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STRATEGIC MANAGEMENT PRACTICES AND PERFORMANCE OF MILK PROCESSING FIRMS IN NAIROBI CITY COUNTY, KENYA: CASE OF BROOKSIDE DAIRY LIMITED

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ABSTRACT

Strategic management plays a critical role in organisations. Intense competition and other factors have necessitated applying strategic management practices in various industries. These practices focus on the factors that lead to the failure or success of different organizations. This study investigates the influence of strategic management practices and performance of milk processing firms in Nairobi City County, Kenya. The study employs descriptive research to collect and analyse data. This study utilises a census approach to collect data from all the respondents. Moreover questionnaires were also utilised to gather from the respondents. The study ensured that informed consent, confidentiality, and anonymity were observed during data collection and processing. The correlation analysis findings showed that the Pearson coefficient was within the range of 0.5 and 0.8, and the correlation coefficient was 0.873, indicating that a strong and positive relationship existed between strategic management practices and the performance of milk processing firms. The findings showed that the adjusted R2 was 0.749, signifying that strategic management practices and prospects explained 74.9 % of the variations in the performance of milk processing firms. Notably the major findings from the study indicate that strategic management practices significantly influence firm performance. Each independent variable in the study plays a role in the performance of firms in this industry. The study, therefore, concluded that environmental scanning, strategy formulation, strategy implementation, and strategy evaluation significantly influence milk processing firms' performance in Nairobi City County.

INTRODUCTION

The worldwide dairy sector is changing due to growing apprehensions around sustainability, consumer demand, and higher efficiency requirements. The dairy sector constantly strives for efficiency due to competition in different countries regarding price and volume. As the demand for milk increases dramatically worldwide, the dairy sector continuously seeks innovative methods to address these trends and improve performance through specific mechanisms. Adopting good strategic management practices gives industry players new tools to survive and maintain a sustainable competitive advantage (Omerzel & Antoncic, 2008; Mbaya et al., 2021). The changing demands of the global dairy industry have prompted strategic leaders in dairy processors to leverage their product development capabilities so that their production structures can adapt to changing consumer tastes and needs and to make sure it is better for better performance. Deregulation of the Australian dairy sector has resulted in mergers and acquisitions of other firms, resulting in the predominance of a few large and many small processors (Haszler et al., 2010). Imports and low milk consumption, particularly in Western and Central Africa, have an undesirable influence on the performance of the African dairy processing industry (Gülzari et al., 2020). Magnani et al. (2015) observed that, for example, Senegal imports 60% of its milk consumption, creating competition from imports, particularly powdered milk. To improve the performance of dairy processors in these regions, marketing schemes and guidelines should be strengthened, and milk-processing and milk-creation imports should be reduced. Considering Turner and Endres (2017), even though SME dairy handling firms make up the mainstream industry, their success has been bleak, leading to procurements by established dairy corporations.

The performance of the global dairy sector is a significant source of concern. Acosta et al. (2021) attribute the decline in the dairy sector to the effects of COVID-19 and other economic factors, such as the disruption in food supply

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chains. Notably, a recent report by the Food and Agriculture Organization of the United Nations (FAO) indicates that the continued trade performance of this sector is alarming. The report attributes this decline to slow economic growth and high inflation rates. These factors reduce consumer purchasing power, which lowers the demand for dairy products (FAO, 2023). Firms in this sector have opted to use different strategies to improve performance. Indeed, in Kenya, small and medium enterprise firms use strategic management practices to boost performance. The practices include environmental scanning, strategy formulation, implementation, and evaluation.

This research aims to examine the effect of strategic management practices on the performance of firms in the dairy sector in Nairobi City County by using a case study of Brookside Diary Limited through the following objectives.

- To determine the effect of environmental scanning on the performance of milk processing firms in Nairobi City County, we will use the case of Brookside Dairy Limited.
- To examine the outcome of strategy formulation performance milk processing firms in Nairobi City County: The case of Brookside Dairy Limited.
- To explore the outcome of strategy implementation on the performance of milk processing firms in Nairobi City County: The case of Brookside Dairy Limited.
- To assess strategy evaluation's effect on milk processing firms' performance in Nairobi City County: The case of Brookside Dairy Limited.

LITERATURE REVIEW

The environment in which business corporations typically function has transformed so drastically that it is no longer easily anticipated separately from being highly unstable and complex. Only firms responding quickly and effectively to changing environmental conditions can survive (Van Tonder, 2004). The concept that environmental scanning is a key factor in sustaining competitive advantage necessitates a combination of business strategy and environmental considerations. Not surprisingly, environmental scanning is widely regarded as the first step in linking strategy and environment (Burnes, 2004). In line with the previously mentioned discussions, Yu et al. (2019) empirically investigated Environmental Scanning, responsiveness, and operational performance. Environmental scanning of the relationship between performance and performance was evaluated using the Scanning-Interpreting-Acting-Performance (SIAP) model and structural equation modeling using the organization information processing theory (OIPT) of survey data from 329 Chinese manufacturing companies. The study results showed that environmental scanning positively affects the business. Environmental scanning and business performance are part of the intermediation of the supply chain, and the integration of the chain enhances the integration of the supply chain and business performance. The study was done in Chinese manufacturing firms, and the relationship was evaluated using structural equation modeling. In contrast, the present work focused on the Kenyan dairy trade, and the relationship was tested using regression analysis.

The impact of environmental scanning has also been examined in other studies. In their study, Asser et al. (2018) investigated dynamic environmental scanning practices to determine their impact on the outcomes of parastatals in Kenya. The study used a cross-section survey research design with a population of fifty-five (55) commercial-based enterprises as the research participants. The study's respondents included executive and middle-level management. Data was gathered using questionnaires and interviews. Standard F and t-tests were used to evaluate hypotheses and fit regression models. The study revealed that dynamic environmental scanning practices significantly influence performance. Notably, parastatals that utilize scanning practices are better positioned to attain a competitive edge. The study, however, used a cross-section survey research design and was accompanied by the context of parastatal. However, the present work used a descriptive research approach and was carried out in the context of a private enterprise. Mang'ana et al. (2017) studied how environmental skimming affected the functioning of Kenyan Matatu Funds and Credit Associations. The scholarly study used a cross-sectional survey research design on a population of all Kenyan Matatu Saccos. The study relied on primary data gathered using structured questionnaires as a data collection tool. Regression, factor analysis, Chi-square, and ANOVA were used to analyze quantitative data. Thematic themes for discussion were generated from qualitative data using content analysis in accordance with the research objective. The study found a positive association between environmental scanning and Matatu Sacco's performance. The study used a cross-sectional survey research approach in the transport industry, but the present study used a descriptive research approach and was done in the dairy industry.

Ngigi and Robert (2023) conducted an empirical study to assess the guidance of strategy preparation on the accomplishment of Catholic communities in Kenya. The work used a mixed methods approach with a concurrent design. A survey inquiry form was used to gather quantitative data, while interviews were used to gather qualitative data. The target population consisted of ninety parish pastoral council members and priests found to be using the strategic plan. Descriptive techniques were used to analyze and interpret quantitative data, and thematic analysis was used to document qualitative data. The study's findings revealed that strategy preparation is critical in improving the accomplishment of Catholic parishes in Kenya. The study was done in a church organization, Catholic parishes in Kenya, which was an NGO. However, the present work was done in a business enterprise firm. Similarly, an empirical study on the strategy formulation's effect on the performance of Chemilil Sugar. The study employed an expressive research technique and involved a target of 60 department heads. The connection investigation revealed a statistically meaningful relationship between strategy formulation and implementation. The results indicate that strategy exposition can explain 27.4% of the variation in OP. Findings from the regression results uncovered that strategy interpretation is extensively and certainly associated with OP. The study was completed in the sugar handling, but the report study was done in the dairy industry.

In a similar research project, Owich et al. (2018) examined how strategy formulation affects the OP of entities on the Nairobi Securities Exchange (NSE). The research employed an explanatory research design involving 325 senior

managers from companies listed on the NSE. An organized inquiry form was utilized to assemble data from the participants, with responses obtained from 147 out of the 179 participants sampled, resulting in an 82.12% response rate. Various statistical analyses were conducted to determine causal relationships. The study concluded that organizational outcome was positively and extensively related to strategy formulation. A simple linear regression analysis revealed that strategy invention significantly affects organizations' outcomes. However, the study used an explicatory research model, whereas the present work will use a descriptive research technique.

A research study conducted by Simiyu (2021) examined the affiliation between Strategy Implementation and OP at the National Hospital Insurance Fund (NHIF) in Kenya. One hundred ten employees of the NHIF served as the target population for the descriptive research study, where the main tools for collecting data were questionnaires. A model is used to establish the guidance of explanatory variables on the explained variable. From the outcomes of the study results, organizational structure, organizational culture, and communication all significantly impact how well a business performs when implementing a strategy. The study showed that the implementation of these positive and substantial influences on organizational outcomes. The study proposes that organizational managers should focus on strategy implementation to increase organizational outcomes. The study was operated in the context of a parastatal set-up, whereas the current study will be conducted in a private enterprise set-up.

Kavindu (2021) utilized an explanatory research design to research 114 participants from ten Nairobi city government (NCC) departments, which were selected using stratified random sampling from a target populace of 161. The study is sought to determine how strategy execution affects OP. The quantitative data was assessed using inferential and descriptive statistics, such as Pearson correlation analysis and multivariate regression examination. The study revealed that Top management support, organizational structure, organizational communication, and resource allocation account for 83.0 % of NCC Government performance. The study presumed that strategy implementation determinants had a considerable influence on performance. The research was conducted within the County Government and public sector environment, whereas the current study was undertaken within the framework of a private enterprise.

By employing a descriptive research design, Wanyama and Aila (2022) empirical study concentrates on the association between strategy realization procedures and outcomes of transnational NGOs in Kenya. The study's population consisted of sixty respondents drawn from fifteen NGOs, and a semi-structured questionnaire was administered to collect information. Multiple regression analysis helped determine the nature, extent, and type of relationship between dependent and independent variables. The strategy execution practices had a substantial positive association with strategy execution. The study findings show that these elements have a considerable impact on the performance of international NGOs. The research was done in international NGOs, whereas the present work was done in business enterprise organizations.

The impact of Strategic evaluation on organizations has been the subject of international scholars' research. Chebet (2021) studied how strategic evaluation and control affect the monetary outcomes of SMEs in Juba, South Sudan. The research utilized a cross-sectional approach and targeted 4,951 companies registered in South Sudan. The study gathered primary data through structured questionnaires. The research found that implementing strategic estimation had a notable effect on the monetary success of SMEs in Juba. The previous study utilized a cross-sectional research technique and was conducted in Sudan. However, the present work uses a descriptive research approach in Kenya.

Firms can employ the strategy evaluation process to consistently evaluate their current practices and their impact on strategy implementation. In their research, Hieu and Nwachukwu (2019) investigated the relationship between this element and OP in the context of mobile telecommunications companies in Nigeria. The research concentrated on a specific sector and utilized quantitative techniques and a survey to gather information from workers at four multinational mobile telecommunications companies in Nigeria. The results indicated that a systematic scheme assessment approach employed by a mobile telecommunications company can greatly enhance its strategic performance. While the study was conducted in Nigeria's mobile telecommunications sector, the current research focused on dairy companies in Kenya.

Nyariki (2016) explored the influence of strategy evaluation approaches on KCB Bank's performance. The study's target population included all employees of the KCB bank, which was comprised of different employees. The discussion guide was utilized to gather information for the research investigation, which was subsequently examined through the content analysis method. The research concluded that strategy evaluation helps improve decision-making, enhances the selection of tactical options, and promotes teamwork. It was also found that strategy evaluation assists in clearly defining the organization's purpose, setting achievable goals and objectives aligned with that purpose within a specified timeframe, and the organization's capabilities for implementation, which supports the development of effective decision-making policies. The study was done in the banking industry and employed interview guides as data collection instruments. However, this work was conducted in the dairy sector, and questionnaires were used to collect data.

MATERIALS AND METHODS

The study used a descriptive research strategy, which gathers information to answer questions about the present state of the topic under exploration (Bell et al., 2022). The target of this study was obtained from Brookside Headquarters offices in NCC. The target population was ninety-five top administration-level staff working in the group. The staff includes three directors, seven heads of subdivisions, twenty senior managers, fifteen regional managers, and 50 line managers. The primary data was collected using structured and semi-designed questionnaires. Hair et al. (2019) infer that assembling data using questionnaires saves time as a large amount of material can be collected, mainly when a large populace is interested. In contrast, secondary data was obtained through printed accounts such as the annual reports and the organization's strategic plan. According to Saunders et al. (2012), selecting a data-gathering instrument is primarily predisposed by the theme's characteristics, the explored area, the data to be composed, and the expected outcome. Validity is a measuring quality that ensures that a test procedure is what the researcher intends to measure and that differences discovered using a measurement

tool represent actual differences among respondents taken from a population. Content validity was used in the study to determine how well the items on the scale represent or measure the information being assessed (Cooper & Schindler, 2014). To ensure content legitimacy, the inquiry form was appraised by several readers of the study proposal designated by the institution at various stages of the document's examination. The reviewers evaluated the questionnaires' readability, clarity, and extensiveness.

Cooper and Schindler's (2014) analysis involves grouping, sorting, operating, and summarising data to acquire responses to research inquiries. SPSS software was utilized to analyse quantitative data. The composed data was modified, coded, and categorized based on comparison before being tabulated and presented through various statistics. Multiple deterioration revealed the nature and intensity of the association between the explanatory variable (X) and the explained variable (Y).

$$Y= \beta0 + \beta1\ X1+ \beta2\ X2 +\beta3\ X3 +\beta4\ X4+\varepsilon$$

Y = Performance
X1= Environment Scanning
X2 = Strategic Formulation
X3 = Strategy Implementation
X4= Strategy Evaluation
B0 = Intercept Coefficient
β1, β2, β3, β4= Regression Coefficients
ε = Error term

RESULTS

Environmental Scanning and Performance

Objective one sought to establish the effect of environmental scanning on the performance of milk processing firms in NCC. The conclusions are offered in Table 1 below.

Table 1. Environmental Scanning

Statement	N	Mean	SD
We perform effective environmental scanning efforts to deal with dangers and grasp opportunities.	74	3.79	.893
With effective environmental scanning, our firm can gain more precise market and industry insights, increasing the likelihood of satisfying present customers.	74	4.12	.692
Managers ensure that strategies capitalize on current strengths while minimizing weaknesses.	74	3.98	.870
The value of environmental scanning relates to faster response times	74	3.71	.951
Environmental scanning gives the organization market insight and the ability to stay ahead of competitors in the future.	74	3.90	.869
Using Porter's Five Factor Analysis tool, the company regularly analyses its industrial environment to determine its opportunities and threats.	74	4.16	.642
The organization takes heterogeneity into account.	74	4.02	.679
Overall		**3.94**	**0.811**

From the data provided in the chart, it is evident that most participants recognize the importance of effective environmental scanning in addressing potential risks and seizing opportunities. The average score for this acknowledgment is 3.79, with a std dev. of 0.893. Additionally, when asked about the impact of effective environmental scanning on gaining more accurate market and industry insights, thereby increasing customer satisfaction, respondents agreed with a typical output of 4.12 and a std dev. of 0.692. Similarly, most participants, with a typical output of 3.98 and a std dev. of 0.870, also supported the idea that managers should capitalize on existing strengths while minimizing weaknesses. Respondents agreed that environmental scanning adds value by facilitating faster response times, as indicated by a mean score of 3.71 and a std dev. of 0.951. Most participants agreed that conducting environmental Scanning benefits organizations as it provides valuable market insights and helps maintain a competitive advantage in the future. This was supported by a mean score of 3.90 and a std dev. of 0.869. Similarly, using Porter's Five Factor Analysis tool to assess the company's industrial environment for opportunities and threats received a mean score of 4.16 and a std dev. of 0.642, indicating agreement among most respondents. Participants also acknowledged the negative impact of certain internal operations on the company, with a mean score of 3.83 and a std dev. of 0.895. Furthermore, the organization's consideration of heterogeneity was affirmed with a mean score of 4.02 and a std dev. of 0.679.

Strategic Formulation and Performance

The second objective examined the effect of strategic formulation performance on milk processing firms in NCC, using Brookside Dairy Limited as a case study. The descriptive analysis results are portrayed below.

Table 2. Strategy Formulation

Statement	N	Mean	Sd
The company's strategic direction has been deliberately established by formulating a vision, mission statement, and core values.	74	3.91	.872

The management is conversant with the business climate.	74	4.13	.711
There is an obvious course of action to chaperon the association towards realizing goals.	74	3.83	.980
The company scrutinizes and collects info about its external environment to comprehend its consequences.	74	3.71	1.154
Strategic design is a high-significance activity at your organization.	74	3.87	.984
The organization has set quantitative targets for its goals.	74	4.08	.803
Before implementation, staff members are communicated to and shared through the strategic director's plan.	74	3.97	.895
Environmental developments are considered when determining your corporation's strategic behavior and decisions	74	3.79	.993
Overall		**3.91**	**0.924**

According to the research results, participants indicated that the company's strategic direction is intentionally set through the development of a vision, mission statement, and core values, with a typical output of 3.91 and a std dev. of 0.872. The findings exposed that the management is well-informed about the business environment, as most respondents either agreed or strongly approved, with a typical score of 4.13 and a std dev. of 0.711. A considerable number of respondents also confirmed the presence of a clear action plan to help the organization achieve its objectives, with an average of 3.83 and a std dev. of 0.980. Additionally, individuals acknowledged that the company actively gathers and analyses information about its external surroundings to comprehend its implications, with a typical output of 3.71 and a std dev. of 1.154. The study also sought to assess the importance placed on strategy formulation within the company, with the majority concurring, as indicated by a typical output of 3.87 and a std dev. of 0.984. Regarding establishing quantitative targets in relation to its objectives, the respondents expressed strong agreement, with a mean groove of 4.08 and a std dev. of 0.803. The findings specify that the respondents agreed that employees are adequately informed and involved in the strategic management plan prior to its implementation, with a mean score of 3.97 and a std dev. of 0.895. Additionally, many participants also concurred with the notion that environmental changes are duly considered when determining the behavior and strategic decisions of the company, as demonstrated by an average score of 3.79 and a std dev. of 0.993.

Strategy Implementation and Performance

The work also aimed to explore the outcomes of strategy operation on the presentation of milk-handling partnerships in NCC. Table 3 below reveals the consequences of descriptive scrutiny.

Table 3. Strategy Implementation

Statement	N	Mean	Sd
The organization has goals.	74	4.11	.679
Employees are adequately and thoroughly communicated with the company's strategy.	74	3.87	.931
Organizational strategy is implemented solely based on predetermined objectives and expected performance.	74	3.91	.914
The organization is committed to implementing its strategy to maximize performance.	74	4.00	.790
Enough resources are allotted to implement the strategy.	74	3.82	1.032
There are systems in place to motivate people to implement a strategy successfully.	74	3.95	.879
Overall		**3.929**	**0.878**

Source: Field Data (2024)

The results above indicate that the participants believe the organization has a well-defined operational framework to accomplish its goals, with an average rating of 4.11 and a std dev. of 0.679. They also feel that employers effectively communicate the company's strategy, with an average rating of 3.91 and a std dev. of 0.914. Most respondents agree that the organizational strategy is executed based on predetermined goals and anticipated performance, with an average rating of 4.00 and a std dev. of 0.790. Additionally, participants noted that adequate resources were allocated for strategy implementation, with an average rating of 3.82 and a std dev. of 1.032. Survey participants reported that the organization's leadership can achieve final objectives, with an average rating of 3.73 and a std dev. of 1.106. They also agreed that the organization has adequate resources for departments to pursue their goals, with an average rating of 4.04 and a std dev. of 0.691. In terms of systems in place to motivate individuals to implement strategies effectively, respondents gave a typical score of 3.95 with a std dev. of 0.879.

Strategy Evaluation and Organization Performance

The work's final goal was to assess the effect of strategy evaluation on milk-handling organizations' performance in NCC. The outcomes of the descriptive analysis are presented in Table 4.

Table 4. Strategy evaluation

Statement	N	Mean	Sd
The organization's strategy implementation is monitored, evaluated, and controlled.	74	3.80	.984
Each strategic management plan element has clearly defined and measurable standard targets.	74	3.71	1.141
The corporation reviews strategic management decisions.	74	3.63	1.231
Strategy evaluation entails a review of the strategy formulation and implementation processes.	74	4.07	.689
The success of strategy evaluation is achieved regularly, and corrective action is taken on a timely basis for maximum performance.	74	3.89	.962
There are clear communication channels within the company that allow for strategy performance evaluation.	74	4.15	.710

At the end of the implementation stage, the success of a strategy is implemented and evaluated, and corrective measures are taken.	74	3.78	.993
The organizations regularly compare business performance against set quantitative goals.	74	3.96	.848
Overall		**3.87**	**0.945**

Table 4 displays that organizations closely monitor, assess, and regulate their strategy implementation, with a mean of 3.80 and a std dev. of 0.984. Survey individuals noted that each aspect of the strategic management plan has well-defined and measurable targets, averaging at 3.71 with a std dev. of 1.141. Additionally, respondents mentioned that the company reviews strategic decisions, scoring an average of 3.63 with a std dev. of 1.231. They also agreed that strategy evaluation involves scrutinizing both the formulation and implementation processes, with a typical output of 4.07 and a std dev. of 0.689. Moreover, respondents concurred that regular strategy evaluation and timely corrective actions are crucial for optimal performance, averaging 3.89 with a std dev. of 0.962. The results indicate that most participants confirmed the presence of effective communication channels within the organization for assessing strategy performance, with a typical output of 4.15 and a std dev. of 0.962. Additionally, respondents agreed that strategies are evaluated and necessary adjustments are made after the implementation phase, scoring an average of 3.78 with a std dev. of 0.993. Moreover, many respondents also concurred that businesses regularly compare their performance against predetermined quantitative objectives, scoring an average of 3.96 with a std dev. of 0.848.

Performance of Milk Processing Firms

The study sought to evaluate respondents' feelings about the performance of milk processing firms. The results of the analysis are displayed in Table 5.

Table 5. Performance of Milk Processing Firms

Statement	N	Mean	SD
There has been an improvement in Efficiency over the years.	74	3.96	0.941
There is a high growth of repeat purchases	74	3.81	1.072
Our customers are satisfied with the firm’s products	74	4.01	0.853
Our organization's level of customer retention is high	74	3.76	1.117
There is growth in new customers	74	3.87	1.028
Overall		**3.88**	**1.002**

From the findings in Table 5, respondents acknowledged an increase in Efficiency over the years, with an average score of 3.96 and a standard deviation of 0.941. They also agreed that there is a significant rise in repeat purchases, with an average score of 3.81 and a standard deviation of 1.072. Respondents noted that their customers are content with the company's products, with an average score of 4.01 and a standard deviation of 0.853. Additionally, they agreed that the organization has an important level of customer retention, with an average score of 3.76 and a standard deviation of 1.117. The study participants also mentioned an increase in new customers, with an average score of 3.87 and

Inferential Analysis

This section presents the inferential findings of the study, which aimed to evaluate the effect of independent variables on dependent variables. The tests employed in this analysis are correlation analysis and regression analysis. Correlation analysis was utilized to assess the strength of the relationship between independent variables and dependent variables. In contrast, regression analysis was employed to examine the effect of independent variables on the dependent variable.

Diagnostic Tests

Before subjecting the data to regression analysis, diagnostic tests were conducted to establish conformity with requisite statistical assumptions: normality, multicollinearity, and linearity tests.

Normality tests

The Shapiro-Wilk statistic test was utilized to assess normality, varying between zero and one. If the calculated p-value is less than 0.05, it indicates a significant deviation from normal distribution (Razali & Wah, 2011). The outcomes of the Shapiro-Wilk test in the study are shown in Table 6.

Table 6. Normality tests

Variable	Statistic	DF	Sig
Environmental Scanning	.853	74	.078
Strategy Formulation	.742	74	.097
Strategy Implementation	.833	74	.274
Strategy Evaluation	.871	74	.328
Organization performance	.829	74	.230

Table 6 illustrates that the calculated probability values for the five variables under investigation varied between 0.078 for Environmental Scanning and 0.328 for Strategy Evaluation. It is worth noting that all these probability values exceeded 0.05, indicating that the sample followed a normal distribution, as recommended by (Razali & Wah, 2011).

Multicollinearity Test

The research aimed to examine the presence of Multicollinearity and ascertain whether a Multicollinearity problem existed. To identify any potential Multicollinearity problem, the tolerance and variance inflation factors (VIF) values were calculated for the explanatory variables. The findings of this analysis are shown in Table 7.

Table 7. Multicollinearity Test

Model	**Collinearity statistics**	
	Tolerance	Variance inflation factors (VIF)
Environmental Scanning	.262	3.813
Strategy Formulation	.238	4.195
Strategy Implementation	.421	2.372
Strategy Evaluation	.253	3.951

All of the predicted VIF values were relatively small (less than 10), and the tolerance coefficient (1/VIF) values were more than 0.1. Environmental Scanning = .262, Strategy Formulation = .238, Strategy Implementation = .421, and Strategy Evaluation = .253. This showed that there was no Multicollinearity between the explanatory variables, and thus, the models' level of Multicollinearity was tolerable.

The VIF values for all variables were low, with values less than 10. In addition, the values of the tolerance coefficients (1 / VIF) were more significant than 0.1. The specific values for each variable were as follows: environmental Scanning = 0.262, strategy formulation = 0.238, strategy implementation = 0.421, and strategy evaluation = 0.253. These results show no multicollinearity in the explanatory variables, which means that the degree of multicollinearity in the models was acceptable.

Test of Linearity

The linearity assumptions were assessed by examining the Pearson correlation coefficient between the predicted variable (organization performance) and each of the hypothesized predictor variables. The findings regarding the linearity are presented in Table 8 below.

Table 8. Test of Linearity

Predictor variables		**Performance of Milk Processing Firms**
Environmental Scanning	Pearson correlation	.481
Strategy Formulation	Pearson correlation	.682
Strategy Implementation	Pearson correlation	.713
Strategy Evaluation	Pearson correlation	.635
	sig (2-tailed)	
	N=74	

Table 8 shows a positive and significant linear relationship between the performance of milk processing firms and Environmental Scanning, Strategy Formulation, Strategy Implementation, and Strategy Evaluation at the 5% significance level. The outcomes show that Environmental Scanning and performance ($r=0.481$ $p<0.05$), strategy Formulation and performance ($r=0.682$ $p<0.05$), Strategy Implementation and performance ($r=0.713$ $p<0.05$), Strategy Evaluation and performance ($r=0.635$ $p<0.05$).

Correlation Analysis

This section presents the results of a correlation study conducted to determine the nature and extent of the relationship between independent and dependent variables. The correlation matrix is shown in Table 9.

Table 9. Correlation Analysis

		Environmental Scanning	**Strategy Formulation**	**Strategy Implementation**	**Strategy Evaluation**	**Performance**
Environmental Scanning	Pearson correlation	1				
Strategy Formulation	Pearson correlation	.718	1			
Strategy Implementation	Pearson correlation	.651	.749	1		
Strategy Evaluation	Pearson correlation	.543	,621	.537	1	
Performance	Pearson correlation	.481	.682	.713	.635	1
	Sig(2-tailed)	0.000	0.190	0.003	0.007	
	N	74	74	74	74	74

**Correlation is significant at 0.05 (2-tailed)

The study objective was to establish the association between environmental scanning and the performance of milk processing firms in NCC. To achieve this, a Pearson correlation test was conducted. The findings, presented in Table 9, indicate a significant correlation ($r(74) = .481$; $p<0.05$) between environmental scanning and the performance of milk processing firms in NCC. This implies a positive association between environmental scanning and the performance of milk processing firms in NCC. Furthermore, the correlation between these two variables was statistically significant, with a p-value less than 0.05. This indicates a linear relationship between environmental scanning and the performance of milk processing firms in NCC. These findings highlight the significant effect of environmental scanning on the performance of milk processing firms in NCC. The research findings corroborate the conclusions drawn by Asser et al. (2018), who revealed that implementing dynamic environmental scanning strategies significantly and positively impacts organizational performance. These findings imply that state-owned enterprises that effectively adapt to and address the challenges of a constantly changing and challenging environment are likely to attain a competitive edge, leading to enhanced performance. Additionally, the research aimed to explore the correlation between Strategy Formulation and milk processing firms' performance in NCC. The research conducted a Pearson correlation analysis, and the findings displayed in Table 9 show a significant correlation ($r(74) =.682$; $p<0.05$) between Strategy Formulation and milk processing firms' performance in NCC. Consequently, these outcomes suggest a positive association exists between Strategy Formulation and milk processing firms' performance in NCC. Furthermore, a significant correlation ($p<0.05$) was found between these two variables, suggesting a linear relationship between Strategy Formulation and milk processing firms' performance in NCC. This indicates that Strategy Formulation significantly impacts milk processing firms' performance in NCC. The study's findings align with those of Owich et al. (2018), who concluded that organizational outcome was positively and significantly related to strategy formulation.

Moreover, the research sought to determine the correlation between Strategy Implementation and milk processing firms' performance in NCC. The analysis utilized the Pearson correlation test, and the findings presented in Table 9 revealed a strong correlation ($r(74) =.713$; $p<0.05$) between Strategy Implementation and milk processing firms' performance in NCC. This signifies that the milk processing firms' performance in NCC is influenced positively by Strategy Implementation. Additionally, the correlation between these two factors was statistically significant at a significance level of $p<0.05$, indicating a linear relationship between Strategy Implementation and milk processing firms' performance in NCC. This highlights the significant impact of Strategy Implementation. Has an impact on the milk processing firms' performance in NCC.

Finally, the study aimed to establish the correlation between strategy evaluation and the performance of milk processing firms in NCC. A Pearson correlation analysis was conducted, and the findings, presented in Table 9, demonstrate a statistically significant correlation ($r(74) = 0.725$; $p<0.05$) between Strategy Evaluation and the milk processing firms' performance in NCC. This implies that strategy evaluation positively influences the performance of milk processing firms in NCC. Moreover, a significant ($p<0.05$) correlation between these two variables suggests a linear relationship between Strategy Evaluation and milk processing firms' performance in NCC. This highlights the significant impact of strategy evaluation on the performance of milk processing firms in NCC. Additionally, it was determined that strategy evaluation assists in clearly defining the organization's purpose and setting realistic goals and objectives that align with the organization's mission and can be implemented within a specified timeframe, thereby contributing to the development of effective decision-making policies.

Multiple Regression Analysis

The study utilized a multiple regression test to determine if strategic management practices (environmental et al. formulation, strategy implementation, and strategy evaluation) significantly influenced the performance of milk processing firms in NCC. The results, which include the model summary, analysis of variance, and beta regression coefficients, are summarized in the following sections.

Regression Model Summary

Table 10. Regression Model Summary

Model	R	R Square	Adjusted R Square	Std Error of Estimate
1	.873	.762	.749	.13864

a. predictors: (Constant), Environmental Scanning, Strategy formulation, Strategy Implementation and Strategy Evaluation

Table 10 shows that the dependent and independent variables show a correlation coefficient of 0.873, signifying a highly robust positive correlation between them. The findings also reveal that the adjusted R square value is .749, signifying that the strategic management practices implemented in the milk processing firms, specifically (Environmental et al. formulation, Strategy Implementation, and Strategy evaluation), account for 74.9% of the variation in the milk processing firms' performance in NCC.

Analysis of Variance

The study carried out an ANOVA test at a 0.05 level of significance to compute the F statistics, and the results are presented in Table 11.

Table 11. Analysis of variance

Model	Sum of Squares	df	Mean Square	F	Sig
Regression	573.217	4	143.304	33.64	.000[b]
Residual	315.131	70	4.26		
Total	888.348	74			

a. Dependent variable: Performance
b. Predictors: (Constant), Environmental Scanning, Strategy formulation, Strategy Implementation and Strategy Evaluation

The ANOVA analysis yielded conclusive results, which are displayed in Table 11. From the findings, the F value calculated was 33.64, with a corresponding P-value of 0.000, less than the significance level of 0.05. These results indicate that the strategic management practices significantly influenced the performance of milk processing firms in NCC. The results align with the study done by Pfeffer (2014), who stated that an organization that embraces strategic management practices is more likely to experience growth and improve its performance and output than an organization that neglects such practices.

Table 12. Regression Coefficients Results

Model		Unstandardized coefficients		Standardized Coefficients	t	p- Value
		B	Std Error	Beta		
1	Constant	3.185	2.582		2.847	.000
	Environmental Scanning	.491	0.223	.463	4.195	.003
	Strategy Formulation	.557	0.192	.617	2.748	.000
	Strategy Implementation	.601	0.175	.831	3.232	.002
	Strategy Evaluation	.390	0.289	.526	4.318	.004

a. Dependent variable: Performance

The statistical analysis outcomes shown in Table 12 above aided in estimating the linear regression model presented below.

P = 3.185 +0.491 EC+ 0. 557 SF + O.601 SI +0.390 SE

P = performance of milk processing firms
EC= Environmental Scanning,
SF= Strategy Formulation
SI = Strategy Implementation
SE= Strategy Evaluation

The study's primary aim was to establish the effect of environmental scanning on the performance of milk processing firms in NCC. The regression analysis results in Table 12 show that environmental scanning is statistically significant with β=0. 491and p=0 .003, which is less than α=0.05. Therefore, a beta coefficient of 0.491 for environmental scanning shows that other factors being equal, a unit increase in environmental scanning leads to a 49.1% increase in the performance of milk processing firms in NCC, in a direct relationship between environmental scanning and the performance of milk processing firms in NCC. Based on this analysis, the study establishes a significant relationship between environmental scanning and the performance of milk processing firms in NCC. The study agrees with the study by Wantao et al. (2019), which revealed that Environmental Scanning has a significant positive effect on performance.

The findings from Table 12 indicate that Strategy Formulation has a significant coefficient of the estimate, with a β value of 0. 557 (p-value = 0. 000, which is less than α = 0.05). This means that a unit increase in Strategy Formulation leads to a 55.7% increase in the performance of milk processing firms in NCC, holding other factors constant. Therefore, there is a direct relationship between Strategy Formulation and performance in milk processing firms. These results demonstrate a significant association between Strategy Formulation and milk processing firms in NCC. The research results support the conclusion that strategy formulation is significantly and positively associated with performance.

The results in Table 12 showed that strategy implementation had a significant estimated coefficient based on β = 0.601 (p-value = 0.002, which is less than 0.05). Thus, a strategy implementation beta coefficient of 0.601 demonstrates that holding other predictive variables constant, an improvement of one unit in strategy implementation leads to an improvement of 42.7% in the performance of milk processing firms in a direct relationship between strategy implementation and the performance of milk processing firms in NCC. The research findings align with the conclusions drawn in Kavindu's (2021) study, which concluded that strategy implementation determinants significantly positively influenced performance. It is further supported by Wanyama and Aila's (2022) study, which concluded that strategy implementation practices significantly impact performance.

The findings presented in Table 12 demonstrate that Strategy Evaluation has a significant coefficient of estimate, with a β value of 0.390 (p-value .004, which is less than α= 0.05). This means that a unit improvement in Strategy Evaluation, while holding other explanatory variables constant, would lead to a 39.0% increase in the performance of milk processing firms in a direct relationship. These results indicate a positive and significant association between Strategy Evaluation and the performance of milk processing firms in NCC. The study results align with those of Chebet (2021), which revealed that the implementation of strategic evaluation had a statistically significant influence on financial performance. The study concluded that enhancing the review of strategic processes, conducting regular formal evaluations, assessing the level of

strategic implementation, application, and accomplishment, and incorporating feasibility and feedback would enhance financial performance.

DISCUSSIONS

From the analysis, respondents agreed that Environmental Scanning significantly impacted the performance of milk processing firms in NCC. Environmental Scanning had a positive and significant effect on the performance of milk processing firms, as indicated by the regression coefficient $\beta = 0.491$ with a p-value of $0.003 < 0.05$. The findings show that, while other independent variables remain constant, increasing one unit of Environmental scanning results in improved performance of milk processing firms in NCC. The study agrees with the study by Yu et al. (2019), which revealed that Environmental Scanning has a significant positive effect on performance. Similarly, the research findings corroborate the conclusions drawn by Asser et al. (2018), who revealed that implementing dynamic environmental scanning strategies significantly and positively impacts organizational performance. The study's second objective was to examine strategic formulation's effect on milk processing firms' performance in NCC. The findings from the descriptive statistics revealed that strategic formulation has a significant influence on the performance of milk processing firms. The correlation analysis results further demonstrated a positive correlation coefficient ($r = 0.682$) between strategic formulation and performance of milk processing firms, confirming a direct relationship between the two. This implies that enhancing strategic formulation would improve the performance of milk processing firms in NCC. The study's findings align with those of Owich *et al.* (2018), who concluded that organizational outcome was positively and significantly related to strategy formulation. Moreover, the study's findings align with the findings of Nyariki (2016), who revealed that strategy evaluation plays a crucial role in enabling effective decision-making, improving the selection of tactical options, and fostering teamwork.

Furthermore, the study explored the effect of strategy implementation on the performance of milk processing firms in NCC. The descriptive statistics from the participants revealed that strategy implementation plays a significant role in influencing the performance of milk processing firms. The correlation analysis findings revealed a strong positive correlation between strategy implementation and the performance of milk processing firms, with a correlation coefficient of $r =. 713$. Hence, a direct association exists between strategy implementation and the performance of milk processing firms. The outcomes of the study indicate that enhancing strategy implementation as a strategy implementation practice would enhance milk processing firms' performance. The research findings align with the conclusions drawn in Kavindu's (2021) study, which concluded that strategy implementation determinants significantly positively influenced performance. It is further supported by Wanyama and Aila's (2022) study, which concluded that strategy implementation practices significantly impact performance. The final aim of the study was to examine how strategy evaluation influences the performance of milk processing firms in NCC. Based on the statistical analysis, the participants acknowledged that. Strategy evaluation influences the performance of milk processing firms. The beta coefficient for strategy evaluation was ($\beta = 0.390$), and the p-value was $0.004<0.05$, suggesting that strategy evaluation positively and significantly influences the performance of milk processing firms in NCC. The findings demonstrate that increasing strategy evaluation by one unit will result in a 39.0 % enhancement in the performance of milk processing firms in NCC.

CONCLUSIONS

Strategic management practices play a critical role in firm performance. The study sought to establish the influence of strategic management practices on the performance of milk processing firms in NCC, such as the case of Brookside Dairy Limited. The study concluded that strategic management practices, which include environmental scanning, strategy formulation, strategy implementation, and strategy evaluation, play a crucial role in the performance of milk processing firms in NCC. The first objective was to establish the effect of environmental scanning on the performance of milk processing firms in NCC. The study revealed that management engages in effective environmental scanning practices to address potential risks and seize opportunities, and Managers ensure that strategies leverage current strengths while minimizing weaknesses. Further, it was revealed that environmental scanning provides the organization with market insight and the ability to outperform competitors in the future. The study concluded that environmental scanning positively and significantly influenced the performance of milk processing firms in NCC. The study's second objective was to examine the effect of strategic formulation on the performance of milk processing firms in NCC. The study results showed that management formulating a vision statement, mission statement and core has accomplished the deliberate establishment of the company's strategic direction values. The study revealed that strategic formulation holds utmost importance within your organization, and considering environmental advancements is crucial in shaping your organization's strategic actions and choices. Hence, the study concludes that strategic formulation has a positive and significant effect on the performance of milk processing firms in NCC. The third objective of the study was to explore the effect of strategy implementation on the performance of milk processing firms in NCC. The study revealed that the execution of organizational strategy is solely based on predetermined objectives and anticipated performance. The study also revealed that organizations should have leadership in place to ensure the ultimate goals are achieved, and there should be systems in place to motivate people to implement a strategy successfully. The study concluded that strategy implementation has a positive and significant influence on the performance of milk processing firms. The study's last objective was to assess the effect of strategy evaluation on milk processing firms' performance in NCC. The study showed that the organizations' strategy implementation is monitored, evaluated, and controlled. The success of strategy evaluation is achieved regularly, and corrective action is taken on a timely basis for maximum performance. The study also revealed that at the end of the implementation stage, the success of a strategy is implemented and evaluated, and corrective measures are taken. The study concluded that strategy evaluation significantly affects milk processing firms' performance in NCC.

The regression analysis results indicated that environmental scanning had the third-highest significant regression beta coefficient. As a result, the study recommends that policymakers and strategists at Brookside Dairy Limited prioritize environmental scanning when making strategic management decisions. The regression analysis findings showed that strategy formulation had the second-highest beta coefficient, both positive and statistically significant. Therefore, this study recommends that the strategy formulation team at Brookside Dairy Limited should enhance the existing mechanisms for developing strategies. The strategy implementation showed the highest positive and significant regression beta coefficient per the regression analysis. Therefore, this study recommends that the Project Implementation team at Brookside Dairy Limited should play a key role in carrying out the formulated strategies. The strategy evaluation at Brookside Dairy Limited showed the smallest regression beta coefficient, which was still positive and statistically significant. Therefore, this research recommends that strategists at the company should enhance their methods and systems for conducting strategy evaluation.

The study's objective was to determine how strategic management practices impact the performance of milk processing companies in NCC, Kenya, specifically focusing on Brookside Dairy Limited. A comparable research project could be conducted on different firms to analyze and compare the results. The study revealed that the strategic management practices of environmental scanning, strategy formulation, strategy implementation, and strategy evaluation accounted for 74.9% of the performance of milk processing firms. Further research could explore additional strategic management practices that contribute to these firms' remaining 25.1% of performance.

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