

# Influence Of Strategic Management Practices On Performance Of Quantity Surveying Firms In Nairobi County

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## Abstract:

**Background:** Strategic planning and management have a direct connection to a firm's economic performance. Strategically focused firms tend to post better results than firms that do not embrace strategic management (Simerson, 2011). Strategic planning provides clear direction, prevents misallocation of resources, and enables optimal performance (Simerson, 2011). In the 21st century and current business trends, firms need clear strategies to enter new markets successfully, maintain market share, and gain competitive advantage through technology adoption. Strategic management deals with a firm's preferred business and competitive strategy for profitability (Alabi & Israel, 2014).

**Materials and Methods:** The target respondents will those in top management positions or managing partners of the firms, due to the nature of the research. At the firm level therefore, the respondents from the registered quantity surveying consultancy firms was selected via purposive sampling. Purposive sampling assumes that with good judgment and right strategy, elements can be handpicked and developed as representative of a population (Hoyle, Harris and Jude, 2002). A study by (Saunders, Lewis and Thornhill, 2012) contend that the larger the sample size the lower the likelihood of error in generalizing to the population. They also inform us that the choice of sample size is governed by: the confidence the researcher need to have in their data, the margin of error that they can tolerate, the type of analysis to be undertaken, and to a lesser extent, the size of the total population from which your sample is being drawn. The sample size is a representative of the target population. (Gay et al. 2003) also argue as noted earlier that a sample size of between 30% and 50% of the total populace is a representative and adequate for the analysis.

**Results:** The entire model was statistically significant in predicting the performance of quantity surveying firms, as shown by F statistics of 70.347 and a p value of 0.05. The R provides a 67.5% variation on the performance of quantity surveying firms which can be explained by the three independent variables. As a result, the complete model was found to be a good fit.

**Key Word:** Strategic Management Practice, Performance of Quantity Surveying Firms

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## I. Introduction

Strategic planning and management have a direct connection to a firm's economic performance. Strategically focused firms tend to post better results than firms that do not embrace strategic management (Simerson, 2011). Strategic planning provides clear direction, prevents misallocation of resources, and enables optimal performance (Simerson, 2011). In the 21st century and current business trends, firms need clear strategies to enter new markets successfully, maintain market share, and gain competitive advantage through technology adoption. Strategic management deals with a firm's preferred business and competitive strategy for profitability (Alabi & Israel, 2014).

Although facing regional differences, primary drivers of growth in African economies have been rapidly emerging consumer markets, regional economic integration, infrastructure investment, technological leapfrogging, and opening of new service sector markets (George et al., 2016). However, African economies remain largely agrarian, resource-driven, and dominated by the informal sector (George et al., 2016; Asongu and Tchamyu 2016). In Kenya, with trends like recession and globalization, firms are expected to turn to strategic management for future success (Aosa, 2011). Strategic management provides overall direction through specifying objectives, developing policies/plans, and allocating resources (Kanyora & Okello, 2015). There is limited scholarly literature on strategic formulation, implementation, assessment and control in Kenyan private firms.

## Concept of Strategic Management

It encompasses the execution of the actions and putting in place measures that allow resources to be aligned and decisions to be assessed based on the long-term objectives (Marksberry, 2012). As a process, it comprises setting organization's goals, developing policies and strategies to achieve the goals and establishing a

detailed implementation plan to ensure the ends are met (Steiner, 2010). Therefore, the strategy should be focused on an organization's competitiveness, positioning in the industry and how to use the strengths to a strategic advantage. There are various approaches of strategic devising. For an overall concept and plan strategy, strategic approach is considered the overall planning which effectively aids the management of a process. It is also an organization's process of defining its strategy and resolving on resources allocation to pursue the strategy.

### **Strategic Approach Practices**

Project implementation refers to the practical execution of planned Strategy and strategic approach history date back from ancient Greece to the 21st century. Unlike mathematics, physics or material science, the strategy does not involve of universal truths that can be documented through scientific theorems and proofs (Steiner, 2010). However, the history of strategic approach shows that scientific and management advancements have been integrally related to the field for centuries. Strategic approach fuses a combo of quantitative and qualitative fields' ideologies. Management and industrial sciences have formalized the domains of operations, logistics, and finance and complemented the quantitative aspect with the qualitative human dimensions of psychology, sociology and human resource management. The combined quantitative and qualitative elements address diverse organization needs including professional, technical, and strategic demands. Strategic planning models have been proposed by numerous academic and business writers to enhance the development of new strategies. (Steiner, 2010; Nelson, 2008; Marksberry, 2012). These strategic planning models offer specific instructions on how to approach, execute and evaluate the development of strategic concepts. There is a rapid increase in strategic planning methods which is a common attribute of any topic that focuses on procedural processes.

### **Quantity Surveying Consultancy Firms in Nairobi**

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

### **Statement of the Problem**

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

Previous studies on the quantity surveying consultancy firms in Kenya have focused majorly on the financial aspect of the profession impacting on the services in Kenya. A study by Aosa (2012) looked at the strategic issues and challenges facing Kenyan firms in general. The major challenges to the firms were that most local firms were within the family control and hence had no knowledge of strategic management practices as opposed to multilateral firms with support from their mother organization which employed the use of strategic management in their operations. While these studies have highlighted the challenges facing the firms in Kenya, no study has been done in the quantity surveying consultancy firms in Kenya in relation to the influence of strategic planning practices on the performance. Consequently, there is a need for a study to establish how the strategic planning practices influence the performance of the quantity surveying consultancy firms.

There are different concerns and threats that affect Nairobi's competitiveness and sustainability of quantity surveying consultancy firms. The firms have experienced burdensome times especially over a continued period of lusterless achievement in the current business environment. The post-election unrest in 2007 and the 2009 Global Economic crunch caused challenges to the construction industry in Kenya and globally. Then in the recent past is the peril of terrorism in which Kenya has been affected in different sectors of the economy,

construction is one of the pillars of the economy was not spared. This has brought down the construction sector in Kenya to its lowest point ever, and the major players were affected. The protracted poor performance experienced in the last two decades has raised the concern of key stakeholders. It is therefore critical to examine and find out the strategic planning practices that are being employed and how this has impacted on the performance of the sector. Studies have been done on the importance of strategic management practices in Kenya. Kanyora & Okello (2008) conducted a study on Influence of strategic management practices on performance of construction firms in Kenya: a case of reliable concrete works limited, Kenya. Muchiti (2009) and Ongechi (2009) conducted a study on the strategic planning practices and risk management strategies adopted by commercial banks in lending to SMEs. A study by Burugo & Owour (2017) was done on the influence strategic management practices a case study of Chai trading company limited. However, these studies mainly focused on the financial achievement of the firms. Secondly, these studies were mainly surveys and case studies (Aosa, 2012; Muchiti, 2009 and Burugo & Owour, 2017). While these studies had value to the area of current research, none of them was done on the effect of strategic management practices on performance of quantity surveying consultancy firms as they were either in the private or public companies or financial institutions. Hence this gap which the current research seeks to satisfy by providing a response to the question, what influence do strategic management practices have on the performance of quantity surveying consultancy firms in Nairobi?

### **Objectives of the Study**

- i. To highlight the strategic management practices within quantity surveying firms in Nairobi;
- ii. To identify challenges facing quantity surveyor's firms in Nairobi in the formulation and operationalization of strategic management practices;
- iii. To highlight the benefits and challenges of strategic management practices within the quantity surveyor's firms in Nairobi.

## **II. LITERATURE REVIEW**

### **Dynamic Capability Concept**

The concept overran other theories of strategic management in explaining how organizations gain a competitive edge over other operating in the comparable surrounding situation. It was avant-garde by. (Teece, Pisano & Shuen, 1997). It empowers companies to think in line with establishing the strategies that will enable them to battle with other firms without compromising on their focal point This theory, therefore, links the capabilities that a firm possesses and the overall performances that results from interlinking this capability through application of strategies that are well formulated and implemented by the qualified and experienced personnel. These capabilities can be enhanced through the organization formulating the right objectives in line with its mission, vision, and strategic objective. For profit making organization these capabilities should be within the operational cost to minimize gratuitous cost implication to the firm (Zahra, Sapienza & Davidsson, 2006). Capabilities enable the firm to gestate its operation and business processes to achieve the intended cost-effective approach. In this research, therefore the concept underpins the belief that capabilities can influence how strategies can be formulated and applied for an intended objective of the firm depending on how the environment is dynamic.

### **Setting Goals and the Firm's Performance**

Locke and Latham's (1990, 2002) goal-setting theory states that a distinct high goal leads to higher achievement than urging an individual to do their best. Three of the four mediators are primarily motivational, namely choice, effort, and persistence. A fourth mediator is primarily cognitive. A goal cues an individual to recall extant knowledge/skills necessary to attain the goal (Porter & Latham, 2013). According to (Kanyora & Okello, 2015) Goal setting in an organization performance was advanced by Locke in the 1960's essentially seeks to relate the individual and organizational goals to the long-term performance. This concept has been used to exhibit how the individual or firm's driven by the goals set seeks to develop and protect its own knowledge base. Whether individuals have the desire to produce at any given time depends on their goals and their perception of the relative worth of performance as a path to the attainment of these goals. The strength of employee's motivation to perform (effort) depends on how strongly they believe that they can achieve what they attempt and whether they have enough knowledge resources to do so. If they achieve this objective (performance), will they be decently rewarded and, if they are rewarded by the firm, will the reward satisfy their individual objectives (Cortes Ramirez, Nonaka, Von Krogh, & Voelpel, 2006). By providing leadership and a standard against which progress can be monitored, challenging goals can enable people to guide and refine their performance.

It is well detailed in the scholarly (Locke & Latham, 2006) literatures that specific goals can boost motivation and performance by leading people to focus their attention on specific goals, increase their effort to achieve these goals, persist in the face of obstacles, and develop new strategies to better deal with complicated challenges to objective attainment. Through such motivational processes, challenging objectives often lead to beneficial rewards such as acceptance, advancement, and/or increases in earnings from individual's work.

Working to gain valued objectives relieves boredom by inculcating work with a greater sense of determination. Even though setting high goals sets the bar higher to obtain self-satisfaction, attaining goals creates a heightened sense of efficacy (personal effectiveness), self-satisfaction, positive effect, and sense of well-being. By providing self-satisfaction, achieving goals often also increases organizational commitment, which in turn positively affects organizational citizenship behavior, negatively affects turnover, and increases the strength of the relationship between difficult objectives and performance.

Goal setting theory was developed by Locke and Latham to address questions of the effect of goals on performance. This theory explains an individual's performance by looking at the goals that are set. Goals can be defined as "the object or aim of an action" (Latham & Locke, 2013, p. 4). In other words, goals specify the desired out- comes or performance that should be realized, whereas performance refers to what is accomplished. The theory is not only used at the individual level but also at the team level: a team goal concerns the outcome that is aimed for by a team. In the literature, different types of performance are distinguished: organizational outcomes and behavioral outcomes. Performance, as it is measured in this article, concerns the first category: team effectiveness and efficiency as experienced by team members. Effectiveness and efficiency are very common outcome measures in the private sector (Porter & Latham, 2013). Achieving organizational or departmental performance expectations in times of uncertainty may require top management and their workers to adapt in response to emerging threats or opportunities. (Mahsud, Yukl, & Prussia, 2011) contend that firm's adaptation typically involves a change in objectives and the redirection of major human resources. The role the leader plays in choosing these goals and motivating employees to commit to these goals may be one of the key adaptations required of a leader. Motivating employees to pursue goals, whether the objectives are new or existing, has been shown to be a crucial requirement in realizing desired performance results.

Distinct challenging goals do not, however, necessarily lead to such desirable individual and firm's results. (Locke & Latham, 2006) Goal setting can be used effectively in any domain in which an individual or group has some control over the results. It has been applied not only to work tasks but to sports and rehabilitation and can be applied in numerous other settings. The success of goal setting depends upon taking account of the mediators and moderators that determine its efficacy and applicability.

### **Strategic Management Practices**

Very little has been written on strategic management practices in less developed countries and more so in Africa (Aosa, 2011). Strategic Planning originated from military warfare (Carron, 2010). The word strategy is from the Greek word *strategos*. The term was used by the Greek for military officials voted in by Greeks in civil posts to take leadership control during times of warfare. The intentions of the *strategos* was that to implement top-level plans to achieve sustainable war winning goal. They were expected to think big, consider all possible options and to focus on the long-term goal of winning the war (Nelson, 2008). The theory began to be applied to business in the early 1920s when Harvard Business School came up with a policy model which was then taught to students (Varbanova, 2013). The model established systematic assessments of strengths, weaknesses, opportunities, and strengths. However, the theory acquired prolonged use way after, during 1960s post the World War II (Carron, 2010). During this period, it was employed by different companies, big as well as small and included in the curriculum of various institutions of business administrations. It then became an accepted means for spearheading business strategy. The theory was later adopted by the public sector and non-profit organizations (Varbanova, 2013). Subsequently, various theories have been developed to explain the concept.

A good deal of the literature on corporate strategy development was concerned with helping companies which were threatened with the end of life to plan their course into new business environment. In brief, the theory of strategic management developed during difficult economic adversity and dynamic environment, so over the years much of the empirical research in the strategic management was centered on identifying which set of strategies seen to enable business firms to achieve economic success. Early studies carried out by management researchers concluded that increased profitability does not normally accompany the application of strategic management (Dauda, 2010). Dauda further indicates that a significant number of recent investigations suggest that an efficient and effective strategic management system can increase profitability. More recent empirical evidence indicates that on the average, companies that practice strategic management outperform those that do not. Recent major studies of strategic management carried out in Nigeria by (Oyedijo & Akinlabi, 2004 & 2008, Nmadu, 2007 and Akingbade, 2007) have found support for the strategic management and corporate

performance hypothesis. For instance, these studies revealed that a SMEs corporate financial performance tends to increase with a unit increase in the level of practice of strategic management. The higher the overall level of strategic management practice by a SMEs, the higher the financial performance of the SMEs expressed in terms of earnings per share, profit before tax, return on capital employed, net asset, current or working capital ratio, increase in relative market share, continuing addition of new products and products lines, and total deposits. For all the financial performance indicators used, performance tended to increase significantly as the level (or degree of sophistication) of strategic management increased (Dauda, 2010). A study by (Aosa,

2011) discovered that most Kenyan companies have adopted strategic management. However, there were variations in company practices. Foreign companies led in strategy management practices. There were still several instances of constant, informal planning within the large and small private companies in Kenya. For some of the companies, basic financial planning (extended budgeting) is the only formal planning activity that is carried out. Foreign companies are playing a leading role in the spread and adoption of strategic management in Kenya the researcher noted.

The management of the firm turn to largely on strategic management execution and implementation. This will give a field guide on how a firm should be run to achieve its mission, vision and strategic objectives. According to (Baum, Locke & Smith 2001) organizations that have been applying strategies, for example, the porters and Ansoff's strategies have been performing excellently as compared to those that have not been well administering the strategies. A study carried out by (Dauda, 2010) discovered that Management should undertake a comprehensive study and adoption of strategic management practices in all and every aspect and areas of its concern so as to synergies, restructure, re-engineer and reposition its operations and thus enhancing the quality of its service within the dynamics of a fluid market and thereby bring about an improvement of its revenue base, its profitability, performance and effectiveness.

### **Benefits of Strategic Management Practices**

Strategic management practices can be helpful when a firm applies the approach to strategic management practices which matches the situation they are in. The gains according to (Dauda, 2010, Nmadu 2007, Akingbade,2007, Adeleke, Ogundele and Onunga, 2008) include:

- ✦ Leads to crystal definition of the firm's goals
- ✦ Provides better direction of the firm's vision to the employees
- ✦ Creates awareness to the firm's administration on the opportunities and risk in their business environment.
- ✦ Provides a platform that the management can adopt to overcome risks and unpredictability and therefore contributes to firm's success.
- ✦ Strategic management improves the quality of business decisions. Creating a more aggressive management attitude.
- ✦ Helping to consolidate the firm
- ✦ Improve the development of a constantly evolving business model that will produce sustained profitability for the business and Overall strategic management practices can make a difference! Basically, using the strategic management approach, where managers at all levels of a business interact in planning and implementation has great behavioral consequences almost like those of participative decision making (Pearce and Robinson, 2003, Adeleke, Ogundele and Oyenuga, 2008). Nmadu (2007) maintains that despite all these benefits, the greatest persuasions for use of the strategic management approach are the financial benefit associated with successful practitioners. Greater financial and competitive success than would be possible otherwise is one benefit chief executives can reasonably expect. This has been statistically proven along the lines of;
- ✦ Lasting growth rates. Gain in related market share,
- ✦ Surge in earnings, rise in earnings per share,
- ✦ Continuing addition of new products and services,
- ✦ Growth of the firm's consumer base,
- ✦ Lack of excessive seasonal or periodical change.

In summary, it would be stressed that strategic management has become more important to managers in recent years and defining the mission of their organization in specific terms have made it easier for managers to give their organization a sense of purpose. Moreover, organization that get involves in strategic management are better able to predict the future than others(Dauda, 2010).

However, (Aluko et al. 2004), (Akingbade, 2007), (Adeleke et al. 2008) have identified the following disadvantages of strategic management:

- i. It involves a great deal of time and effort, as well as thinking about figuring out and forecasting the most important variable in a business for, say, 20 years and above. The effort involved could be too much for the available staff.
- ii. A strategic plan can become written-in-stone that is, rigid like the ten commandments, whereas it is supposed to be a guide.
- iii. The margin of error for a long-range environmental forecast can sometimes be quite large, as if one is forecasting profit for the next five or more years, because of the volatile nature of the economy.
- iv. It requires a considerable investment in terms money and people
- v. Some firms seem to remain at the planning stage almost perpetually, i.e. implementation and control are sometimes ignored.
- vi. It also some time, tend to restrict the organization to the most rational and risk-free opportunities, since managers might with t6 develop only those goals that could survive the detached analysis of strategic

management, while attractive opportunities that involve high degree of uncertainty or that are difficult to analyze might be avoided or overlooked.

A research (Ansoff et al. 1976) outlined the following reasons as responsible for the failure of strategic management Practices:

- ✚ Failure to understand the customer – why do they, consumer
- ✚ Inadequate or incorrect marketing research Inability to predict environment reaction
- ✚ Pricing competition among competitors
- ✚ Over-estimation of resource competence
- ✚ Can the staff, equipment and processes handle the new strategy
- ✚ Failure to develop new employee and management skills.

## **Theoretical Framework**

### **Stakeholder Theory**

In 1970 collaborators theory gained prominence as a management discipline and gradually developed and adopted by Freeman in 1984 by incorporating corporate accountability to a broad range of stakeholders. Wheeler, Colbert and Freeman (2003) argued that the stakeholder theory is derived from a blend of social and organizational disciplines. The theory is more of a broad research tradition, incorporating philosophy, ethics, political theory, economics, law and organizational science and less of a formal unified theory. For either for-profit or not-for-profit top managers and managing partners, managing a professional partnership is daunting. One logic is that the top management performance focal point shifts from firm profit or mission accomplishment to balancing that clear-cut goal with the successful dealing with the social problem. Another reason is that the stakeholder relationships for the collaborative drive are complex, involving multiple stakeholders with varying interests and goals (Savage et al., 2011).

Minoja ( 2012) contend, first, that an ambidextrous approach to stakeholder management is conducive to stakeholders' commitment to cooperate for the sustainable well-being of the firm and, second, that firm strategy and key decision makers' ethical commitment moderate the relationship between an ambidextrous stakeholder management and stakeholder commitment to cooperate. Furthermore, drawing on this theoretical framework, he attempts to address the call for the integration of strategy and ethics by proposing a three-level conceptual model that distinguishes the objectives, the field, and the levels of integration. Finally, he frames a set of recommendations that, taken together, represent the first attempt to develop a dynamic approach to stakeholder management.

### **Resource Based View Theory**

The resource-based view (RBV) theory hypothesizes that a firm's competitive advantage stems from its unique resources. These resources can be tangible (financial, technological, physical, organizational) or intangible (human, reputation, innovation). The VRIO framework assesses the value, rarity, inimitability, and organization of a firm's resources and capabilities. Resources that add value, are rare, difficult to imitate, and effectively organized can provide a competitive edge. The theory assumes that firms within an industry possess heterogeneous resources and that valuable resources are imperfectly mobile across firms. While debates continue regarding the RBV's theoretical foundations and tautological nature, its emphasis on internal resources as sources of competitive advantage has significantly influenced strategic management practices, particularly in areas like knowledge management, learning, and dynamic capabilities. The RBV principles highlight the importance of strategic investments in building valuable capabilities through cross-functional business processes.

## **III. Research Methodology**

### **Research Design**

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

### **Sample Size and Sampling Procedure**

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

The target respondents will those in top management positions or managing partners of the firms, due to the nature of the research. At the firm level therefore, the respondents from the registered quantity surveying consultancy firms was selected via purposive sampling. Purposive sampling assumes that with good judgment and right strategy, elements can be handpicked and developed as representative of a population (Hoyle, Harris and Jude, 2002). A study by (Saunders, Lewis and Thornhill, 2012) contend that the larger the sample size the lower the likelihood of error in generalizing to the population. They also inform us that the choice of sample size is governed by: the confidence the researcher need to have in their data, the margin of error that they can tolerate, the type of analysis to be undertaken, and to a lesser extent, the size of the total population from which your sample is being drawn. The sample size is a representative of the target population. (Gay et al. 2003) also argue as noted earlier that a sample size of between 30% and 50% of the total populace is a representative and adequate for the analysis.

### **Data Collection**

Primary data collection method was adopted for the study. Questionnaires was used to capture the needed data from the target populace. The questionnaires will have structured with closed questions and which the researcher personally administered to the respondents. Open ended questions will permit free responses from the respondents without providing any suggestions or on the expected results. The research questions were set on a Likert scale, which reduces misinterpretation of the questions and gives easier guidance to the respondents. According to (Cooper et al. 2006), states that a Likert Scale can be defined as a design to examine how strongly linked subjects agree or disagree with statements usually on five-point scale (Sekeran, 2003). According to (Myers & Hansen, 2006), the Likert Scale is the most frequently used variation of the summated rating scale where the individuals who take part in the activity are asked to express a favorable or unfavorable attitude toward the object of interest. The responses are given a numerical score and the scores measure the participant's overall attitude. The Likert Scale is easy and quick to construct, reliable and provides a greater volume of information than other scales. The question forms washand delivered and emailed to the firms using their registered mail contacts within Nairobi.

### **Research Procedure**

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

### **Data Analysis Method**

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

## IV. Result

### Inferential Statistics

In this study, Pearson’s correlation coefficient was used to establish the relationship between the variables. Multiple linear regression was used to predict performance of firms using the three independent variables, including strategic management practices, challenges facing quantity surveyor’s firms and benefits of strategic management practices.

**Table 1 Model Summary**

Model	R	R Square	Adj. R Square	Std. Error of Estimate	F Change
1	.675 <sup>a</sup>	.456	.450	.42187	70.347

Source: Researcher 2018

**a) Predictors: (Constant),** strategic management practices, challenges facing quantity surveyor’s firms and benefits of strategic management practices

**b) Dependent Variable:** Performance of performance of quantity surveying firms

The results in 1 indicate that the entire model was statistically significant in predicting the performance of quantity surveying firms, as shown by F statistics of 70.347 and a p value of 0.05. The R provides a 67.5% variation on the performance of quantity surveying firms which can be explained by the three independent variables. As a result, the complete model was found to be a good fit.

**Table 2 Analysis of Variance ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	56.486	4	14.122	79.347	.000 <sup>b</sup>
	Residual	67.452	54	.178		
<b>TOTAL</b>		<b>123.938</b>	<b>58</b>			

**a) Predictors: (Constant),** strategic management practices, challenges facing quantity surveyor’s firms and benefits of strategic management practices

**b) Dependent Variable:** Performance of performance of quantity surveying firms

The analysis of variance (ANOVA) presented in Table 2 assesses the significance of the regression model in explaining the variability in the dependent variable, performance of performance of quantity surveying firms. The ANOVA table provides key statistics to evaluate the overall effectiveness of the model. The regression model, which includes predictors such as strategic management practices, challenges facing quantity surveyor’s firms and benefits of strategic management practices, is observed to be statistically significant (F = 79.347, p < 0.001). The model's ability to explain the variance in the dependent variable is supported by a substantial sum of squares (56.486) and a mean square of 14.122. These values collectively contribute to a high F-statistic, indicating that the predictors jointly have a significant impact on the performance of performance of quantity surveying firms. The residuals, representing the unexplained variance in the dependent variable, account for a sum of squares of 67.452. The mean square for residuals is 0.178, reflecting the average unexplained variance.

**Table 3 Regression Coefficient**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
<b>Constant</b>	2.263	.122		5.340	.000
Strategic management practices	.128	.011	.112	2.376	.000
Challenges facing quantity surveyor’s firms	.476	.113	.464	2.793	.000
Benefits of strategic management practices	.114	.117	.110	3.572	.001

The equation for the regression becomes:  $Y = 2.262 + .128X_1 + .476X_2 + .114X_3$

The regression coefficient table offers a detailed examination of the relationships between the predictor variables; strategic management practices, challenges facing quantity surveyor’s firms and benefits of strategic management practices, performance of performance of quantity surveying firms. Starting with the constant term, which represents the estimated value of the dependent variable when all predictor variables are zero, the value is 2.263. This constant is statistically significant (p < 0.001), as indicated by the high t-value of 5.340.

An increase of one unit in strategic management practices is associated with an estimated increase of 0.128 units in the dependent variable. The standardized coefficient (Beta) of 0.112 emphasizes the relative importance of this variable in the model. The significance level (p < 0.001) suggests that strategic management practices is a meaningful predictor. A one-unit increase in challenges facing quantity surveyor’s firms



corresponds to an estimated increase of 0.476 units in the dependent variable. The relatively high standardized coefficient (Beta) of 0.464 highlights the substantial impact of this variable after accounting for its scale. The significance level ( $p < 0.001$ ) reinforces the statistical significance of challenges facing quantity surveyor's firms as a predictor. For each unit increase in benefits of strategic management practices, the dependent variable is estimated to increase by 0.114 units. The standardized coefficient (Beta) of 0.110 indicates a positive relationship, emphasizing the importance of this variable. The significance level ( $p < 0.01$ ) suggests that benefits of strategic management practices is a statistically meaningful predictor.

## **V. Discussion**

### **Research findings, conclusion and recommendation**

The summary of findings and discussion is presented based on each variable/objective the findings are linked to the literature review and thematic responses from interviews and focused group discussion.

### **Summary of the findings**

The study's findings paint a vivid picture of the strategic landscape within quantity surveying firms, shedding light on their practices, challenges, and perceived benefits. This section summarizes the key findings, providing a holistic understanding of the research outcomes. The study revealed that the respondents were predominantly from firms with highly educated employees, with a staggering 86.2% having attained university-level or post-university qualifications. This highlights the emphasis placed on academic excellence within the industry. The respondents themselves were primarily quantity surveyors (62.1%), followed by office managers (22.4%) and directors of operations (15.5%), reflecting a diverse range of perspectives. The majority of firms (63.8%) were registered businesses, indicating a level of formality and adherence to regulatory frameworks. Notably, a substantial 81% of firms had been operating for more than six years, underscoring their extensive industry experience and longevity. The firms exhibited a varied ownership structure, with sole proprietorships (46.6%) being the most prevalent, followed by partnerships (34.5%) and limited liability companies (18.9%). This diversity in organizational forms suggests the adaptability of the industry to different business models.

Furthermore, the firms displayed a range of employee sizes, with the largest group (29.3%) employing between 21 and 25 individuals. This diversity in workforce size reflects the scalability of operations within the industry, catering to varying project demands and resource requirements. The study revealed a general consensus among respondents regarding their firms' engagement in strategic management practices. These practices encompassed various aspects, such as charging lower prices than competitors, reducing labor input through automation, actively pursuing cost reduction strategies, securing access to low-cost raw materials, streamlining administrative costs, and outsourcing functions to control expenses. This comprehensive approach to strategic management practices demonstrates the firms' commitment to enhancing competitiveness and operational efficiency, reflecting their adaptability to market dynamics and their proactive pursuit of cost optimization strategies. While acknowledging the adoption of strategic management practices, respondents also highlighted the challenges they faced in implementation. A recurring challenge was the significant time and effort required for strategic management, which often proved overwhelming for available staff resources. However, respondents disagreed with the notion that the implementation and control of strategic management practices were rarely undertaken, indicating a sustained commitment to strategic initiatives despite the challenges.

Respondents identified the failure to understand customers and the difficulty in predicting environmental reactions as formidable obstacles. These challenges underscore the complexities of navigating dynamic market conditions and the ever-evolving needs and expectations of clients. Respondents generally agreed that they faced intense competition in pricing among their competitors, further amplifying the need for robust strategic management practices to maintain a competitive edge. Despite the challenges, respondents acknowledged the benefits of strategic management practices within their firms. They agreed that top management took formal responsibility for the firms' strategic business planning, demonstrating leadership commitment and accountability. Strategic planning was considered a top priority activity, performed regularly, often on an annual basis. This systematic approach to strategic planning highlights the recognition of its importance for organizational success and long-term sustainability. Respondents indicated that their organizations followed defined procedures in their strategic planning processes, suggesting a structured and methodical approach to strategy formulation and execution.

Resources, including managers' time, financial allocations, and staff support, were specifically earmarked for strategic planning purposes, underscoring the firms' dedication to this critical aspect of their operations.

However, the study revealed slightly lower agreement regarding the presence of a written mission statement within firms compared to other strategic practices. While prevalent, this finding suggests potential room for improvement in formalizing and communicating the firms' overarching purpose and guiding principles. The inferential statistics provided further validation of the study's findings, revealing significant relationships between

the variables under investigation. The regression model, encompassing strategic management practices, challenges facing quantity surveyor's firms, and benefits of strategic management practices, was found to be statistically significant in predicting the performance of quantity surveying firms ( $F = 79.347$ ,  $p < 0.001$ ). Notably, strategic management practices ( $\beta = 0.112$ ,  $p < 0.001$ ), challenges facing quantity surveyor's firms ( $\beta = 0.464$ ,  $p < 0.001$ ), and benefits of strategic management practices ( $\beta = 0.110$ ,  $p < 0.01$ ) were all identified as significant predictors of the performance of quantity surveying firms. These findings quantitatively reinforce the importance of strategic management practices, the impact of challenges faced, and the recognition of associated benefits in driving firm performance within the quantity surveying industry.

### **Conclusion**

Based on the findings and discussions, the following conclusions can be drawn:

Quantity surveying firms in the study generally engage in strategic management practices, recognizing their importance for gaining a competitive advantage and improving performance. These practices encompass various cost optimization strategies, pricing tactics, and operational efficiencies, demonstrating the firms' adaptability and proactive approach to market dynamics.

Despite their commitment to strategic management practices, these firms face significant challenges in implementation, including time and resource constraints, difficulties in understanding customers' evolving needs, and the complexities of predicting environmental changes. These challenges underscore the need for robust strategic planning processes and the allocation of adequate resources to address these obstacles effectively.

The benefits of strategic management practices, such as top management commitment, regular strategic planning activities, defined procedures, and resource allocation, are widely acknowledged by the firms, contributing to their overall performance and long-term sustainability. However, the slightly lower emphasis on formalized mission statements suggests a potential area for improvement in communicating the firms' overarching purpose and strategic direction.

The regression model's findings highlight the significant impact of strategic management practices, challenges faced, and perceived benefits on the performance of quantity surveying firms.

### **Recommendations**

Based on the conclusions drawn from the study, the following recommendations are proposed:

Quantity surveying firms should prioritize the allocation of adequate resources, including time, skilled personnel, and financial resources, for strategic management practices. This will address the challenges of time and effort constraints identified in the study, enabling more effective implementation and monitoring of strategic initiatives.

Firms should invest in robust market research and environmental scanning activities to enhance their understanding of customer needs and anticipate changes in the business environment more effectively. This can be achieved through dedicated market research teams, collaborations with industry associations, and leveraging advanced data analytics tools.

The development and implementation of well-defined mission statements should be emphasized within firms. These mission statements should clearly articulate the firms' overarching purpose, values, and strategic direction, fostering alignment among employees and stakeholders. Regular reviews and communication of these mission statements can ensure their relevance and effective dissemination throughout the organization.

Firms should embrace a culture of continuous improvement in their strategic management practices. Regular reviews, monitoring, and adjustments should be undertaken to address emerging challenges, leverage potential benefits effectively, and adapt to the dynamic business environment. This may involve establishing dedicated strategy review committees or incorporating agile methodologies into strategic planning processes.

Firms should invest in professional development and training programs for managers and employees to enhance their strategic management capabilities. These programs could focus on strategic planning, implementation, control processes, leadership development, and change management skills, ensuring that the organization has the necessary competencies to navigate the complexities of strategic management effectively.

Quantity surveying firms should actively collaborate with industry associations, educational institutions, and other stakeholders to facilitate knowledge sharing and the dissemination of best practices in strategic management. This can foster a culture of continuous learning, promote cross-pollination of ideas, and drive innovation within the industry.

### **Suggestions for Further Study**

While this study has contributed valuable information into the strategic management practices, challenges, and benefits within quantity surveying firms, further research can be conducted to address the following areas:

A study to examine the impact of strategic management practices on firm performance over an extended period would be beneficial. Such studies could capture potential changes and adjustments in the firms' strategies, providing a more comprehensive understanding of the long-term effects of strategic management practices.

A study should be conducted to investigate specific factors that contribute to the challenges faced by firms in understanding customer needs and predicting environmental changes which could yield valuable information.

A research should be undertaken to explore the role of organizational culture, leadership styles, and employee engagement in facilitating the effective implementation of strategic management practices within quantity surveying firms.