

An Empirical Survey On The Effect Of Strategic Thinking On The Performance Of Agribusiness Companies Listed At The Nairobi Securities Exchange In Kenya.

Joyce Wangui Kamau
Pan Africa Christian University – Kenya

Dr Eunice Ngina
Daystar University – Kenya

Dr Alexander Kyule
Catholic University – Kenya

Abstract

The Agribusiness sector in Kenya is the backbone of the economy and contributes to about 30% of the annual GDP. However, although the agribusiness sector plays an important role in the economy, and the government is putting great efforts into supporting it, there have been myriad challenges. From the literature reviewed, the impact of strategic thinking on the performance of Agribusiness Companies has not been fully ascertained. Against this scholarly gap, this study sought to investigate the effect of strategic thinking on the performance of agribusiness companies listed on the Nairobi securities exchange in Kenya. The study applied a mixed research method and was anchored on the Liedtka Strategic Thinking Model and the Balanced Scorecard Model. The target population was all the six-agribusiness companies listed on the Nairobi securities exchange in Kenya. The respondents were 120 management staff including the directors, the heads of departments, middle and lower or supervisory level managers. Quantitative data from the close-ended questions were analysed using Statistical Package for Social Sciences (SPSS Version 28.0). Qualitative data gathered from the open-ended questions were clustered into themes and then broad categories developed. To determine the strength of the model, R^2 was used. F – Statistic computed at 95% confidence level and hypothesis test based on P -values of 5% significant level. The results indicated that strategic thinking positively affects the performance of agribusiness companies listed on the Nairobi securities exchange in Kenya. The study recommends that strategic thinking be enhanced in organizations by investing in leadership development programs that promote cognitive and analytical skills, enabling leaders to identify opportunities and mitigate risks, while envisaging possible solutions to unknown future challenges.

Keywords: *(Strategic thinking, agribusiness companies, organizational performance).*

Date of Submission: 01-03-2025

Date of Acceptance: 11-03-2025

I. Introduction

In this fast-paced and complex world, success in any field requires not only intelligence or hard work but also a multifaceted approach to the dynamic issues, which are prominent in the business environment. At the core of every success lies a powerful skill that is frequently overlooked. Strategic thinking is an inimitable skill that differentiates a person or an enterprise for a unique competitive advantage. Strategic thinking goes beyond the natural senses to the realm of visualization. This is the ability to create mental pictures of the desired outcome (Mbaya, 2021). It is also involved with a critical analysis of the past and present trends to predict the future (Oloo et al., 2021). Strategic thinkers do not settle or make decisions on the face value of things, but through a clear understanding of the environment they are operating within. This enables them to leverage the available resources for a desired future. According to Nyaywera et al, (2018), strategic thinking encompasses traits that include resilience, critical thinking, flexibility, and following through plans to their execution. It entails the art of seeing the bigger picture and avoiding the mistakes of making unsolicited decisions or immediate gratification. It's about analyzing every option and moving from a reactive to a more proactive mindset thus influencing the environment instead of reacting to it.

The strategic thinking capacity of leaders in the Agribusiness Company was assessed by their ability to establish and execute well-thought-out goals, tactics, and new ideas to enhance performance in a dynamic business environment. In exploring the concept of strategic thinking, Mbaya et al, (2021) suggest the following strategic thinking elements: intelligent opportunism, thinking in time, hypothesis-driven perspective, intent-focused, and systems perspective. The agribusiness industry requires strategic leaders with cognitive abilities to

envision the future scan the environment for opportunities and leverage available resources to steer their companies to greater competitive advantage. At the same time, agribusiness sector leaders should create mental pictures of the future they envisage. This is possible through intentionally focusing on the present situation and making appropriate arrangements for the future. This study adopted three strategic components noted by Mbaya et al, (2021): intent focus, intelligent opportunism and timely decisions.

Muraguri (2016) refers to intent focus as the relentless pursuit towards goal accomplishment through strategically linking together the mission, vision and objectives of an organization. Intent focus or strategic intent helps individuals in a company to direct their attention towards the company's goal, resisting distraction and focusing on the company's goals until they are achieved (Piorkowska et al, 2021). Obonyo (2020) observed that intent focus involves intentionality in decision-making and direction. It is therefore the guiding principle that organizations use while expressing their mission, vision and even objectives. Leaders with the ability to focus intently give their organizations a competitive advantage through the effective utilization of available resources.

Intelligent opportunism emphasises the capability to identify and exploit opportunities. As noted by Oloo et al, (2021), intelligent opportunism incorporates critical thinking and the ability of leaders to allow new experiences, which would give them an advantage of emerging opportunities. This means that leaders should combine strategy and opportunity through creative thinking to obtain greater results. According to Mbaya (2021), intelligent opportunism enables a firm to gain an advantage by exploiting emerging opportunities. Due to the current dynamic environment, intelligent opportunism is critical in the effective performance of agribusiness companies in Kenya.

As noted by Mbaya (2021) timely decisions or thinking in time is all about connecting the past, the present, and the future, learning from the past and using the lessons learnt to predict the future. This helps strategic leaders to plan and allocate resources for the future they predict. Strategic leaders in the agribusiness sector would benefit from this ability to make timely decisions by envisioning the future and by incorporating the future, present and past in strategic planning.

Due to the rapidly evolving, highly volatile business environment, performance is a major concept and the central focus of any contemporary organisation. Performance is fundamental in any enterprise thus understanding and mitigating the factors that would affect performance is very important. Akipa et al, (2021) advance that performance is the most important aspect of any organisation, whether for-profit or non-profit and therefore, the leadership needs to understand the factors that influence performance and thus promote them.

According to Akpa et al, (2021), organisational performance is the extent to which an organisation attains its work mission in terms of financial outcomes, customer satisfaction, intangible assets and efficient services. As noted by Kori et al, (2020), there are various models used to measure performance. These models include; the Malcolm Baldrige model, Performance prism, the European Foundation for Quality Management (EFQM) and the Balanced scorecard model (Ivanov & Avasilcăi, 2014). Malcolm Baldrige's model, which was created by the U.S. Department in 1987, focuses on the quality of products and services. According to Ivanov and Avasilcăi (2014), performance prism is a flexible measurement tool, which can be adjusted by the management on a need basis. European Foundation for Quality Management (EFQM) indicates the cause and effect of the activities performed by a firm. The balanced scorecard was advanced by Kaplan and Norton (1996) and translates a company's mission into strategic perspectives that aid in performance measurement. It measures performance using financial perspectives, customers' perspectives, internal business processes, and learning and growth perspectives (Kori et al., 2020). This study adopted three elements of the balanced scorecard to measure the dependent variable (performance) which are the finance, customer and internal processes. These were reflected by the profitability of the firm, social performance and efficiency.

According to Sharaf-Addin and Fazel (2021), the financial perspective indicates whether there has been an effective execution of the organisational business strategy. It is a reflection of the organisation's profitability and is mainly attributed to past managerial strategic decisions and actions. Some of the financial performance indicators include profit margin, profit growth rate, return on assets (ROA), and return on equity (ROE) (Tudose et al., 2022). The profit margin as noted by Nguyen et al, (2020) refers to the ability of the firm to make a profit based on sales. Though the profit margin may be a solution to mitigate bankruptcy, Tudose et al, (2022) advance that this could just be a temporary measure of effective organizational performance. This study measured performance by assessing the profitability, cashflows and Debt/Asset ratio of the firm.

The financial measures of performance are criticised due to putting too much emphasis on one financial aspect of a business such as earnings and returns with little emphasis on the drivers of value such as employee and customer satisfaction, quality, and innovation (Singla & Chammanam, 2024). The customer perspective focuses on the principles that address customer satisfaction in the organisation. According to Bochenek (2019), customer focus is one of the major strategies top management employs to achieve financial goals. Customers are the reason organisations exist and therefore the need to ensure value in all processes and product delivery. As further noted by Bochenek (2019), customer perspective is the most important aspect of any organisation.

Therefore, the top management in the agribusiness sector can use the balanced scorecard to translate their social mission into measurable goals that focus on customer satisfaction.

As posited by Rafiq et al, (2020), the internal processes perspective refers to the policies and procedures through which a company seeks to meet its overall performance goals. It is critical in the organisation because it supports both the financial and customer perspectives. As further noted by Rafiq et al, (2020), internal processes are activities that bridge between financial and customer perspectives, for effective organizational performance. These activities include key methodologies, procedures, technologies and competencies necessary for the growth of the business and customer satisfaction. The agribusiness sector could benefit immensely by utilizing the various perspectives suggested in the balanced scorecard.

Agriculture in Kenya is one of the key drivers of the country's economy and directly contributes to 22.4 per cent of the annual GDP and another 17.1% indirectly (Kenya National Bureau of Statistics, 2022). As noted by USAID (2023), agriculture in Kenya employs 40% of the total population and 70% of the rural population. Agriculture provides more than 80% of Kenya's food security needs and generates more than 65% of its export revenue (FAO, 2023).

However, agribusiness enterprises have not performed well despite the government's strong efforts to support the agricultural industry and its significant economic contribution. USAID (2023) claims that agricultural performance has stagnated and that small and medium-sized businesses have been finding it difficult to expand their operations and improve the quality of their produce. Some of the factors contributing to these challenges may be governance and leadership's inability to create, communicate, carry out, and oversee strategic plans; accomplish strategic priorities; and carry out the activities outlined in the strategic plan (Gachuhi & Awour, 2022). This suggests that the leadership of agriculture enterprises needs to think strategically to reduce the obstacles that impede the sector's performance.

Statement of the problem

Without a doubt, Kenya's agricultural and agribusiness industry holds the key to addressing the Nation's unemployment issues. To improve the agricultural sector, the Kenyan government has implemented policies and initiatives. Kenya's Vision 2030 initiative is one such government initiative that aims to modernize the industry through competitive and modern marketing and production (GoK, 2017). In addition, the Kenyan government has implemented agricultural policies that align with Vision 2030. As an example, the 2021 Agricultural Policy on Food Security, Wealth, and Health (GoK, 2021)

Nevertheless, there are various issues facing stakeholders and the policy makers in this sector including the sector's poor growth performance (Mitullah et al., 2017). FAO et al. (2022) and Wahome and Njiraini (2021) observed the cause of this challenge as partly contributed by the leaders' inability to carry out strategic decisions, a lack of knowledge transfer, the use of outdated technology, and the absence or poor state of rural infrastructure connecting farmer facilities and commercialization locations across the nation. If these problems are not resolved, the nation will continue to experience food insecurity and a delay or failure to accomplish the Global Sustainable Development Goals (SDG) number two whose aim is to end hunger, achieve food security, improve nutrition and promote sustainable agriculture (FAO, 2023). SDG 2 seeks sustainable solutions to end hunger in all its forms by 2030 and achieve food security.

Several studies have been conducted to determine the effect of strategic thinking and organizational performance. These studies used different methodologies. Additionally, strategic thinking has been conceptualized in different ways. Some studies have used cognition, dynamics, system thinking and competitive strategies among others to conceptualize strategic thinking. Mathinji and Waithaka (2019) sought to examine the impact of strategic thinking and the performance of milk processing firms in Nyeri County, Kenya. The study that adopted a descriptive research design conceptualized strategic thinking in terms of strategic scanning and competitive strategies and concluded that strategic thinking had a positive effect on firm performance.

Additionally, other studies have been conducted in other countries. Al-Abbadi et al. (2024) examined the effect of strategic thinking on organizational excellence in Jordan's Information and Communication Technology (ICT) sector. The findings revealed that strategic thinking had a positive effect on the excellence of the firm. Olaniyi and Elumah (2016) carried out quantitative research to examine the impact of strategic thinking on firm performance in Nigeria. The quantitative study concluded that there was a significant positive relationship between strategic thinking and firm performance. As such, this study sought to fill the conceptual, contextual and methodological gaps by examining the effect of strategic thinking on the performance of agribusiness companies listed on the Nairobi Securities Exchange in Kenya.

II. Literature Review

Theoretical review

This study was premised on two models namely: Leidtka Strategic Thinking Model and the Balanced Scorecard Model.

The Liedtka Model of strategic thinking

According to Mbaya et al. (2021), Jeanne Liedtka created the Liedtka model in 1998 as a modification of Mintzberg's (1994) model. This model refers to strategic thinking as a distinct way of thinking with recognizable and distinct traits. Systems perspective, intent focus, intelligent opportunism, timely thinking, and hypothetical thinking are the five elements of strategic thinking identified by this model. According to this model, timely thinking refers to a strategic thinker's capacity to view the future from the present. This means planning and providing resources that would mitigate or reduce the effects of an uncertain future. As noted by Al-Dulaimi (2020), strategic intent refers to the ability of strategic thinking leaders to create the future they desire to see and bridge the gap between the available organisational resources and the overall goal of the organisation. It focuses on the long-term perspective of the firm and creates new horizons to keep the company competitive. On the other hand, as noted by this model, intelligent opportunism is the alertness to new openings that would give the company a competitive advantage. Liedtka (1998) viewed the component of hypothesis-driven as the ability to create good assumptions, and test and use them effectively.

Gallimore (2007) contends that the ramifications of this model are unclear, even though most authors have become quite interested in strategic thinking. Furthermore, the adoption of this strategic thinking idea has been hampered by the lack of sufficient clarification of its elements. However, strategic alignment of organizational processes with a critical assessment of the past present and future could give an organization an imminent competitive advantage (Al-Dulaimi, 2020). In this study, strategic thinking was used as the independent variable and three components of this model were used as constructs. These are; Intent focus, intelligent opportunism and thinking in time. This model was relevant to this study because it demonstrates how strategic thinking can be employed by agribusiness companies in Kenya to promote performance.

The Balanced Scorecard Model

According to Bochenek (2019), Kaplan and Norton created the Balanced Scorecard Model (BSC) in the 1990s. The four viewpoints that make up the balanced scorecard are the financial perspective, the customer perspective, the internal processes perspective, and the learning and growth perspective, according to Mbaya et al. (2021). As further noted by Mbaya et al. (2021), the balanced scorecard is adaptable and can be modified to satisfy the needs of any kind of organization, including profit and non-profit organizations. The financial perspective shows whether the organizational business strategy has been executed successfully (Sharaf-Addin & Fazel, 2021). It is primarily attributable to previous managerial strategy choices and activities and represents the profitability of the organization. The customer perspective examines how the customer views the company. Bochenek (2019) asserts that one of the primary tactics used by upper management to meet financial objectives is customer focus. Organizations must guarantee value in all processes and product delivery since customers are the reason they exist.

The internal processes perspective, as proposed by Rafiq et al. (2020), describes the rules and practices that an organization uses to try to achieve its overall performance objectives. Because it supports both the financial and consumer views, it is essential to the organization. Internal processes are actions that connect the financial and consumer viewpoints for efficient organizational performance, as further highlighted by Rafiq et al. (2020). Key techniques, protocols, technologies, and competencies required for business expansion and customer satisfaction are included in these activities. The learning and growth perspective is the process by which workers create value through capacity building, which ultimately results in the intended organizational performance (Bochenek, 2019). Learning and growth is a key determinant in staff motivation, satisfaction and performance.

Despite the model's criticism that it places too much emphasis on the organization's strategy rather than the employees, who are the primary source of the company's profit, it is widely acknowledged as a tool that can effectively measure both financial and non-financial aspects of business performance (Bochenek, 2019). Adopting the four viewpoints of the balanced scorecard would have enormous benefits for the agribusiness industry. Therefore, the dependent variable in this study—organizational performance—was premised on the balanced scorecard model.

Empirical Review

To ascertain the relationship between strategic thinking and the success of the hotel business in the United States, Ledi et al. (2024) conducted a quantitative study. Hotel performance was the dependent variable, innovation was the mediating variable, and strategic thinking was the independent variable in this study. The findings showed that strategic thinking and hotel performance were significantly positively correlated. Al-Abbadi et al. (2024) investigated the impact of strategic thinking on organizational excellence in Jordan's information and communication technology (ICT) industry. The results showed that the firm's success was positively impacted by strategic thinking. Olaniyi and Elumah (2016) conducted quantitative research to investigate how strategic thinking affects Nigerian corporate performance. The quantitative investigation found a strong correlation between business performance and strategic thinking.

To find out how strategic thinking affects the way land administration activities are performed in Kenya, Oloo et al, (2021) conducted an empirical study. The quantitative study used hypothesis-driven parameters, intelligent opportunism, and timely thinking to conceptualize strategic thinking. The results showed a strong positive correlation between strategic thinking and the performance of land administration functions in Kenya. Mbaya et al, (2021) conducted a quantitative study to ascertain the impact of strategic thinking on the performance of small and medium-sized dairy processing companies in Kenya. The results showed that strategic thinking significantly improved firm performance.

Conceptualization and Hypothesis

The conceptual framework represents the relationship between strategic thinking and performance.

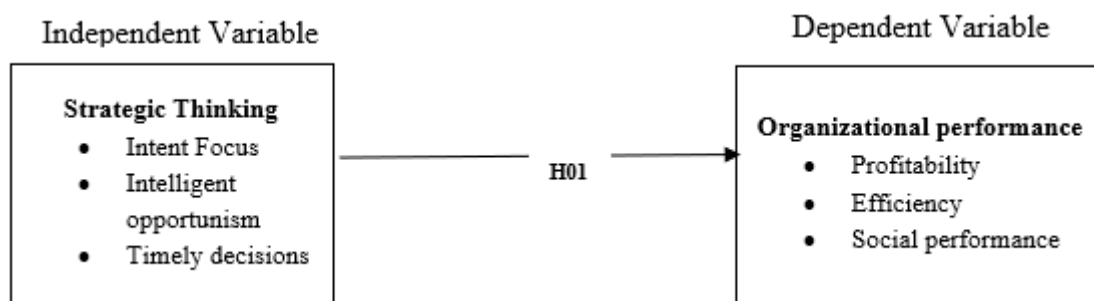


Figure 1. Conceptual framework
Source: Author (2025)

Figure 1 represents the conceptual framework, which was developed from the intense review of the literature. Strategic thinking is the independent variable that is conceptualized by intent focus, intelligent opportunism and timely decisions. Organizational performance is the dependent variable measured by profitability, efficiency and social performance. The study hypothesis was that:

H01. Strategic thinking has no significant effect on the performance of agribusiness companies listed at NSE in Kenya.

III. Research Methodology

To effectively address the research topic this study opted for a pragmatic paradigm. Ghiara (2019) affirms that there is no one way to conduct research or perceive the world and that no one approach can produce sufficient knowledge. Due to the widespread food insecurity in most regions of the world, agribusiness is today a topic of significant interest, not only in Africa but also globally. Therefore, the study needed to be both objective and well-researched. As a result, this study benefits greatly from a mixed-method research design that incorporates positivism and interpretivism techniques.

The target population for this study constituted the six agribusiness companies in Kenya listed in NSE. The unit of analysis in this study was the management staff from all six companies. The respondents were the management staff (the directors, functional heads, middle-level managers and lower-level managers or supervisors) adding up to 120 people.

A questionnaire served as the primary tool for gathering data for this study. Lewis (2015) asserts that questionnaires are economical and enable data collection from a sizable segment of the population. All 120-targeted leaders of the six agriculture companies listed on the NSE Kenya were given the questionnaires. Both open-ended and closed-ended questions were included in the semi-structured questionnaires.

Additionally, Cronbach's Alpha was used to verify the questionnaire's reliability and make sure it fell within the suggested range of 0.7. For this study, a Cronbach's Alpha of 0.815 was obtained. An adequate level of reliability is indicated by a coefficient of 0.7, according to Mugenda (2008).

Below are the Cronbach's Alpha results:

Table 1: Reliability Coefficients

Variable	Cronbach's Alpha	
	Coefficients	Remarks
Strategic thinking	0.812	Reliable
Organizational performance	0.818	Reliable
Overall	0.815	Reliable

Source: Research data, (2025)

The Statistical Package for Social Sciences (SPSS Version 28.0) was used to analyze the quantitative data from the closed-ended questions. As a result, descriptive and inferential statistics were produced and displayed using tables and graphs. Conceptual content analysis was used to examine the qualitative information obtained from the open-ended questions. Cresswell & Cresswell (2018) advise identifying themes in qualitative data before creating broad categories. Following that, the recurring themes were transformed into numerical codes for quantitative analysis. For comparison and contrast, Cresswell and Cresswell (2018) recommended identifying content areas from both data sets. Themes were converted into counts to convert the qualitative data into quantitative statistics. Lastly, a statistical analysis including the thematic counts was carried out. The distinct outcomes were analyzed independently, and the level of convergence was obtained.

Karl Pearson's correlation coefficient was used to assess the degree of association between the variables, and a multiple regression analysis was conducted to ascertain the impact of strategic thinking on the performance of agribusiness firms in Kenya listed at the NSE. Descriptive statistics, including the mean and standard deviation, were used to analyze the data in this study.

For inferential statistics, Pearson correlation and regression analysis were used. The following model was used to test the hypothesis.

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Where Y = the performance of agribusiness companies listed at NSE in Kenya

β_0 = Constant

β_1 = Coefficients

X_1 = strategic thinking

And ε = margin of error.

The Adjusted R-squared was used to test the regression models' significance and demonstrate the degree of variance in organizational performance caused by changes in strategic thinking. P-values were evaluated at the $p < 0.05$ significant level to determine whether to accept or reject the null hypothesis. According to Mugenda & Mugenda (2003), this 95% confidence level is appropriate for social research.

To determine whether the variation shown by the regression model indicates any significant relationship between the independent variable (Strategic thinking) and the dependent variable (Organizational Performance), F-statistics was computed on a 95% confidence level, as advised by Montgomery et al. (2012). SPSS and Microsoft Excel are some of the tools used to generate reports through tabulations, percentages and measures of central tendency.

IV. Research Findings And Discussions

To determine whether the variation shown by the regression model indicates any significant relationship between the independent variable (Strategic thinking) and the dependent variable (Organisational Performance), F-statistics was computed on a 95% confidence level, as advised by Montgomery et al. (2012).

Descriptive statistics

The mean and the standard deviation were the descriptive statistics used to summarize the major features of the study variables

Strategic thinking

To measure the independent variable (Strategic thinking), the study used intent focus, intelligent opportunism and timely decisions.

Table 2: Descriptive Statistics for Strategic Thinking

Statements	Mean	Std. Deviation
Intent Focus		
The company focuses the team towards a common goal by encouraging shared goals.	3.591	.556
Goals and objectives are communicated by the leaders in the organization.	3.871	.448
Major decisions in the company are made after a thorough deliberation by the organizational leaders.	3.538	.927
Aggregate	3.667	0.644
Intelligent opportunism		
The company recognizes and responds to available opportunities to promote performance.	4.000	.590
Feedback from the various stakeholders is used to improve products and services.	4.376	.487
Changes in the environment are quickly noted and adjustments are made accordingly.	4.075	.711
Aggregate		

Timely decisions. Critical analysis of the past, present and future guide in decision-making. Organizational leaders envision the future they desire to see.	4.150	.596
	4.118	.750
	4.172	.583
The environment is conducive to creativity and innovation.	4.161	.784
Aggregate	4.150	.706
Overall Aggregate	3.989	.648

Source: Research Data (2025)

The descriptive analysis of strategic thinking had a mean score of 3.989 and a standard deviation of 0.648 revealing that agribusiness companies listed on the Nairobi Securities Exchange (NSE) practice strategic thinking to a large extent. Intent focus which had an aggregate of 3.667 indicated that the leaders are intentional in focusing the team towards a common goal. ‘The leaders’ ability to communicate goals’ scored a mean score of 3.871 and a relatively low standard deviation of 0.448, suggesting that the respondents were consistent in their perceptions. However, the respondents didn’t feel the same about ‘the extent to which major decisions are made after considerable deliberation by the leaders’. The parameter was rated lowest with a mean score of 3.538 and the highest variability among responses (standard deviation of 0.927).

Intelligent opportunism and timely thinking scored the highest with each getting an aggregate score of 4.150 respectively. ‘The use of feedback to improve service delivery’ was rated the highest with a mean score of 4.376 and a standard deviation of 0.487. This means that the agribusiness firms listed on the NSE rely heavily on feedback to perfect their business. In addition, the leaders clearly envision the future and make decisions after a thorough analysis of the past, present and future. Leveraging historical insights allows these companies to address recurring challenges effectively and adapt strategies based on previous outcomes, which is vital in the agribusiness sector's dynamic environment.

The overall findings indicate that strategic thinking is majorly practised in the agribusiness companies listed at the NSE. The majority of the studies conducted on the effect of strategic thinking and performance have demonstrated that strategic thinking significantly influences performance. For example, the study carried out by Mathinji and Waithaka (2019) found that strategic thinking aids agribusiness companies in adapting to fluctuating market demands and regulatory changes, giving them a competitive advantage. Similarly, Mbaya et al. (2021) observed that strategic thinking promotes organizational adaptability, enabling firms to mitigate risks and leverage available opportunities in the dynamic agribusiness sector.

Organizational performance

The study's dependent variable, organizational performance, measures how well an organization meets its objectives in areas like social responsibility, efficiency, and profitability. Performance is a complex concept that includes stakeholder and employee satisfaction, resource use, and financial results. This study's approach to organizational performance is supported by the Balanced Scorecard Model, which highlights the significance of monitoring internal processes, customers, learning perspectives, and finances for a thorough performance evaluation.

(Kaplan & Norton, 1992).

Table 3: Descriptive Statistics for Organizational Performance

Performance aspects	Mean	Std. Deviation
Profitability		
For the last ten years, the company has been profitable.	4.151	.589
The cash flows of the company are adequate to run the daily financial activities.	3.817	.589
The company has a good debt/asset ratio.	3.957	.658
Aggregate	3.975	0.612
Efficiency		
The company uses resources (staff, buildings, equipment, etc.) optimally	3.602	.861
The company processes and procedures are cost-effective	3.871	.679
There has been a remarkable decrease in the wastage of resources in the last ten years	4.065	.734
Aggregate	3.846	0.758
Social performance		
Staff welfare is promoted in the company	3.677	.555
The company has mechanisms for grievance redress.	3.742	.440
Staff treat each other and other stakeholders with dignity	4.258	.896
Customer and staff satisfaction is prioritised.	4.151	.706

Aggregate	3.957	.649
Overall Aggregate	3.926	.673

Source: Research Data (2025)

The profitability dimension of organizational performance indicated that agribusiness companies generally perform well financially to a large extent achieving an aggregate mean score of 3.975 and a standard deviation of 0.612. The aspect of the company being profitable for the last ten years scored the highest (mean = 4.151), reflecting consistency in financial success. A strong debt-to-asset ratio (mean = 3.957) highlights prudent financial management practices, while adequate cash flows (mean = 3.817) demonstrate moderate liquidity stability necessary for daily financial requirements. The high aggregate score for profitability aligns with Zaidi et al. (2018), who suggested that effective financial management is a key factor in firm success. Moreover, Mohamed and Mohamud (2021) observed that maintaining financial stability and managing debt effectively contribute significantly to performance, particularly in industries with high capital demands like agribusiness. These findings suggest that agribusiness firms listed on the NSE are leveraging sound financial practices to sustain operations and enhance profitability, which is crucial for navigating volatile markets and resource-intensive operations.

Efficiency had an aggregate mean score of 3.846 and a standard deviation of 0.758, indicating a high level of operational effectiveness among the agribusiness companies. The reduction in wastage of resources over the last decade scored the highest within this category (mean = 4.065), indicating the firm's deliberate action to minimizing costs and improve sustainability. The cost-effectiveness of processes and procedures (mean = 3.871) further supports the notion of optimized operations, while the optimal use of resources, including staff, buildings, and equipment, scored slightly lower (mean = 3.602), suggesting areas where leaders in these companies need to focus on. The high aggregate score in efficiency is consistent with the findings of Lubanga (2020), who postulated that resource optimization and waste reduction are necessary for improving performance in resource-intensive sectors.

Social performance achieved an aggregate mean score of 3.957 and a standard deviation of 0.649, suggesting that agribusiness companies place considerable emphasis on stakeholder engagement and employee well-being. The highest-rated aspect within this category was encouraging staff to treat each other and stakeholders with dignity (mean = 4.258), which indicates a robust organizational culture of respect and collaboration. Customer and staff satisfaction had a mean score of 4.151 highlighting the companies' focus on stakeholder wellbeing. Mechanisms for grievance redress attained a mean score of 3.742 and promoting staff welfare obtained a mean score of 3.677, suggesting the need for enhancing employee support systems. The emphasis on social performance agrees with the findings of Agole et al. (2022), who demonstrated that fostering employee satisfaction and engaging stakeholders are essential drivers of performance in the agribusiness sector. These findings indicate the commitment of the agribusiness companies listed at the NSE to creating a positive organizational culture that supports both employee and customer satisfaction, which is critical for sustainable success.

Inferential Analysis

The study sought to investigate the relationship between strategic thinking and the performance of agribusiness firms listed on the Nairobi Securities Exchange (NSE) in Kenya. The corresponding hypothesis stated that strategic thinking has no significant effect on the performance of agribusiness companies listed on the NSE in Kenya. This hypothesis was tested using multiple regression analysis, and the results were interpreted using adjusted probability values (p-values) at the significance level of p<0.05. Below is the regression model that was used for the direct relationship between strategic thinking and the performance of agribusiness companies listed on NSE in Kenya.

Performance = 1.720 + 0.271 strategic thinking + ε

The table below illustrates the results.

Table 4: Regression Coefficients

Model	B Unstandardized Coefficients	Std. Error Standardized Coefficients	Beta	T	Sig
Constant	1.720	0.357		4.819	0.000
Strategic thinking	0.271	0.084	0.304	3.223	0.002

a. Dependent Variable: Performance

Source: Research Data (2025)

The findings in Table 3 above, show an adjusted coefficient of multiple determination, $\beta = 1.720$. It means that, if all factors were held constant, the performance of agribusiness companies listed on the NSE in Kenya would be 1.720. Strategic thinking has a coefficient of 0.271 meaning that if all factors were held constant and strategic thinking is adjusted with a unit increase, there would be a 0.271 increase in the performance of agribusiness companies listed on NSE in Kenya. Since the p-value for strategic thinking as per the above table is 0.002, which is less than a 0.05 level of significance the study rejects the null hypothesis and concludes that strategic thinking has a positive significant effect on the performance of agribusiness companies listed on NSE in Kenya. These findings align with the Liedtka Model of Strategic Thinking (1998), which alludes to components such as intent focus, intelligent opportunism, and thinking in time as key elements in enabling firms to attain competitive advantage.

V. Discussions And Results

According to the study's findings, strategic thinking significantly improves organizational performance. This result supports the idea that strategic thinking improves a company's capacity to foresee shifts in the market, seize opportunities, and overcome obstacles. Superior performance was shown by agribusiness firms that prioritized environmental scanning, proactive decision-making, and drawing on prior experiences. This emphasizes how crucial strategic thinking is as a leadership skill for negotiating the resource-intensive and volatile agribusiness sector. Leaders with strong strategic thinking skills align company objectives with market conditions, guaranteeing competitiveness and long-term growth.

VI. Contributions Of The Study To Knowledge

The study focused on agribusiness companies listed on the Nairobi Securities Exchange in Kenya, a context that has received limited attention in prior studies, thus filling a research gap. This study highlights the particular potential and problems in the agribusiness sector, whereas the majority of strategic thinking research has focused on the manufacturing or service industries. It creates a contextual awareness of how the volatility, resource intensity, and competitive challenges of the industry can be addressed by customizing strategic thinking approaches.

Furthermore, this study advances methodology by taking a thorough approach to data collection and analysis. This methodological rigour improves the findings' dependability and provides a model for further research in related areas.

Lastly, the study provides useful information for academics, legislators, and agricultural professionals. With practical suggestions for resource optimization, implementation alignment, and performance monitoring, it offers an organized understanding of how strategic thinking techniques can be operationalized to attain performance success. This study enhances the discussions on strategic thinking and sets up agribusiness companies for increased innovation, competitiveness, and sustainability by connecting theoretical ideas with practical outcomes.

VII. Conclusions And Recommendations

Several suggestions are made out of the study findings that would improve the performance of the agribusiness sector and other comparable businesses functioning in similar dynamic contexts. These proposals are aimed at policymakers, industry stakeholders, and organizational leaders to enable them to address the gaps identified and create more resilient and high-performing business enterprises.

Incorporating strategic thinking into leadership processes ought to be a top priority for agribusiness organizations. To do this, executives must develop an outlook that envisions the future, anticipates market trends, makes use of past knowledge, and efficiently adjusts to changes. Enterprises can also fund leadership development initiatives that improve analytical and cognitive abilities, which help leaders spot opportunities and reduce risks. Legislators can help with this by establishing programs that promote the development of strategic thinking skills in the agribusiness sector.

Additionally, the report also recommends policy alignment to promote strategic thinking processes in agribusiness enterprises. Policymakers should create clear regulatory frameworks that promote fair competition, support integration in the value chain, and address sectoral challenges such as resource constraints and market volatility. Governmental organizations, trade associations, and academic institutions can collaborate to provide policies that are useful and tailored to the particular requirements of the agribusiness sector.

VIII. Areas For Further Research

Future studies might examine how strategic thinking affects performance in other sectors, such as technology, healthcare, or education. Comparative research conducted in various geographical settings may also shed light on how variations in culture and the market affect performance and strategic thinking.

Furthermore, longitudinal research could look at how thinking affects performance over time, giving a better picture of its long-term impacts. To comprehend how external factors influence the relationship between strategic thinking and performance, more research might also look into the moderating function of regulatory frameworks, especially in highly regulated sectors.

Lastly, as technology becomes more and more integrated into business operations, future research could evaluate how digital transformation affects organizational performance and examine how tools like data analytics and artificial intelligence could improve strategic thinking execution. These fields of study would add to the body of knowledge about strategic thinking and offer practitioners and policymakers insightful information.

References

- [1] Agole, D., Baggett, C. D., Ewing, J. C., Yoder, E. P., & Mangheni, M. N. (2022). Determinants Of Performance In Smallholder Farmer Groups In Uganda. *Journal Of International Agricultural And Extension Education*, 29(4), 109-127. <https://doi.org/10.4148/2831-5960.1034>
- [2] Akpa, V.O., Asikhia, O.U., & Nneji, N.E. (2021). Organizational Culture And Organizational Performance: A Review Of Literature. *International Journal Of Advances In Engineering And Management*, 3(1), 361-372. <https://doi.org/10.35629/5252-0301361372>
- [3] Al-Abbadi, L., Alsmairat, M., Alshwabkeh, R., Rumman, A. (2024), The Impact Of Strategic Thinking On Organizational Excellence: An Empirical Examination In Jordan's ICT Sector. *International Journal Of Data And Network Science*, 8(2), 1169-1178.
- [4] Al-Dulaimi, A. A. (2020). The Role Of Strategic Thinking In Activating The Creative Capabilities Of Business Organizations: A Field Research On A Sample Of Iraqi Private Banks, *Anbar Journal Of Administrative Economics*, 12 (30), Pp. 247- 268.
- [5] Bochenek, M. (2019). Balanced Scorecard In The Strategic Management Process. *Modern Management Review*, 24(26), 7–16. <https://doi.org/10.7862/Rz.2019.Mmr.1>
- [6] Chege, S. M., Wang, D., & Suntu, S. L. (2020). Impact Of Information Technology Innovation On Firm Performance In Kenya. *Information Technology For Development*, 26(2), 316–345. <https://doi.org>
- [7] Cooper, D. And Schindler, P. (2011) *Business Research Methods*. 11th Edition, Mcgraw Hill, Boston.
- [8] Creswell, J. W. (2014). *Research Design: Qualitative, Quantitative And Mixed Methods Approaches* (4th Ed.). Thousand Oaks, CA: Sage.
- [9] Creswell, J. W. & Creswell, J. D (2018). *Research Design: Qualitative, Quantitative, And Mixed Methods Approaches*. New Delhi: Sage Edge.
- [10] Di Leo, G., And Sardanelli, F. (2020), “Statistical Significance: P Value, 0.05 Threshold, And Applications To Radiomics—Reasons For A Conservative Approach”, *European Radiology Experimental*, 4 No.1, Pp. 1-8, <https://doi.org/10.1186/S41747-020-0145-Y>
- [11] Dumay, J., La Torre, M., Farneti, F. (2019) *Developing Trust Through Stewardship: Implications For Intellectual Capital, Integrated Reporting, And The EU Directive 2014/95/EU*, *Journal Of Intellectual Capital*, 20(1), 11-39.
- [12] Endri, E., Sari, A. K., Budiasih, Y., Yuliantini, T., & Kasmir, K. (2020). Determinants Of Profit Growth In Food And Beverage Companies In Indonesia. *Journal Of Asian Finance, Economics And Business*, 7(12), 739–748. <https://doi.org/10.13106/Jafeb.2020.Vol7.No12.739>
- [13] FAO, IFAD, UNICEF, WFP And WHO. 2022. *The State Of Food Security And Nutrition In The World 2022. Repurposing Food And Agricultural Policies To Make Healthy Diets More Affordable*. Rome, FAO. <https://doi.org/10.4060/Cc0639en>
- [14] FAO. 2023. *The State Of Food And Agriculture 2023 – Revealing The True Cost Of Food To Transform Agrifood Systems*. Rome. <https://doi.org/10.4060/Cc7724en> FAO
- [15] Gachuhi, L. & Awuor, E. (2022). Strategic Management Practices And Sustainability Of SME's Agribusiness In Kenya: A Survey Of Githunguri Sub County, *Journal Of Agriculture*, 3(3), 21-42.
- [16] Gemma, R. (2018). Introduction To Positivism, Interpretivism And Critical Theory. *Nurse Researcher*, 25, 41-49. <https://doi.org/10.7748/Nr.2018.E1466>
- [17] Ghiara, V. (2019). Disambiguating The Role Of Paradigms In Mixed Methods Research. *Journal Of Mixed Methods Research*, Online First Article: Published 2 January 2019. <https://doi.org/10.1177/1558689818819928>
- [18] Gok. (2017). *Sector Plan For Agriculture Second Medium Term Plan*. Nairobi, Kenya: Ministry Of Agriculture, Livestock And Fisheries.
- [19] Gok. (2021). *Food: Our Health, Wealth And Security: Agricultural Policy - 2021*. Nairobi, Kenya: Ministry Of Agriculture Livestock Fisheries And Cooperatives.
- [20] Gutterman, A. S. (2023). *Organizational Performance And Effectiveness*. Available At SSRN 4532570.
- [21] Olsen, A. A., Mclaughlin, J. E., & Harpe, S. E. (2020). Using Multiple Linear Regression In Pharmacy Education Scholarship. *Currents In Pharmacy Teaching And Learning*, 12(10), 1258–1268. <https://doi.org/10.1016/J.Cptl.2020.05.017>.
- [22] Kaplan, R.S., Norton, D.P. (1992). The Balanced Scorecard: Measures That Drive Performance. “*Harvard Business Review*”, January– February, Vol.70.
- [23] Kenya National Bureau Of Statistics. (2022). *Economic Survey Report: Kenya Vision 2023*. Kenya National Bureau Of Statistics.
- [24] Kimotho, K. K. & Mwasiagi, E. (2019). Corporate Management Strategies And Performance Of Stima Sacco Society Limited In Nairobi City County, Kenya. *International Academic Journal Of Human Resource And Business Administration*. 3(7), 514-532. ISSN 2518 – 2374
- [25] Komlan, J. (2017). Strategic Leadership: An Empirical Study Of Factors Influencing Leaders' Strategic Thinking. *American Journal Of Business And Management*, 6(1), 1-15.
- [26] Kothari, C.R. (2019) *Research Methodology: Methods And Techniques*. 4th Edition, New Age International Publishers, New Delhi.
- [27] Kori, B. W., M. A. Muathe, S., & Maina, S. M. (2020). Financial And Non-Financial Measures In Evaluating Performance: The Role Of Strategic Intelligence In The Context Of Commercial Banks In Kenya. *International Business Research*, 13(10), 122-130. <https://doi.org/10.5539/Ibr.V13n10p130>
- [28] Ledi, K. K., Dumeda, R. B., Bandoma, S., & Ameza-Xemalordzo, E. (2024). Strategic Thinking And Innovation As Panaceas For Hotel Performance In Turbulent Business Environments. *Cogent Business & Management*, 11(1). <https://doi.org/10.1080/23311975.2024.2328330>
- [29] Lewis, S. (2015). Qualitative Inquiry And Research Design: Choosing Among Five Approaches. *Health Promotion Practice*, 16(4), 473-475.
- [30] Liedtka, J. M. (1998). Strategic Thinking: Can It Be Taught? *Long Range Planning*. 31(1), 120-129

- [31] Lubanga, M. A. (2020). The Effect Of Strategic Control Processes On Company's Non-Financial Performance: A Case Of The Nairobi Hospital. Research Project, USIU-Africa, Nairobi Kenya.
- [32] Markus, K., & Smith, K. (2010). Content Validity. Sage Research Methods.
- [33] Mathinji, P. K., & Waithaka, P. (2019). Strategic Thinking And Performance Of Milk Processing Firms In Nyeri County, Kenya.
- [34] Maxwell, J. A. (2016). Expanding The History And Range Of Mixed Methods Research. *Journal Of Mixed Methods Research*, 10, 12-27. <https://doi.org/10.1177/1558689815571132>
- [35] Mbaya, J. M., Maina, S., & Namusonge, M. (2021). Strategic Thinking And Performance Of Small And Medium-Sized Milk Processing Firms In Kenya. Kenyatta University.
- [36] Mintzberg, H., (1994). *The Rise And Fall Of Strategic Planning*. New York: Free Press.
- [37] Mitullah, W., Kamau, P. And Kivuva, J. M. (2017). Employment Creation In Agriculture & Agro-Processing Sector In Kenya In The Context Of Inclusive Growth: Political Economy & Settlement Analysis. Partnership For African Social And Governance Research. Nairobi, Kenya: The University Of Nairobi, Institute For Development Studies.
- [38] Mohamed, A. O., & Mohamud, S. A. (2021). The Effect Of Strategic Management On Organizational Performance In Ngos In Mogadishu Somalia. *Eprainternational Journal Of Multidisciplinary Research (IJMR)*, 7(1), 149-154.
- [39] Montgomery, D.C., Peck, E.A. And Vining, G.G. (2012) *Introduction To Linear Regression Analysis*. Vol. 821, John Wiley & Sons, Hoboken. - References - Scientific Research Publishing.
- [40] Mugenda, D. M., & Mugenda, A. (2003). *Research Methods; Quantitative And Qualitative Research*. Nairobi, Kenya. Nairobi Acts Press.
- [41] Mugenda, A. G. (2008) *Social Science Research: Theory And Principles*. Acts Press, Nairobi
- [42] Mugenda, O., & Mugenda, A. (2019). *Research Methods: Qualitative, Quantitative & Mixed Methods Approaches (3rd Ed.)*. Africa Centre For Transformative And Inclusive Leadership (ACTIL).
- [43] Muraguri, C. W. (2016). Dimensions Of Strategic Intent Execution And Performance Of Universities In Kenya. [Phd Thesis, Kenyatta University].
- [44] Mwangi, S., & Namusonge, M. (2014). Influence Of Innovation On Small And Medium Enterprise (SME) Growth—A Case Of Garment Manufacturing Industries In Nakuru County. *International Journal For Innovation Education And Research*, 2(6), 101–107.
- [45] Nguyen, T. N. L., & Nguyen, V. C. (2020). The Determinants Of Profitability In Listed Enterprises: A Study From Vietnamese Stock Exchange. *Journal Of Asian Finance, Economics And Business*, 7(1), 47–58. <https://doi.org/10.13106/Jafeb.2020.Vol7.No1.47>
- [46] Nyaywera, C. O., Kahuthia, J. & Gakenia, J. (2018). Influence Of Leadership On Performance Of Non-Governmental Organization In Kenya: A Case Of Care For Hiv/Aids Organization. *Strategic Journal Of Business & Strategic Implementation*, 5(3), 149 –164.
- [47] Obonyo, M. O. (2020). Strategic Intent And Its Impact On Organizational Performance Of Electronic Media In Kenya: An Empirical Review. *International Academic Journal Of Human Resource And Business Administration*, 3(8), 91-98
- [48] Olaniyi, I. M., & Elumah, L. O. (2016). Strategic Thinking And Organization Performance: Study Of Nigeria Firms. *Journal Of Business Administration Research*, 5(1), 23–28. <https://doi.org/10.5430/Jbar.V5n1p23>
- [49] Oloo, M., Opio, P., & Ongeti, J. (2021). Strategic Thinking And The Performance Of Land Administration Function In Kenya. *PAC University Journal Of Arts And Social Sciences*, 3(1), 3044. <https://journals.pacuniversity.ac.ke/index.php/PACUJASS/Article/View/25>
- [50] Piorkowska, K., Crabb, A. W., Lichtarski, J. M., Wilczynski, M. And Wrona, S. (2021), Strategic Thinkers And Their Characteristics: Toward A Multimethod Typology Development, *International Journal Of Management And Economics*, 57 (4), Pp. 313–330
- [51] Rafiq, M., Zhang, X.P., Yuan, J., Naz, S. And Maqbool, S. (2020), "Impact Of Balanced Scorecard As A Strategic Management System Tool To Improve Sustainable Development: Measuring The Mediation Of Organizational Performance Through PLS-Smart", *Sustainability*, Vol. 12 No. 4, P. 1365.
- [52] Rotich A.K. & Wanyoike R.W., (2019) Organizational Transformation And Performance Of Kengen Company Limited, Kenya. *International Journal Of Latest Research In Humanities And Social Science (IJLRHSS) Volume 02 – Issue No. 10, 2019* www.ijlrhss.com. Pp. 06-12 www.ijlrhss.com.
- [53] Samuel, G. M., Mukulu, E. And Odhiambo, R. (2019), Influence Of Access To Entrepreneurial Finance And Performance Of Coffee Smallholders' Micro And Small Agribusinesses In Murang'a County, Kenya. *Journal Of Entrepreneurship & Project Management*, Vol. 3, No. 2, Pp. 17–34
- [54] Sataloff, R. T., & Vontela, S. (2021). Response Rates In Survey Research. *Journal Of Voice*, 35(5), 683–684.
- [55] Sekaran, U. & Bougie, R. (2016): *Research Methods For Business (7th Ed)*. West Sussex, UK: John Wiley & Sons Ltd.
- [56] Sharaf-Addin, H. H., & Fazel, H. (2021). Balanced Scorecard Development As A Performance Management System In Saudi Public Universities: A Case Study Approach. *Asia-Pacific Journal Of Management Research And Innovation*, 17(1-2), 57-70. <https://doi.org/10.1177/2319510X211048591>
- [57] Siahaan, S., Sadalia, I., & Silalahi, A. S. (2021). Effect Of Financial Ratios On Stock Returns With Earning Per Share As A Moderating Variable In Banking Companies On The Indonesia Stock Exchange (2012–2017 Period). *International Journal Of Research And Review*, 8(8), 398–406. <https://doi.org/10.52403/Ijrr.20210855>
- [58] Terrell, S. R. (2016). *Writing A Proposal For Your Dissertation: Guidelines And Examples*, (1st Ed.) New York: The Guilford Press.
- [59] Tudose, M. B., Rusu, V. D., Y Avasilcai, S. (2022). Financial Performance – Determinants And Interdependencies Between Measurement Indicators. *Business, Management And Economics Engineering*, 20(1), 119-138. <https://doi.org/10.3846/Bmee.2022.16732>
- [60] USAID Advancing Nutrition. 2023. USAID Advancing Nutrition Kenya Final Report Fiscal Years 2020– 2023. Arlington, VA: USAID Advancing Nutrition.
- [61] Wahome A. & Njiraini A. 2021. Challenges Of The Agribusiness Sector In Kenya And Opportunities From Smart Specialisation Policies. *Entrepreneurship, Technology Commercialisation, And Innovation Policy In Africa*, 137-152. [Doi:10.1007/978-3-030-58240-1_6](https://doi.org/10.1007/978-3-030-58240-1_6)
- [62] Zaidi, I, Zawawi, E.M.A, Nordin, R.M, And Ahnuar, E.M. (2018). An Empirical Analysis Of Strategy Implementation Process And Performance Of Construction Companies. *IOP Conference Series: Earth And Environmental Science*. [Doi:10.1088/1755-1315/117/1/012026](https://doi.org/10.1088/1755-1315/117/1/012026)