IOSR Journal of Business and Management (IOSR-JBM)
e-ISSN:2278-487X, p-ISSN: 2319-7668. Volume 25, Issue 10. Ser. 5 (October. 2023), PP 18-27
www.iosrjournals.org

What Enhances Performance In Selected Small And Medium-Sized Enterprises In Nakuru County, Kenya? The Role Of Strategy Implementation Practices

Kennedy Kuyuti[1]
MBA Student, Kenyatta University
Dr. Janet Muthimi[2]
Lecturer
Department of Business Administration
Kenyatta University

Abstract
Performance has endured as a challenge for Small and Medium-sized Enterprises globally for businesses of all sizes due to emerging and dynamic competing factors. It is, therefore, pivotal to institute an effective strategic management plan to address these challenges. Besides, the style adopted in the strategy implementation process determines organizational survival, excellence, or dismal performance. The minimum Small and Medium-sized Enterprises target in most Kenyan countries is ten percent. Nevertheless, within the first three years, 70 percent of these Small and Medium-sized Enterprises plunge into a loss. This study examined if adopting resource allocation, strategic leadership, education, and training implementation practices affects the performance of selected Small and Medium-sized Enterprises, the case of Nakuru county. The study was anchored on three theories: open system theory, resource-based theory, and human capital theory. A descriptive design was employed, targeting 297 Small and Medium-sized enterprise owners and managers as the unit of analysis where 250 questionnaires were filled and returned, a representation of an 84.17 % response rate. Proportionate stratified and random sampling techniques were used for sampling. A questionnaire was used as the data-collecting tool and was pilot-tested to examine actual measurement values. The study findings disclosed that the three independent variables explain 50.6 % variations in the performance of the selected SME in Nakuru County, Kenya, as shown by R squared. It was revealed that education training and strategic leadership had the most influence, and resource allocation moderately impacted the firms' performance. The study implies that strategic implementation practices positively and significantly influenced the performance of Small and Medium-sized Enterprises in Nakuru County. The study recommends that enterprise management should include strategic implementation practices in their plans and the enterprise structure to ensure a high continuity of performance. The study also recommends that other companies and corporations in private or public sectors adopt strategy implementation practices for performance improvement.

Keywords: *Strategy implementation, resource allocation practices, leadership practices, education and training practices, firm performance, Small and Medium Enterprises (SMEs)*

Date of Submission: 08-10-2023 Date of Acceptance: 18-10-2023

I. INTRODUCTION

In the contemporary global competitive environments in businesses, firms do not thrive either through chances or happenstance, and performance is the most imperative goal and a determinant of productivity (Ngigi & Odiyo, 2017). Typically, in a vigorous business world, organizations strive to achieve outstanding performance so that they meet the visions and needs of the community in which they operate through constant development and involvement of their products and services. Besides, nowadays, because of intense competition, globalization, fast–changing tastes, and consumer needs, the knowledge of strategic management has increased dramatically over the decades. The conviction of strategy has a long history; it first began in ancient Greece and stretched to the 21st century (Mišanková & Kočišová, 2014).

Strategic management involves formulating, evaluating, and implementing decisions from diverse areas of a firm that facilitates objective achievements (Schulz *et al*., 2015). It is a significant concept of our time to solve global problems and understand the world. Wheelen et al. (2017) affirm that such capability and powerful patterns require an adaptable association fittingly adjusting the foreseen and anticipated changes. Steers and Osland (2019) attest that globalization fast-tracks developmental management strategies such that, each day, there is a discovery. Aboramadan and Borgonovi (2016), along with Kandie and Koech (2015), agree with Steers and

Osland (2019) and elaborate that in the mid-1950s and 1960s, developing countries met strategic management development in the prevalent poverty midst. This prompted the crucial questions of what development was for.

For the first time, the development and implementation strategy was acknowledged as broader than the growth of the economy (Muriuki *et al*., 2017). Therefore, development was redefined to include unemployment, poverty reduction, and inequality. In any case, an organizational strategy can be extremist and can adjust the manner of working association or could be gradual and gradually alter the status quo. The publication of Schulz, Augier, and Teece (2015) came out in the same year as Kandie and Koech (2015) and mentions that, in this scenario, therefore, a firm may be submitted to examine a viable plan and construction of another strategy to man the formulation strategy prerequisites. Therefore, in this regard, business firms must have in place organizational performance measurement methods for identifying their current performance level and implement management systems and strategies that pivotally lead to performance improvement.

Small and Medium Enterprises (SMEs) comprise about 99% of all enterprises in the African region. Therefore, their pivotal role in National economies cannot be underscored. There needs to be a comprehensive rationale for defining small and Medium-sized Enterprises (SMEs) since it depends on who is defining and the region, as Ireri and Deya (2019) argue. The number of SMEs varies across countries; thus, SMEs can be defined according to the company's assets, revenue, and employee numbers (Pistachio & Toaldo, 2021). For instance, in Kenya, SMEs are businesses with employees ranging between ten and ninety-nine (Ngigi & Odiyo, 2017).

SMEs in Kenya serve as live blood to people experiencing poverty and an opportunity that creates income. They also improve domestic market efficiency and productively focus on scarce resources, enabling the facilitation of long–term economic growth, as Atandi's (2021) research reveals. In Kenya, these sectors have also been identified in Vision 2030 as some of the businesses that possess pivotal potential for economic growth. Besides, the performance of SMEs in Kenya and across the world has been dismal and impressive. Pisicchio and Toaldo (2021) mention that new and stiff competition from large farm establishments and other SMEs has infiltrated the niche markets. For instance, resembling other firms running in Kenya, as Mutuku *et al.* (2022) note, these sector enterprises have continually faced challenges, and this has prevented them from realizing their potential as employment and growth sources.

Stream of research presented a convincing and solid case for their choice of strategy implementation practices for the operationalization of those owning the capability to firm performance. Past research by Walter and Vincent (2018) reveals that resource allocation strategies monitor the required resources and their availability as paramount resource planning processes and investments. According to the authors, for a firm to become a source of superior performance, it is paramount to have the right tools, enough finance, and competent personalities to make the project a success.

Garavan et al. (2020) maintain that a significant part of SME success is derived from continuous leadership change by improving both people and all the processes in the organization. This is because, as Nyong'a and Maina (2019) single out, strategic leadership gives a general direction to drive organizational or firm success through the interpretation of markets with its core purposes in line with workforce competence. The existing body of management literature, for instance, Mutuku et al. (2,022), informs that today, more than ever before, the key preconditions for an enterprise's sustainable success are employees' activation, skills, and motivation. Therefore, key success elements are managers' and workers' continuous training and leaning against the globalization backdrop.

Statement of the Problem

To a great extent, in all firms' endeavors, performance is behind every technical breakthrough. By means of the shift development of the international economy, firms are repelling expanding pressure to realize functional distinction and advance their general competitiveness and performance (Taouab & Issor, 2019). More than at any other time, firms today can never again hinge on their present forms of business. In this regard, therefore, they need to put into action and embrace pivotal operation management in order to continue existing.

Despite the pivotal role and government's heavy investments in the SME sector in the economic development of Kenya, it is characterized by hindrances and challenges that negatively limit its performance, survival, and long-term growth. As Pisicchio and Toaldo (2021) note, SMEs are expected to graduate from micro to small, phase medium, and develop into large enterprises. Besides, most SME owners, for instance, in Nakuru County, Kenya, as Mutuku *et al.* (2022) reveal, need more essential strategic skills paramount to navigating the dynamic and competitive environment in businesses. In this context, three business entities in every five in Kenya do not archive performance and fall in the first couple of months of operation, according to a report by the Kenya National Bureau of Statistics (KNBS), 2018. The dismal performance trend raises questions and calls for obligation improvement measures.

Scholars have urged that SMEs' success rests on their capability to implement decisions and execute processes consistently and efficiently (Mui et al., 2018; Forth & Bryson, 2019; Garavan et al., 2016). Therefore, to achieve the set goals, SMEs need strategy implementation for future opportunity preparations, market trends, and risk mitigations. Over and above, regardless of the critical part strategy implementation plays in SMEs' performance through business owners and managers, Ngigi and Odiyo (2017) single out that this segment has attracted little study since most of the research has scrutinized its connection to performance in large organizations while others were done in other nations; hence the findings cannot be generalized in SMEs in Kenya. This research includes Forth and Bryson (2019), who conclude that SMEs who use formal strategic implementation practices are positively linked to productivity, survival, and growth. However, the study should have discussed strategic implementation practices and results in SME enterprises in Kenya.

Other scholars like Atandi (2021) and Mui et al. (2018) examined how profits and sales turnover can be enhanced in SMEs to meet a firm's objectives. Nevertheless, even though all the studies, among others, mentioned above had significant input in subscribing to the diversity of firms' strategy implementation practices, literary works are yet to examine and document the link between SMEs' strategy implementation practices and the performance of SMEs in Kenya since many of these studies have conceptual and methodological gaps, which may not apply to the Nakuru context. There is, therefore, a necessity to examine strategic implementation practices that capture the dynamics of the informal sector in Kenya to enhance the performance and sustainability of SMEs. It is in this interior context that the study sought to pervade these existing gaps.

Objectives of the study

1. To examine the effect of resource allocation on the performance of selected SMEs in Nakuru County, Kenya.
2. To access the impact of strategic leadership on the performance of selected SMEs in Nakuru County, Kenya.
3. To establish the effects of education and training on the performance of selected SMEs in Nakuru County, Kenya.

II. REVIEW OF LITERATURE

Theoretical Literature Review

Various research studies advance distinct propositions of firm performance, hinged on the theory endorsed to describe it. The general system theory was one of the theories adopted by the researcher to describe the performance of SMEs. The biologist Bertanlanffy (1956) is considered the originator of the open system theory advanced by Katz and Kahan (1966). The core argument of system theory is that the world can be perceived as complex interacting wholes with features that are distinctive and attributable to wholeness rather than properties of component segments (Katz & Kahn, 1978). It is an organizational theory that recognizes a system as comprising many different parts that affect the flow of information internally, affecting the external environment. General system theory implications are that the environment plays a significant role in implementing corporate strategies, and they are porous because organizations interact with the environment (Ramosaj, 2014). In this regard, therefore, they engage culture through leadership that enables their employees to meet and work towards their goals. Research by Valentinov and Hajdu (2021) on system approach theory implies that all actions and decisions made in an organization will affect all other areas as an organization is an open system. For example, suppliers provide resources, and the organizational leadership regulates processes and inspirations to individuals who provide management and labor.

For Katz and Kahan (1978), system theory underlines organizational survival, emphasizes approaches to attain goals, and provides that the management should ascertain that there is a well-coordinated system in an organization to accomplish goals. The theory has been criticized from the perspective that the system tends to be more abstract, leading to misconceptions and errors in an organization (Jost, 2019). Therefore, interrelation among various elements of the entire system needs to be aligned with the strategy, thus losing its autonomy. Besides, for Ramosaj (2014), the concept of system theory underlines the attaining approach and organizational survival, hence its criticality to the study. This is due to the fact that every organizational system can be characterized from a performance perspective. The theory anchored the dependent variable, that is, firms' performance. Interactions of firm performance indicators, social, economic, and effectiveness of business long-term growth occasion it.

The study also adopted the Resource Based View (RBV) Theory put forth by Penrose (1959) and Barney (1991). The theory seeks to provide a business strategy perspective that a business attains competitive advantage through using resources, mainly through acquisition, integration, reconstruction, and the release of resources (Katuse, 2018). It identifies specific capabilities of an organization as competitive advantage sources. Maina and Njagi (2019) point out that RBV is based on the idea that competition advantage is seen in an unsustainable environment. The theory implication is that an organization's essential competencies are used to give competitive positions through resource allocation that can be developed in a completive climate and enable senior managers for successful companies to adapt to change (Assensoh-Kodua,2019). Thus, integrate the resources in an organization, like decision-making and routines for the development of products. Others configure the firm's resources like collaboration and knowledge transfer. Finally, some other types of relationships are to release resources or gain, like acquisition, creation of knowledge, and exit (Katuse, 2018).The theory was applicable to the study since it is centered on resource allocation attention in firms through configuration (human and technological capabilities) and integration (SME credit from banks). It showed how SMEs should allocate rare resources for implementation strategies to support performance. Thus, RBV anchored the resource allocation and strategic leadership variable.

Further, the study adopted the Human Capital Theory rooted in the work of Schultz (1960). The human capital view is a strategic management concept that gives an organization multiple strategies to compete for more in the market environment. It infers that firms adopt knowledgeable creation strategies to develop strong performance practices (Schultz, 1960). According to Ajuna *et al.* (2018), the theory plays an essential role in establishing strategic knowledge that is pivotal in firm activities. Mutuku et al. (2022) note that the theory suggests that highly educated employees use knowledge through educational systems to generate the required results for effective performance. Nevertheless, as Mutuku *et al.* (2022) attest, greater skills and training are paramount for the performance of SMEs context. This theory provided anchorage to education and training variables as it contributes toward strategy implementation. The theory explained how skill development and product improvement among SMEs in Nakuru town are pivotal in mounding training and education for performance. Thus, the theory anchored education and training variables.

Empirical Literature Review

Several researchers have empirically demonstrated the effect of resource allocation, leadership, education, and training practices on the implementation of strategy for performance in firms. For instance, on resource allocation, Maina and Njagi's (2019) research on organizational resources' influence on strategic plan implementation found that human, financial, and technological resources reduce cost and improve organizations' bottom line through making effective decisions.

Research focussing on assessing organizational resources' impact on a firm's effectiveness was done by Katuse (2018) in registered NGOs in Kenya. It employed a positivist research philosophy on project managers to answer this research question. Findings revealed that effective allocation of resources enables the NGOs to strike a balance between over and underutilization of resources. This study recommended that NGOs should match the resource availability with the resource needs of departments to match operative decisions. Besides this study's focal point being on non-profit organizations, it focused on organizational effectiveness as the measure of performance.

Bamel and Bamel (2018) explored the link between organizational resources and strategic flexibility through the processes of knowledge management. To meet the set objective, the study identified technical and social resources from relevant literature. Findings indicated that the absence of technical and social resources leads to firms' initiatives ending disastrously. The study recommended that firms should use the right allocation processes to drive better utilization as a critical lever for success and growth. The investigation of the study was led outside the geographical limits of Kenya.

Numerous researches have also documented the benefits of strategic leadership practices in the implementation of strategies. In India, Subramony *et al.* (2018) general objective was to examine the influence of leadership on the performance of firms. Utilizing a sample of 223 Indian firms, Findings revealed that leadership strategy played a pivotal role in these organizations regarding internal business operations, direction production, and firm efficiency. It was recommended that management should invest heavily in leadership to achieve goals and objectives for firms toward performance. Although the study was very informative on the role of leadership in firms' performance, the study could be more extensive since the research was based on something other than a business firm.

To better understand the mechanisms of leadership influence in a firm, Kasuni and Njeru (2022) reviewed how strategic leadership impacted banks' performance in Kenya. This was a descriptive study where a census was conducted on employees in Kenya commercial bank. Strategic leadership was indicated as strongly correlated to organizational performance using direction, inspiration, and motivation indicators. The study focused on formal sectors whose measures of performance are conceptually different from an informal sector, where this study based its focus.

Moreover, studies by Lopez and Serrano (2020) and Oh and Han (2020) have documented that education and training have been used as avenues for performance and productivity levels and further support the growth of economics in developing countries. In this regard, therefore, the growth and survival of enterprises, to a large extent, are contingent on education and training. For instance, Mutuku *et al*. (2022) examined ways in which the level of skills and literacy influence the performance of SMEs. To achieve the study objective, a correlational survey design was used, and data was collected using a questionnaire as the data collection tool. Findings identify training and skills as the key determinants of SME growth, establishment, and survival. The research recommended that the priority of firm managers and directors should be to get adequate entrepreneurial skills to upskill and reskill the workforce and match the learning outcomes required in the labor market. This study presents the necessity to stretch out the examination to cover more strategic practices like resource allocation and leadership.

III. RESEARCH METHODOLOGY

A descriptive research design was employed in this study to analyze data. This type of research design provides an accurate and detailed presentation of the data collected, which is useful in exploring trends and identification of the collected data patterns (Muathe, 2010, Muthimi, *et al*, 2021). As such, through this design, the researcher was able to describe the opinions, characteristics, and perceptions of the population being studied.

The study targeted 1,486 owners and departmental heads of SMEs registered in Nakuru City County as the target population. The target population is the subset of units of individuals who share homogeneous attributes, as Muathe (2010) notes. Proportionate stratified and random sampling was used to sub-groups divide and choose 20 % of the respondents. The sampling technique is the definite plan a researcher employs to obtain a sample from a given population (Kothari,2004).In this regard, therefore,20 % of the respondents, as Mugenda and Mugenda (2003) suggest in the subgroups, gave 297 respondents as the study sample.

Primary data was collected using appropriately developed questionnaires to aid the process. In the process of designing the questionnaire, the researcher first studied the research literature to apprehend the salient strategy implementation practices with respect to each study variable. Controlled by the ascertained literature concept, six questions in each variable were developed by the researcher through the allocation of personal knowledge. In order to elicit controlled gather opinions in the best possible way from the respondents, the study toll was divided into closed-ended and open–ended distinct categories.

Quantitative data was gathered through closed–ended questions by measuring satisfaction level or respondent preference as per the indicators of the study variable. Besides, in the process of close-ended questionnaire designing, a five-point Likert scale was utilized. The scale included 1 implying strong disagreement and 5 implying strong agreement. The scale responded to standardization, thus easing the analyzing process of the final data collected. On the other hand, to provide in-depth insights into the respondents' opinions and behavior, a single open–ended was supplemented with each closed-ended variable question as suggested by Krosnick (2018).

Before the actual data collection exercise in the field, validity, and reliability tests were done. The purpose of validity and reliability tests purpose of the research is to detect any respondent constraints that are possible and likely to be encountered while responding to questionnaire questions raised in the data collection exercise (Leedy & Ormrod, 2015). This study employed content validity to assess the extent of questionnaire data collected in representing variables under the study. The supervisor helped ascertain the validity construct of the questionnaire. For reliability test improvement, a pilot study was conducted on 10% of the study population, as suggested by Mugenda and Mugenda (2003), and the instrument's internal consistencies were examined through Cronbach Alpha. A reliability coefficient of 0.7 was deemed trustworthy and hence applied, as Mugenda and Mugenda (2003) recommend.

After the data collection exercise, its completion level, edition, and classification were conducted for analysis through quantitative and qualitative methods, as Muathe (2010) endorses. Quantitative data collected using closed-ended questions was analyzed arithmetically using percentages, means, frequencies, and standard deviations, whereas qualitative data was measured non-numerically, described, and content analysis was used to analyze the data.

Further, descriptive and inferential statistics were employed to describe the link between strategy implementation practices and the selected SME performance. Inferential statistics, which included the analysis of multiple and linear regression of strategy implementation practices and performance as indicated below, was employed;

$Y=\alpha+\beta_1X_1+\beta_2X_2+\beta_3X_3+\varepsilon$

Y=Firm performance

β=Beta co-efficient

X_1 =Resource Allocation

X_2=Strategic Leadership

X_3=Education and training

ε =Error term

IV. FINDINGS AND DISCUSSION

The researcher administered 297 questionnaires to the SME owners and departmental heads in Nakuru County, where Figure 1 below gives the response rate details.

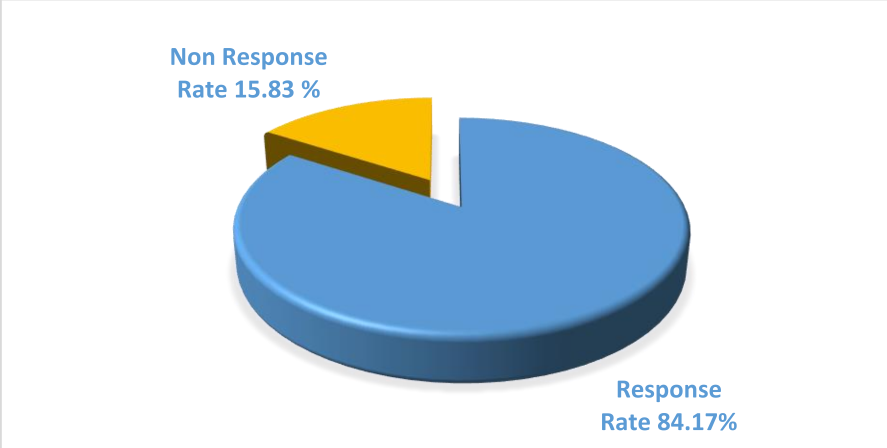

Figure 1: Response rate

Two hundred fifty questionnaires were filled and returned, a representation of an 84.17 % response rate. This correlates with the recommendation of Mugenda and Mugenda (2003) that a 50 % response rate is adequate for reporting and analysis, a 60 % response rate is reasonable, and a 70 % and over response rate is excellent for analysis and reporting. The findings, in this regard, indicate that the response rate in this study was fabulous.

Further, to establish the strength of the relationship between the independent and dependent variables, the findings are presented in Table 1.

Table 1

Correlation Analysis

		Resource Allocation	Strategic Leadership	Education & Training	Firm Performance
Resource Allocation	Pearson Correlation	1			
Strategic Leadership	Pearson Correlation	.518**	1		
Education & Training	Pearson Correlation	.648**	.520**	1	
Firm Performance	Pearson Correlation	.384**	.528**	.667**	1
	Sig. (2- tailed)	<.001	<.001	<.001	<.001
	N	250	250	250	250

Note. **. Correlation is significant at the 0.01 level (2-tailed).

As presented in Table 1, the relationship between resource allocation and firm performance was moderately significant, indicated by r=0.384 and p-value <.001; for strategic leadership, the relationship was strongly positive at r=0.528 and p-value <.001.Education training and performance were strongly linked at r=0.667 and p-value <.001.

According to Huber (2004), in coherence with the interpretation of the results, a linear relationship is ranked into weak, moderate, and strong, where a range from ± 0.10 to ± 0.29 is considered weak, moderately correlated, ranging from 0.30 to ± 0.49, and strong correlation ranges from 0.5 up to ± 0.9. In this regard, therefore, all the study variables moderately and strongly correlated with the independent variable. This means that a rise in the independent variable will increase the firm's performance.

Further, regression analysis was performed by the researcher to examine and establish whether the core strategy implementation practices variables of interest in the study (resource allocation, strategic leadership, education, and training) pivotally influenced the performance of SMEs in Nakuru County, Kenya. The findings of the regression analysis of the Model summary, ANOVA, and the examined regression confidence are revealed in Table 2.

Table 2

Model Summary

Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	**.711[a]**	**.506**	**.500**	**.2563**

a. Predictors: (Constant), Resource Allocation, Strategic Leadership, Education and Training).

As revealed in Table 2, the correlation coefficient was 0.711, which showed a strong and positive correlation. The findings indicated that the three independent variables in this study accounted for 50.6 % of the variations in the performance of the selected SME in Nakuru County. This also implies that the residue effect of 49.4 % would be explained by other practices and competencies outside the research's study limits and scope.

The model summary confirmed the goodness fit, which projected the researcher to examine the analysis of the residue to conclude whether to reject the findings. In this regard, a two-way ANOVA (Significant Level =5%) model was employed.

Table 3

ANOVA

Model	**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
Regression	16.553	3	5.518	83.943	<.001b
Residue	16.170	246	.066		
Total	**32.772**	**249**			

a. Dependent Variable: Firm Performance

b. Predictors: (Constant), Resource allocation, Strategic Leadership, Education and Training)

From the findings, as indicated in Table 3, it was revealed that statistics (F=83.943, P-Value =<.001) were realized. The results, therefore, imply that the model was pivotally applicable and fit to estimate the correlation between strategy implementation practices and a firm's performance.

Table 4

Regression Coefficients

Model Coefficients	**Unstandardized Coefficients**		**Standardized**	**t**	**Sig.**
	B	**Std. Error**	**Beta**		
(Constant)	.765	.236		3.236	1.231
Resource All.	-.169	.060	-.173	-2.823	-.051
Leadership	.298	.056	.290	5.313	.408
Ed. & TR.	.684	.067	.628	10.240	.816

a. Dependent Variable: Firm Performance

Using the SPSS tool, the researcher generated results that described each independent variable's influence on strategy implementation practices on the performance of the selected SME in Nakuru County. The final resultant equation becomes;

$Y=0.765 + (-0.169X1) +0.298X2+0.684X3$

Where Y=Firm performance, X_1 =Resource Allocation, X_2=Strategic Leadership, X_3 = Education and Training.

As indicated in Table 4, the results imply that when all independent variables (resource allocation, strategic leadership, education, and training) were constant, SME performance will be held at 0.765. Similarly, sustaining all variables and a shoot-up in Resource Allocation, SME performance will be at -.169 units. Further, the results imply that with a unit increase in leadership when the other variables are held constant, SME performance will be at 0.298 units. In addition, a single unit escalation in education and training while keeping other variables constant increased performance by 0.684.

The results from regression analysis also indicated that with a P-value of -0.51 < 0.05 on resource allocation, the implications to management would be that the current resource allocation strategy does not significantly influence the performance of the SMEs. This means it would be advisable to denounce them by either stopping to invest in them or seeking other ways and alternatives for human, technological, and financial resource allocation strategy. The findings agree with Walter and Vincent's (2018) results that due to emerging technical and changing market demands, many firms are challenged in selecting and assigning available resources to support business objectives, which was in line with this study. Katuse's (2018) study recommended that firms match the resource availability with the resource needs of departments to reach operative decisions.

Education and training had a p-value of 0.81 < 0.001; as such, education and training are the most significant aspects in explaining the performance of SMEs in Nakuru County. The relationship was powerful, an indication that the variable positively decided the implementation of SMEs in Nakuru County, Kenya. The findings mirror those of Choi and Kim (2019), who identify education and training with firm value. Similarly, Ajuna et al. (2018) acknowledge the role of education and training as a strategy for improving a firm's performance. In addition, even in developed economies, for instance, Korea, Oh and Han (2020) study singled out that the provision of training was a skill development tool for workers and improved the potential of managers of the companies.

Strategic leadership p-value was 0.408 < 0.001, indicating that strategic leadership positively and significantly impacted SME performance in Nakuru County. Mui et al. (2018) study established the role of strategic leadership in SME performance. The authors note that value creation, new ideas with radical changes, and innovative activity are the most critical determinants for SME performance through leadership, and the results are congruent with the study since strategic leadership was a key to organizational performance. Also, this is concurrent with an investigation by Subramony et al. (2018) and Muthimi and Kilika, (2018) who found that leadership strategy, if properly employed, stimulates positive organizational growth as well as performance.

Open-ended questions were provided to collect qualitative data on each independent variable for the respondents to express ideas and offer opinions to capture constructs that closed-ended questions still need to cover. The data collected was analyzed using content analysis. Content analysis is a qualitative method that investigates written artifacts without categorically extracting participant data. It included categorizing the open-ended questions in each independent variable, assigning a descriptive label, and constructing a thematic analysis.

After respondents' views were combined thematically to explain other ways in which resource allocation had impacted the performance of the enterprise, some of the most cited impacts included that it had led to a new style of working and improved processes. Others mentioned that resource allocation practice led to activity deadlines becoming less flexible and collaboration enhancement. These findings were in unity with the study of Ali *et al.* (2018), whose results revealed that strategic resource allocation plans monitor the required resources and their availability according to priorities in its set objectives as a paramount resource planning process and investments in firms.

After participant's views were combined thematically to explain other ways in which strategic leadership had impacted the performance of the enterprise, some of the cited perspectives included that administration had created a cohesiveness among the employees, related to culture nurtures, supports and appreciates, others mentioned that through strategic leadership, the enterprise has a work-life balance and straightforward means of communication. The findings were per the expectation and consistent with the view held by Kasuni and Njeru (2022) that strategic leadership is strongly correlated to organizational performance using direction, inspiration, and motivation indicators.

The last open-ended question statement was on other perspectives in which the performance of SMEs has been influenced by education and training strategic implementation practices. Most respondents indicated that education and training creates a superficial need to meet requirements and condition in enterprises. Others stipulated that the construct has led to smooth collaboration between the enterprise staff. Findings from Ajuna et al. (2018), who researched ways in which education and training influenced the performance of women entrepreneurs in Meru County, Kenya, supported the findings of the current study by putting forward that education and training positively impacts workers and management skills, decreased turnover, and product improvement in firms.

V. CONCLUSION

SME sectors seeking to improve their performance and report a high index in market share values and business sustainability generally must adopt strategy implementation since it provides business owners of these sectors with skills and knowledge to achieve business objectives and critical factors to attain complete implementations. The study concludes that regardless of strategic implementation practices being a pivotal tool to a firm's performance, different components of implementation practices exert a different effect on the performance of firms, as confirmed in this research. To improve performance, SMEs in Nakuru County have adopted core strategic implementation practices, including strategic leadership, resource allocation, education, and training. These practices have led to improved performance of the firms through research and coming up with plausible ways to increase sales turnover, profits, brand loyalty, and development of new products.

The study sought to establish how adopting a resource allocation strategy influences firms' performance in the case of SMEs in Nakuru County. The study suggests that technology, time, talent, and information resources improve a firm's sales turnover, brand loyalty, and profits. The investigation concludes that resource allocation is a significant determinant in the performance of SMEs. Since the market could present increased opportunities for a particular division, the strategic practice maximizes this by ensuring that there are enough resources to increase their activities.

The study sought to assess ways in which strategic leadership identifies direction, provides motivation, and enables ethical adherence for the enterprises to provide additional products, profits, and sales turnover. Given the results obtained, the research study concludes that strategic leadership is a cardinal determinant in the performance of SMEs in Nakuru County. This is due to the fact that strategy implementation practice relates to leadership in enterprises and is based on the provision of opportunities to leverage quality standards, ethics, and market penetration strategies.

On education and training, the research concludes that focusing on learning, development, and enhancement improves employee productivity and the firm's culture. When implemented, it helps employees to stay up to date on the industry changes in safety and quality products. These standards also provide knowledge to staff on new ways to work and think to accommodate a change in the environment for performance. Putting these new practices and tools into a firm's day-to-day roles, the study concludes that it can lead to better outcomes for the firm and employees at large.

Policy Recommendations

The researcher gives recommendations to help all directors and managers in corporations, businesses, or other organizations with the audacity to draft plausible strategic plans, regulations, or policies. These recommendations will pivotally enhance the current knowledge of these bodies, among others. Grounded on the findings, the research study implies that strategic leadership, resource allocation, and education and training positively and significantly influenced the performance of SMEs. In this regard, therefore, SME enterprise management should include strategic implementation practices in their plans and in the enterprise structure to ensure that there is a high continuity of performance. Other companies and corporations in private or public sectors should also adopt strategy implementation practices for performance improvement.

VI. Limitations and Future Research Direction

The study findings and inferences made from this research study were delimited to the constructs of strategy implementation practices and performance in the context of selected small and medium-sized enterprises in Nakuru County, Kenya. It is, therefore, necessary for future researchers to undertake a replicative empirical study similar to SME enterprises in other counties in Kenya and extend the investigations to firms in other sectors and industries to validate the results and conclusions of this study. For instance, a triangulation approach can be followed to gain richer and deeper details to discover the influence of strategy implementation practices from another point of view.

Similarly, decision-making in SMEs needs to be assessed further using simpler models of framework development, which SMEs can use to make informed implementation decisions in firms. Other factors that may have yet to be accounted for in the study's estimated model in the coefficient determination also warrant future researchers' attention.

References

[1]. Aboramadan, M., & Borgonovi, E. (2016). Strategic Management Practices As A Key Determinant Of Superior Non-Governmental Organizations Performance. Problems Of Management In The 21st Century, 11(2), 71.

[2]. Ajuna, A., Ntale, J., & Ngui, T. (2018). Impact Of Training On The Performance Of Women Entrepreneurs In Kenya: Case Of Meru Town. International Academic Journal Of Innovation, Leadership And Entrepreneurship, 2(2), 93-112.

[3]. Ali, M., Lei, S., & Wei, X. Y. (2018). The Mediating Role Of The Employee Relations Climate In The Relationship Between Strategic HRM And Organizational Performance In Chinese Banks. Journal Of Innovation & Knowledge, 3(3), 115-122.

[4]. Assensoh-Kodua, A. (2019). The Resource-Based View: A Tool Of Key Competency For Competitive Advantage. Problems And Perspectives In Management, 17(3), 143.

[5]. Atandi, F. G. (2021). Role Of Entrepreneur's Competence On Growth Of Small And Medium Enterprises. International Journal Of Management & Entrepreneurship Research, 3(2), 84-96.

[6]. Bamel, U. K., & Bamel, N. (2018). Organizational Resources, KM Process Capability And Strategic Flexibility: A Dynamic Resource-Capability Perspective. Journal Of Knowledge Management, 22(7), 1555-1572.

[7]. Forth, J., & Bryson, A. (2019). Management Practices And SME Performance. Scottish Journal Of Political Economy, 66(4), 527-558

[8]. Garavan, T., Watson, S., Carbery, R., & O'Brien, F. (2016). The Antecedents Of Leadership Development Practices In Smes: The Influence Of HRM Strategy And Practice. International Small Business Journal, 34(6), 870-890.

[9]. Ireri, A., & Deya, J. (2019). Influence Of Strategic Plan Implementation Drivers On The Performance Of Automobile Companies In Kenya. International Academic Journal Of Human Resource And Business Administration, 3(5), 279-295.

[10]. Jost, J. T. (2019). A Quarter Century Of System Justification Theory: Questions, Answers, Criticisms, And Societal Applications. British Journal Of Social Psychology, 58(2), 263- 314.

[11]. Kandie, H. K., & Koech, A. K. (2015). Factors Influencing Strategy Implementation At The National Treasury Ministry In Kenya. European Journal Of Business And Management, 7(10), 1-10.

[12]. Katz, D., & Kahn, R. L. (1978). The Social Psychology Of Organizations (Vol. 2, P. 528). New York: Wiley.

[13]. Kasuni, J., Mandere, E., & Njeru, P. (2022). Investigating The Influence Of Strategic Leadership On Financial Performance Of Commercial Banks In Kenya. International Academic Journal Of Human Resource And Business Administration, 3(10), 313-328.

[14]. Katuse, P. (2018). Influence Of Organizational Resources On Organizational Effectiveness. American Journal Of Industrial And Business Management, 8(06), 1634-1656.

[15]. Kothari, C. R. (2004). Research Methodology: Methods And Techniques. New Age International.
[16]. Krosnick, J. A. (2018). Questionnaire Design. The Palgrave Handbook Of Survey Research, 439-455.
[17]. Leedy, P. D., & Ormrod, J. E. (2015). Practical Research. Pearson.
[18]. Lopez Rodriguez, J., & Serrano Orellana, B. (2020). Human Capital And Export Performance In The Spanish Manufacturing Firms. Baltic Journal Of Management, 15(1), 99-119.
[19]. Mišanková, M., & Kočišová, K. (2014). Strategic Implementation As A Part Of Strategic Management. Procedia-Social And Behavioral Sciences, 110, 861-870.
[20]. Muathe, S. M. A. (2010). The Determinants Of Adoption Of Information And Communication Technology By Small And Medium Enterprises Within The Health Sector In Nairobi, Kenya. Unpublished Phd Thesis, Kenyatta University.
[21]. Mui, H. K. Y., Basit, A., & Hassan, Z. (2018). The Impact Of Strategic Leadership On Organizational Performance Of Small, Medium Enterprises (SME) In Malaysia. Journal Of Leadership And Management, 13(9), 154-166.
[22]. Mugenda, O. M., & Mugenda, A. G. (2003). Research Methods: Quantitative And. Qualitative. Approaches. Nairobi.
[23]. Muriuki, J. W., Cheruiyot, T., & Komen, J. (2017). Strategic Management Practices And Sustainability Of State Corporations. European Journal Of Business And Social Sciences, 6(6), 38-49.
[24]. Muthimi, J. K., Kilika, J. M., & Kinyua, G. (2021): Exploring The Role Of Inspirational Motivation To Institutions Of Higher Learning Empirical Evidence From Selected Universities In Kenya. International Journal Of Research In Business And Social Science. 10(4), 455-466.
[25]. Muthimi, J. K., & Kilika, J. M. (2018). Leadership Strategy, Behavioural Focus And Firm Performance: A Review Of Literature. International Business Research; 11(11), 143- 163.
[26]. Ngigi, L. N., & Odiyo, W. (2017). The Influence Of Strategy Implementation On The Performance Of Micro Enterprises In Ruiru Sub County, Kiambu County, Kenya. International Journal Of Management And Sustainability, 6(1), 1-7.
[27]. Nyong'a, T. M., & Maina, R. (2019). Influence Of Strategic Leadership On Strategy Implementation At Kenya Revenue Authority, Southern Region In Kenya. International Academic Journal Of Human Resource And Business Administration, 3(5), 128-159.
[28]. Oh, S. Y., & Han, H. S. (2020). Facilitating Organisational Learning Activities: Types Of Organisational Culture And Their Influence On Organisational Learning And Performance. Knowledge Management Research & Practice, 18(1), 1-15.
[29]. Penrose, E. (1959). The Growth Theory Of The Firm.
[30]. Pisicchio, A. C., & Toaldo, A. M. M. (2021). Integrated Marketing Communication In Hospitality Smes: Analyzing The Antecedent Role Of Innovation Orientation And The Effect On Market Performance. Journal Of Marketing Communications, 27(7), 742-761.
[31]. Ramosaj, B. (2014). Systems Theory And Systems Approach To Leadership. ILIRIA International Review, 4(1), 59-76.
[32]. Schulz, M., Augier, M., & Teece, D. (2015). The Palgrave Encyclopedia Of Strategic Management.
[33]. Steers, R. M., & Osland, J. S. (2019). Management Across Cultures: Challenges, Strategies, And Skills. Cambridge University Press.
[34]. Subramony, M., Segers, J., Chadwick, C., & Shyamsunder, A. (2018). Leadership Development Practice Bundles And Organizational Performance: The Mediating Role Of Human Capital And Social Capital. Journal Of Business Research, 83, 120-129.
[35]. Taouab, O., & Issor, Z. (2019). Firm Performance: Definition And Measurement Models. European Scientific Journal, 15(1), 93-106.
[36]. Valentinov, V., & Hajdu, A. (2021). Integrating Instrumental And Normative Stakeholder Theories: A Systems Theory Approach. Journal Of Organizational Change Management, 34(4), 699-712.
[37]. Walter, J. O., & Vincent, N. M. (2018). Organizational Resources And Performance Of Kenyan State Corporations. European Scientific Journal, ESJ, 14, 34-91.
[38]. Wheelen, T. L., Hunger, J. D., Hoffman, A. N., & Bamford, C. E. (2017). Strategic Management And Business Policy (Vol. 55). Boston: Pearson.