedevil the process of strategy implementation at Cellulant are quite sensitive and critical. For instance, the stage of allocating resources seemed not to follow a definite criterion. In some cases, it would be determined by the short-term benefits expected from a strategy or its elements, and in others, it would be defined by the overall ROI. There were even cases where it would depend on however much income the company was making. Lack of clarity of goals to implementers as observed in this case could negatively impact the success rates of strategy implementation and hence limiting its effect on organizational performance. According to Surroca, Tribó, & Waddock (2010), one of the significant problems associated with strategy implementation is the mismatch between those who formulated the strategies and those that are implementing it. When goals are not clear, it is an indication that formulators did not take enough time to interact with implementers for purposes of providing directions.

5.3.3 Effect of Strategy Evaluation on Organizational Performance

With regards to the effect of strategy evaluation on organizational performance, the objective was equally analyzed and determined. Just like the case was with strategy implementation, strategy evaluation process was considered to be average. Its source of strength was that evaluative procedures involved all relevant stakeholders. According to Chepkwony (2016), the involvement of stakeholders in evaluation is critical to the success of the process. All stakeholders, especially operational ones must agree on the criteria to be used in the assessment because it affects how they perceive their performance. For the case of Cellulant, it seems the use of KPIs such as MAUs and ROI was consistent with the will of the majority of organizational members involved during evaluation. Another source of strength was that the actual assessment was carried out by competent teams. This is a recommendation that was made in Kakunu (2012) to preempt
the possible failure of strategy evaluation processes, especially those that involve big projects in large-scale organizations.

The study found that strategy evaluation had a significant effect on organizational performance, but this effect was minimal. It implies that management could rely on the use of strategy evaluation processes to play a role in enhancing organizational performance but only to a small extent. These findings are consistent with Bunnefeld, Hoshino, & Milner-Gulland (2011), which reported a considerable and significant effect. The secret is however said to be in the criteria used in evaluating the performance of an organization. A useful criterion motivates members to perform since they know there is going to be some evaluation at some point. A lousy criterion, such as that which is unrealistic, acts as a de-motivator and may lead to less compliance from the operational team charged with the responsibility of implementing strategies. A useful criterion is one that strikes a balance between being realistic and being challenging to implementers. A bias towards any of these two opposite directions is disastrous.

The study is also in agreement with the findings made in Kourdi (2015) where it was established that financial key performance indices are highly recommended when it comes to the evaluation of the success or failure of corporate strategies. At Cellulant, the organization preferred the use of Return on Investment as its pillar criterion in determining whether a specific strategy has worked. This comes with some shortcomings though, since Epp (2013) laments that where multiple strategies are deployed, it is often quite difficult to establish which of the strategies contributed to the level of performance attained in the end. Because it is rather impracticable for an organization to implement each element of a strategy at a time, it stands as a substantial bottleneck to evaluators to determine which element had the most impact.

The principal item of consideration is the fact that summative evaluations were found to have some considerable amount of negative deviation from expectations. This is a revelation that should concern management since it shows that terminal performance is mostly below par. The problem could be analyzed retrospectively since the ultimate performance realized after evaluation of a strategy is a product of how it was formulated and implemented. As Baker, Collier, & Jayaraman (2017) notes, it is rather absurd to view evaluation as a standalone phenomenon, since it is directly affected by its predecessor stages of formulation and implementation. When the terminal performance of
a strategy is not as good as expected, the focus should be directed to how such a strategy was first dealt with in the stated previous stages (Bhattacharyya & Cummings, 2015). Cellulant Corporation, therefore, seems to face a herculean task of fast-tracking its formulation and implementation processes so that it can have seamless performance captured during the evaluation of strategies.

5.4 Conclusions

In conclusion, this study has elaborately investigated the effect of strategic management practices on the organizational performance of Cellulant Corporation. The three objectives established in the beginning were all achieved.

5.4.1 Effect of Strategy Formulation on Organizational Performance

For the first objective, the study found that strategy formulation policies and practices were good with some room for improvement. It was also established that their effect on organizational performance was significant though minimal. In conclusion, the poor performance experienced by Cellulant Corporation is partly because its process of strategy formulation was not up to the expected standards. The corporation could, however, take advantage of this causal relationship between the two variables to improve organizational performance by positively adjusting their policies and practices concerning strategy formulation.

5.4.2 Effect of Strategy Implementation on Organizational Performance

The second objective related to the determination of the effect of strategy implementation on organizational performance. Policies and practices in this regard were found to be average and so with a massive room of improvement. The effect of strategy implementation was also found to be significant, but also minimal. It can be concluded that because of the dismal implementation of strategies at Cellulant, organizational performance was consequently affected. However, it is possible that with a better implementation, the performance of Cellulant Corporation as an organization is bound to increase.
5.4.3 Effect of Strategy Evaluation on Organizational Performance

Finally, the study examined the effect of strategy evaluation on organizational performance. Just like the case was with strategy implementation, policies and practices in the evaluation were found to be average with a massive room of improvement. Its effect on organizational performance was found to be significant but low. The overall implication is that should Cellulant improve upon its strategic evaluation policies and practices, and it has some chances of consequently and considerably improving its organizational performance.

5.5 Recommendations

From the conclusion made in the above section, there is the need to improve performance by exceptional tuning strategic management practices at Cellulant Corporation. The following are evidence-based suggestions that could facilitate the attainment of this endeavor.

5.5.1 Recommendations for Improvement

5.5.1.1 Inclusion of More Operational Staffs during Strategy Formulation

The strategy formulation team was found to be constituted of many tops and middle-level management members but with a few operational staffs. More operational staffs need to be admitted into the strategic teams for a more comprehensive strategy formulation process.

5.5.1.2 Adoption of an Objective Formula in Resource Allocation

Resource allocation was found to be a core challenge when it comes to strategy implementation. There should be a definite formula that is objective and simplifies the issues surrounding what is to be funded and how much such initiatives should be allocated organizational resources.

5.5.1.3 Preempting Terminal Underperformance through Rigorous Formative Evaluations

Summative evaluations were found to have negative deviations from the expectations set in the beginning. It is imperative that there is a stricter adherence to formative evaluation
criteria and recommendations made, so the results in summative evaluations are devoid of major inconsistencies with expectations.

5.5.2 Recommendations for Further Studies

This study has attempted to investigate the effect of strategic management practices on the organizational performance of Fintech Companies. While it has tried to be as comprehensive and possible, some few areas may need further research to substantiate the realities therein. The following are suggested areas for future research.

1. The relationships between strategy formulation and implementation processes
2. Comparing the magnitude of the effect of strategy formulation, implementation, and evaluation of organizational performance
3. The role of strategic management practices on a firm’s competitive landscape
REFERENCES


APPENDICES

Appendix I: Introduction Letter

Dear Respondent,

My name is Anthony Muiruri Kimani. I am a postgraduate student at United States International University, carrying out a study on “The effects of strategic management practices on organizational performance of Fintech companies in Africa: A case study of Cellulant Corporation.” I would highly appreciate if you could kindly assist in filling in of the questionnaires. The results of the report will be used solely for academic purposes and will be treated with utmost confidence.
Appendix II: Questionnaire

Part A: Demographic Characteristics

Gender

Male   Female

Age

18-30 Yrs   31-40 Yrs   41-50 Yrs   51-60 Yrs   >60 Yrs

Job Position

Country Mgr   Country Finance Mgr   Implementation Engr   Product Devt Mgr

Work Experience

0-2 Yrs   3-5 Yrs   6-8 Yrs   9-11 Yrs   >11 Yrs

Education

Diploma Und. Degree Master Ph.D. Others
**Part B1: Strategy Formulation**

Please indicate your level of agreement by checking/ticking in the appropriate box using the following key.

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

<table>
<thead>
<tr>
<th>#</th>
<th>Question Statement</th>
<th>Response Mode</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The process of formulating strategies at Cellulant is succinct</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>2</td>
<td>We do thorough environmental scanning while formulating strategies</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>We use several evidence-based strategic models while formulating strategies</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>The goals set during strategy formulation are reasonably achievable</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>The goals set during strategy formulation are realistic</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>We engage all relevant stakeholders while formulating strategies</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Stakeholders involved during formulation bring various expertise on board</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Approaches with the majority support end up being adopted</td>
<td></td>
</tr>
</tbody>
</table>

Describe the participants involved in strategy formulation

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………………………………………………………………………………………………
………………………………………………………………………………………………

What are the typical activities that occur during formulation of strategies?

………………………………………………………………………………………………
………………………………………………………………………………………………
………………………………………………………………………………………………
Part B2:  Strategy Implementation

Please indicate your level of agreement by checking/ticking in the appropriate box using the following key.

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

<table>
<thead>
<tr>
<th>Questions on Strategy Implementation</th>
<th>Response Mode</th>
</tr>
</thead>
<tbody>
<tr>
<td># Question Statement</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>1 The implementation of strategies</td>
<td></td>
</tr>
<tr>
<td>is highly facilitated by departmentalization of Cellulant</td>
<td></td>
</tr>
<tr>
<td>2 There is a clear line of authority for members to follow during strategy execution</td>
<td></td>
</tr>
<tr>
<td>3 Roles and responsibilities are appropriately allocated on basis of competence and capability</td>
<td></td>
</tr>
<tr>
<td>4 Management provides adequate physical resources for the implementation of strategies</td>
<td></td>
</tr>
<tr>
<td>5 Management provides adequate financial resources for the implementation of strategies</td>
<td></td>
</tr>
<tr>
<td>6 Management provides adequate human resources for the implementation of strategies</td>
<td></td>
</tr>
<tr>
<td>7 Internal communication is conducted in an orderly and timely fashion while implementing strategies</td>
<td></td>
</tr>
<tr>
<td>8 Communication with external stakeholders is orderly and timely</td>
<td></td>
</tr>
</tbody>
</table>

How organized is Cellulant during the implementation of strategies?

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What forms the basis of resource allocation during the implementation of strategies?

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How is communication carried out between and among internal and external stakeholders?

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........................................................................................................................................................................
Part B3:  Strategy Evaluation

Please indicate your level of agreement by checking/ticking in the appropriate box using the following key.

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

<table>
<thead>
<tr>
<th>#</th>
<th>Question Statement</th>
<th>Response Mode</th>
</tr>
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<tr>
<td>1</td>
<td>Annual evaluations performed on strategies are comprehensive enough</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>All relevant stakeholders are involved in summative evaluations</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Terminal evaluations are carried out by competent teams</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Summative evaluations find very little negative deviations from expectations</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Interim evaluations performed on strategies are comprehensive enough</td>
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<td></td>
</tr>
<tr>
<td>8</td>
<td>Formative evaluations find very little negative deviations from expectations</td>
<td></td>
</tr>
</tbody>
</table>

How are summative evaluations of strategies carried out at Cellulant?

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........................................................................................................................................
........................................................................................................................................

How are formative evaluations of strategies carried out at Cellulant?

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........................................................................................................................................
Part B4: Organizational Performance

Please indicate your level of agreement by checking/ticking in the appropriate box using the following key.

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

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<th>Response Mode</th>
</tr>
</thead>
<tbody>
<tr>
<td>#</td>
<td>1</td>
</tr>
<tr>
<td>1 Cellulant's profitability is high and promising</td>
<td></td>
</tr>
<tr>
<td>2 Cellulant is more profitable than most other Fintech companies in Kenya</td>
<td></td>
</tr>
<tr>
<td>3 The market share of Cellulant in the Fintech industry is considerably big</td>
<td></td>
</tr>
<tr>
<td>4 Cellulant has captured all major Fintech markets</td>
<td></td>
</tr>
<tr>
<td>5 Year on Year revenues grow at acceptable rates</td>
<td></td>
</tr>
<tr>
<td>6 Cellulant ventures and is accepted into more markets with time</td>
<td></td>
</tr>
</tbody>
</table>

Comment on the profitability of Cellulant

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Comment on the market share of Cellulant within the Fintech industry

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..............................................................................................................................
..............................................................................................................................

Comment on the growth of Cellulant in terms of annual revenue

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..............................................................................................................................
..............................................................................................................................