

**INFLUENCE OF STRATEGIC DECISIONS ON PERFORMANCE OF PAINT
MANUFACTURING FIRMS IN KENYA**

KARANI WANGUI MAGDALINE

**A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENT FOR THE AWARD OF DEGREE OF MASTER OF BUSINESS
ADMINISTRATION IN STRATEGIC MANAGEMENT OF KENYA
METHODIST UNIVERSITY**

OCTOBER , 2025

DECLARATION

This thesis the original copy of my work and no copy of this work should be submitted to any other examination body without the consent of Kenya Methodist University.

Signature:

Date.....

Karani Wangui Magdaline

BUS-3-2341-2/2021

Research Supervisors

This thesis has been submitted for examination with our approval as the university supervisors.

Signature:

Date.....

Dr. Jane Munga

KeMU Business School

Kenya Methodist University

Signature:

Date.....

Dr. Mary Mbithi , PhD

KeMU Business School

Kenya Methodist University

DEDICATION

I dedicate this thesis to my entire family and friends for their support, which has led to my success. May Almighty God bless you.

ACKNOWLEDGEMENT

I would like to express my special thanks to my supervisors Dr. Jane Munga, PhD and Dr. Mary Mbithi, PhD for having accorded me the opportunity to write on this developing topic and having helped me to synthesize and organize my ideas to complete the thesis on time. With profound gratitude, I wish to thank all Kenya Methodist University lecturers for their support throughout the course. Finally, I extend my sincere thanks to my classmates and my loving family for their support and encouragement throughout my academic journey. Thank you and Almighty God bless you.

ABSTRACT

Strategic decisions are key determinants of a firm's success, as they shape the overall direction, resource allocation, and competitive positioning of the organization. While the paint manufacturing sector has experienced steady growth, firms encounter significant challenges that hinder optimal performance and competitiveness. This research examined the influence of strategic decisions on the performance of paint manufacturing firms in Kenya. Importantly, the following objectives were established ; influence of strategic resource allocation, influence of organizational structure, influence of alliances, and influence of strategic human resource staffing on the performance of paint manufacturing firms in Kenya. The study applied a descriptive research design, while focusing on 26 paint manufacturing firms in Kenya. A total of 156 employees in finance , marketing and production were selected from each paint manufacturing firm. Taro Yamane model was used to arrive at a sample size of 113 respondents. The study applied questionnaires and administered both physically and online. Filled questionnaires were entered into SPSS and analysed for descriptive and inferential statistics. Both descriptive and binary regression analysis were used in data analysis. The findings were presented in tables and narratives. Findings revealed that firms that utilized optimal strategic resource allocation were 15 times more likely to register better performance than ones using sub-optimal allocation of resources. Paint manufacturing companies with flat organizational structure were 6 times more likely to have better performance outcome than ones with tall structure. Organizaitions with Strategic alliances were 8 times more likely to register better performance than ones with non-strategic alliances. Lastly, paint firms applying High-Performance Work System were 10 times more likely to enhance their performance than ones using control-based approach. The study concluded that strategic resource allocation, organizational structure, and alliances significantly and positively influenced performance of paint maufacuring companies in kenya. The study recommended that paint manufacturing firms in Kenya prioritize strategic resource allocation through materials distribution, capital expenditure and budgeting and machine sheduling. The study also recommends that firms should develop clear and flexible organizational structures, to enhance decision-making, coordination, and operational productivity. Further, the study recommended that firms are encouraged to actively build strategic alliances focused on mutual benefit, differential efficiency acquisition, synergy , resource sharing, and continuous evaluation to strengthen performance. Lastly the paint manufacturing companies should use strategic staffing strategies decisions in employee retention, engagement of employees and training.

TABLE OF CONTENTS

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
ABSTRACT.....	v
TABLE OF CONTENTS	vi
LIST OF TABLES	viii
LIST OF FIGURES	ix
ABBREVIATIONS AND ACRONYMS	x
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of the Study.....	1
1.2 Statement of the Problem	12
1.3 Research Objectives	14
1.4 Research Hypotheses	15
1.5 Justification of the Study.....	15
1.6 Scope of the Study	16
1.7 Limitations and Delimitations of the Study	16
1.8 Operational Definition of Key Terms	17
CHAPTER TWO.....	19
LITERATURE REVIEW	19
2.1 Introduction.....	19
2.2 Theoretical Review	19
2.3 Empirical Literature Review	30
2.4 Conceptual Framework	40
2.5 Operationalization of Variables	44
2.6 Research Gaps.....	45
CHAPTER THREE.....	47
RESEARCH METHODOLOGY	47
3.1 Introduction.....	47
3.2 Research Design.....	47
3.3 Target Population.....	47
3.4 Sampling Frame	48
3.5 Sample Size.....	48
3.6 Data Collection Instrument	49
3.7 Pre-Testing of the Research Instrument.....	50
3.8 Data Collection Procedure	51
3.9 Data Analysis and Presentation.....	52
3.10 Diagnostic Tests	53
3.11 Ethical Considerations	55

CHAPTER FOUR	57
RESULTS AND DISCUSSIONS.....	57
4.1 Introduction.....	57
4.2 Demographic Statistics	59
4.3 Descriptive Analysis	61
4.4 Assumptions for Logistic Binary Model.....	70
4.5 Bivariate Regression Analysis	71
4.5 Binary Logistic Regression Analysis	77
4.6 Hypothesis Summary	82
CHAPTER FIVE	84
SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS	84
5.1 Introduction.....	84
5.2 Summary of Key Findings	84
5.3 Conclusions of the Study	86
5.4 Recommendations The Study	88
5.5 Contribution of Study to Existing Literature	90
REFERENCES	91
APPENDICES.....	102
Appendix I: Introduction Letter	102
Appendix II: ETHICAL REVIEW BOARD	110
Appendix III: NACOSTI	112
Appendix IV: Questionnaire	103
Appendix V: List of Paint Manufacturing Firms in Kenya	113
Appendix V: Secondary Data Schedule.....	108

LIST OF TABLES

Table 2.1 Research Gaps Summary	45
Table 3.1 Target Population	48
Table 3.2 Sample Distribution	49
Table 4.1 Response Rate	57
Table 4.2 Reliability Test.....	58
Table 4.3 Validity Test.....	59
Table 4.4 Demographic Statistics	60
Table 4.5 Descriptive Statistics on Strategic Resource Allocation.....	61
Table 4.6 Descriptive Statistics on Organizational Structure	63
Table 4.7 Descriptive Statistics on Alliances.....	65
Table 4.8 Descriptive Statistics on Strategic Human Resource	66
Table 4.9 Descriptive Statics on Organizational Performance	68
Table 4.10 Descriptive Statics on Net profits of Firms.....	69
Table 4.11 Multi-Collinearity	70
Table 4.12 Tests of Normality	71
Table 4.13 Simple Regression on Strategic Resource Allocation and Performance	72
Table 4.14 Simple Regression on Organizational Structure and Performance	73
Table 4.15 Simple Regression On Alliances and Performance	74
Table 4.16 Simple Regression on Strategic Human Resource Staffing and Performance....	76
Table 4.17 Hosmer and Lemeshow Test.....	77
Table 4.18 Model Summary.....	78
Table 4.19 Classification Table.....	79
Table 4.20 Logistic Regression Coefficients	80
Table 4.21 Hypothesis Summary	82

LIST OF FIGURES

Figure 2.1 Theoretical Framework.....	30
Figure 2.2 Conceptual Framework.....	40
Figure 2.3 Operationalization of Variables.....	44

ABBREVIATIONS AND ACRONYMS

BRI	Belt and Road Initiative
HRM	Human Resource Management
PMAK	Paint Manufacturers Association of Kenya
RBV	Resource-Based View
RCEP	Regional Comprehensive Economic Partnership
SEM	Structural Equation Modeling
SMEs	Small and Medium-sized Enterprises
TCE	Transaction Cost Economics
TPP	Trans-Pacific Partnership

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Firm performance is a multifaceted concept that reflects organization's ability to meet its objectives across financial, operational, and market dimensions. It encompasses critical measures such as profitability, market share, and customer satisfaction. Performance is also influenced by product quality, distribution efficiency, and responsiveness to consumer preferences (Song et al., 2021). High-performing firms demonstrate resilience in adapting to changing market dynamics, leveraging competitive advantages, and fostering sustainable growth (Büchi et al., 2020). Achieving this level of performance requires a deliberate focus on strategic decisions that align internal capabilities with external opportunities, ensuring a robust response to industry challenges (Piszczek & Berg, 2020).

Performance, as an indicator, is a fundamental concept in organizational management that refers to the measurement of outcomes relative to the goals set by an organization. Globally, performance indicators are widely utilized to assess efficiency, productivity, and overall success across various sectors (Birindelli et al., 2022). The concept of performance has evolved, integrating both financial and non-financial measures. Use of a balanced approach enhances measurement of performance, combining financial metrics such as profitability with others like customer satisfaction and employee engagement (Cavalcante et al., 2022). This comprehensive view is crucial for a holistic understanding of firm's performance in today's dynamic business environment (Golovko & Schumann, 2022).

In Kenya's manufacturing firms, performance indicators play a critical role in driving productivity and competitiveness. As the country seeks to improve its industrial output through initiatives like Kenya Vision 2030, manufacturing firms must rely on performance metrics to evaluate their effectiveness in contributing to national economic goals (Phadermrod et al., 2021). The ability of Kenyan manufacturing firms to increase output, reduce operational costs, and enhance product quality directly affects their performance in a competitive market. The use of key performance indicators such as market share growth are essential for measuring these outcomes (Muo & Ochieng, 2023).

Strategic decisions are fundamental in steering organizations toward achieving optimal performance by setting priorities, defining objectives, and allocating resources. These decisions encompass various aspects, including market positioning, risk assessment, innovation strategies, and operational efficiency (Golovko & Schumann, 2022). In the highly competitive paint manufacturing industry, firms must navigate fluctuating market demands, stringent regulatory requirements, and rapid technological advancements (Büchi et al., 2020). Strategic initiatives that are well-informed and forward-looking enable firms to identify growth opportunities, improve operational effectiveness, and maintain relevance in a dynamic environment. The capacity to integrate strategic foresight with practical execution is important for firm's performance (Gomez & Bernet, 2021).

The external environment significantly shapes the outcomes of strategic decisions, as firms operate within a broader ecosystem characterized by dynamic market conditions, evolving consumer behaviors, and technological disruptions. For paint manufacturing firms in Kenya, external factors such as industry competition, government regulations, and global supply chain pressures present both challenges and opportunities (Amankwah & Wang, 2021).

Additionally, advancements in sustainable manufacturing practices and eco-friendly products are reshaping consumer expectations and industry standards. Firms that proactively analyze these external forces and align their strategies accordingly are better positioned to achieve competitive advantages and long-term performance gains (Piszczeck & Berg, 2020).

Internally, the resources, leadership, and organizational culture within a firm form the backbone of effective strategic decision-making. Vision, mission, and core values provide a guiding framework, while the availability of resources determines a firm's ability to meet its strategic initiatives (Golovko & Schumann, 2022). Leadership styles, particularly transformational and participative leadership, have been shown to foster innovation and improve decision-making effectiveness. In paint manufacturing firms, cultivating a culture of innovation and collaboration enhances the alignment of strategic objectives with operational practices, driving superior organizational performance (Ferreira & Franco, 2022).

Strategic decision-making processes must balance immediate operational demands with long-term objectives to ensure sustainable growth. Managers in paint manufacturing firms are tasked with evaluating strategic alternatives in light of volatile market conditions, increasing competition, and shifting consumer preferences (Amankwah & Wang, 2021). A thorough decision-making process, incorporating scenario analysis, stakeholder engagement, and data-driven insights, is essential for identifying risks and optimizing outcomes (Chege & Wang, 2020). Leadership plays a critical role in guiding these processes, ensuring that strategic choices translate into measurable performance improvements. An organization's adaptability is a defining characteristic of successful firms in this sector (George et al., 2022).

Ultimately, the quality of strategic decisions profoundly influences organizational performance, with far-reaching implications for market position, financial health, and

competitive sustainability. Firms that invest in robust decision-making frameworks and strategic planning processes are better equipped to mitigate risks and harness opportunities effectively (Piszczyk & Berg, 2020). Well-executed strategic decisions can lead to more market share and improved brand image, and long-term profitability (Phadermrod et al., 2021). Conversely, poor strategic choices may result in operational inefficiencies, reputational damage, and financial setbacks. For manufacturing firms in Kenya, prioritizing strategic decision-making as a core organizational competency is important in enabling firms maneuver in the industry and achieve a sustainable performance (Calabrese et al., 2021).

National strategic decisions which these countries put in place have a great effect on the way these nations perform, this is both domestically and abroad (Dong et al., 2020). This process is made up of a range of decisions on economic policies, maintenance of diplomatic relations, war strategies, and the improvement of environmental conditions. Realizing the inner intricacies and the integration of the involved countries, regions, and the overriding objectives decided by individual states necessitates following these processes (Collings et al., 2022).

The major activity towards the strategic decision is the economic policy which can either be stable or unstable. One country that has carried out an export-led growth policy is China, aiming mostly at light manufacturing and infrastructure construction (Büchi et al., 2020). This choice has not only helped China to become a global economic crew but it has also affected the way trading takes place and how the supply chains are run all around the world. Likewise, examples are countries like Germany, where the main drivers of their economic growth are innovation and technology and Germany's most prosperous industries are such as automotive engineering and renewable energy (Dong et al., 2020).

Diplomatic links of a high level are key determinants of how strategies are made and what results ensue. The role of NATO, as an ally of the United States, cannot be over-emphasized and provides a good foundation for shaping decisions revolving around the country's defense budget and involvement in military engagements (Cavalcante et al., 2022). On the contrary, countries such as North Korea have chosen to break the isolation policies which put them in a higher bracket of quarrels and sanctions from the international community leading to a lowering of their economic performance as well as diplomatic tussles (Tihanyi et al., 2021). Methods of military strategies are another important issue where strategic decisions have to be made. For example, Russia's annexation of Crimea showed that a method of war was employed as an instrument of geopolitical goals disrupting the security balance in Eastern Europe, and aggravating the relations between the West and Moscow (Dong et al., 2020). Likewise, the repeated conflict of Syria which is currently ongoing has witnessed powerful states of Russia, the United States, and regional powers such as Turkey and Iran using different military strategies to advance their interests, and their legacy has consequences that are far-reaching and have significantly affected stability and security of the Middle East (Taouab & Issor, 2022).

Sustainability objectives are now gaining traction in strategic planning that has developed ever harder to deal with the threat of climate change and sustainability (Calabrese et al., 2021). The green deal under the European Union's umbrella, which seeks to cut carbon emissions by every means, is evidence of the decision to take the lead in all environmental matters and as well as create economic growth through new technologies and investments (Elmagrhi et al., 2023). Equally important is the example of the country Costa Rica. It has chosen conservation of the environment as a tactical choice to save it for ecotourism and at the same time maintain

its planet's resources. This has significantly contributed to the general economy of the country and at the same time has played a significant role globally in conserving the environment (Fuertes et al., 2020).

The region's political dynamics play a substantial role in helping to determine the future strategies and, inevitably, the results. EU enlargement and integration process reformed the geopolitical landscape of Europe impelled by its members to further economic and political cooperation (Collings et al., 2022). On the one hand, the impacts of the conflicts on such matters as the security and migrations of the Middle East affect the policies of countries all around the world such as those of energy matters (Cavalcante et al., 2022). The progress of globalization leads also to more dependable links among economies and societies in the world, which eventually means that all decisions are made on strategy levels that take into account international implications (Dubey et al., 2023). Trade alliances and deals illustrate initiatives of advancing economic integrations and cooperation among regional actors which may affect the strategic assessments of those countries toward market access as well as political leverage. While this illustrates a strategic plan focused on growing the geopolitical influence of the country through infrastructure development and building ties across continents it is not beneficial to everybody (Panigrahi et al., 2021).

This places scientific innovations front and center in the strategic planning process, where countries struggle for dominance in fields as diverse as machine intelligence, cybersecurity, and space exploration (Rahimnia & Molavi, 2021). A somewhat different role is allocated to the development race of the United States and China to create 5G technology with significant influence on national security, economic position, and global power. Similarly, investments in space exploration by countries like the United States, China, and Russia reflect strategic

decisions to assert dominance in the burgeoning space industry and leverage space assets for strategic and economic purposes (Nilashi et al., 2023).

Crisis management and response strategies are essential components of strategic decision-making, as countries navigate unforeseen challenges such as pandemics, natural disasters, and financial crises (Taouab & Issor, 2022). The COVID-19 pandemic, for example, has prompted governments worldwide to implement various containment measures, economic stimulus packages, and vaccine distribution strategies, indicating the need for agility and resilience in responding to global crises while also revealing disparities in healthcare systems and socio-economic vulnerabilities (Hu et al., 2022).

African nations have proven that they can withstand the pressure coming from the multifaceted political crises along with the economic gaps and infrastructural failures by their own leadership and strategic vision (Umar & Abubakar, 2021). Decision-making on the African continent is quite often characterized by historical legacies, cultural contrasts, and geographical dynamics. The article below will highlight different decision cases to serve as an example of the continent's performance through strategic decisions (Pucheta & Gallego, 2020).

South Africa is revealed as a model of how African countries are to address their problems. After the country had binned up apartheid, it went through the route of reconciling and economic development (Sataloff & Vontela, 2021). The tactical choice to lean on democracy as one of the country's driving forces has been one of the factors that have accelerated South Africa's emergence as one of the continent's economic giants. Nevertheless, challenges remain in the sectors of income and employment distribution, putting attention to the consistent strategic initiatives (Bag et al., 2020).

Rwanda gives an excellent example that demonstrates strategic understanding against the background of harshness. Winding up after the 1994 genocide, the government being in a political power position initiated a series of strategic plans that were aimed at creating national unity, economic growth, and social welfare (Ferreira & Franco, 2022). Education, health system, and infrastructure are the areas that the Rwandan government has spent much money on, which has led the country to witness tremendous development. The strategic direction period implicitly points to the role of the long horizon and planning in the improvement of performance (Birindelli et al., 2022).

Nigeria, the most populated as well as biggest economy in Africa drives the country into certain complexities areas of governance, policy-making, and strategy. One would be stunned by all the natural wealth of Nigeria but a country like this has to deal with the large corruption problems, insecurity issues, and gross inefficiency of the institutions (Bouraima et al., 2021). Strategic decisions in Nigeria usually meet with Political Interests and ethnic issues, which are closely discerned as performance measures. Effective governance reforms, either at the state or federal level, and proactive investments are needed for the country's potential growth (Elmagrhi et al., 2023).

Ethiopia's developmental trajectory underscores the importance of strategic decisions in driving socioeconomic progress. The huge infrastructural projects undertaken in the country reflect a long-term vision aimed at enhancing connectivity and economic diversification (Bouraima et al., 2021). Strategic investments in agriculture and manufacturing have helped the country achieve sustained growth rate over the years. Nevertheless, concerns regarding human rights abuses and political repression necessitate the need for a holistic governance and development model in the country (Fuertes et al., 2020).

Invariably, strategic decisions, as well as performance are critical in all the working scenarios, and the Kenyan perspective is hence very special in both aspects. In Kenya, strategic decisions rarely occur without being influenced if not informed by the social, political, and economic fabric of the nation (Amankwah & Wang, 2021). For instance, the strategic processes are heavily reliant on contextual factors like government policies, market dynamics, and the cultural subtle eye lines when it comes to making decisions (Al-Nasser & Muhammed, 2022). For example, the fact that the government has prioritized the use of local entrepreneurs through the enactment of policies like the preferential procurement of products to the local content policy can influence the strategy of the businesses. The other aspect which can't be ignored is the need to plan strategically keeping in mind the ever-changing environment. This is a crucial component of strategic decision-making (Muithya & Muathe, 2020).

Kenyan businesses are faced with a volatile business environment as a result of fast technological progress and globalization (Chege & Wang, 2020). The businesses thus need to embrace agility to compete effectively. Such flexibility usually tends to be accompanied by an openness towards accepting new ideas and options, for example, to explore unknown markets and to introduce different products (Muithya & Muathe, 2020). Beyond that, the idea from Kenyan suggests the great role of stakeholder engagement in effective policy-making (Ontita & Muigai, 2020). Community-based societies in those countries where relations and societal bonds are appreciated a lot, usually prefer to take a holistic approach to strategic planning and therefore engage government offices, and the local people when making important decisions. Thus, commitment to corporate social responsibility serves several purposes, generating support in society and providing a framework on which corporate strategies are to be built (Chege & Wang, 2020).

Also, the Kenyan view appreciates the need for sustainable procedures to increase organizational effectiveness in the long term. The business environment has become increasingly invested in understanding social impact of the business, and they are increasingly forced to incorporate sustainability issues into their strategies' decision-making process (Owako & Nyangara, 2021). This implies funding projects like renewable energy and activities of questionable origin. Not only that, risk management in decision making process is well highlighted by the Kenyan way of thinking as well (Rahimnia & Molavi, 2021). It is a country that experiences risks of different kinds, such as political instability, economic turmoil, and hazards from the environment. The companies, therefore, must prudently assess and mitigate such risks which are incorporated in their planning process. This may involve diversifying supply chains, investing in insurance mechanisms, or establishing contingency plans (Ontita & Muigai, 2020).

The other significant thing from the Kenyan point of view on strategic decisions and performance is leadership. An effective leader is viewed as critical in the promotion of strategic initiatives, building a culture of innovation, and motivating teams for the achievement of organizational objectives (Parker et al., 2021). Visionary leaders, who demonstrate virtue, integrity, and resilience in overcoming obstacles, are more likely to place their organizations on the right track, even in the midst of crises. In addition, the Kenyan outlook puts much emphasis on the use of local circumstances in the formulation of strategic decisions (Chege & Wang, 2020). World-class practices and benchmarks are useful, but they need to be tailored to the Kenyan local environment. This demands a profound knowledge of local consumer preferences, cultural norms, and guidelines within the operating environment

which then informs the development of a strategy that resonates with the audience and complies with rules and regulations (Muo & Ochieng, 2023).

1.1.1 The Paint Manufacturing Firms in Kenya

The manufacturing sector in Kenya has recorded considerable growth over the past few decades, driven by urbanization, infrastructure development, and increased demand by the construction industry. The economy of the country is booming as incomes increase just as the demand for paint is growing, with it actualizing the establishment of more paint manufacturing companies in the region (Meres, 2020).

In Kenya, the paint industry is highly competitive, with several local and foreign firms struggling to get a share of the market. Local manufacturers with a strong presence in the market include Crown Paints Kenya PLC, Basco Paints, and Sadolin Paints. These companies are top runners in the marketplace as they offer a large product portfolio serving the needs of both residential and commercial users. Moreover, multinational companies like Berger Paints and Kansai Plascon have a considerable presence in the Kenyan market which heightens competition (Ahmad et al., 2021).

There exists a wide variety of paint brands in Kenya that produce a whole range of painting products such as decorative paints, automotive coatings, industrial paints, and specialty coatings (Muithya & Muathe, 2020). Continuously advancing innovation and meeting the needs of consumers using research and development are the main objectives of these companies that help them to conform to the strict environmental regulations. Eco-friendly formulations, water-based paints, and low-VOC (volatile organic compound) paints have emerged as the preferred paints due to their sustainability benefits (Bouraima et al., 2021).

Distributing networks are key to paint manufacturing firms' effectiveness in Kenya. These businesses often use a different way to reach the end customers, which is through channels such as retail shops, hardware stores, and direct contractors. In addition, the associations with construction companies and real estate developers provide paint manufacturers with an opportunity to penetrate new markets and bring their products closer to more customers beyond the borders of the country (Owako & Nyangara, 2021).

Several challenges are faced by paint manufacturers in Kenya amidst the growth potential, such as unstable raw material prices, currency volatility and regulatory uncertainties (Cavalcante et al., 2022). Moreover, fake products and problematic supply chains are other problems that the industry faces. Though the broadening focus on sustainable approaches and the rising demand for high-end paints create opportunities for players to create their unique offerings to stand out in the market, it will still be a great challenge for the companies to overcome (Dubey et al., 2023). On the other hand, from a long-term perspective, the government's infrastructure projects and affordable housing investments are anticipated to boost the demand for paints in the next years thereby creating a favorable climate for the growth of the industry (Panigrahi et al., 2021).

1.2 Statement of the Problem

Paint manufacturing firms in Kenya would thrive through strategic decision-making processes that optimize performance across various operational aspects (Chege & Wang, 2020). Strategic decisions would encompass making hard choices on the direction and long-term organizational success, market entry decisions, product diversification strategies, and mergers and acquisitions. These decisions would not only ensure operational efficiency but also

contribute to enhanced customer satisfaction, sustained profitability, and competitive advantage in the market (Bouraima et al., 2021).

However, the reality within the paint manufacturing sector in Kenya presents a different picture. While the industry has experienced steady growth, firms encounter significant challenges that hinder optimal performance and competitiveness (Muithya & Muathe, 2020). In particular, issues within the strategic decision processes have emerged as a major concern. Strategic inefficiencies lead to misallocation of resources, missed opportunities, and failure to adapt, ultimately undermining the organization's competitiveness and long-term success (Ontita & Muigai, 2020). These inefficiencies may manifest as a lack of clarity in organizational direction, ineffective utilization of resources, and a failure to capitalize on new opportunities or deal with emerging risks. This can lead to suboptimal performance, loss of market share, and challenges in maintaining stakeholder confidence and support. These challenges result in increased costs, operational disruptions, and potential reputational damage for the firms (Parker et al., 2021).

The importance of addressing these challenges and optimizing performance within paint manufacturing firms cannot be overstated. The real problem lies in the lack of comprehensive strategic decision-making regarding management practices within paint manufacturing firms in Kenya (Muithya & Muathe, 2020). While some firms may recognize the importance of addressing these issues, there is often a gap between awareness and effective implementation. As a result, inefficiencies persist, leading to increased costs, operational complexities, and potential loss of competitive edge in the market (Ontita & Muigai, 2020).

In a survey conducted across paint manufacturing firms in Kenya, 45% of respondents reported difficulties in managing strategic decisions, leading to both delays and increased

costs. Additionally, a substantial 60% cited the lack of flexibility in handling product recalls or customer returns as a significant operational challenge (Wanjihia, 2021). These statistics highlight the pervasive nature of the issue across the Kenyan paint manufacturing sector and emphasize the pressing need for strategic interventions to enhance strategic decision management practices. Through targeted research efforts that delve into the unique dynamics of the Kenyan context, stakeholders can gain invaluable insights to drive meaningful improvements, fostering sustainable growth and competitiveness within the industry (Chege & Wang, 2020).

Existing literature on the subject remains limited, with few studies specifically focusing on the strategic decisions influencing performance within the paint manufacturing sector in Kenya. While studies in related industries, such as paint manufacturing, offer valuable insights, they often present conceptual gaps because they have mainly focused on growth as a dependent variable or even operational excellence. Furthermore, the studies have been more on case studies and also focused on a shallower sample size therefore presenting methodological gaps. To overcome the limitation, this study focused on the influence of strategic decisions on the performance of paint manufacturing companies in Kenya.

1.3 Research Objectives

1.3.1 General Objectives

To determine the influence of strategic decisions on the performance of paint manufacturing firms in Kenya.

1.3.2 Specific objectives

- i. To determine the influence of strategic resource allocation on the performance of paint manufacturing firms in Kenya.

- ii. To determine the influence of organizational structure on the performance of paint manufacturing firms in Kenya.
- iii. To determine the influence of alliances on the performance of paint manufacturing firms in Kenya.
- iv. To determine the influence of strategic human resource staffing on the performance of paint manufacturing firms in Kenya.

1.4 Research Hypotheses

H0₁: Strategic resource allocation does not significantly influence the performance of paint manufacturing firms in Kenya.

H0₂: Organizational structure does not significantly influence the performance of paint manufacturing firms in Kenya.

H0₃: Strategic partnerships and alliances do not significantly influence the performance of paint manufacturing firms in Kenya.

H0₄: Strategic human resource staffing does not significantly influence the performance of paint manufacturing firms in Kenya.

1.5 Justification of the Study

A study on strategic decisions is crucial not only in academics but also in policy and theory development. The study findings provided empirical evidence for more research in the area of strategic decisions. Future scholars therefore can borrow a lot from the methodology applied, the indicators applied and the general findings of the study to develop their studies.

The study recommendations also provided important policy suggestions to managers and policymakers in the areas of strategic decisions to help improve the performance of the strategic decisions among the paint manufacturing firms in Kenya. Also, the study is important

in theory development and validation. The study conducted hypothesis testing which helped in understanding whether the theories that are applied in the study are generally applicable to different situations of reverse strategic decisions in all industries.

1.6 Scope of the Study

The study focused on the influence of strategic decisions on the performance of paint manufacturing firms in Kenya. It also indicated the influence of strategic resource allocation, organizational structure, strategic partnerships and alliances, and strategic human resource staffing on the performance of paint manufacturing firms in Kenya. The study considered 26 paint manufacturing firms in Kenya while the unit of observation was 156 participants selected from each paint manufacturing firm. The study was also conducted between November 2024 and August 2025.

1.7 Limitations and Delimitations of the Study

The study faced limitations because some participants were at first not willing to participate in the study for confidentiality fears. To overcome the limitations the researcher available research permits from both NACOSTI and university demonstrating that research was purely for academic purposes and would not be used for other purposes. Lastly, participants were assured that the information given would not be divulged to the general public. More assurance was given that the report would not directly link their personal information to the final report which helped to enable them participate. Nairobi county is vast and therefore the geographical vastness posed a logistic challenge to the researcher in last mile delivery of the questionnaires to overcome the limitations the researcher used electronic questionnaires to overcome this limitations and enhance response rate

1.8 Operational Definition of Key Terms

Alliances	this is the agreement between entities aimed at achieving mutual goals, taking advantage of resources and capabilities for strategic advantage(Ferreira & Franco, 2022) .
Organizational Structure	this is the way an organization articulates the responsibilities and roles and spells out the tasks. It explains how the tasks are divided to help the firm achieve its goals (Elmagrhi et al., 2023).
Performance	the measurable outcomes and achievements resulting from the implementation of strategic initiatives and the effectiveness of these decisions in advancing organizational goals (Birindelli et al., 2022).
Strategic Decisions	refer to high-level choices made by an organization's leadership that directly impact its long-term goals and overall direction (Meres, 2020).
Strategic HRM	the systematic approach to aligning organizational goals and objectives with the development of employees' skills, knowledge, and abilities achieving long-term organizational goals (Lewis et al., 2021).
Strategic Resource Allocation	this is the distribution of resources, such as finances, personnel, and materials, to support and advance the

overarching goals and objectives of an organization
(Owako & Nyangara, 2021).

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This part presents the theoretical review, and the conceptual framework indicating the relationship between study variables, the chapter also presented empirical literature, the critique of the literature, gaps identified from the empirical literature, and the summary of the literature.

2.2 Theoretical Review

A theory, which comprises a set of principles elucidating a societal phenomenon, serves as a framework to clarify the reasons behind a specific event or the behaviours of certain variables and their relationships (Al-Nasser & Muhammed, 2022) . In this research, the study focused on four major theories: Resource-Based View (RBV) theory (Anchoring theory), Agency theory, Transaction Cost Economics (TCE) and institutional theory. These theories were employed to explain why certain occurrences unfold as they do and the dynamics of relationships among study variables.

2.2.1 Resource-Based View Theory

The Resource-Based View (RBV) theory offers a distinctive perspective on strategic management. At its essence, this theory exposes the impact of internal resources and capabilities of organizations as a driver of competitive advantage (Freeman et al., 2021). RBV suggests that companies vary in their resource endowments, leading to differences in competitive outcomes (Nason & Wiklund, 2022). This diversity stems from the unique blend of its resources, such as physical assets, human capital, organizational culture, and knowledge assets, possessed by each organization. These resources are hard for competitors to duplicate

due barriers such as path dependence, historical uniqueness, and social complexity (Barney, 2022).

A central proposition of RBV is the idea of resource immutability, which suggests that certain resources may be relatively stable and resistant to imitation or substitution in the short term. This immutability contributes to sustained competitive advantage, as firms can utilize their distinct resources to outperform rivals over time (Nason & Wiklund, 2022). Additionally, RBV underscores the significance of dynamic capabilities, referring to an organization's capacity to integrate, develop, and reconfigure resources to adapt to evolving market conditions and competitive pressures. Dynamic capabilities help in adaptability, thereby preserving their competitive edge in dynamic environments (Dubey et al., 2023).

The VRIN framework, a cornerstone of RBV, asserts that a firm's resources should be unique to enable it create a sustained competitive edge. Resources meeting these criteria enable firms to compete effectively and outdo rivals in the long run. However, RBV also recognizes that the value of resources depends on their context and the firm's ability to effectively deploy and leverage them in pursuit of strategic objectives (Alvarez & Barney, 2021). Despite its theoretical strength, RBV has encountered criticism. One common critique is its tautological nature, as firms with superior performance are assumed to possess valuable resources, making empirical testing challenging. Critics also argue that RBV's limited prescriptive power provides inadequate guidance on how firms can identify or cultivate resources and capabilities. Furthermore, RBV's emphasis on internal factors sometimes results in overlooking external influences, such as industry dynamics and market conditions (Dubey et al., 2023).

Nevertheless, RBV remains highly pertinent in strategic decision-making. It aids firms in recognizing their unique strengths and positioning themselves advantageously in the market. By informing resource allocation, investment decisions, and organizational learning endeavors, RBV enables firms to sustain their competitive advantage over time (Alvarez & Barney, 2021).

The Resource-Based Theory (RBV) is closely linked to strategic resource allocation as a critical aspect of organizational success . In paint manufacturing firms in Kenya, resources such as cutting-edge technology, skilled personnel, proprietary formulas, and financial capital are pivotal to driving innovation and operational efficiency(Freeman et al., 2021). Effective allocation ensures that these resources are optimized to meet market demands, enhance product quality, and achieve cost efficiency. Furthermore, by leveraging these strategic assets, firms can establish a sustainable competitive advantage, differentiating themselves in a highly competitive industry. This underscores the significance of strategic resource allocation as a driver of superior organizational performance, as highlighted in RBV's principles (Nason & Wiklund, 2022).

This theory underpins this study, as it provides a foundational framework for understanding how strategic decisions affect performance of paint manufacturing firms in Kenya. RBV outlines the need for valuable, and inimitable resources in driving a firm's strategic positioning. Paint manufacturing firms rely on critical resources such as proprietary formulations, skilled labor, advanced technology, and financial capital to achieve superior performance. Strategic resource allocation, which aligns with RBV, ensures these assets are utilized effectively to enhance productivity, innovation, and market competitiveness. This theory underscores the centrality of internal capabilities and strategic decisions in determining

organizational outcomes, making it the most suitable theoretical lens for examining how strategic decisions impact the performance of paint manufacturing firms.

The Resource-Based View (RBV) Theory is closely linked to objective one. According to RBV, firms that possess unique, valuable, and inimitable resources have a competitive advantage. Strategic resource allocation in paint manufacturing firms focuses on effectively managing critical assets, such as capital, technology, and human capital, to enhance performance. The theory suggests that proper deployment of these resources, whether in production processes, marketing, or innovation, directly influences the firm's competitive advantage and performance

2.2.2 Agency Theory

Agency theory, delves into the interactions between principals and agents within organizational settings (Okhmatovskiy & Shin, 2022). This theory explores the ramifications of conflicting interests that arise when agents are delegated decision-making authority by principals and how these conflicts impact the behavior and performance of organizations (Poletti-Hughes & Briano-Turrent, 2023). At its core, agency theory revolves around the inherent divergence of incentives between the two parties. Principals typically aim to maximize their wealth, often represented by shareholder value, while agents may have other priorities such as job security, salary increments, or individual prestige (Parker et al., 2021). This misalignment often results in agency problems, where agents may act opportunistically or neglect their duties, leading to suboptimal outcomes for principals (Al-Nasser & Muhammed, 2022).

A fundamental concept within this theory is that the relationship between agent and principals may lead to moral hazard. Principals usually have limited visibility into the actions and

decisions of agents, creating a situation where agents may exploit their informational advantage to pursue self-interested goals (Okhmatovskiy & Shin, 2022). Moreover, the delegation of decision-making authority creates moral hazard, as agents may not be punished for what they do, leading to risk-taking behaviors that lead to personal benefit and not with the best interests of principals (Poletti-Hughes & Briano-Turrent, 2023).

Critics of agency theory have raised concerns regarding its assumptions and applicability in real-world contexts. One common critique revolves around its oversimplified portrayal of human behavior, assuming that agents are solely motivated by self-interest and opportunism (Parker et al., 2021). However, in reality, individuals may be driven by a broader spectrum of motivations, including intrinsic rewards, adherence to social norms, and ethical considerations. Additionally, agency theory's focus on monitoring often overlooks the significance of relational factors, such as trust and cooperation, in fostering effective principal-agent relationships (Al-Nasser & Muhammed, 2022).

Despite these critiques, agency theory remains highly relevant in comprehending strategic decisions within organizations. It guides principals in ensuring that the actions of the agents seek to help a firm achieve its goals (Okhmatovskiy & Shin, 2022). This involves careful consideration of factors such as performance-based compensation, contractual arrangements, and corporate governance practices. Moreover, agency theory sheds light on the design of organizational structures and processes aimed at mitigating agency costs and enhancing organizational performance (Parker et al., 2021).

Agency theory furnishes a valuable framework for analyzing the intricacies of organizational dynamics and decision-making processes. By acknowledging the inherent conflicts, researchers and practitioners can formulate strategies to enhance accountability, transparency,

and alignment of interests within organizations. However, it is imperative to acknowledge the limitations of agency theory and complement its insights with a nuanced understanding of human behavior and organizational contexts (Poletti-Hughes & Briano-Turrent, 2023).

Agency Theory is intricately linked to strategic human resource staffing, which addresses the relationship between principals (owners) and agents (employees or managers) and the challenges arising from goal misalignment (Al-Nasser & Muhammed, 2022). SHRM practices such as performance-based incentives, continuous training, and participative decision-making help bridge this gap. These practices ensure that employees' objectives are aligned firm's goals leading to accountability and productivity. For instance, implementing reward systems tied to quality benchmarks can motivate employees to maintain high standards, directly influencing organizational performance. By addressing agency conflicts through robust HR strategies, paint manufacturers can optimize workforce potential, by addressing inefficiencies (Muo & Ochieng, 2023).

The Agency Theory is relevant to understanding objective two as it focuses on how organizational structures and governance mechanisms impact performance. In paint manufacturing firms, the organizational structure, particularly in terms of decision-making authority and control mechanisms, influence how well managers align the firm's objectives with the shareholders' interests.

2.2.3 Transaction Cost Economics

This theory spearheaded, delves into the intricate dynamics of organizational decision-making, particularly concerning transaction governance. At its core, TCE contends that organizations confront various costs transaction costs when engaging in economic exchanges (Palmer et al., 2022). These costs encompass a spectrum, from information search and

negotiation to monitoring and enforcement, all compounded by uncertainties and bounded rationality inherent in human decision-making (Akbar & Tracogna, 2021)

Central to TCE is the concept of governance structures, which organizations adopt to navigate these transaction costs effectively. The theory distinguishes between market transactions, governed by price mechanisms, and hierarchical transactions, which occur within a firm's internal hierarchy (Barney, 2022). This framework prompts organizations to weigh the make-or-buy decision meticulously. This decision hinges on factors like asset specificity, uncertainty levels, and transaction frequency. For instance, when faced with high transaction costs or assets demanding specialized investments, firms tend to opt for internal production to mitigate risks and optimize efficiency (Muo & Ochieng, 2023).

Critics, however, have raised notable objections to TCE. They argue that the theory's assumption of rationality oversimplifies human behavior, overlooking the complexities of cognitive biases and social influences. Moreover, some contend that TCE's narrow focus on transaction costs sidelines other critical factors like social norms and power dynamics, potentially limiting its explanatory power (Palmer et al., 2022). Additionally, TCE's static perspective neglects the dynamic nature of organizations and markets, failing to accommodate evolving technologies, market trends, and institutional changes over time (Akbar & Tracogna, 2021). Nevertheless, TCE remains a potent tool for strategic decision-making. By providing a systematic framework to assess transaction costs and governance structures, organizations can optimize their operations and enhance competitiveness. TCE guides firms in determining the most efficient mode of conducting transactions, whether through internalization or outsourcing, thus facilitating informed strategic choices (Phadermrod et al., 2021).

TCE enriches our understanding of organizational behavior and economic exchanges. Its insights shed light on the intricacies of decision-making within firms and offer a lens through which to analyze strategic choices. Nonetheless, scholars must remain vigilant about TCE's limitations and supplement its perspectives with insights from complementary theories to attain a more holistic understanding of organizational dynamics and strategic decision-making processes (Phadermrod et al., 2021).

Strategic partnerships and alliances are best examined in line with transaction cost economics (TCE), which focuses on reducing the costs associated with market transactions and fostering efficiency in collaborations. In the paint manufacturing sector, firms often establish alliances with suppliers, distributors, and even competitors to share resources, access new markets, and achieve economies of scale (Phadermrod et al., 2021). By forming partnerships, firms minimize uncertainties and risks related to procurement, production, and distribution while also lowering transaction costs associated with market exchanges. Collaborating with local suppliers can reduce logistics costs and improve supply chain efficiency. These partnerships enable firms to deal with competencies which enables it to capitalize on shared expertise and resources, thereby improving their operational productivity and overall performance.

Transaction costs in this research paper are the costs incurred in making exchanges and in coordinating relationships such as the costs of search, negotiation, monitoring and enforcement (Akbar & Tracogna, 2021). They are delineated under the Transaction Cost Economics (TCE) theory that claims that firms enter into strategic alliances in order to minimize such transaction costs through enhancing coordination, sharing of specialized assets, and increasing trust. In line with this study, the TCE is therefore associated with the variable strategic partnerships and alliance, whereby a hypothesis is that well-designed alliances

minimize transaction costs, and thus enhance firm performance (Phadermrod et al., 2021). Transaction Cost Economics (TCE) applies to the third objective. TCE suggests that firms engage in alliances to reduce costs, such as those related to production, distribution, or technology transfer. In the context of paint manufacturing in Kenya, strategic alliances, whether with suppliers, distributors, or other firms, can help reduce costs, improve market access, and enhance performance.

2.2.4 Institutional Theory

This theory delves into how organizations are profoundly influenced and shaped by the broader institutional landscapes they operate within. These landscapes encompass various elements such as legal regulations, societal norms, cultural values, and industry standards (Lewis et al., 2021). This theory highlights the idea of isomorphism which entails an organization's ability to mirror one another in structure and behavior due to external pressures. This phenomenon unfolds through three primary mechanisms: coercive isomorphism, where firms are guided by rigid systems; mimetic isomorphism involving imitation of successful models or practices observed in other organizations; and normative isomorphism, which entails adherence to values and beliefs in the institutional environment (Phadermrod et al., 2021).

Furthermore, this theory explains the need for firms to ensure that their actions and practices are appropriate and aligned with societal expectations. Achieving legitimacy is vital for organizations as it enhances their acceptance, support, and access to resources within the broader institutional context (Mishra, 2022). Despite its strengths, institutional theory has faced critiques. One notable critique highlights its potential bias toward emphasizing organizational conformity, potentially overlooking instances of strategic resistance or agency

(Nason & Wiklund, 2022). Critics argue that organizations possess agency and can actively shape their institutional environments rather than simply conforming to external pressures. Additionally, some scholars argue that institutional theory may overlook power dynamics within institutional environments, neglecting how influential actors manipulate institutions to serve their interests (Phadermrod et al., 2021).

Institutional theory holds significant relevance for strategic decision-making within organizations. Managers can leverage this theory to gain insights into their industry and market environments, identify opportunities for gaining legitimacy and competitive advantage, anticipate changes in institutional landscapes, and engage in institutional entrepreneurship to drive innovation and organizational change (Nilashi et al., 2023). Institutional theory offers a good background for showing the intricate relationships between organizations and their institutional contexts. While acknowledging its limitations, this theory offers great insights on how organizations navigate their environments, informing strategic decision-making and managerial practices in meaningful ways (Okhmatovskiy & Shin, 2022).

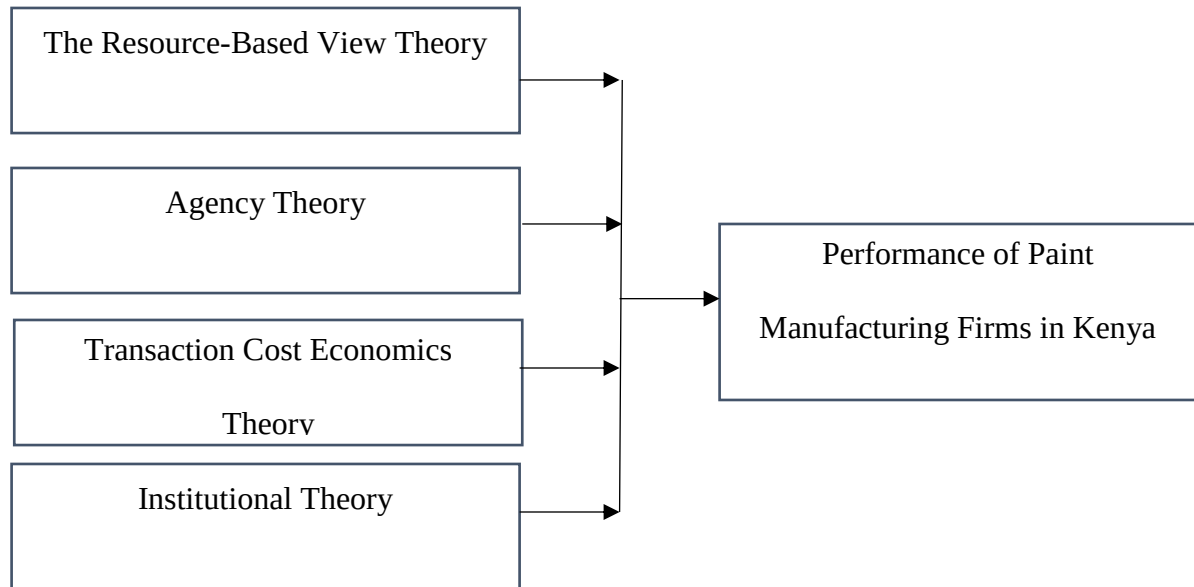
Institutional Theory is relevant to objective 4, as it emphasizes the role of external pressures, norms, and regulations in shaping organizational behavior. Institutional theory suggests that firms' human resource practices are influenced by institutional norms and practices, including governmental policies, industry standards, and social expectations. In Kenya's paint manufacturing sector, strategic staffing decisions must consider the influence of these external factors (Nilashi et al., 2023).

Organizational structure shapes the operations and performance and is best explained by Institutional Theory (Ontita & Muigai, 2020). This theory emphasizes that organizations operate within a framework of institutional norms, rules, and societal expectations to gain

legitimacy and ensure long-term viability. For paint manufacturers in Kenya, the adoption of formalized structures that align with industry standards, regulatory requirements, and environmental sustainability frameworks enhances compliance and operational coherence. For example, incorporating departments focused on research and development, quality control, and sustainability fosters better adaptation to external pressures. This alignment not only legitimizes the firm within the industry but also enhances its reputation and stakeholder confidence, driving overall performance improvements (Meres, 2020).

Figure 2.1

Theoretical Framework



2.3 Empirical Literature Review

2.3.1 Strategic Resource Allocation and Performance

An exiting study on resource allocation and perforamnce evaluated how strategic resources influences SMEs' performance in Bali, Indonesia (Lestari et al., 2020). A total of 149 SMEs, selected using stratified sampling technique were identified for the study. Data analysis entailed the use of both descriptive and inferential methods. Descriptive research showed how SMEs are structured whereby the questionnaires helped in identifying this. The results revealed that resources have a positive impact on an organization's ability to compete effectively. The results also revealed that strategic resources have an impact on a firm's positioning in the industry. Regarding competitive strategy, the focus strategy garnered the highest response rate of 4.08, while productivity, with a response rate of 3.94, emerged as the highest in terms of performance. While these studies shed light on the advantages and

challenges of implementing strategic decisions, they also reveal some limitations. One notable shortfall is the lack of diversity in industry representation, with a predominant focus on the Pakistani public sector. It would be beneficial to incorporate findings from other sectors to obtain a broader understanding.

Another study within resource allocation examined how strategic resource allocation on Kisumu Water and Sewerage Company, Kenya performance and established a significant correlation between the two factors (Owako & Nyangara, 2021). The research, employing a correlation research design and gathering data from 68 respondents through stratified random sampling, revealed that effective resource allocation is important in improving performance. Recommendations from the study included prioritizing resource allocation in areas such as infrastructural development, waste reduction, service quality enhancement, consumer services, and cash flow management to achieve desired performance levels. Moreover, the study suggested that reforms in the WASH sector should focus on allocating resources efficiently to implement effective strategies. Future research opportunities lie in exploring mediating impacts of leadership strategies and analyzing performance in different periods within similar regulatory contexts.

Another study was conducted to establish the significant role of strategic human resource staffing in boosting the overall organizational performance (Al-Khaled & Fenn, 2020). It explored how SHRM impacted company performance and fulfilled specific objectives through a thorough analysis of various articles and journals. At the core of any organization lies its human resources, making it imperative to employ strategic practices in managing them effectively. Human resources encompass the study of individuals who constitute the workforce, making them invaluable assets to a company. Therefore, implementing strategic

human resource practices becomes crucial in ensuring optimal organizational performance. The report shows the need to align HR practices with strategic objectives to achieve long-term goals and sustain competitiveness within the industry. Furthermore, it offered recommendations aimed at enhancing company performance through effective HR management, with a focus on aspects like human resource planning.

Lastly, established the effect of strategic resource allocation within cement manufacturing companies (Ali et al., 2022). With the unit of analysis centered on managerial levels within companies, data collection involved distributing questionnaires, yielding a sample size of 47 out of 83. Through statistical analysis using SPSS software, including reliability, validity, and normality tests, the study's four hypotheses found support in the data. The research contributes theoretically by empirically demonstrating the interplay between strategy formulation, and company performance. Managerial implications underscore the importance for company managers to cultivate strategic acumen in leveraging resources and market trends to formulate effective strategies, thereby enhancing overall company performance.

2.3.2 Organizational Structure and Performance

A study on organizational structure established how two key structural elements formalization and centralization affect self-efficacy individually and together (Mustafa et al., 2021). The study also evaluated how these elements affect performance. Using data from 120 people from public sector, statistical techniques were employed to analyze the proposed relationships. Results indicated that impacts self-efficacy positively, while centralization has negative impact. Moreover, improvements or reductions in self-efficacy partially translated into performance enhancements. Interestingly, the study suggests that high formalization may limit the self-efficacy in a firm.

A study evaluated the relationship between organizational structure and state corporations' performance (Fuertes et al., 2020). The study used New Public Management (NPM) theory, whereby a thorough review of existing literature and empirical evidence were examined. The data was collected from 189 state corporations, with heads of human resources serving as the primary respondents. Through stratified sampling and analysis using SPSS Version 26, results revealed organizational structure has a positive effect on state corporations' performance. It suggested that optimizing aspects like authority concentration, bureaucratic levels, and management span could enhance performance.

Another study conducted a study through a literature review approach to explore how organizational culture and structure contribute to maximizing human capital performance (Lee et al., 2023). Additionally, it proposed research directions aimed at empirically examining the relationships between these factors and their impact on sustainable competitive advantage. Undoubtedly, the paper established that skilled employees form the foundation of every successful organization. While factors like advanced technology, cost efficiency, and innovative products can provide a competitive edge, the study further established that it's the talented workforce that drives these advantages through creation, implementation, and sustenance. Thus, the enduring prosperity of any company hinges on optimizing employee effectiveness in achieving organizational objectives. This necessitates fostering a conducive environment within which employees operate. Therefore, organizational structure and culture play pivotal roles in enhancing employee performance and are positively related to the overall performance of any organization.

Another study on organizational structure sought to establish how firm's culture impact performance and effectiveness, drawing on existing literature and theoretical frameworks

(Mishra, 2022). Four key attributes were examined, which were believed to correlate with broader measures of effectiveness like quality, employee satisfaction, morale, and overall performance. The research argues that organizational culture plays a crucial role in the adaptability of firms and suggests that these identified cultural attributes should be scrutinized to understand their influence on performance and effectiveness. It emphasizes that while strategies and visible factors are important, underlying organizational culture and its characteristics may serve as fundamental drivers of performance and effectiveness.

2.3.3 Alliances and Performance

Existing empirical study on alliance used a literature review of existing literature to explore how strategic alliances affect the performance of airlines registered under IATA, revealing benefits such as reduced operational costs, marketing advantages, knowledge sharing, customer benefits, and reduced competition (Thendu et al., 2020). However, joining a strategic alliance does not always guarantee improved airline performance, requiring careful evaluation of market viability and potential benefits. By forming strategic alliances, airlines can eliminate unnecessary competition, reduce operational costs, increase market share, and share human resources, leading to knowledge and skill sharing within the industry.

Another study on alliance sought to establish how strategic alliances, driven by motives such as knowledge and market expansion, impact business performance (Ferreira & Franco, 2022). Through a quantitative approach with valid responses from 257 SMEs, the study utilized a structural equation model to analyze the data. The findings demonstrate that the motives behind forming strategic alliances significantly influence the performance of SMEs. The study emphasizes that SMEs' relationships with other firms through strategic alliances are vital for their sustainability and growth, highlighting the potential consequences of operating in

isolation. While existing literature has explored the link between alliances and employees, there remains a gap, particularly in the technology-based sector. Thus, this research contributes to filling this void and offers innovative insights into this domain.

Another established the impact of strategic partnerships and alliances on the performance of firms (Kim, 2025). A comprehensive review of relevant literature was used to identify key themes. The findings suggested that strategic alliances indeed have a positive and significant influence on business productivity. It is recommended that strategic alliance insights be disseminated, particularly to regulatory and advisory bodies, to guide businesses in crafting and implementing effective strategies that embrace innovation, thereby leading to enhanced financial productivity.

Another study also researched how strategic alliances impact the performance of firms (Anyanwu et al., 2023). It involved analyzing data from 175 respondents in four Nigerian firms with collaborative relationships, using a quantitative approach. Through simple regression analysis of structured questionnaire responses, it was found that production significantly influences sales revenue, while marketing alliances also contribute to sales revenue. Additionally, technology alliances were seen to positively affect firms' effectiveness. These results underscored the importance of strategic alliances in improving performance. Consequently, the study recommended that organizations consider adopting strategic alliances as part of their restructuring efforts to improve overall performance.

2.3.4 Human Resource Staffing and Performance

A study within human resource and performance determined the impact of strategic human resource staffing on the performance of organizations (Collings et al., 2022). In this study, a survey approach was utilized, employing standardized questionnaires as the means of data

collection. These surveys were distributed to 50 executives and collected from 29 managers. The research discovered that there were no significant variations in the impact of HR management (HRM) based on the format of work. However, the number of years of experience notably influenced both HRM dynamics and performance indicators, underscoring its pivotal role. In essence, experience exerted a greater influence than work format on outcomes related to HRM. This study contributes significantly to both the academic and practical realms by providing valuable insights and actionable recommendations aimed at enhancing HRM and strategic HR management (SHRM), ultimately fostering the overall success of organizations.

Also a study was carried out a study to investigate how strategic human resource staffing influences organizational performance, with a focus on the role of employee-oriented human resource policies as a potential mediator (Lee et al., 2023). Using data from 264 managers in profit-oriented organizations in Poland, the study employed factor analysis to validate constructs like strategic human resource staffing, employee-oriented HR policies, performance. The results indicated that employee-oriented HR policies mediated the link between staffing and performance. This research provides insights for contemporary managers on developing and implementing HRM solutions aligned with employee-centric policies, encompassing areas such as development programs, compensation systems, performance evaluations, succession planning, and recruitment strategies. It introduces and validates a novel model linking human resource staffing with performance, highlighting the intermediary role of employee-oriented HR policies.

Another study also sought to establish the relationship between strategic human resource staffing and organizational performance (Al-Khaled & Fenn, 2020). It highlights the

significant role of SHRM in enhancing overall organizational effectiveness. Drawing insights from various articles and journals, the report underscored how SHRM practices impact company performance positively. At the core, SHRM focuses on managing the workforce effectively, recognizing employees as invaluable assets crucial for organizational success. By implementing sound SHRM strategies, companies can optimize their performance and achieve long-term goals, ensuring sustainability within their respective industries. It stresses the importance of adopting effective SHRM practices as a competitive advantage. Additionally, the report offers recommendations for improving organizational performance through enhanced strategic human resource staffing, particularly in the realm of human resource planning.

Another study within human resource staffing and performance explored the impact of SHRM on organizational performance by reviewing relevant literature and drawing conclusions for future research and practical application (Piszczyk & Berg, 2020). The findings were categorized into three main sections: the role of Human Resources in gaining competitive advantage, the strategic significance of Human Resources, and the influence of SHRM on performance. The analysis suggested that human resources serve as a sustainable advantage, challenging the conventional view of HR strategy costs as operational expenses; instead, they are seen as investments in valuable assets. However, the direct impact of human resources on company performance appears to be limited.

The studies also lack consistency, while some studies present that strategic resource allocation leads to improved organizational performance, other studies speculated no significant relationship at all this inconsistency calls for further studies that give a firmer stand on the type of relationship between the two variables. Some studies presented mention the

methodologies applied while others did not mention them at all hence they do not present details of the strengths or weaknesses of the methodologies applied which brings about gaps in the validity of the findings, the studies are also narrow in scope as some are only conducted as a case study, therefore, lacking generalizability capabilities which lead to biases, for instance, a case study of airlines registered under IATA (Thendu et al., 2020).

2.3.5 Performance

A study explored the impact of firms' competitiveness on manufacturing companies' performance in Nigeria (Umar & Abubakar, 2021). A total of ten large-scale publicly listed manufacturing firms were selected for the analysis. Data was collected using structured questionnaires which were given to 300 respondents purposefully chosen from the selected firms. Data analysis was conducted using Chi-Square tests, correlation analysis, and descriptive statistics to address the study's specific objectives. The findings revealed that firms' competitiveness significantly influenced both the profitability and operational performance of the manufacturing firms examined. Furthermore, a positive correlation was observed between firms' competitiveness and the intensity of competition faced by these companies. The study concluded that adopting practices that enhance competitiveness is essential for refining manufacturing sectors' performance in Nigeria.

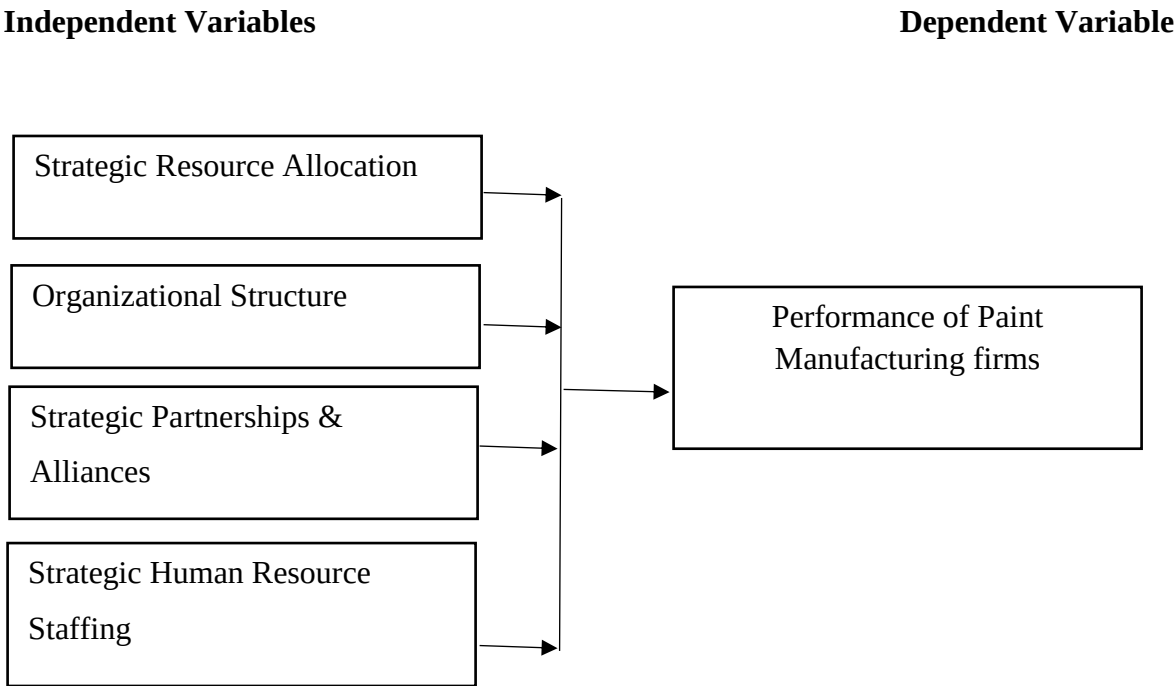
Another study sought to evaluate the performance of steel manufacturing firms by examining how automation of inventory influence operational efficiency. Existing literature reveals that this relationship has been minimally explored in Indian (Panigrahi et al., 2021) . Data for the research were gathered from manufacturing firms in Odisha, India, with key respondents including managers at different cadres. To meet the study's objectives, several statistical technique were used. The findings indicate that inventory management practices (IMP)

significantly affect firm performance, offering valuable insights for inventory management professionals within the manufacturing sector and contributing to the broader body of knowledge in this domain.

2.4 Conceptual Framework

Figure 2.2

Conceptual Framework



Strategic Resource Allocation

Strategic Resource Allocation refers to how a firm distributes its resources, including finances, human capital, and technological assets, to achieve its goals (Owako & Nyangara, 2021). Key metrics in this variable include Return on Investment (ROI), which measures the profitability gained from investments, and resource utilization rate, which assesses how efficiently resources are used in the organization. Another important aspect of strategic resource allocation is strategic alignment, where the allocation of resources is in line with the firm’s long-term objectives, ensuring that investments contribute to the overall strategy. Finally, performance metrics are used to assess how well the resources are being employed to achieve firm’s goals. Considering paint manufacturing firms in Kenya, proper strategic resource

allocation can lead to higher efficiency, better product quality, and ultimately improved performance (Ali et al., 2022).

Organizational Structure

Organizational Structure is crucial in determining how a firm organizes its internal processes, decision-making, and communication (Fuertes et al., 2020). It includes elements such as hierarchy levels, which refer to the number of layers in the organizational chart, affecting decision-making speed and communication flow. Departmentalization refers to how tasks are grouped into different departments, influencing operational efficiency and specialization (Mustafa et al., 2021). The span of control indicates how many employees report to each manager, which impacts managerial effectiveness and oversight (Owako & Nyangara, 2021). Furthermore, the structure also involves the balance between centralization and decentralization, with centralized structures concentrating decision-making at the top levels, while decentralized structures distribute authority throughout the organization, enabling greater flexibility and responsiveness. The organizational structure influences how effectively a paint manufacturing firm operates and executes strategic decisions, which in turn affects its overall performance (Fuertes et al., 2020).

Alliances

Alliances refer to strategic partnerships or collaborations between firms or external stakeholders aimed at creating mutual benefits (Anyanwu et al., 2023). This variable focuses on mutual benefit and value creation, where both parties in an alliance share resources and capabilities to achieve common objectives. An important aspect is the alignment of goals and objectives, ensuring that all partners have a unified vision, which increases the likelihood of

the alliance's success (Ferreira & Franco, 2022). Resource sharing is another critical element, as firms involved in alliances can access shared technology, knowledge, or distribution networks, enhancing their capabilities. Moreover, the longevity and adaptability of the alliance play a significant role, as long-term partnerships that adapt to market changes tend to create more sustainable value. For paint manufacturing firms in Kenya, alliances can provide access to new markets, reduce operational costs, and enhance competitive advantage, thus improving firm performance (Thendu et al., 2020).

Strategic Human Resource Staffing

Strategic Human Resource Staffing is a critical variable that focuses on how firms manage and develop their human capital (Al-Khaled & Fenn, 2020). The key components of this variable include employee engagement, which measures how committed and involved employees are in their work, directly influencing productivity and organizational success. Employee is the firm's ability to maintain a stable workforce by keeping skilled and experienced employees, which helps reduce turnover costs and ensures continuity (Anyanwu et al., 2023). Lastly, firms engage in training and development to ensure that the workers are equipped with knowledge required to improve productivity. For paint manufacturing firms, strategic human resource management ensures that the workforce is motivated, and skilled, leading to improved operational outcomes (Umar & Abubakar, 2021).

Performance

Performance in paint manufacturing firms reflects how effectively the company achieves its strategic and operational goals, including profitability, market share, productivity, and customer satisfaction (Parker et al., 2021). Key indicators of performance include financial metrics such as revenue growth, return on investment, and operating margins, which

demonstrate the firm's ability to convert inputs into valuable outputs efficiently (Rahimnia & Molavi, 2021). Operational performance is also measured by production efficiency, quality control outcomes, and inventory turnover rates, which are especially critical in the paint industry due to the importance of formulation precision and shelf-life management (Ontita & Muigai, 2020).

Customer-related performance metrics such as customer retention, complaint resolution speed, and brand loyalty are also vital, as they reflect the firm's capacity to meet market demands and maintain competitiveness. Innovation performance, including the development of eco-friendly products or advanced coating technologies, indicates the firm's responsiveness to environmental regulations and consumer preferences (Parker et al., 2021). The profitability was calculated based on the net profit data which was acquired as secondary data in the company financial statements and internal reports, of 2021-2024 financial years. These are the data directly collected at the firm-level with permission and cross-checked with the publicly available reports where possible. Market share was assessed through perception-based questionnaire responses, where managers provided insights on their firm's competitive standing and sales growth relative to competitors. This approach allowed the study to capture market dynamics while maintaining reliability through triangulation with profitability data (Rahimnia & Molavi, 2021).

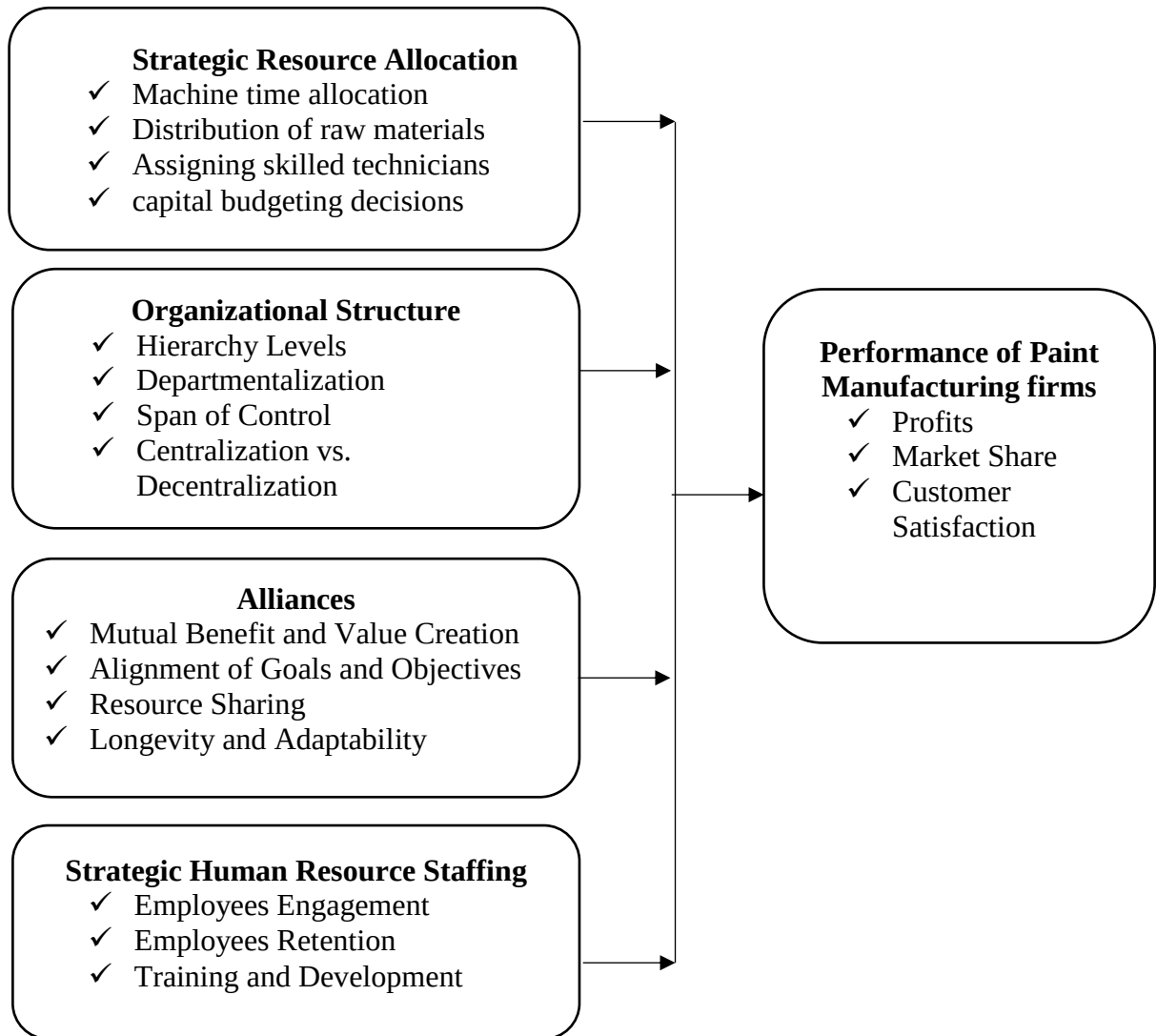
2.5 Operationalization of Variables

Figure 2.3

Operationalization of Variables

Independent Variables

Dependent Variable



2.6 Research Gaps

Table 2.1

Research Gaps Summary

Author and Year	The focus of the study	Key findings	Gaps identified
Lestari et al. (2020).	Impact of strategic resources and competitive strategies on performance of SMEs in Bali, Indonesia	Both strategic and competitive strategies positively and significantly influenced business performance.	The study applied only descriptive analysis. The study was based in Indonesia which has a different business environment to that in Kenya.
Owako & Nyangara (2021).	Relationship between strategic resource allocation and performance of KIWASCO.	The study revealed strategic resource allocation significantly and positively enhanced the performance of KIWASCO	The study was conducted in KIWASCOG which has a totally different business environment. The study was also conducted in general industry and not the manufacturing sector therefore it is hard to generalize findings.
Mustafa et al. (2021).	Relationship between formalization and centralization and self-efficacy to impact task performance of Pakistani public Sector.	The study revealed that formalization positively correlates with self-efficacy, while centralization had a negative association.	The study was conducted in a country facing different business environments. The study was conducted in the public sector which had different business operations from the manufacturing sector.
Ferreira & Franco (2022).	Strategic alliances impact on the development of human capital of small and medium-sized enterprises (SMEs) in Portugal	The study revealed that motives behind forming strategic alliances significantly influence the human capital of the SMEs under study.	The study's dependent variable was strategic alliances and not performance. The scope of the study was also shallow as the focus was only on strategic alliances which is only one component of Strategic Decisions.
Emami et al. (2022)	Effect of strategic partnerships and alliance on	Found a positive and significant relationship between	The study was not specific on the type of firms that the study focused on.

	performance of firms.	strategic alliances and business productivity	The scope of the study and its focus was on strategic alliance which is a narrow scope Strategic decisions, therefore findings cannot be generalized.
Al-Khaled & Fenn (2020).	The relationship between strategic human resource staffing and organizational performance	A significant and positive relationship was found between SHRM practices company performance.	The study context was not specific therefore findings cannot be generalized as is the case for paint manufacturing firms in Kenya.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presented the research methods that were applied to find answers on how strategic decisions paint manufacturing firms' performance in Kenya. The various sections of this chapter are hereby presented.

3.2 Research Design

A research design refers to the master plan guiding the study, providing a framework to address the research questions and achieve the study's objectives . Common research designs include exploratory, causal, descriptive, and correlational (Myers et al., 2023). The study adopted a correlational research design. This approach is appropriate because a researcher can easily evaluate the relationship of the variables, identifying patterns and correlations. Correlational research designs are suitable for analyzing the degree to which strategic decisions correlate with firm performance (Charli et al., 2022). The researcher assessed not just the existence of relationships but also the strength of relationships, thus providing deeper insights into how strategic decisions impact the performance of paint manufacturing firms in Kenya.

3.3 Target Population

The target population encompasses all relevant individuals who share common characteristics and are essential for the study, as they provide valuable data (Takona, 2024). In this study, the unit of analysis comprised 26 paint manufacturing companies registered with the paint manufacturers association of Kenya. The selection of respondents focuses on key decision-makers, including operations managers, marketing managers, HR managers, Technology

managers, finance managers, and relationship managers, who are directly involved in strategic decision-making within these firms as the unit of observation. To determine the target population, the study considered the 6 managers according to the roles per company resulting in a total of 156 respondents ($6 \times 26 = 156$). This approach ensured that the study captures perspectives from multiple functional areas, enhancing the comprehensiveness and reliability of the data collected.

Table 3.1

Target Population

Category	Size
Operations managers	26
Marketing managers	26
Finance managers	26
Relationship managers	26
HR managers	26
Technology managers	26
Total	156

3.4 Sampling Frame

A sample frame refers to a collection of individuals or objects from which a sample can be obtained (Takona, 2024). The sampling frame included 156 employees of paint manufacturing firms in Kenya.

3.5 Sample Size

A sample refers to a section of the entire population that shares similar characteristics as the entire population (Olawale et al., 2023) . To arrive at a non-biased or representative sample size the study applied a stratified random sampling technique through the application of the Taro Yamane sampling formula, the formula was given as follows:

$$n = N / (1 + N * e^2), \dots\dots\dots\text{equation (1)}$$

where: n = Sample size N = Population size e = Sampling error. In this case with a chosen sampling error of 5%, the sample size was:

$n = 156 / (1 + 156 * 0.05^2) = n = 112.2$, which to the nearest whole number was a sample size of 113 participants.

Table 3.2

Sample Distribution

Category	Population Size	Ratio	Sample size
Operations managers	26	16.67	21
Marketing managers	26	16.67	21
Finance managers	26	16.67	21
Relationship managers	26	16.67	21
HR managers	26	16.67	21
Technology managers	26	16.67	21
Total	156	100	113

Source: Data (2024)

3.6 Data Collection Instrument

The questionnaires helped in the gathering of data whereby they had five sections. Firstly, it collected data on the respondents; demographics, and the other three sections collected data on the four independent variables (strategic resource allocation, organizational structure, strategic partnerships and alliances, and strategic human resource staffing. The final section collected data on the dependent variable (performance).

By using closed and open questions, the questionnaire mainly sought to get different opinions on the topic: influence of strategic decisions on the performance of paint manufacturing firms in Kenya. A 5-scale Likert was used to collect and rate responses given by the respondents where 1= strongly disagreed on the lower side and 5= strongly agreed on the higher side. Open

questions were also used to obtain factual information or in-depth information about the subject.

3.7 Pre-Testing of the Research Instrument

Piloting is carried out so that the researcher can improve the instrument before actual data collection (Olawale et al., 2023). The pilot test was conducted on 10% of the sample size. Pilot for the study was conducted in Kiambu county in two paint manufacturing companies (Malaika paint and pegler paint kenya) , 15 employees in management positions participated in the pilot . Within five days the participants had filled the questionnaires and the researcher went ahead to test both reliability and the validity of the instrument. The questionnaires filed during the pilot were not combined with the actual data for the main study because their main goal were to adress any wekness in the questionnaire before actual data collection.

3.7.1 Validity Tests

Validity pertains to the research instrument's capability to capture the necessary data for the study's conclusive report. Evaluation of instrument validity involves considerations of both face and construct validity. Face validity involves the examination of elements such as grammar, word choice, and user-friendliness in addressing research inquiries. On the other hand, construct validity assesses the appropriateness of the research instrument for exploratory factor analysis (EFA) or confirmatory factor analysis (CFA) (Huntington-Klein, 2021).

To enhance face validity, the researcher engaged research experts from the university and practitioners specializing in strategic management. Additionally, during the pilot test, the questionnaire were distributed to respondents to assess their understanding of the questionnaire and the ease with which they responded to its inquiries. This process aimed to

refine the instrument and ensure its effectiveness in collecting pertinent data. To determine construct validity, the researcher used both Bartlett tests and Kaiser-Meyer-Olkin (KMO). A KMO score of above 0.7 was considered appropriate for further exploratory factor analysis, besides a p-value score of less than 0.05 on Bartlett tests were considered adequate for further analysis.

3.7.2 Reliability Tests

Reliability of research instruments refers to the internal consistency of the research instrument. Reliability can be determined through both test-retest methods as well as construct reliability (Ellis & Hart, 2023). Besides, the researcher used the Cronbach alpha score. The test re-test method involved giving questionnaires to a control group in the pilot in one instance and repeating the process of administration on the same control group after one week to establish an alpha test to establish the construct reliability, a score on the Cronbach alpha of above 0.7 was considered adequate for further analysis (exploratory or confirmatory) factor analysis.

3.8 Data Collection Procedure

Data collection procedures refer to the specific steps followed by the researcher to obtain reliable, valid, and accurate data (Hunziker & Blankenagel, 2024). Data collection procedure may vary depending on the nature of the study, the instrument used, or even the target population. The study prepared for data collection by first training two research assistants on the way to collect the data and the steps to follow in recruiting participants: the researcher also obtained necessary research approval documents including National Commission for Science, Technology, and Innovation (NACOSTI) letter and research authorization letter. During the

actual data collection, the researcher and research assistants made an introduction and sought consent from the participants.

The next step was to physically present the questionnaire once consent was obtained. Respondents were asked to fill out the questionnaires and informed the researcher once they had filled them so that they collected for data entry. In the instances where the respondents were not physically available to receive the questionnaires, google survey forms were sent through WhatsApp or even emailing the participants so that a good response rate was achieved. The researcher consistently liaised with the research assistants and the participants to ensure that the questionnaires were filled and collected immediately.

Financial performance data were also collected as part of the performance variable using secondary sources. These included audited financial reports from selected paint manufacturing firms, publicly available filings, and internal company documents obtained with permission. Specific indicators such as net profits, operating margins, and return on investment (ROI) were extracted for the years 2021–2024. Additional industry-level data were sourced from the paint manufacturers association of Kenya.

3.9 Data Analysis and Presentation

Data analysis is a structured approach to extracting meaningful insights from raw data, utilizing either qualitative or quantitative methodologies (Hunziker & Blankenagel, 2024). In this study, the data underwent quantitative analysis using SPSS version 23. The quantitative techniques entailed both descriptive and inferential analyses. Descriptive analysis focused on determining frequency, percentage, mean, and standard deviation. Concurrently, inferential analysis employed binary regression and correlation analyses with a significance level set at 0.05. The study's findings were presented through tables and narratives, facilitating the

interpretation of results and subsequent discussions. The regression analysis employed a binary logistic regression model as outlined below;

$$\text{Log} (p/1-p)=\beta_0+\beta_1X_1+ \beta_2X_2 +\beta_3X_3 +\beta_4X_4+ \epsilon \dots\dots\dots \text{Equation (i)}$$

Where p represented the probability of high performance, $1-p$ represented the low performance of paint manufacturing firms, while $\text{Log} (p/1 - p)$ represented the odds of high against low-performance β_0 , was the constant, β_1 was the coefficient for Strategic Resource Allocation, β_2 was the Organizational Structure, β_3 was the coefficient for Strategic Partnerships and Alliances, and β_4 was the coefficient for Strategic Human Resource Staffing. X_1 was the Strategic Resource Allocation, X_2 was the Organizational Structure, X_3 was the Strategic Partnerships and Alliances and X_4 was the Strategic Human Resource Staffing.

To achieve the objectives one at a time a binary regression of the following form was used

$$\text{Log} (p/1-p)=\beta_0+\beta_1X_1+\epsilon\dots\dots\dots \text{Equation (ii)}$$

where an independent variable was run against a dependent variable each at a single time

3.10 Diagnostic Tests

Before conducting the binary regression analysis, the researcher has to ascertain that the assumptions of regression analysis (independence, classification performance, and goodness of fit) have not been violated (Hunziker & Blankenagel, 2024). The following tests were conducted to ascertain that there is no violation before the actual regression analysis.

3.10.1 Classification Performance

Tests of on accuracy of classification performance demonstrate how well a model predicts the outcome. Sensitivity, accuracy, and specificity tests are used for the classification of performance tests. In this study accuracy was used to determine the classification

performance. A 60% percentage of classification is good enough and appropriate in determination of a good classification performance of a binary logistic model (Takona, 2024).

3.10.2 Duality Measure of Dependent Variable

A binary regression, the dependent variable should be categorical with two outcomes. In this study, performance was captured through two categorical measures: high against low performance to fulfill the requirement for a dual-categorical measure of the dependent variable (Takona, 2024).

3.10.3 Multi-Collinearity Test

The test involves the determination as to whether the independent variables vary as other independent variables vary, a situation referred to as multi-collinearity (Olawale et al., 2023). The study applied both the use of value inflation factor (VIF) as well as correlation analysis to establish that independent variables are indeed independent. The value inflation factor is a score range that runs between 1 and 10, scores outside below 1 and beyond 10 indicate that there is the presence of multi-collinearity and the variables should be dropped. The study also applied Pearson correlation analysis to determine whether there is multi-collinearity, the spearman rank score above 0.7 indicates that an independent variable versus another independent variable is highly correlated which means the two variables lack independence and therefore one needs to be dropped (Willie, 2024).

Another way of determining independence is treating one of the independent variables as the dependent variable and doing a regression analysis against the other independent variables which is repeated by using a different independent variable as dependent and regressing it against the other three independent variables to find out if there is a significant relationship or

otherwise if a significant relationship is not revealed the independent variables are considered to be independent as such.

3.10.4 Normality Tests

Normality tests was conducted to determine whether the model was fit for logistic regression. where the observed p-values associated with shapiro wilk tests were below 0.05 it was an indication that the data for the variables was fit for non-parametric tests. Logistic models are used where the data is not normally distributed unlike in linear regression where it must be fulfilled (Myers et al., 2023).

3.10.4 Good Ness of Fit Measure

The tests were used to determine how well the model fits the data. This study applied two common probability tests the Hosmer-Lemeshow Test, which is used to assess whether observed and predicted probabilities are significantly different (Sataloff & Vontela, 2021). A calculated p-value of above 0.05 against a critical value of 0.05 shows that a model is a good fit whereas a lower p-value than 0.05 shows a poor fit for the model. The other test were the Deviance Test (Likelihood Ratio Test) which was used to compare the deviance (-2 log-likelihood) of the fitted model to a null model. A calculated p-value that was less than 0.05 indicated that the model is significantly better than a null model.

3.11 Ethical Considerations

The study was conducted by observing several ethical considerations including, informed consent, confidentiality and autonomy, integrity and honesty, and beneficence (doing good and minimizing harm). The study obtained consent from the respondents by ensuring that they understand well the benefits of the research, the risks involved, the procedures involved, and the right to withdraw from the study without any consequences. The study was also conducted

in such a way that it safeguards the respondents from both physical and emotional harm that could result in distress. The researcher also ensured that the identities of the respondents were kept confidential and only used for academic purposes without divulging the responses to a third party (Willie, 2024).

The researcher also ensured that the study observed academic integrity such as fully acknowledging all referred materials by citing accordingly using APA styles as well as adhering to research integrity of avoiding plagiarism. Besides the researcher avoided biasness and reported the right information by avoiding misleading findings or biased reports. The researcher also ensured inclusivity and diversity by ensuring that all respondents were given equal chances to participate in the study without discrimination or exclusion based on demographic qualities like gender, level of education and race . Finally, the participants had an opportunity to receive feedback from their input by having the final project published in open-access platforms such as university e-repositories and journal publications (Myers et al., 2023).

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter presents the findings of the study on the influence of strategic decisions on the performance of paint manufacturing firms in Kenya. The chapter presented the findings guided by the four objectives: to determine the influence of strategic resource allocation on the performance of paint manufacturing firms in Kenya; to determine the influence of organizational structure on the performance of paint manufacturing firms in Kenya; to determine the influence of alliances on the performance of paint manufacturing firms in Kenya and to determine the influence of strategic human resource staffing on the performance of paint manufacturing firms in Kenya.

4.1.1 Response Rate

A total of 102 responses were successfully collected from the targeted sample of 113 respondents, which represents a response rate of 90.3%. a 70% response rate is excellent (Sataloff & Vontela, 2021). This high response rate indicates was as a result of the researcher and the assistants constantly reminding the participants to give their feedback. The following table summarizes the response rate for the study:

Table 4.1

Response Rate

Response Category	Count	Percentage (%)
Responded	102	90.3%
No Response	11	9.7%
Total	113	100%

4.1.2 Validity and Reliability of Research Instrument

The validity and reliability of the research instrument were thoroughly tested to ensure the collection of accurate and consistent data. To assess the reliability, Cronbach's Alpha coefficient was calculated for each of the study variables. Results are presented on table 4.2

Table 4.2

Reliability Test

	Cronbach's Alpha	N of Items
Strategic Resource Allocation	0.895	4
Organizational Structure	0.876	4
Alliances	0.908	4
Strategic human resource staffing	0.817	4
Organizational Performance	0.921	4

Table 4.2 presented the Cronbach values obtained indicating strong internal consistency, with the Cronbach's Alpha for Strategic Resource Allocation at 0.895, Organizational Structure at 0.876, Alliances at 0.908, Strategic Human Resource Staffing at 0.817, and Organizational Performance at 0.921. These values are well above the accepted threshold of 0.7, confirming the reliability of the instrument. Additionally, the KMO (Kaiser-Meyer-Olkin) Measure of Sampling Adequacy and Bartlett's Test of Sphericity were conducted to assess the suitability of the data for factor analysis.

Table 4.3*Validity Test*

KMO and Bartlett's Test	Strategic Resource Allocation	Organizational Structure	Alliances	Strategic human resource staffing	Organizational Performance
KMO Measure of Sampling Adequacy.	0.839	0.803	0.836	0.742	0.833
Bartlett's Approx. Test of Sphericity	233.729	233.497	269.107	184.798	305.461
df	6	6	6	6	6
Sig.	0.000	0.000	0.000	0.000	0.000

The KMO values ranged from 0.742 to 0.839, which are considered acceptable for factor analysis. Bartlett's Test produced significant results ($p\text{-value} < 0.05$), indicating that the correlation matrix is suitable for factor analysis. These tests further validate the appropriateness of the instrument in measuring the research variables effectively. These findings indicated that the research instrument was both reliable and valid for the study, ensuring that the data collected provided meaningful insights into the influence of strategic decisions on the performance of paint manufacturing firms in Kenya.

4.2 Demographic Statistics

The demographic profile of the respondents provides a comprehensive view of the sample's composition. Demographic information helps readers comprehend the respondents by describing the sample's characteristics.

Table 4.4*Demographic Statistics*

Attribute	Frequency	Percent
<i>Gender</i>		
Female	25	24.5
Male	75	73.5
<i>Age</i>		
25 years and below	1	1
Between 26-35	13	12.7
Between 36-45	73	71.6
46 years and above	14	13.7
<i>Position in your organization</i>		
Finance Manager	15	14.7
HR managers	7	6.9
Marketing Manager	51	50
Operations Manager	14	13.7
Relationship Manager	10	9.8
Technology managers	5	4.9
<i>Experience</i>		
5 years and below	1	1
Between 5-9 years	73	71.6
10 years and above	28	27.5

Out of the 102 respondents, 73.5% were male, while 24.5% were female, indicating a male-dominated sample. Regarding age, the majority (71.6%) of respondents were between 36 and 45 years old, followed by 13.7% in the 46 years and above category, and 12.7% aged between 26 and 35. A small proportion (1%) were aged 25 years and below. In terms of positions held within the organization, 50% of the respondents were marketing managers, 14.7% were finance managers, and 13.7% were operations managers. HR managers accounted for 6.9%, while relationship managers and technology managers made up 9.8% and 4.9%, respectively. The length of employment at their organizations was also varied. A majority of respondents (71.6%) had worked for 5 to 9 years, 27.5% had over 10 years of experience, and only 1% had worked for 5 years or fewer. These statistics reflect a sample with substantial industry experience, which contributes to the study's credibility. The inclusion of demographic

information, such as respondents' roles and years of experience, is critical to the study as it ensures the sample is representative of the target population. Demographic variables are key in understanding the diversity of perspectives and ensuring the validity of the responses (Willie, 2024).

4.3 Descriptive Analysis

The study conducted descriptive statistics on the point Likert scale. Descriptive analysis included analysis of the four independent variables (strategic resource allocation, organizational structure, alliances & strategic human resource staffing) in addition to the dependent variable (organizational performance). The Likert was recoded as Disagree (Strongly Disagree (SD) + Disagree (D)- combined), Neutral (N, left as it was) and Agree (Agree (A) + Strongly Agree (SA)—combined)

4.3.1 Strategic Resource Allocation

Strategic resource allocation is a critical determinant of organizational success, as it aligns the available resources with the firm's goals. The findings on strategic resource allocation reveal varying levels of agreement across different statements.

Table 4.5

Descriptive Statistics on Strategic Resource Allocation

Statement on Strategic Resource Allocation	Mean	Std Dev
our organization distributes raw materials based on production demands	3.76	0.96
Machine time is allocated depending on client urgency	3.94	1.00
Skilled technicians are assigned roles depending on the job demands	3.79	1.05
our organization carry out capital budgeting decisions for investment in projects with good returns	3.88	1.03

For the first statement, “our organization distributes raw materials based on production demands” respondents agreed, with a mean of 3.76. The second statement, “machine time is allocated depending on client urgency,” showed a slightly higher agreement level, with a mean of 3.94. This reflects the findings, which discussed the importance of efficient resource utilization in achieving organizational performance (Lestari et al., 2020). The third statement, “Skilled technicians are assigned roles depending on the job demands” had a mean of 3.79, showing respondents agreed in majority. Finally, the statement “our organization carry out capital budgeting decisions for investment in projects with good returns” had a mean of 3.88, showing a respondents agreed, reinforcing the importance of monitoring in strategic decision-making, adopting practices that enhance competitiveness is essential for refining a sectors’ performance (Owako & Nyangara, 2021).

4.3.1.1 Thematic analysis on Resources Allocation

This section of the study sought to find out from the participants the key factors which drives organization's resource allocation decisions. Participants revealed that human resources are allocated based on skills sets and the urgency of the project needs. The participants also added that strategic roles are filled first to maintain workflow continuity. The organizations also ensure that employees are fitted into roles that best suits them to deliver the best value. The participants also noted that key decisions on capital investment are directed to projects that have significant impact to the long-term success of the businesses. Forecast of cash flows and cost benefit analysis is done before actual allocation of financial resources to ensure that a proper consideration of risk exposure is carried out before commitment of resources. Lastly, participants mentioned that allocation of resources is primarily driven by the clients’ order schedules and deadlines with machines being assigned to high demand production lines.

The finding of the qualitative data aligns with the descriptive findings where participants agreed with the statements given on the strategic resources allocation. This aligns with prior literature, which emphasized that strategic resource allocation is integral to organizational competitiveness (Muo & Ochieng, 2023).

4.3.2 Organizational Structure

Organizational structure plays a significant role in shaping an organization's effectiveness and performance. The findings on organizational structure highlight the level of agreement among respondents on the importance of hierarchy, departmentalization, span of control, and the balance between centralization and decentralization.

Table 4.6

Descriptive Statistics on Organizational Structure

Statement	Mean	Std Dev
The current organizational structure effectively defines clear hierarchy levels within our organization.	3.66	1.07
The departmentalization within our organization allows for efficient specialization and coordination of tasks.	3.64	1.13
The span of control within our organization is appropriately balanced, allowing for effective supervision and communication across all levels.	3.70	1.03
balance between centralization and decentralization within our organization aligns with strategic decisions	3.87	1.00

The first statement, “The current organizational structure effectively defines clear hierarchy levels within our organization,” had a mean of 3.66, showing that organizations had effectively defined the structures. For the second statement, “The departmentalization within our organization allows for efficient specialization and coordination of tasks,” the mean was 3.64. This indicated that departmentalization is positively perceived, though there is room for improvement in this area. The third statement, “The span of control within our organization

is appropriately balanced, allowing for effective supervision and communication across all levels,” yielded a mean of 3.70. Therefore, the span of control is fairly effective, allowing for effective supervision and communication across all levels. Finally, regarding “the balance between centralization and decentralization aligns with strategic decisions” respondents gave a mean of 3.87, suggesting a positive perception of the balance between decision-making authority and strategic alignment. Overall, the findings resonate with previous literature emphasizing the critical impact of organizational structure on efficiency and strategic alignment, where optimal structuring enhances performance and supports organizational goals (Elmagrhi et al., 2023).

4.3.2.1 Thematic Analysis On Organizational Structure

This section of the study sought from the participants the ways they thought their organizational structure could be improved to better support the formulation and implementation of strategic initiatives. Participants reveled that flattening of the hierarchy would help in speeding up decisions making. Besides introduction of cross-functional teams would help in enhancing collaboration. All departments also are needed to work together in all areas of managements. To boost communication and faster decision making a more flexible reporting system would ensure better outcomes. The findings are in line previous research which noted that organizational structure is a great facilitator of organizational change, having flat structures improves communication and department collaborations (Fuertes et al., 2020).

4.3.3 Alliances

Strategic alliances are a key component of organizational success, enabling firms to leverage external partnerships for mutual growth. The responses on alliances reveal strong levels of agreement regarding their importance in enhancing organizational performance.

Table 4.7*Descriptive Statistics on Alliances*

Statement on Alliances	Mean	Std Dev
Our organization prioritizes mutual benefit and value creation.	4.10	0.93
Our organization's strategic alliances strongly align with shared goals and objectives.	4.14	0.89
Our organization encourages effective resource sharing and collaboration intensity.	3.97	0.93
Our organization prioritizes longevity and adaptability, strongly considering future changes and challenges.	4.16	0.93

For the first statement, “Our organization prioritizes mutual benefit and value creation,” the mean was 4.10. This suggests that respondents believe their organizations place high importance on mutually beneficial partnerships, aligning with strategic decision-making models that emphasize the importance of value-sharing alliances (Ferreira & Franco, 2022). The second statement, “Our organization’s strategic alliances strongly align with shared goals and objectives,” had a mean of 4.14. The third statement, “Our organization encourages effective resource sharing and collaboration intensity,” resulted in a mean of 3.97, indicating a favorable view of resource sharing. While agreement is high, some respondents may feel that there is room to increase collaboration further. Finally, the statement, “Our organization prioritizes longevity and adaptability, strongly considering future changes and challenges,” had a mean of 4.16 suggesting that respondents perceive their organization as focused on long-term strategic alliances with adaptability, ensuring resilience against market challenges. The findings corroborate with past literature, which discuss the strategic importance of alliances in fostering innovation, market expansion, and sustainable growth (Emami et al., 2022). These findings emphasize the value of strategic alliances in the paint manufacturing industry, particularly in achieving long-term objectives.

4.3.3.1 Thematic Analysis On Alliance

This part of the study sought in-depth suggestions from the participants on the key factors they consider when evaluating potential alliances. The participants revealed that they seek to partner with farms that are showing great growth potentials with financial stability, risk exposure is keenly evaluated and legal liabilities are keenly evaluated. Business Ethics profile of the companies are also evaluated to ensure they meet the company's standards. The participants lastly said they considered cultural alignment for the partners to ensure smooth transition. This observation reflects the belief that the organization's alliances are effectively aligned with its strategic goals, supporting the notion that successful partnerships are those with clearly defined and shared objectives (Thendu et al., 2020).

4.3.4 Strategic Human Resource Staffing

Strategic human resource staffing plays a pivotal role in aligning the organization's workforce with its strategic goals. The responses on this variable reveal varied levels of agreement across the different statements.

Table 4.8

Descriptive Statistics on Strategic Human Resource

Statement	Mean	Std Dev
I am motivated to contribute to the success of the organization.	3.96	1.12
The organization provides sufficient support for career development and growth.	4.23	1.02
The organization invests enough resources in employee development.	3.53	1.09
The HR initiatives and strategies align with the overall goals and objectives of the organization.	4.10	1.06

For the first statement, "I am motivated to contribute to the success of the organization," the mean was 3.96. This indicates that most respondents feel motivated, though there is some

variation in levels of motivation within the organization. The second statement, “the organization provides sufficient support for career development and growth,” had a high mean of 4.23. This suggests that the majority of respondents perceive that the organization invests in their career progression, which aligns with research on the importance of career development in enhancing employee satisfaction and performance (Al-Khaled & Fenn, 2020). For the third statement, “the organization invests enough resources in employee development,” the mean was lower at 3.53, indicating that respondents were less certain about the adequacy of resources invested in employee development. The final statement, “HR initiatives and strategies align with the overall goals and objectives of the organization,” had a mean of 4.10, indicating a strong agreement that HR strategies are aligned with organizational objectives.

4.3.4.1 Thematic Analysis On Strategic Human Resource Staffing

this part of the study sought to find out in-depth suggestions of the participants on what are some of the strategic human resource strategies employed by their companies. Participants revealed that there is a focus in talent development through programs on training and upscaling skills. Successive planning also ensures that the organizations have staff with right skills for growth. Workers also undergoes performance management through appraisal to reward high performing staff. The paint manufacturing companies also forecasts for workforce demand during peak seasons to ensure there is no labor shortage. This finding supports the past literature that effective HR practices are emphasized as essential for organizational success and alignment with strategic goals. These results underline the importance of strategic HR staffing in enhancing employee engagement and organizational performance (Muo & Ochieng, 2023).

4.3.5 Organizational Performance

Organizational performance is a key indicator of how well a company is achieving its goals and meeting market demands. The responses to the statements on organizational performance reflect varying levels of agreement.

Table 4.9

Descriptive Statics on Organizational Performance

Statement Organizational Performance	Mean	Std Dev
Our organization's overall performance reflects its set goals and objectives.	3.89	0.89
Our organization can capture and maintain market share compared to its competitors.	3.91	1.01
Our organization consistently meets or exceeds customer expectations.	3.74	1.01
Our customers demonstrate loyalty to our brand and products/services.	3.89	0.89

For the first statement, “Our organization’s overall performance reflects its set goals and objectives,” the mean was 3.89. This suggests that respondents generally believe their organization’s performance aligns with its goals, though there is some variance in opinion. The second statement, “Our organization can capture and maintain market share compared to its competitors,” had a mean of 3.91. This indicates a positive view of the organization’s competitive position in the market, consistent with findings, where market share was emphasized as a critical factor in organizational success (Muo & Ochieng, 2023).

For the third statement, “Our organization consistently meets or exceeds customer expectations,” the mean was 3.74. This suggests that while customer satisfaction is generally met, there is room for improvement in consistently exceeding expectations. The final statement, “Our customers demonstrate loyalty to our brand and products/services,” had a mean of 3.89, indicating a high level of customer loyalty. The table below represents the

annual net profits (in millions) of paint manufacturing firms over the five-year period from 2020 to 2024.

Table 4.10

Descriptive Statics on Net profits of Firms

	Minimum	Maximum	Mean	Std. Deviation
Year 2020	56	176	111.17	36.941
Year 2021	58	186	120.54	39.401
Year 2022	53.20	167.20	105.60	35.094
Year 2023	70.00	220.00	138.95	46.17
Year 2024	71.68	225.28	143.29	45.30

The data shows a general upward trend in profits, with the mean profit increasing from 111.17 million in 2020 to 143.29 million in 2024. The standard deviation, which measures the spread of profits around the mean, varies each year, with the highest deviation in 2023 (46.17), indicating more variability in that year's profits. This data provides valuable insights into the evolving financial health of the industry, aligning with strategic decisions made by firms. These findings can be used to assess the impact of those decisions on the firms' overall performance.

This aligns with the literature, where customer loyalty was identified as a crucial driver of sustained organizational performance (Büchi et al., 2020). These findings highlight that while the organizations are performing well in key areas, there is potential for further improvement, especially in exceeding customer expectations and maintaining competitive advantage.

4.4 Assumptions for Logistic Binary Model

To ensure the reliability and validity of the binary logistic regression analysis used in this study, certain assumptions must be met, including testing for multi-collinearity and normality of the data.

4.4.1 Multi-Collinearity

Multi-collinearity refers to a situation where independent variables in a regression model are highly correlated with each other, which can distort the regression results. The variance inflation factor (VIF) and tolerance statistics are used to assess multi-collinearity.

Table 4.11

Multi-Collinearity

Variable	Tolerance	VIF
Strategic Resource Allocation	0.794	1.259
Organizational Structure	0.679	1.472
Alliances	0.776	1.289
Strategic human resource staffing	0.824	1.213

The results from the analysis indicated that the VIF values for all variables were below the threshold of 10, and tolerance values were above 0.1. Specifically, Strategic Resource Allocation had a VIF of 1.259, Organizational Structure had a VIF of 1.472, Alliances had a VIF of 1.289, and Strategic Human Resource Staffing had a VIF of 1.213. These values suggest that multi-collinearity is not a concern, as all the VIF values are within the acceptable range, indicating that the variables are not highly correlated.

4.4.2 Normality Tests

To confirm whether the model was appropriate for non-parametric tests and logistic regression a normality test was conducted. Results are showed in table 4.12.

Table 4.12*Tests of Normality*

	Kolmogorov-Smirnov^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Strategic Resource Allocation	.450	102	.000	.565	102	.000
Organizational Structure	.441	102	.000	.578	102	.000
Alliances	.470	102	.000	.534	102	.000
Strategic human resource staffing	.446	102	.000	.572	102	.000
Organizational Performance	.501	102	.000	.462	102	.000

a. Lilliefors Significance Correction

The normality of the data was assessed using the Kolmogorov-Smirnov tests, with all variables showing significant results ($p < 0.05$), indicating that the data for each of the study variables deviates from normality. This is a typical finding in social science research and does not undermine the validity of the logistic regression model, as it is not as sensitive to non-normal distributions when using large samples ($n = 102$). These assumptions confirm that the data is suitable for the logistic regression analysis.

4.5 Bivariate Regression Analysis

4.5.1 Strategic Resource Allocation

Table 4.13*Simple Regression on Strategic Resource Allocation and Performance*

Model Summary							
Step	-2 Log likelihood	Cox & Snell R Square		Nagelkerke R Square			
1	65.194 ^a	0.254		0.419			
Variables in the Equation							
		B	S.E.	Wald	df	Sig.	Odds ratio
Step 1 ^a	Sub-optimal resource allocation- RC	-	-	-	-	-	1
	Optimal Strategic Resource Allocation	3.219	0.697	21.332	1	0	25
	Constant	-0.069	0.372	0.034	1	0.853	0.933

a. Estimation terminated at iteration number 6 because parameter estimates changed by less than .001.

b. Variable(s) entered on step 1: Strategic Resource Allocation.

Model: $Y = 3.219X_4$

The results from the logistic regression analysis reveal that strategic resource allocation is a significant determinant of performance within paint manufacturing firms. The model summary indicates that strategic resource allocation explains 25.4% of the variance in firm performance (Cox & Snell R Square = 0.254), with the Nagelkerke R Square value increasing to 41.9%, indicating a moderate to strong association between strategic resource allocation and firm performance. The regression coefficients for strategic resource allocation are highly significant. The Wald statistic is 21.332, and the p-value is 0.000, both suggesting that the relationship is statistically significant. The Odds ratio value, which is 25.000, indicates that firms that allocate their resources optimally are 25 times more likely to experience improved performance compared to firms that use a sub-optimal allocation approach.

4.5.2 Organizational Structure

Table 4.14

Simple Regression on Organizational Structure and Performance

Model Summary							
Step	-2 Log likelihood	Cox & Snell R Square		Nagelkerke R Square			
1	53.196 ^a	.337		.555			
Variables in the Equation		B	S.E.	Wald	df	Sig.	Odds ratio
Step 1 ^a	Tall- RC	-	-	-	-	-	1
	Flat	4.443	1.070	17.245	1	.000	85.000
	Constant	-.194	.361	.289	1	.591	.824

a. Estimation terminated at iteration number 7 because parameter estimates changed by less than .001.

b. Variable(s) entered on step 1: Organizational Structure.

Model: $Y = 4.443X_2$

The second factor examined, organizational structure, also plays a crucial role in determining the performance of paint manufacturing firms. The model for organizational structure indicates a significant relationship, with Cox & Snell R Square at 0.337 and Nagelkerke R Square at 0.555. This suggests that approximately 33.7% of the variance in performance is explained by organizational structure, with the adjusted model providing a more comprehensive explanation of 55.5%.

The coefficient for organizational structure is highly significant, with a Wald statistic of 17.245 and a p-value of 0.000. The Odds ratio value for organizational structure is 85.000, which indicates that firms with a flat organizational structure (as opposed to a tall hierarchical structure) are 85 times more likely to experience improved performance.

This result highlights the effectiveness of having a flexible organizational structure. Paint manufacturing firms with flatter structures tend to have better communication, faster decision-making, and greater adaptability to market changes. The flexibility afforded by a decentralized structure allows firms to respond more quickly to emerging opportunities or challenges, ultimately enhancing operational performance. For managers in the paint manufacturing industry, this finding suggests that optimizing organizational structure to enhance coordination and streamline decision-making processes is vital for boosting performance.

4.5.3 Strategic Alliances

Table 4.15

Simple Regression On Alliances and Performance

Model Summary							
Step	-2 Log likelihood	Cox & Snell R Square			Nagelkerke R Square		
1	65.745 ^a	.250			.412		
Variables in the Equation							
		B	S.E.	Wald	df	Sig.	Odds ratio
Step 1 ^a	Non-strategic alliance- RC	-	-	-	-	-	1
	Strategic Alliances	3.145	.653	23.221	1	.000	23.227
	Constant	-.241	.403	.358	1	.549	.786

a. Estimation terminated at iteration number 6 because parameter estimates changed by less than .001.

b. Variable(s) entered on step 1: Alliances.

Model: $Y = 3.145X_3$

Strategic alliances represent another significant factor influencing the performance of paint manufacturing firms. The logistic regression results indicate that strategic alliances explain

25% of the variance in firm performance (Cox & Snell R Square = 0.250), with the adjusted value for Nagelkerke R Square at 41.2%. This suggests that strategic alliances are a strong determinant of performance, highlighting their importance in enhancing competitiveness and operational productivity.

The coefficient for alliances is highly significant, with a Wald statistic of 23.221 and a p-value of 0.000, confirming the statistical significance of this relationship. The Odds ratio value of 23.227 indicates that firms that engage in strategic alliances are 23 times more likely to achieve superior performance outcomes compared to firms without such alliances.

This result emphasizes the value of forming partnerships and collaborations with other organizations. Strategic alliances allow firms to pool resources, share knowledge, and access new markets. In the context of paint manufacturing, such partnerships might involve collaborations with suppliers, distributors, or even competitors, enabling firms to reduce operational costs, increase market access, and enhance their competitiveness. The ability to form and maintain effective alliances is therefore crucial for firms seeking to improve their performance and sustain growth in the competitive paint manufacturing sector. A previous research suggested that strategic alliances indeed have a positive and significant influence on business productivity (Ferreira & Franco, 2022). Strategic alliance insights be disseminated, particularly to regulatory and advisory bodies, to guide businesses in crafting and implementing effective strategies that embrace innovation, thereby leading to enhanced financial productivity (Emami et al., 2022).

4.5.4 Strategic Human Resource Staffing

Table 4.16

Simple Regression on Strategic Human Resource Staffing and Performance

Model Summary							
Step	-2 Log likelihood	Cox & Snell R Square			Nagelkerke R Square		
1	72.352 ^a	.200			.329		
Variables in the Equation		B	S.E.	Wald	df	Sig.	Odds ratio
Step 1 ^a	Hard HRM (Control-Based Approach)	-	-	-	-	-	1
	High-Performance Work System	2.309	1.093	4.464	1	0.035	10.062
	Constant	.134	.366	.133	1	.715	1.143

a. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001.

a. Variable(s) entered on step 1: Strategic human resource staffing.

Model: $Y = 2.304X_4$

Lastly, strategic human resource staffing plays a significant role in influencing the performance of paint manufacturing firms. The model summary indicates that strategic human resource staffing explains 20% of the variance in performance (Cox & Snell R Square = 0.200), with the adjusted Nagelkerke R Square value at 32.9%. Although this value is slightly lower than those for strategic resource allocation, organizational structure, and alliances, it still suggests a meaningful impact on performance. The regression results for strategic human resource staffing are highly significant, with a Wald statistic of 4.464 and a p-value of 0.035. The Odds ratio value of 10.062 indicates that firms with High-Performance Work System are nearly 10 times more likely to experience enhanced performance outcomes compared to firms with control-based approach.

Strategic human resource management practices, such as employee retention programs, training and development, and performance-based incentives, have been shown to significantly impact organizational performance (Al-Khaled & Fenn, 2020). Firms with a strong focus on human capital development tend to have higher levels of employee engagement and productivity, which directly contribute to improved firm performance. Therefore, for paint manufacturing firms in Kenya, investing in strategic human resource staffing is a key component for achieving long-term success and operational excellence (Lee et al., 2023) .

4.5 Binary Logistic Regression Analysis

4.4.3 Hosmer and Lemeshow Test

The Hosmer and Lemeshow Test assesses the fitness of the model, or how well the predicted probabilities agree with the actual outcomes. Results are shown in table 4.13.

Table 4.17

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	15.982	6	.114

The Chi-square value for this test was 15.882 with 6 degrees of freedom and a significance value of 0.114. Since the significance value is greater than 0.05, it indicates that the logistic model fits the data well, because the observed and the predicted values in the model were not significantly associate., which is a major requirement for logistic model.

4.5.1 Model Summary

The binary logistic regression model aims to assess the influence of strategic decisions on organizational performance in paint manufacturing firms. The model summary provides key statistics to evaluate the overall fit of the model. The findings from the regression analysis were derived using a binary logistic regression model, which was appropriate given the dichotomous nature of the dependent variable firm performance. The decision to use this method was based on its capacity to estimate the probability of success (performance) based on different strategic decisions, while adjusting for other factors. Results shown in table 4.13.

Table 4.18

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	27.898 ^a	.482	.796

a. Estimation terminated at iteration number 7 because parameter estimates changed by less than .001.

The Cox & Snell R^2 was 0.482, and the Nagelkerke R^2 was 0.798. These values suggest that the model explains a substantial proportion of the variance in organizational performance. The higher Nagelkerke R^2 indicates a good model fit, suggesting that the independent variables used in the model significantly explain the outcome variable (organizational performance). The -2 Log likelihood statistic was 27.898, indicating that the model's goodness-of-fit is acceptable and provides an adequate fit to the data.

4.5.2 Classification of The Model

The classification table assesses the predictive accuracy of the model.

Table 4.19

Classification Table

Observed			Predicted		Percentage Correct
			Organizational Performance		
			Low	High	
Step 1	Organizational	Low	16	2	88.9
	Performance	High	1	83	98.8
	Overall Percentage				97.1

a. The cut value is .500

For the observed and predicted organizational performance, the model classified 88.9% of the "Low" performance cases correctly, and 98.8% of the "High" performance cases. The overall accuracy of the model was 97.1%, which shows that the model performs well in classifying organizational performance as either high or low. These results demonstrate the model's strong predictive ability, indicating that it can effectively predict organizational performance based on the selected strategic decision variables.

4.5.4 Logistic Regression Coefficients

Table 4.20 provides the results from the logistic regression model. The logistic regression coefficients provide insights into the strength and direction of the relationship between the independent variables and the dependent variable, which in this study is organizational performance.

Table 4.20*Logistic Regression Coefficients*

	B	S.E.	Wald	df	Sig.	Odds ratio
<i>Resource Allocation</i>						
Sub-optimal resource allocation	-	-	-	-	-	1
Optimal Strategic Resource Allocation	2.714	1.112	5.961	1	0.015	15.095
<i>Organizational Structure</i>						
Tall Structures	-	-	-	-	-	1
Flat Structures	2.837	1.211	5.492	1	0.019	17.071
<i>Alliances</i>						
Non-Strategic Alliances	-	-	-	-	-	1
Strategic Alliances	2.14	1.039	4.241	1	0.039	8.5
<i>Strategic Human Resource Staffing</i>						
Hard HRM (Control-Based Approach)	-	-	-	-	-	1
High-Performance Work System	2.309	1.093	4.464	1	0.035	10.062
Constant	-3.574	1.199	8.883	1	0.003	0.028

a. Variable(s) entered on step 1: Strategic Resource Allocation, Organizational Structure, Alliances, Strategic human resource staffing.

Strategic Resource Allocation and organizational performance

The coefficient for Strategic Resource Allocation (B = 2.714, Sig. = 0.015 and odds of 15.095) indicates a statistically significant positive relationship between the allocation of resources and organizational performance. This suggests that organizations that prioritize effective resource allocation are more likely to perform better by 15 times than the ones that use sub-optimal resource allocation. This finding is consistent with the literature, where it was highlighted that strategic resource allocation directly impacts organizational effectiveness and competitiveness (Lestari et al., 2020). Effective allocation of resources such as capital, human resources, and technology enables firms to focus on innovation, reduce waste, and improve operational efficiency. Aligning resources with business objectives fosters better outcomes, particularly in competitive sectors like manufacturing (Muo & Ochieng, 2023).

Organizational Structure and organizational performance

The coefficient for Organizational Structure ($B = 2.837$, $\text{Sig.} = 0.019$ and odds of 17.071) also shows a significant influence of organizational performance. The odds of 17.071 suggested that having a flat structure increases the chances of better performance by 17 times than one using tall structures. This finding supports the theory discussed, where organizational structure was identified as crucial for performance. A clear and efficient organizational structure enhances communication, facilitates decision-making, and improves resource management, all of which contribute to better performance. Moreover, the alignment between structure and strategy is vital for maximizing organizational potential (Elmagrhi et al., 2023).

Alliances and organizational performance

The coefficient for Alliances ($B = 2.140$, $\text{Sig.} = 0.039$ and odds of 8.5) suggests that strategic partnerships significantly contribute to organizational performance. This suggested organizations that employ strategic alliance have 8.5 times better chances of having better performance than the ones using non-strategic alliance. Well-aligned alliances allow firms to access new markets, reduce operational costs, and enhance innovation. Strategic partnerships enable firms to mitigate risks, share expertise, and enhance their overall competitive position, making them essential for long-term sustainability (Ferreira & Franco, 2022).

Strategic Human Resource Staffing and organizational performance

The coefficient for Strategic Human Resource Staffing ($B = 2.309$, $\text{Sig.} = 0.035$ and odds of 10.062) indicates a significant and positive influence on organizational performance. The study odds of 10.062 suggest that investing in high-performance work system HR strategies instead of hard HRM (Control-Based Approach) increases the likelihoods of better performance by 10 times. Another study emphasized that HR practices, such as effective staffing, training, and performance management, are crucial for maintaining a motivated and

skilled workforce, which drives productivity and innovation (Al-Khaled & Fenn, 2020). Moreover, aligning HR strategies with organizational goals ensures that the workforce contributes effectively to achieving business objectives (George et al., 2022).

The constant ($B = -3.574$, $\text{Sig.} = 0.003$) indicates the baseline odds of an organization performing at a high level when all the independent variables are zero. The logistic regression results indicate that all four strategic decision factors—Strategic Resource Allocation, Organizational Structure, Alliances, and Strategic Human Resource Staffing positively influence organizational performance. The strong coefficients and statistically significant p-values suggest that these factors are crucial determinants of success in paint manufacturing firms in Kenya. These findings reinforce the past literature, where effective resource management, a clear organizational structure, strategic partnerships, and strong HR practices were identified as key to improving performance. By prioritizing these strategic areas, firms can improve their operational effectiveness, market position, and long-term sustainability (Lee et al., 2023).

4.6 Hypothesis Summary

The results of the hypothesis testing conducted in this study are summarized in the table below.

Table 4.21

Hypothesis Summary

Hypothesis Number	Hypothesis Statement	Decision
H₀₁	Strategic resource allocation does not significantly influence the performance of paint manufacturing firms in Kenya.	<i>Reject</i>

H₀₂	Organizational structure does not significantly influence the performance of paint manufacturing firms in Kenya.	<i>Reject</i>
H₀₃	Strategic partnerships and alliances do not significantly influence the performance of paint manufacturing firms in Kenya.	<i>Reject</i>
H₀₄	Strategic human resource staffing does not significantly influence the performance of paint manufacturing firms in Kenya.	<i>Reject</i>

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of key findings of the study that sought to determine influence of strategic decisions on performance of paint manufacturing firms in Kenya. The chapter further presents conclusions drawn from the major findings and discusses how these conclusions relate to the study objectives and hypotheses. Lastly, the chapter provides policy recommendations aimed at guiding managers and decision-makers in developing and implementing strategic decisions that are critical for enhancing the performance and competitiveness of paint manufacturing firms in Kenya.

5.2 Summary of Key Findings

5.2.1 Strategic Resource Allocation and Performance

The study established that paint manufacturing firms in Kenya actively allocates strategic resource by aligning their available resources with the firm's strategic goals. Additionally, the study found that firms that effectively prioritized strategic resource allocation. Finally, results showed that organizations effectively measure and evaluates performance to inform resource allocation decisions. The study confirmed that firms that apply optimal resources allocation have significantly better chances of significantly reporting higher performance than the ones using sub-optimal resources allocation strategies.

5.2.2 Organizational Structure and Performance

The study found that Respondents agreed that the organizational structures effectively defines clear hierarchy levels within paint manufacturing firms in Nairobi County, the departmentalization within organization allows for efficient specialization and coordination

of tasks, span of control within organization was appropriately balanced, allowing for effective supervision and communication across all levels and balance between centralization and decentralization within organization aligning with strategic decisions. Results also showed that organizations with flat organizational structure have better likelihood for better performance than counterparts with tall structure.

5.2.3 Alliances and Performance

The study revealed that participants agreed that the paint manufacturing companies prioritize mutual benefit and value creation, organization's strategic alliances strongly align with shared goals and objectives, paint manufacturing organization encourages effective resource sharing and collaboration intensity and the organization prioritizes longevity and adaptability, strongly considering future changes and challenges. The result also showed that organizations having strategic alliances have more likelihood to have better performance than the ones having non-strategic alliance.

5.2.4 Strategic Human Resource Staffing and Performance

The study found that respondent agreed that staffs within paint manufacturing companies in Kenya are motivated to contribute to the success of the organization, the organization provides sufficient support for career development and growth, the organizations invest enough resources in employee development and the HR initiatives and strategies align with the overall goals and objectives of the organization. The results also showed that organizations which adopted high-performance work system instead of hard HRM (control-based approach) had 10.062 better chances of having high performance.

5.3 Conclusions of the Study

5.3.1 Strategic Resource Allocation

The study concluded that strategic resource allocation significantly and positively influences the performance of paint manufacturing companies in Kenya. Therefore, rejecting the null hypothesis stating that strategic resource allocation does not significantly influence performance. the findings are in support of the resource based view theory which postulates that organizational resources and capabilities that are valuable, rare and inimitable help in a company achieving the competitive advantage. similarly, other studies in support of the conclusions when they evaluated how strategic resources influences SMEs' performance in Bali, Indonesia concluded that strategic resources positioning have positive impact on SMEs performance (Lestari et al., 2020).

5.3.2 Strategic Resource Allocation

The study also concluded that organizational structure positively and significantly influences the performance of the paint manufacturing companies in Kenya which leads to a rejection of null hypothesis that: Organizational structure does not significantly influence the performance of paint manufacturing companies in Kenya. The conclusions are in the support of the Agency theory which postulated that managers in control must act in best interest of the owners, therefore structures within organization acts as internal controls and clear means of addressing challenges to enhance a company's value. Besides, another supported the conclusions when they postulated that organizational structure that is flat and coordinated activities approach and departmentalization helps in enhancing organizational performance (Mustafa et al., 2021).

5.3.3 Strategic Resource Allocation

Additionally, study concluded that alliance positively and significantly influence performance of paint manufacturing companies in Kenya. The outcome of this study therefore leads to a rejection of a null hypothesis that alliance does not significantly influence performance of paint manufacturing companies in Kenya. The study conclusions are in alignment with the transactional cost theory which seeks to enhance business performance by company seeking to work with companies that have special knowledge in some certain areas as well as offers competitively lowly priced services to boost business performance. The conclusions are also in support of the literature by previous research which argued that where companies form alliances they gain differential efficiencies, synergy in operations, and expansion of market share which ultimately translates to better organizational performance (Ferreira & Franco, 2022).

5.3.4 Strategic Resource Allocation

Lastly, the study concluded that strategic human resource staffing significantly and positively influenced the performance of paint manufacturing firms in Kenya. As a result, the null hypothesis that strategic human resource staffing does not significantly affect organizational performance was rejected. The results are in the support of institutional theory which emphasizes on organization complying with standards that are in the industry such as human resource practices that are fair and ones that enhances equity. The conclusions are also supported by past research which argued for the need of structured human resource practices in enhancing performance (Ali et al., 2022).

5.4 Recommendations The Study

The recommendations of this study are mainly classified into policy recommendations and suggestions for future studies. The policy recommendations are suggestions to managers of the banks in Juba on what they are required to do within the strategic planning practices to enhance the performance of the banks in Juba. On the other hand, the suggestion for future study is an opportunity for future scholars to fill the gaps that emerged from the current study.

5.4.1 Policy Recommendations

5.4.1.1 Strategic Resource Allocation and Performance

The study recommended for optimal resources allocations including raw materials distribution based on the demand there is. The managers for paint manufacturing companies should also allocate machine based on the order of the customers' urgency, lead times or delivery dates as well as the capacity of the different machines according to the demand. The managers should also ensure appropriate assignment of the skilled technicians to help in ensuring staff productivity all the time.

The allocation of capital budgets for strategic investment should follow the net present value or internal rate of return to ensure that financial resources.

5.4.1.2 Organizational Structure and Performance

The study recommends that paint manufacturing firms in Nairobi County prioritize the development and maintenance of a clear and effective organizational structure, ensuring that roles, responsibilities, and hierarchies are well-defined to enhance decision-making, coordination, and communication. The study also study recommends that industry leaders and policymakers create guidelines that encourage optimal organizational structures in the manufacturing sector, recognizing their role in enhancing performance outcomes.

5.4.1.3 Alliances and Performance

The study recommends for the managers of the paint manufacturing companies to adopt alliance strategies that enhances differential efficiencies, enhances synergies for new formations. The alliances should result in value creation, adaptability and flexibility. The objectives of the partners should be aligned at all times with those of the firm by sharing resources optimally, firms with special capabilities and resources should help the other with technological support to enable them improve on their operational performance and thus performance.

5.4.1.4 Strategic Human Resource Staffing and Performance

The study recommends for the managers of the paint manufacturing companies to enhance employees' engagement through team assignments and also giving them an opportunity to voice their point of view in decision making. The paint manufacturing companies should also ensure retention through offering competitive salaries to talented staff as well as work life balance to help the companies realize better performance. Lastly, managers for the paint manufacturing companies need to invest in training and development of the staff through professional development training, on –the job and off the job training. The professional training should focus on leadership , governance and ethics to help in mentoring leadership.

5.4.2 Suggestions for Further Studies

The study suggests that further research be conducted in other regions of Kenya, beyond Nairobi County, to assess the influence of strategic decisions on the performance of paint manufacturing firms in different geographic contexts to address geographical gaps. This would allow for a comparative analysis of the impact of strategic decisions across various locations and provide a broader understanding of the generalizability of the findings. Additionally,

future studies could explore the role of control variables such as firm size as a moderator in understanding influence of strategic decisions on performance considering that paint manufacturing firms are of different sizes. Lastly, future studies can have additional variables to help in improving the prediction of the dependent variable the current model could only predict about 70% of performance variance additional independent variables on strategic decisions and control variables can help in improving the model prediction.

5.5 Contribution of Study to Existing Literature

This study makes a significant contribution to the existing body literature knowledge by addressing critical contextual, conceptual and methodological gaps identified in previous research. Unlike earlier studies that were largely descriptive, focused on single variables, or conducted in different sectors/industries and geographical settings, this research provides a multi-dimensional and a holistic analysis of strategic decisions resource allocation, organizational structure, strategic alliances, and HRM, within the paint manufacturing industry in Kenya. The study analysis through logistic regression results demonstrate strong, robust and vigour analysis to test the variables relationship. This study, therefore, offers more context-specific, statistically validated insights that strengthen the generalizability and applicability of the study on strategic decision to Kenya's paint manufacturing sector.

REFERENCES

- Ahmad, M., Shah, S., & Abbass, Y. (2021). The role of heuristic-driven biases in entrepreneurial strategic decision-making: Evidence from an emerging economy. *Management Decision*, 59(3), 669–691. <https://doi.org/10.1108/MD-09-2019-1231>
- Akbar, Y. H., & Tracogna, A. (2021). The sharing economy and the future of the hotel industry: Transaction cost theory and platform economics. *International Journal of Hospitality Management*, 71(6), 91–101. <https://doi.org/10.1016/j.ijhm.2017.12.004>
- Ali, M., Ogolla, D., & Nzioki, S. (2022). Influence of resource allocation on organizational performance of cement manufacturing firms in Kenya. *International Academic Journal of Human Resource and Business Administration*, 4(1), 198–207. http://iajournals.org/articles/iajhrba_v4_i1_198_207.pdf
- Al-Khaled, A., & Fenn, J. (2020). The impact of strategic human resource management practices on organizational performance. *Journal of Services & Management*, 14(6), 53–60. https://www.researchgate.net/profile/jee-fenn-chung/publication/343601499_the_impact_of_strategic_human_resource_management_practices_on_organizational_performance/links/658ccc366f6e450f19a8bf00/the-impact-of-strategic-human-resource-management-practices-on-organizational-performance.pdf
- Al-Nasser, S., & Muhammed, J. (2022). The Relationship between Agency Theory, Stakeholder Theory, and the Shariah Supervisory Board in Islamic Banking: A Discussion. *Humanomics*, 33(1), 75–83. <https://doi.org/10.1108/H-08-2016-0062>
- Alvarez, S., & Barney, J. (2021). *Resource-Based Theory and the Entrepreneurial Firm*. Wiley. <https://doi.org/10.1002/9781405164085.ch5>

- Amankwah, J., & Wang, X. (2021). Opening Editorial: Contemporary Business Risks: An Overview and New Research Agenda. *Journal of Business Research*, 97(45), 208–211. <https://doi.org/10.1016/j.jbusres.2019.01.036>
- Anyanwu, O. C., Oloto, S. E., & Nwokocha, V. C. (2023). Impact of strategic alliance on the innovation of women-owned enterprises in Nigeria. *Humanities and Social Sciences Communications*, 10(1), 958–963. <https://doi.org/10.1057/s41599-023-02463-7>
- Bag, S., Wood, L., Mangla, S., & Luthra, S. (2020). Procurement 4.0 and its implications on business process performance in a circular economy. *Resources, Conservation and Recycling*, 152(4), 104–122. <https://doi.org/10.1016/j.resconrec.2019.104502>
- Barney, J. B. (2022). Why resource-based theory's model of profit appropriation must incorporate a stakeholder perspective. *Strategic Management Journal*, 39(13), 3305–3325. <https://doi.org/10.1002/smj.2949>
- Birindelli, G., Iannuzzi, A. P., & Savioli, M. (2022). The impact of women leaders on environmental performance: Evidence on gender diversity in banks. *Corporate Social Responsibility and Environmental Management*, 26(6), 1485–1499. <https://doi.org/10.1002/csr.1762>
- Bouraima, M. B., Stević, Ž., University of East Sarajevo, Faculty of Transport and Traffic Engineering Doboj, Bosnia and Herzegovina, Tanackov, I., & Qiu, Y. (2021). Assessing the performance of Sub-Saharan African (SSA) railways based on an integrated Entropy-MARCOS approach. *Operational Research in Engineering Sciences: Theory and Applications*, 4(2), 13–35. <https://doi.org/10.31181/oresta20402013b>

- Büchi, G., Cugno, M., & Castagnoli, R. (2020). Smart factory performance and Industry 4.0. *Technological Forecasting and Social Change*, 150(7), 119–136. <https://doi.org/10.1016/j.techfore.2019.119790>
- Calabrese, A., Costa, R., Levialdi, N., & Menichini, T. (2021). Integrating sustainability into strategic decision-making: A fuzzy AHP method for the selection of relevant sustainability issues. *Technological Forecasting and Social Change*, 139(3), 155–168. <https://doi.org/10.1016/j.techfore.2018.11.005>
- Cavalcante, I. M., Frazzon, E. M., Forcellini, F. A., & Ivanov, D. (2022). A supervised machine learning approach to data-driven simulation of resilient supplier selection in digital manufacturing. *International Journal of Information Management*, 49(7), 86–97. <https://doi.org/10.1016/j.ijinfomgt.2019.03.004>
- Charli, M., Eshete, S., & Debela, K. (2022). Learning How Research Design Methods Work: A Review of Creswell’s Research Design: Qualitative, Quantitative and Mixed Methods Approaches. *The Qualitative Report*, 7(8), 67–81. <https://doi.org/10.46743/2160-3715/2022.5901>
- Chege, S., & Wang, D. (2020). The influence of technology innovation on SME performance through environmental sustainability practices in Kenya. *Technology in Society*, 60(6), 101–121. <https://doi.org/10.1016/j.techsoc.2019.101210>
- Collings, D. G., Mellahi, K., & Cascio, W. F. (2022). Global Talent Management and Performance in Multinational Enterprises: A Multilevel Perspective. *Journal of Management*, 45(2), 540–566. <https://doi.org/10.1177/0149206318757018>
- Dong, H., Song, K., He, Y., Xu, J., Yan, Y., & Meng, Q. (2020). PGA-Net: Pyramid Feature Fusion and Global Context Attention Network for Automated Surface Defect

- Detection. *IEEE Transactions on Industrial Informatics*, 16(12), 7448–7458.
<https://doi.org/10.1109/TII.2019.2958826>
- Dubey, R., Gunasekaran, A., Childe, S. J., Blome, C., & Papadopoulos, T. (2023). Big Data and Predictive Analytics and Manufacturing Performance: Integrating Institutional Theory, Resource-Based View and Big Data Culture. *British Journal of Management*, 30(2), 341–361. <https://doi.org/10.1111/1467-8551.12355>
- Ellis, J., & Hart, D. (2023). Strengthening the Choice for a Generic Qualitative Research Design. *The Qualitative Report*, 6(9), 113–121. <https://doi.org/10.46743/2160-3715/2023.5474>
- Elmagrhi, M., Ntim, C., Elamer, A., & Zhang, Q. (2023). A study of environmental policies and regulations, governance structures, and environmental performance: The role of female directors. *Business Strategy and the Environment*, 28(1), 206–220. <https://doi.org/10.1002/bse.2250>
- Emami, A., Welsh, D. H. B., Davari, A., & Rezazadeh, A. (2022). Examining the relationship between strategic alliances and the performance of small entrepreneurial firms in telecommunications. *International Entrepreneurship and Management Journal*, 18(2), 637–662. <https://doi.org/10.1007/s11365-021-00781-3>
- Ferreira, A., & Franco, M. (2022). The influence of strategic alliances on human capital development: A study applied to technology-based SMEs. *EuroMed Journal of Business*, 15(1), 65–85. <https://doi.org/10.1108/EMJB-04-2019-0052>
- Freeman, R. E., Dmytriiev, S. D., & Phillips, R. A. (2021). Stakeholder Theory and the Resource-Based View of the Firm. *Journal of Management*, 47(7), 1757–1770. <https://doi.org/10.1177/0149206321993576>

- Fuertes, G., Alfaro, M., Vargas, M., Gutierrez, S., Ternero, R., & Sabattin, J. (2020). Conceptual Framework for the Strategic Management: A Literature Review—Descriptive. *Journal of Engineering*, 20(4), 1–21. <https://doi.org/10.1155/2020/6253013>
- George, B., Walker, R. M., & Monster, J. (2022). Does Strategic Planning Improve Organizational Performance? A Meta-Analysis. *Public Administration Review*, 79(6), 810–819. <https://doi.org/10.1111/puar.13104>
- Golovko, D., & Schumann, J. H. (2022). Influence of company Facebook activities on recruitment success. *Journal of Business Research*, 104(5), 161–169. <https://doi.org/10.1016/j.jbusres.2019.06.029>
- Gomez, L. E., & Bernet, P. (2021). Diversity improves performance and outcomes. *Journal of the National Medical Association*, 111(4), 383–392. <https://doi.org/10.1016/j.jnma.2019.01.006>
- Hu, H. W., Cui, L., & Aulakh, P. S. (2022). State capitalism and performance persistence of business group-affiliated firms: A comparative study of China and India. *Journal of International Business Studies*, 50(2), 193–222. <https://doi.org/10.1057/s41267-018-0165-5>
- Huntington-Klein, N. (2021). *The Effect: An Introduction to Research Design and Causality*. Chapman and Hall/CRC. <https://doi.org/10.1201/9781003226055>
- Hunziker, S., & Blankenagel, M. (2024). *Research Design in Business and Management: A Practical Guide for Students and Researchers* (2nd ed.). Springer Fachmedien Wiesbaden. <https://doi.org/10.1007/978-3-658-42739-9>

- Kim, B. (2025). The Role of Industry and Organizational Culture in Shaping Human Capital, Commitment, and Performance. *Journal of Korea Culture Industry*, 25(1), 145–153. <https://doi.org/10.35174/JKCI.2025.03.25.1.145>
- Lee, C.-C., Yeh, W.-C., Yu, Z., & Luo, Y.-C. (2023). Knowledge sharing and innovation performance: A case study on the impact of organizational culture, structural capital, human resource management practices, and relational capital of real estate agents. *Humanities and Social Sciences Communications*, 10(1), 707–721. <https://doi.org/10.1057/s41599-023-02185-w>
- Lestari, S., Leon, F., Brabo, A., & Putra, A. (2020). Antecedents and Consequences of Innovation and Business Strategy on Performance and Competitive Advantage of SMEs. *The Journal of Asian Finance, Economics and Business*, 7(6), 365–378. <https://doi.org/10.13106/JAFEB.2020.VOL7.NO6.365>
- Lewis, A. C., Cardy, R. L., & Huang, L. S. R. (2021). Institutional theory and HRM: A new look. *Human Resource Management Review*, 29(3), 316–335. <https://doi.org/10.1016/j.hrmr.2018.07.006>
- Meres, M. (2020). The Effect of Strategic Management Practices on the institutional Performance; the case of Dedebit credit and saving institution in Eastern Tigray. *SocioEconomic Challenges*, 3(3), 80–97. [https://doi.org/10.21272/sec.3\(3\).80-97.2019](https://doi.org/10.21272/sec.3(3).80-97.2019)
- Mishra, A. K. (2022). Impact of Organizational Culture on Performance and Effectiveness. *ECS Transactions*, 107(1), 3343–3354. <https://doi.org/10.1149/10701.3343ecst>
- Muithya, V., & Muathe, S. (2020). Dynamic capabilities and performance in the context of microfinance institutions in Kenya: An exploratory study. *Journal of Business*,

Economics and Management Works, 7(8), 15–29.

https://www.researchgate.net/profile/Stephen-Muathe/publication/344041413_Dynamic_Capabilities_and_Performance_in_the_Context_of_Microfinance_Institutions_in_Kenya_An_Exploratory_Study/links/5f4f4257a6fdcc9879c02692/Dynamic-Capabilities-and-Performance-in-the-Context-of-Microfinance-Institutions-in-Kenya-An-Exploratory-Study.pdf

Muo, C., & Ochieng, S. (2023). Strategic Outsourcing and Firm Performance: A Review of Literature. *International Journal of Social Science and Humanities Research*, 1(1), 20–29. <https://doi.org/10.61108/ijsshr.v1i1.5>

Mustafa, G., Glavee-Geo, R., Gronhaug, K., & Saber Almazrouei, H. (2021). Structural Impacts on Formation of Self-Efficacy and Its Performance Effects. *Sustainability*, 11(3), 860–875. <https://doi.org/10.3390/su11030860>

Myers, J., Well, A., & Lorch, R. (2023). *Research Design and Statistical Analysis*. Routledge. <https://doi.org/10.4324/9780203726631>

Nason, R., & Wiklund, J. (2022). An Assessment of Resource-Based Theorizing on Firm Growth and Suggestions for the Future. *Journal of Management*, 44(1), 32–60. <https://doi.org/10.1177/0149206315610635>

Nilashi, M., Keng Boon, O., Tan, G., Lin, B., & Abumalloh, R. (2023). Critical Data Challenges in Measuring the Performance of Sustainable Development Goals: Solutions and the Role of Big-Data Analytics. *Harvard Data Science Review*, 5(3), 1–36. <https://doi.org/10.1162/99608f92.545db2cf>

- Okhmatovskiy, I., & Shin, D. (2022). Changing Corporate Governance in Response to Negative Media Reports. *British Journal of Management*, 30(1), 169–187.
<https://doi.org/10.1111/1467-8551.12308>
- Olawale, S. R., Chinagozi, O. G., & Joe, O. N. (2023). Exploratory Research Design in Management Science: A Review of Literature on Conduct and Application. *International Journal of Research and Innovation in Social Science*, 7(4), 1384–1395.
<https://doi.org/10.47772/IJRISS.2023.7515>
- Ontita, J., & Muigai, G. (2020). Role of Stakeholder Management on Firm Performance: An Empirical Analysis of Commercial Banks in Nairobi City County, Kenya. *Journal of Business and Economic Development*, 5(1), 26–52.
<https://doi.org/10.11648/j.jbed.20200501.14>
- Owako, E., & Nyangara, C. (2021). Strategic resource allocation and performance of Kisumu Water and Sewerage Company, Kenya. *International Journal of Research in Business and Social Science*, 10(4), 321–326. <https://doi.org/10.20525/ijrbs.v10i4.1211>
- Palmer, C., Niemand, T., Stöckmann, C., Kraus, S., & Kailer, N. (2022). The interplay of entrepreneurial orientation and psychological traits in explaining firm performance. *Journal of Business Research*, 94(7), 183–194.
<https://doi.org/10.1016/j.jbusres.2017.10.005>
- Panigrahi, R. R., Jena, D., Tandon, D., Meher, J. R., Mishra, P. C., & Sahoo, A. (2021). Inventory management and performance of manufacturing firms. *International Journal of Value Chain Management*, 12(2), 14–35.
<https://doi.org/10.1504/IJVCM.2021.116400>

- Parker, D. W., Dressel, U., Chevers, D., & Zeppetella, L. (2021). Agency theory perspective on public-private-partnerships: International development project. *International Journal of Productivity and Performance Management*, 67(2), 239–259. <https://doi.org/10.1108/IJPPM-09-2016-0191>
- Phadermrod, B., Crowder, R. M., & Wills, G. B. (2021). Importance-Performance Analysis based SWOT analysis. *International Journal of Information Management*, 44(7), 194–203. <https://doi.org/10.1016/j.ijinfomgt.2016.03.009>
- Piszczyk, M., & Berg, P. (2020). HR policy attribution: Implications for work-family person-environment fit. *Human Resource Management Review*, 30(2), 100–117. <https://doi.org/10.1016/j.hrmr.2019.100701>
- Poletti-Hughes, J., & Briano-Turrent, G. C. (2023). Gender diversity on the board of directors and corporate risk: A behavioural agency theory perspective. *International Review of Financial Analysis*, 62(6), 80–90. <https://doi.org/10.1016/j.irfa.2019.02.004>
- Pucheta, M., & Gallego, I. (2020). Do board characteristics drive firm performance? An international perspective. *Review of Managerial Science*, 14(6), 1251–1297. <https://doi.org/10.1007/s11846-019-00330-x>
- Rahimnia, F., & Molavi, H. (2021). A model for examining the effects of communication on innovation performance: Emphasis on the intermediary role of strategic decision-making speed. *European Journal of Innovation Management*, 24(3), 1035–1056. <https://doi.org/10.1108/EJIM-10-2019-0293>
- Sataloff, R., & Vontela, S. (2021). Response Rates in Survey Research. *Journal of Voice*, 35(5), 683–684. <https://doi.org/10.1016/j.jvoice.2020.12.043>

- Song, L., Meng, Y., Chang, H., Li, W., & Tan (Frank), K. (2021). How counterfeit dominance affects luxury fashion brand owners' perceptions: A cross-cultural examination. *Journal of Business Research*, 130(6), 1–13. <https://doi.org/10.1016/j.jbusres.2021.02.046>
- Takona, J. P. (2024). Research design: Qualitative, quantitative, and mixed methods approaches / sixth edition. *Quality & Quantity*, 58(1), 1011–1013. <https://doi.org/10.1007/s11135-023-01798-2>
- Taouab, O., & Issor, Z. (2022). Firm performance: Definition and measurement models. *European Scientific Journal*, 15(1), 93–106. <https://www.academia.edu/download/58353550/6.pdf>
- Thendu, B., Kariuki, P., Muturi, W., & Wanjohi, P. (2020). Influence of strategic alliances on the performance of airline carriers registered under IATA: a literature based review. *African Journal of Emerging Issues*, 2(2), 48–69. <https://ajoeijournal.org/sys/index.php/ajoei/article/view/91>
- Tihanyi, L., Aguilera, R., Heugens, P., Van Essen, M., Sauerwald, S., Duran, P., & Turturea, R. (2021). State Ownership and Political Connections. *Journal of Management*, 45(6), 2293–2321. <https://doi.org/10.1177/0149206318822113>
- Umar, A., & Abubakar, K. (2021). Human Resources Efficiency: A Means of Bridging the Divide Between Digital Economy, Theories and Practical Realities of Non-Financial Firms in Nigeria. *Journal of Business and Strategic Management*, 3(12), 12–45. https://www.academia.edu/download/117276742/Human_Capital_Efficiency_Adam_u_Umar_.pdf

- Wanjihia, M. (2021). *Influence of Digital Transformation Strategies on Performance Among Paint Manufacturers in Kenya* [Doctoral Dissertation, University of Nairobi].
<https://erepository.uonbi.ac.ke/handle/11295/160325>
- Willie, M. (2024). Population and Target Population in Research Methodology. *Golden Ratio of Social Science and Education*, 4(1), 75–79. <https://doi.org/10.52970/grsse.v4i1.405>

APPENDICES

Appendix I: Introduction Letter For Questionnaire

My Name is Magdaline Wangui Karani a Masters student at Kenya Methodist University. Am carrying out a study on *Influence of strategic decisions on performance of paint manufacturing firms in Kenya*. I am reaching out to you to participate in this study by filling out the attached questionnaire where you will provide data on strategic decisions and performance. The information that you will provide in this questionnaire will only be used to conduct this academic research on the topic indicated.

Regards,

Magdaline Wangui Karani.

Appendix II: Questionnaire

Instruction: Please Tick Where Appropriate

Section A: Demographic Information

1. Please indicate your gender

Male () Female ()

2. Please indicate your age bracket

25 years and below []

Between 26-35 []

Between 36-45 []

46 years and above []

3. Which position do you hold in your organization?

Operations Manager []

Marketing Manager []

Finance Manager []

Relationship Manager []

4. How many years have you worked in your organization?

5 years and below []

Between 5-9 years []

10 years and above []

Section B: Strategic Resource Allocation

5. Using a scale of 1 to 5, Please indicate the extent to which you agree with the following statements on Strategic resource allocation. With a five-point Likert scale whereby: 1 =strongly disagree, 2=disagree, 3=neutral, 4= agree, and 5=strongly agree.

Statement	1	2	3	4	5
our organization distributes raw materials based on production demands					
Machine time is allocated depending on client urgency					
Skilled technicians are assigned roles depending on the job demands					
our organization carry out capital budgeting decisions for investment in projects with good returns					

6. What key factors drive our organization's resource allocation decisions?.....

.....

.....

.....

.....

Section C: Organizational Structure

7. Using a scale of 1 to 5, Please indicate the extent to which you agree with the following statements on Organizational structure. With a five-point Likert scale whereby: 1 =strongly disagree, 2=disagree, 3=neutral, 4= agree, and 5 strongly agree.

Statement	1	2	3	4	5

a. The current organizational structure effectively defines clear hierarchy levels within our organization.					
b. The departmentalization within our organization allows for efficient specialization and coordination of tasks.					
c. The span of control within our organization is appropriately balanced, allowing for effective supervision and communication across all levels?					
d. How do you feel the balance between centralization and decentralization within our organization aligns with strategic decisions?					

8. In what ways do you think your organizational structure could be improved to better support the formulation and implementation of strategic initiatives?.....

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

Section C: Alliances

9. Using a scale of 1 to 5, Please indicate the extent to which you agree with the following statements on Strategic partnerships and Alliances. With a five-point Likert scale whereby: 1 =strongly disagree, 2=disagree, 3=neutral, 4= agree, and 5 strongly agree.

Statement	1	2	3	4	5

a. Our organization prioritizes mutual benefit and value creation					
b. Our organizations' strategic alliances strongly align with shared goals and objectives					
c. Our organization encourages effective resource sharing and collaboration intensity					
d. Our organization prioritizes longevity and adaptability, strongly considering future changes and challenges					

10. In your experience, what key factors do you consider when evaluating potential alliances?.....

.....

.....

.....

Section E: Strategic Human Resource Staffing

11. Using a scale of 1 to 5, Please indicate the extent to which you agree with the following statements on Strategic human resource staffing. With a five-point Likert scale whereby: 1 =strongly disagree, 2=disagree, 3=neutral, 4= agree, and 5=strongly agree.

Statement	1	2	3	4	5
a. I feel motivated to contribute to the success of the organization					
b. I feel that the organization provides sufficient support for career development and growth					
c. I feel that the organization invests enough resources in employee development					

d. I think HR initiatives and strategies align with the overall goals and objectives of the organization					
--	--	--	--	--	--

12. What are some of the strategic human resource strategies employed by your company?

.....

.....

Section E: Organizational Performance

13. Using a scale of 1 to 5, Please indicate the extent to which you agree with the following statements on Organizational performance. With a five-point Likert scale whereby: 1 =strongly disagree, 2=disagree, 3=neutral, 4= agree, and 5=strongly agree.

Statement	1	2	3	4	5
a. Our organization's overall performance reflects its set goals and objectives.					
b. Our organization can capture and maintain market share compared to its competitors					
c. Our organization consistently meets or exceeds customer expectations.					
d. Our customers demonstrate loyalty to our brand and products/services.					

E1: SECONDARY DATA COLLECTION SCHEDULE

Indicator	2018	2019	2019	2020	2021	2022	2023	2024
Profits								

Appendix III: Secondary Data Schedule

Measure	2020	2021	2022	2023	2024
Net Profits					

Appendix IV: Introduction Letter To NACOSTI



Appendix V: Ethical Review Board



KENYA METHODIST UNIVERSITY

P. O. BOX 267 MERU - 60200, KENYA
TEL: 254-064-30301/31229/30367/31171

FAX: 254-64-30162
EMAIL: info@kemu.ac.ke

Our Ref: KeMU/ISERC/BUS/32/2025

May 12, 2025

KARANI WANGUI MAGDALINE
BUS-3-2341-2/2021

Dear Magdaline,

SUBJECT: INFLUENCE OF STRATEGIC DECISIONS ON PERFORMANCE OF PAINT MANUFACTURING FIRMS IN KENYA

This is to inform you that Kenya Methodist University Institutional Scientific Ethics and Review Committee has reviewed and approved your research proposal. Your application approval number is KeMU/ISERC/BUS/32/2025. The approval period is 12th May, 2025 – 12th May, 2026.

This approval is subject to compliance with the following requirements:-

- I. Only approved documents including (informed consents, study instruments, MTA) will be used.
- II. All changes including (amendments, deviations, and violations) are submitted for review and approval by Kenya Methodist University Institutional Scientific Ethics and Review Committee.
- III. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to KeMU ISERC within 72 hours of notification.
- IV. Any changes, anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to KeMU ISERC within 72 hours.
- V. Clearance for export of biological specimens must be obtained from relevant institutions.

- VI. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- VII. Submission of an executive summary report within 90 days upon completion of the study to KeMU ISERC.

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) <https://oris.nacosti.go.ke> and also obtain other clearances needed.

Yours sincerely,



Appendix VI: NACOSTI

 REPUBLIC OF KENYA Ref No: 411484	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION Date of Issue: 08/June/2023
RESEARCH LICENSE	
	
This is to Certify that Miss. Magdaline Wangui Karani of Kenya Methodist University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev 2014) in Nairobi on the topic: INFLUENCE OF STRATEGIC DECISIONS ON PERFORMANCE OF PAINT MANUFACTURING FIRMS IN KENYA for the period ending : 08/June/2026.	
License No: NACOSTUP254174387	
Applicant Identification Number 411484	
 Deputy Director NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION	
Verification QR Code	
	
NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.	
See overleaf for conditions	

Appendix VII: List of Paint Manufacturing Firms in Kenya

1. Akzonobel kenya limited
2. Basco products (k) ltd
3. Berger paints kenya limited
4. Bethel paints
5. Coastal paint centre
6. Crown paints allied industries ltd
7. Crown paints kenya plc
8. Dmg automotive paints & investments
9. Dolphin paints mombasa depot
10. Evermage limited
11. Fossilcote ltd
12. Galaxy paints and coatings limited
13. Henkel kenya limited
14. Kansai plascon kenya limited
15. Maroo polymers
16. Nasib industrial products limited
17. Nyumba colourcot
18. Polychem east africa limited
19. Robbialac berger paints
20. Solai paints
21. Texchem limited
22. The paper house of kenya limited
23. Thika wax works limited
24. United paints
25. United paints limited
26. Victoria paints kenya

Source : Manufacturers Association of Kenya (2024)

