

STRATEGIC AGILITY AND PERFORMANCE OF LISTED MANUFACTURING COMPANIES IN KENYA

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ABSTRACT

Rapid changes increase the volatility of the business environment and require flexible and creative strategies. Nowadays, firms face great environmental turbulence due to ever-evolving competition, changing technology, fluctuating demand, disruption to the supply chain caused by human-made or natural disasters, and so on. High levels of environmental turbulence can paralyze a firm's operations. This research study, therefore, intended to establish the influence of strategic agility on the performance of listed manufacturing and allied companies in Kenya. It was guided by the subsequent definite objectives: to assess the influence of leadership agility and learning agility on the performance of listed manufacturing and allied companies in Kenya. The study used a descriptive survey research design. The target population for this study was the management staff of all nine (9) listed manufacturing allied industry firms at the NSE, who are charged with the formulation and implementation of strategies. A sample size of 187 managers was drawn from the target population. The study optimized the use of primary data. Primary data was collected using semi-structured questionnaires containing both open-ended and closed-ended questions. The questionnaires were administered through a drop-and-pick method. Qualitative analysis was done on the information collected from the results of the questionnaires. Quantitative analysis included descriptive statistical techniques. Descriptive statistics complemented the use of frequencies, means, and percentages that were summarized and presented using tables, graphs, and charts. The data was analyzed with the aid of a linear regression model. The study distributed 187 questionnaires, with 150 questionnaires being returned correctly filled. After analysis, the study found that leadership agility and learning agility have a positive and significant influence on organizational performance. The coefficient of determination of the dependent variable, organizational performance, is influenced by the corresponding independent variables, including leadership agility, and Learning Agility. The overall regression was significant, and hence the model was acceptable. The study recommended that companies should formulate and implement strategies that enable the organization to continuously adjust to the changing customer demand and competitive environment. Other studies should be conducted to explore the moderating factors that might be influencing the relationship between strategic agility and the performance of organizations.

Key Words: Strategic Agility, Leadership Agility, Learning Agility, Performance, Listed Manufacturing and Allied Companies, Kenya

Background of the Study

In the current business world, companies that aim at achieving their performance objective must always contend with the ever-increasing, turbulent business operational environment marred with uncertainties that enhance unpredictable futures. These changes emanate from globalization, hyper-competition, changing customer tastes and preferences, economic liberalization, and technological innovations. All these factors, as pointed out by Zafari (2017) caused unstable firm performance in most organizations in different industries. Most firms seek to achieve institutional performance excellence through having capabilities and resources by which they can face rapid changes in the external environment. Strategic agility is one of the most important capabilities that help organizations to respond to these changing and rapid situations, through clear vision, good selection of strategic goals, and shared responsibility (Kale, E., Aknar, A., & Başar, Ö., 2019)

Strategic agility is learning to make fast turns and being able to transform and renew the organization without losing momentum (Nejati & Zanjirchi, 2018). It is the capacity to consistently and effectively modify and adapt at the right times to the strategic direction in core business with regard to evolving conditions. This could entail developing fresh goods and services, novel business strategies, and creative approaches to add value for the corporation (Huizingh, 2015). Organizations that possess strategic agility are able to produce the appropriate goods and services for the appropriate clients at the appropriate time, location, and cost. By promoting economic growth, manufacturing companies—as well as all strategically agile organizations—can make a significant contribution to the accomplishment of the Millennium Development Goals (Baskarada et al. 2016).

The performance of a company depends on its activities and the activities of its competitors, customers, suppliers, partners, and governments. These activities could wholly be referred to as the business environment. The current business environment, characterized by intense technological innovation, powerful customers with diverse requirements, and a short product life cycle in a global economy, has significantly shortened market visibility and increased uncertainty (Bereznoy, 2017).

Building strategic agility in firms is a way to manage unforeseen changes and risks faced by firms. Agility has been defined as the capability of surviving and prospering in the competitive environment of continuous and unpredictable change by reacting quickly and effectively to changing markets, driven by custom-designed products and services (Nejati & Zanjirchi, 2018).

Strategically agile firms utilize strategies aimed at being responsive and flexible to customer needs, while the risks of supply shortages or disruptions are hedged by pooling inventory or other capacity resources. Firms that can be responsive to the changing, diverse, and unpredictable demands of customers on the front end, while minimizing the back-end risks of supply disruptions (Huizingh, 2015), can be seen as strategically agile. If a company disregards the importance of agility, the consequences can be disastrous.

Statement of the Problem

Over the years, it's been clear that the overall performance of an organization is impacted via a range of things. This consists of the management style of an organization in addition to its capability to react to new factors bobbing up from the surrounding business environment. indeed, from the current turbulent business surroundings, an enterprise's internal mechanisms need to be conscious of the outside marketplace conditions. For this to show up, the company's structures as represented by way of its human resources, technology skills, people, planning, and agency potential, ought to be able to respond to the rising environmental changes (Yilmaz, 2013).

The sector's contribution to Kenya's economy has been on a downward trajectory to an average of less than 10%. For instance, its contribution to the economy was 10% in 2014, declined to 9.4% in 2015, 9.1% in 2016, 8.4% in 2017, 7.7% in 2018, and further declined to 7.61% in 2020 (KAM, 2021). A report from KNBS (2020) on the economic survey states that the performance of manufacturing firms has been dismal, with the best performance being 5.8% in 2010.

This performance is way too low for the anticipated growth of Vision 2030. KAM (2023) reports that a continuous trend of this decline in growth, coupled with the increasingly dynamic environment, has led to the loss of employment for a huge chunk of the economy. Some companies that have closed down include Yana Tyres manufacturer Sameer Africa, Athi River Mining, TSS Grain Millers, Flora Printers, Packaging Manufacturers, Avon Rubber, Spring Industries Ltd, Mash Bodybuilders, Flower City Ltd, Softa Bottling Company, Shiv Enterprises, and Munyiri Special Honey (KAM, 2023). The performance of an organization is dependent upon the way it responds to the challenges and opportunities brought about by business challenges, and through the same, gains an appropriate competitive advantage.

The need for organizational strategic agility is critical within the Kenyan manufacturing industry due to the increased demand for its services. In reaction to the ever-changing competitive panorama in the industry, there has been a need for manufacturing firms to ensure that they employ agency systems, technology, and plan sources to adapt to the market needs if higher overall performance is to be found. Several researchers have taken an interest in the topic because of the importance placed on strategic agility concerning organizational achievement. The intention of Haggai's (2017) study changed to determine how the small- and medium-sized companies (SMEs) in Nairobi's CBD (Commercial Business District) reacted to strategic agility in terms of organizational performance. The subsequent agility traits particularly caught the researcher's attention, including: human assets, organizational shape, innovation, and managerial dedication. In line with the outcomes, the adaptability of the organizational shape had an extensive and useful impact on the performance. The contextual framework of the study, however, is different from the current study, which is focused on the listed manufacturing companies in Kenya. The studies that have been carried out to date make it glaring that there have been numerous investigations into the impact that strategic agility has on the performance of organizations, with different results.

The present study has been catalyzed by the need for organizations to react and adapt to the changing business environment as fast as possible, ahead of other competitors in the industry. Some of the manufacturing organizations have been forced to close down due to being swept away by industrial changes, which they find hard to cope with. Therefore, this study sought to establish the influence of strategic agility on organizational performance by bridging both the conceptual and geographical gaps.

Objectives of the Study

The general objective of this study was to establish the influence of strategic agility on the performance of listed manufacturing companies in Kenya.

The study was also guided by the following specific objectives:

- i. To determine the influence of leadership agility on the performance of listed manufacturing companies in Kenya.
- ii. To establish the influence of learning agility on the performance of listed manufacturing companies in Kenya.

Research Questions

This study sought to answer the following questions:

- i. How does leadership agility influence the performance of listed manufacturing and companies in Kenya?
- ii. What is the influence of learning agility on the performance of listed manufacturing and companies in Kenya?

LITERATURE REVIEW

Theoretical Review

Schumpeterian Theory of Innovation

Schumpeter's (1934) theory of innovative profits emphasized the role of entrepreneurship (his term was entrepreneurial profits) and the seeking out of opportunities for novel value-generating activities that would expand (and transform) the circular flow of income. Still, it did so regarding a distinction between invention or discovery on the one hand and innovation, commercialization, and entrepreneurship on the other. After his early work on entrepreneurship, Schumpeter became only too aware of the rise of in-house corporate research and development (R&D) in large firms in the twentieth century, to the extent that the literature now distinguishes his 'Mark I' model of innovation from his 'Mark II' model in which innovation was envisaged as a more routine process within large firms (Phillips, 1971). In this theory, Schumpeter emphasizes novelty-creating economic activity that generates new sources of value-adding productive endeavour, and which disturbs the circular flow of income. In this realm, growth must be understood as an inherently disruptive rather than as a smooth process, which the later Schumpeter (1943) termed 'creative destruction' (although this term is also often misunderstood, as the disruption referred to relates to the circular flow and established market structures, but the creative process itself is likely to be cumulative and incremental (Cantwell & Fai, 2011)). Profits derive from creating new fields of productive activity, given that there is an inertia in the wages of the firms responsible, such that their wage costs only rise with a lag. Innovation, that is, propels the capitalist economy with gales of creative destruction. Schumpeter (1934) vividly characterized innovation as industrial mutation," which "incessantly revolutionizes the economic structure from within, destroying the old one, incessantly creating a new one. This process of Creative Destruction is an essential fact about capitalism. Schumpeterian competition drives innovation, but it also begets imitators, swarms of which copy their rival's innovation, attracting investment, and leading to a boom. When the original innovator's profit advantage is eliminated, investment moves elsewhere, and the sector may even shrink, until the next disruptive innovation, which restarts the cycle.

Transformational Leadership Theory

Transformational leadership was first referenced by Jim Downton, a professor and religious activist, in the 1960s. Ciulla (2014) explains that a transformational leader works with others in identifying needed change, creating a vision to guide the change, and co-creating it with committed members. A key requirement for Enterprise Agility in an organization is leadership that fosters and nourishes the right culture and mindset for an agile organization. The role of leadership in these organizations is to select the right people and promote an environment where people can learn from mistakes and improve. Leaders in Agile organizations make teams understand the big goals and step in to remove any obstacles. Good leaders adapt to changing needs and double as coaches where required (Arabiun et al., 2014).

Leaders communicate the vision for organizational transformation, provide the big picture, and set the direction. But once this is done, the style that works best is one where leaders provide the required space for organizational units and teams to determine how they will execute that vision, and enable and support them in delivering on it (Ciulla, 2014).

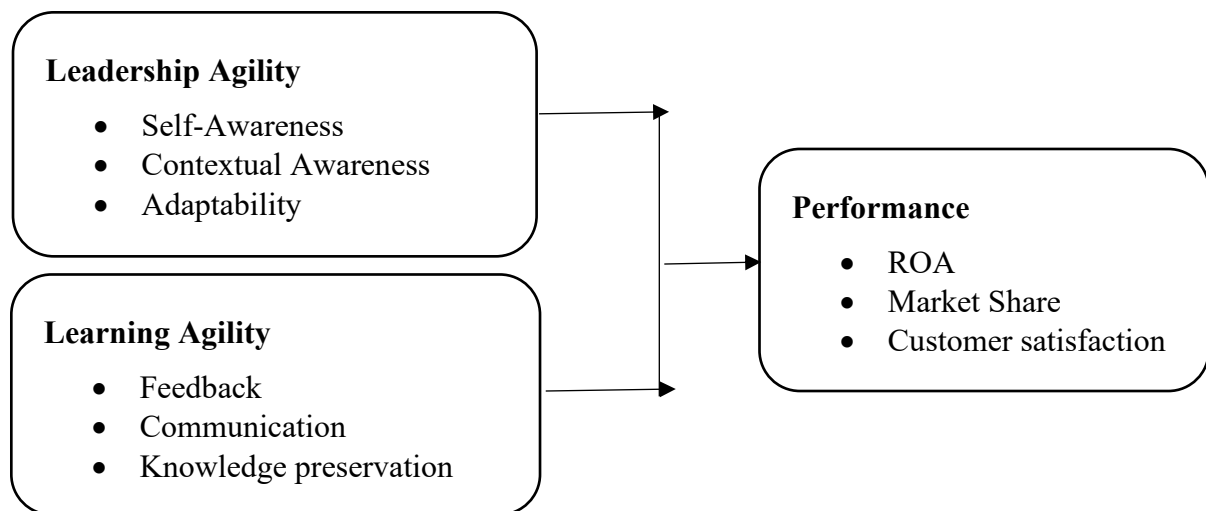
According to Khorshid & Pashazadeh (2014), transformational leadership is where a leader works with his or her teams to identify what needs to change and then put together a vision to

steer the change through inspiration and creativity. The change is implemented along with fully committed members of the team. Transformational leadership improves the motivation, morale, and performance of teams by aligning team members' personal goals and sense of identity and self with the project being carried out and the identity of the organization. Leaders following this approach make themselves role models for teams and challenge team members to take ownership of their work. One key thing in this style of leadership is ensuring that team members are encouraged to take on tasks that magnify their abilities and performance (Kemal & Surji, 2015).

And note that good leadership encourages an environment where people can innovate, reflect on their experiences, and learn from their mistakes. This needs a readiness to accept failures and recognize them as stepping stones to success. Transformational Leadership is a combination of charismatic, personalized influence (providing the vision, encouraging high standards, energizing the followers) and instrumental, competence-oriented professionalism (Andersen, 2015). Therefore, the current study considers the transformational leadership theory of leadership agility as a pillar for the volatile, uncertain business environment to realize organizational performance.

Conceptual Framework

Finchman (2008) defines a conceptual framework as a hypothesized model identifying the model under study and the relationship between the dependent and independent variables. This framework shows the relationship between strategic agility factors: leadership agility, , and learning Agility, and organizational performance.



Independent Variable

Dependent Variable

Figure 2.1: Conceptual framework

Source: Researcher (2026)

Leadership Agility

Leadership agility is the ability to lead effectively in times of rapid change, uncertainty, and mounting complexity and when success requires consideration of multiple views and priorities (Joiner, 2009). Agility requires a process of using enhanced awareness and intentionality to increase effectiveness under real-time conditions, including stepping back from whatever one is focused on, gaining a broader perspective, and bringing new insight into what needs to be done next. Joiner & Josephs (2007) outlined four domains of agility that are necessary for the effective completion of initiatives. These include context-setting agility, stakeholder agility, creative agility, and self-leadership agility.

According to Cummings and Worley (2014), the conditions named by Joiner (2009a, 2009b) that call for agility—namely, rapid change, uncertainty, and mounting complexity—have been the global norm for the last several decades. Horney et al. (2010) noted that today’s business environment is volatile, uncertain, complex, and ambiguous (coined VUCA by the US Army War College). Horney et al. (2010) added that executives are struggling to determine how to best lead their organizations in these conditions of shifting company boundaries, global networks, and increasingly complex networks of stakeholders.

According to Horney et al., leaders are increasingly finding that most of the old rules of leadership no longer apply. Torbert and his associates conducted research throughout the 1980s and 1990s that indicated that leaders at more advanced stages of development were more effective in a variety of leadership tasks (Fisher, Rooke, & Torbert, 2000; Merron, 1985; Rooke & Torbert, 1998; Smith, 1980; Torbert, 1991). It follows that to enjoy sustained success and even to simply survive, companies need to develop a level of leadership agility that matches the increasing level of change and complexity in their business environments (Joiner, 2009)

Joiner (2009) asserted that sustained success in an increasingly turbulent business environment requires post-heroic leadership capabilities that emerge at the Catalyst level of agility and beyond. Joiner & Josephs (2007) emphasized, “consistently effective leadership in this uncertain environment requires, at minimum, mastery of the visionary, facilitative orientation found at the catalyst level of agility.”

Although Joiner & Josephs (2007) concluded that five levels of leadership agility exist (Expert, Achiever, Catalyst, Co-Creator, Synergist), Joiner (2009) argued that the relative rarity of the latter two stages means that the most frequently experienced challenges that today’s organizations face can be met by developing existing Experts into Achievers and existing Achievers into Catalysts. Moreover, Joiner argued that rather than focus on developing individual leaders, organizations should focus on developing overall leadership bench strength, given the systemic nature and dynamics of organizational functioning. He explained that the beliefs, values, and behaviors shared by leaders have a tremendous influence on organizational outcomes.

Learning Agility

Learning agility refers to the ability to come up to speed quickly in one’s understanding of a situation and move across ideas flexibly in service of learning both within and across experiences” (DeRue, Ashford, & Myers, 2012). Managers who exhibit people agility (e.g., open minded, self-aware), results agility (e.g., adaptable, flexible, and has driven to complete jobs), mental agility (e.g., curious, finds solutions to difficult problems), and change agility (e.g., likes to experiment, tries new things), as measured and defined by Lombardo and Eichinger (2000), are most likely to succeed in upper-level management positions (De Meuse et al., 2010). These managers do not fall into the trap of completing tasks in the same fashion as before, just because they know it works. Instead, they are eager to try new ideas and learn from their mistakes to develop the most effective solutions to problems.

People high in learning agility tend to take control over their own learning by looking for opportunities to grow, requesting feedback about their work, and continually engaging in self-reflection and evaluation about their work and careers. They learn quickly, trust themselves enough to experiment with new solutions, and apply their new knowledge to novel situations. Unsurprisingly, this means agile learners deliver results for their organizations.

The concept of learning agility emerged from the business world as a personal trait that seemed to be related to identifying individuals who might be most successful in leadership positions. Common sense tells us that promotions should go to the managers who are performing the best; those who excel in their current managerial role should be extremely likely to perform well

when promoted to a higher management position. Unfortunately, many companies find out to their detriment that this is not always the case (Conner, 2011). What has an impact on a manager's performance once promoted is their ability to quickly and adaptively navigate the requirements of their new positions, or learning agility (DeRue et al., 2012).

Kaiser and Craig (2005) found that learning in the workplace was a critical competency as individuals transitioned from frontline supervisors to middle managers to executives. They examined the behavioral and effectiveness ratings of 2,175 managers across three managerial levels (225 supervisors, 1,457 middle managers, and 493 executives) to determine whether behaviors associated with effectiveness differed by level. Behavioral ratings of each manager were completed by five subordinates, and overall effectiveness ratings of each manager were completed by two superiors.

Exploratory factor analysis, content sort, and confirmatory factor analysis identified seven behavioral domains (learning orientation, work-life balance, decisive/action orientation, empowerment, interpersonal warmth, abrasiveness, and lack of follow-through). The data were coded based on the functional level of the manager, as well as his or her age, education, salary, gender, and race. People with elevated learning orientations generally are quick to absorb information and aggressively seek out knowledge but are flexible enough to accommodate challenges to their knowledge base.

Organizational Performance

Performance is a major multi-dimensional construct aimed at achieving results and has a strong link to the strategic goals of an organization (Mwita, 2010). According to Tangen (2005), performance can be described as an umbrella term for all concepts that consider the success of a firm and its activities. Performance can refer to actual results/outputs of certain activities, how an activity is carried out, or the ability to achieve results. Atkinson (2012) defined performance as the achievement of results ensuring the delivery of desirable outcomes for a firm's stakeholders.

Awino (2011) asserts that for an organization to be successful, it has to record high returns and identify performance drivers from the top to the bottom of the organization. Njihia, Obara & Mauti (2013) highlight performance measurement as one of the tools that help firms in monitoring performance, identifying the areas that need attention, enhancing motivation, improving communication, and strengthening accountability. Performance is equivalent to the famous 3Es, that is, economy, efficiency, and effectiveness of a certain program or activity (Richard, Devinney, Yip & Johnson, 2009).

Daft (2010) defined organizational performance as the organization's ability to attain its goals by using resources efficiently and effectively. Organizational performance is the ability of the organization to achieve its goals and objectives (Sok, O'Cass & Sok, 2013). Performance can be assessed based on information obtained through primary resources or secondary resources. In general, performance can be measured taking into consideration two types of performance: financial performance and non-financial performance (Jarad, 2010). Kiragu (2009) highlights performance in terms of four perspectives, which are the financial, customer, internal processes, and innovativeness.

The financial perspective identifies the key financial drivers of enhancing performance, which are profit margin, asset turnover, leverage, cash flow, and working capital (Odhuno & Wadongo, 2010). The customer focus describes performance in terms of brand image, customer satisfaction, customer retention, and customer profitability.

Njihia et al. (2013) assert that the only worthy performance measures its financial performance because of its value to shareholders, executives, and the market. This measure is an indicator of organizational success and sustainability because it is the reason for the existence of firms.

On the contrary, Ittner & Larcker (2009) claim that a firm's performance should not be measured by financial performance but also by operational and market influencers. Non-financial measures have been deemed to be more effective in motivating managerial performance because they are more reflective of the overall corporate strategy (Banker et al., 2012).

Profitability refers to the money that a firm can produce with the resources it has. The goal of most organizations is profit maximization (Niresh & Velnampy, 2014). Profitability involves the capacity to benefit from all the business operations of an organization, firm, or company (Muya & Gathogo, 2016). Profit usually acts as the entrepreneur's reward for his/her investment. Profit is the main motivator of an entrepreneur to do business. Profit is also used as an index for performance measuring of a business (Ogbadu, 2009). Profit is the difference between revenue received from sales and total costs, which include material costs, labour, and so on (Stierwald, 2010). Profitability can be expressed by either accounting profits or economic profits, and it is the main goal of a business venture (Anene, 2014).

Profitability portrays the efficiency of the management in converting the firm's resources to profits (Muya & Gathogo, 2016). Thus, firms are likely to gain a lot of benefits related to increased profitability (Niresh & Velnampy, 2014). One important precondition for any long-term survival and success of a firm is profitability. It is profitability that attracts investors, and the business is likely to survive for a long period (Farah & Nina, 2016). Many firms strive to improve their profitability, and they spend countless hours in meetings trying to come up with a way of reducing operating costs as well as increasing their sales in the wake of an unpredictable and ever-changing environment (Schreibfeder, 2006).

According to Cole (2016), market share refers to the portion of a market, measured either by the number of units or by revenue, that is controlled by a particular company. Market share is determined at the national level, as well as in more specific regional and local areas, to find out exactly what the market share is. The simplest way to calculate market share is to take a company's total sales and then divide that by the total sales of the entire industry. Market share is the percentage of customers in a particular industry that a company has won, based on what it wants to achieve in that market (Cooper & Nakanishi, 2014).

Customer satisfaction is about how happy and comfortable a person feels when they get what they wanted and expected, as explained by Ganiyu in 2017. According to Kotler in 2001, satisfaction is the feeling of happiness or sadness that a customer gets when they compare how well a product or service performed with what they expected. Potluri and Hawariat in 2010 described customer satisfaction as a temporary emotional response to how a service was delivered. Muriithi (2013) said customer satisfaction is the feeling customers have when they compare what they expected to happen with what they actually experienced.

RESEARCH METHODOLOGY

A research design refers to the overall strategy that the researcher chooses to integrate the different components of the study in a coherent and logical way, with the intended purpose of effectively addressing the researcher's problem and constituting the blueprint for the collection, measurement, and analysis of data (Blumberg, Cooper, and Schindler, 2011). A descriptive survey research design was employed in the current research study. This design is appropriate for this study because of its robust effect on relationship studies and because of the comparative analysis implied by several research objectives (Rovai, Baker, & Ponton, 2014).

The study's target population included the middle-level management staff (who include finance, IT, HR, marketing, sales managers, etc) of all listed manufacturing allied industry firms at the NSE, as they are responsible for the formulation of strategies in their firms. There are nine (9) manufacturing and allied industry firms that are listed on the NSE. The study

considered the Kenyan manufacturing industry since a myriad of challenges that cannot be ignored, because the industry plays a significant role in our economy.

Since the target population of the study was the middle-level management staff of the nine (9) listed manufacturing firms in NSE, all the firms were included in the study as the population is small and manageable. Simple random sampling was also applied in choosing the respondents of the study from the management teams of all the organizations. The respondents were purposively selected from 350 managers since they are the main ones involved in making decisions in organizations, including financial decisions. The sample size of this study was calculated from Yamane's formula

Table 1: Sample frame and size

Firm	Population Of Management	Sample Size	Percentage
Flame Tree Group	9	5	3
B.O.C Kenya Ltd	24	13	7
British American Tobacco Kenya Ltd	153	82	44
Carbacid Investments Ltd	13	7	4
East African Breweries Ltd	63	34	18
Mumias Sugar Co. Ltd	21	11	6
Unga Group Ltd	40	21	11
Eveready East Africa Ltd	12	6	3
Kenya Orchards Ltd	15	8	4
TOTAL	350	187	100

Since the study utilized both primary and secondary data. The primary data will be collected using both open and closed-ended questionnaires, which shall be dropped off and picked up later by the researcher. The use of a questionnaire preserves anonymity, saves time, and its administration is simple. Secondary data was collected using a data collection sheet. This data was retrieved from the analysis of companies' published accounts, from the websites of different manufacturing firms, from manufacturing firms' offices, and from the registrar of companies. The data will be collected for span a period of five years, covering 2020 to 2024. The reason to restrict the period of the study to five years is that the latest data is readily available for this period.

Data collected was cleaned, sorted, and coded using numerical codes and then entered into the SPSS Version 25 software to analyze descriptive and inferential statistics. Descriptive statistics were generated to explain various attributes of the variables under study through mean and standard deviation, and presented in tables, pie charts, bar graphs, etc., while inferential statistics were used to establish the relationships among the study variables, and were done using regression analysis.

RESULTS AND DISCUSSION

The researcher distributed 187 questionnaires to the middle-level management staff of the nine (9) listed manufacturing firms in NSE. Out of these, 150 questionnaires were completed accurately and returned, resulting in an impressive response rate of 80.21%, meeting the criteria defined by Mugenda and Mugenda (2003).

Descriptive Analysis

Leadership Agility

The study sought to investigate how leadership agility affected the performance of listed manufacturing firms in Kenya. Respondents were asked to share their opinions on statements

related to leadership agility. The means and the standard deviations of the responses were tabulated as follows:

Table 2 Leadership Agility Statements

Statement	Mean	Std. Dev
The company has clear values and standards of conduct, which are constantly communicated, giving employees a sense of direction towards goal attainment.	2.208	1.467
Employees are involved in major decision-making processes, hence feeling a sense of belonging.	2.872	1.719
The company has a decentralized decision-making structure.	2.661	1.390
I always ensure the organization has an accurate outside image and stays in touch with the business environment.	2.014	0.996
I regularly conduct planning sessions and focus on alternative scenarios.	2.511	1.092
Communication within the organization is in line with the speed of the industry and business changes.	2.278	1.618
Average	2.424	1.380

The table above presents the mean and the standard deviation of the six (6) statements posed to the respondents on leadership agility. The mean ranged from 2.014 to 2.872 for the six (6) statements with an average of 2.424. A factor with a mean of more than 1.5 and less than 2.5 implies that, to a lesser extent, the factor affects performance. A factor with a mean greater than 2.5 and less than 3.5 implies that, to a moderate extent, the factor affects performance. A factor with a mean greater than 3.5 and less than 4.5 implies that to a very great extent, the factor affects performance. This implies that the company has clear values and standards of conduct, which are constantly communicated, giving employees a sense of direction towards goal attainment (2.802), the employees are involved in major decision-making processes, hence feeling a sense of belonging(2.872), the company has a decentralized decision-making structure (2.661), the respondents always ensure the organization has an accurate outside image and stays in touch with the business environment (2.014), the respondents regularly conduct planning sessions and focus on alternative scenarios (2.511) and that communication within the organization is in line with the speed of the industry and business changes (2.278) affects performance to a lesser extent.

The standard deviation for these statements ranged from 0.996 to 1.719, with an average of 1.380. When the standard deviation of a statement is more than one (1), that shows that the responses are moderately distributed, but when it is less than one (1), it shows that there is no consensus on the responses obtained. The results therefore, indicated that the company has clear values and standards of conduct, which are constantly communicated, giving employees a sense of direction towards goal attainment (SD=1.467), the employees are involved in major decision-making processes, hence feeling a sense of belonging(SD=1.719), the company has a decentralized decision-making structure (SD=1.390), the respondents regularly conduct planning sessions and focus on alternative scenarios (SD=1.092) and that communication within the organization is in line with the speed of the industry and business changes (1.618) had a standard deviation of more than one (1) hence moderately distributed. However, the respondents always ensure the organization has an accurate outside image and stays in touch with the business environment (SD=0.996), which had an SD of below one (1), indicating less distribution. Therefore, an average SD of 1.380 indicated a moderate distribution of factors on leadership agility, hence can be relied on as representatives of the performance of the listed manufacturing firms in Kenya. The findings of this study on the influence of leadership agility agree with the findings of Arifin and Purwanti (2023) that leadership agility exerted a positive and significant influence on organizational agility.

Learning Agility

The study sought to investigate how learning agility affected the performance of listed manufacturing firms in Kenya. Respondents were asked to share their opinions on statements related to learning agility. The means and the standard deviations of the responses were tabulated as below:

Table 3: Learning Agility Statement

Statement	Mean	Std Dev
Our organization encourages employees to learn new skills or acquire new knowledge that helps the organization adjust its strategies or processes when learning reveals better approaches.	2.403	1.082
Our firm adapts its practices based on lessons learned and knowledge acquired from past experiences, which are shared across departments or teams.	3.141	1.370
Our organization is open to experimenting with new ideas, technologies, or processes that help cope with the ever-changing business environment.	3.221	1.182
Our firm encourages constructive feedback and reflection on performance from both inside and outside the organization, allowing it to change its approaches.	3.507	1.234
The leadership of our organization promotes a culture that supports continuous learning and improvement, providing opportunities for professional development (training, workshops, job rotation)	3.075	1.393
Average	3.069	1.252

The table above presents the mean and the standard deviation of the five (5) statements posed to the respondents on Learning Agility. The mean ranged from 2.403 to 3.507 for the five (5) statements with an average of 3.069. A factor with a mean of more than 1.5 and less than 2.5 implies that, to a lesser extent, the factor affects performance. A factor with a mean greater than 2.5 and less than 3.5 implies that, to a moderate extent, the factor affects performance. A factor with a mean greater than 3.5 and less than 4.5 implies that to a very great extent, the factor affects performance. This implies that the firms encourages employees to learn new skills or acquire new knowledge that helps the organization adjust its strategies or processes when learning reveals better approaches (2.403), firm adapts its practices based on lessons learned and knowledge acquired from past experiences, which are shared across departments or teams (3.141), organizations are open to experimenting with new ideas, technologies, or processes that help cope with the ever-changing business environment (3.221), the firms encourages constructive feedback and reflection on performance from both inside and outside the organization, allowing it to change its approaches (3.507) and that the leadership of our organization promotes a culture that supports continuous learning and improvement, providing opportunities for professional development (training, workshops, job rotation) (3.075) affects performance to a lesser extent.

The standard deviation for these statements ranged from 0.996 to 1.719, with an average of 1.380. When the standard deviation of a statement is more than one (1), that shows that the responses are moderately distributed, but when it is less than one (1), it shows that there is no consensus on the responses obtained. The results therefore, indicated that the firms encourages employees to learn new skills or acquire new knowledge that helps the organization adjust its strategies or processes when learning reveals better approaches (SD=1.082), the firms adapts its practices based on lessons learned and knowledge acquired from past experiences, which are shared across departments or teams (SD=1.370), organizations are open to experimenting with new ideas, technologies, or processes that help cope with the ever-changing business environment (SD=1.182), the firm encourages constructive feedback and reflection on

performance from both inside and outside the organization, allowing it to change its approaches (SD=1.234) and that by the leadership of our organization promotes a culture that supports continuous learning and improvement, providing opportunities for professional development (training, workshops, job rotation) (1.393) had a standard deviation of more than one (1) hence moderately distributed. Therefore, an average SD of 1.252 indicated a moderate distribution of factors on leadership agility, hence, can be relied on as representatives of the performance of the listed manufacturing firms in Kenya. The findings of this study on the effect of leadership agility on performance have also been confirmed by the findings of Roberts (2012), who found that leaders anticipate change and decide the next course of action, hence influencing performance.

Organizational Performance

The study sought to investigate how the performance of listed manufacturing firms in Kenya is affected by strategic agility. Respondents were asked to share their opinions on statements related to performance. The means and the standard deviations of the responses were tabulated as below:

Table 4 Organizational Performance Statements

Statement	Mean	Std Dev.
We remain steadfast and consistent regardless of the changes and trends in the marketplace.	4.083	0.982
We modify our products and services to meet the changing marketplace.	3.014	1.524
We make major changes to our strategy as dictated by the marketplace and the industry competitors, thus staying ahead of the competition	3.230	1.275
The company exhibits a high degree of environmental adaptation.	2.991	1.002
Average	3.330	1.196

The table above presents the mean and the standard deviation of the four (4) statements posed to the respondents on firm performance. The mean ranged from 2.991 to 4.083 for the four (4) statements with an average of 3.330. A factor with a mean of more than 1.5 and less than 2.5 implies that, to a lesser extent, the factor affects performance. A factor with a mean greater than 2.5 and less than 3.5 implies that, to a moderate extent, the factor affects performance. A factor with a mean greater than 3.5 and less than 4.5 implies that to a very great extent, the factor affects performance. This implies that the companies remain steadfast and consistent regardless of the changes and trends in the marketplace (4.083), they modify their products and services to meet the changing marketplace (3.014), they make major changes to their strategies as dictated by the marketplace and the industry competitors, thus staying ahead of the competition (3.230) and exhibits a high degree of environmental adaptation (2.991), which is affected to a moderate extent.

The standard deviation for these statements ranged from 0.982 to 1.524, with an average of 1.380. When the standard deviation of a statement is more than one (1), that shows that the responses are moderately distributed, but when it is less than one (1), it shows that there is no consensus on the responses obtained. The results therefore, indicated that the companies remain steadfast and consistent regardless of the changes and trends in the marketplace (SD=0.982), they modify their products and services to meet the changing marketplace (SD=1.524), they make major changes to their strategies as dictated by the marketplace and the industry competitors, thus staying ahead of the competition (SD=1.275) and exhibits a high degree of environmental adaptation (SD=1.002) had a standard deviation of more than one (1) hence moderately distributed.

Therefore, an average SD of 1.196 indicated a moderate distribution of factors on the performance of the listed manufacturing firms in Kenya. Bassey, Uwa, and Okurebia (2023),

in confirming the findings of this study, found that organizational performance is influenced by various aspects of strategic agility.

Correlation Analysis

Table 5: Correlation Results

		Organizational performance	Leadership Agility	Learning Agility
Organizational Performance	Pearson Correlation	1		
	Sig.(2-tailed)			
Leadership Agility	Pearson Correlation	.328**	1	
	Sig.(2-tailed)	.000		
Learning Agility	Pearson Correlation	.214**	.481**	1
	Sig.(2-tailed)	.000	.000	

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

The table shows a strong and positive correlation (r=0.328, p=0.000) between leadership agility an organizational performance. Organizational performance is also positively and significantly correlated with Learning Agility (r=0.205, p=0.000). This implies that a profit gain follows an increase in any of these variables.

Coefficient of Determination

Table 6 shows that R² (R-squared), which is the coefficient of determination of the dependent variable, organizational performance, is influenced by the corresponding independent variables, including leadership agility, and Learning Agility. An R = 0.907 shows a strong relationship between the variables in question, and an adjusted R² = 0.874 (87.4%) further indicates the strong influence of the independent variables on the dependent variable. This suggests that factors not covered in this study account for 12.6% of the variation in organizational performance.

Table 6: Model Summary

Model	R	R Squared	Adjusted R Squared	Std. Error
1	.907a	.874	.772	.3425

Predictor variables include leadership agility, and Learning Agility.

Table 7 shows the value of F=1.650, while the F critical is calculated at (df=146). With a Sig (P-value) = 0.01, the conclusion is that the overall regression is significant and hence the model is acceptable. Therefore, all the independent variables, such as leadership agility, and Learning Agility, affect organizational performance by predicting it.

Table 7: ANOVA Table

Model		Sum of Squares	Df	Mean of Squares	F	Sig.
1	Regression	2.115	2	.528	1.650	.001 ^b
	Residual	4.642	147	.032		
Total		6.757	149			

Predictor: (Constant) leadership agility, and Learning Agility.

Regression Coefficient

Table 8 contains the regression coefficient results for the study.

Table 8 Coefficient correlation

Model	Unstandardized coefficient		Standardized coefficient		
	B	Std. Error	β	T	Sig.
Constant	1.327	1.046		1.284	0.001
1 Leadership Agility	.368	.119	.211	2.408	0.000
Learning Agility	.373	.122	.204	2.116	0.000

Predictor: (Constant) leadership agility, and Learning Agility

the model summary was presented as follows:

$$Y = 1.327 + 0.368X_1 + 0.373X_2 + \varepsilon$$

With all other factors held constant at zero, a unit increase of the independent variable, leadership agility, and learning agility, influences organizational performance by 0.368, or 0.373, respectively.

Conclusion

On leadership agility, this study concluded that the company has clear values and standards of conduct, which are constantly communicated, giving employees a sense of direction towards goal attainment and belonging as they are involved in major decision-making processes. The study also concluded that the company has a decentralized decision-making structure, has an accurate image, and stays in touch with the business environment by regularly conducting planning sessions and focusing on alternative scenarios. The study finally concluded that communication within the organization is in line with the speed of the industry and business changes.

About learning agility, this study concluded that the firms encourage employees to learn new skills or acquire new knowledge that helps the organization adjust its strategies or processes when learning reveals better approaches. The firms adapt their practices based on lessons learned and knowledge acquired from past experiences, which are shared across departments or teams. The organization promotes a culture of openness to experimenting with new ideas, technologies, or processes that help cope with the ever-changing business environment, encouraging constructive feedback and reflection on performance from both inside and outside the organization, allowing it to change its approaches.

Recommendations

After a careful analysis, the study recommended that companies should formulate and implement strategies that enable the organization to continuously adjust to the changing customer demand and competitive environment. These strategies should take a holistic approach, stressing customer-centric philosophies across all its operations. This will enhance customer satisfaction, hence long-term loyalty to the organization.

Areas of further research

The study recommends that more studies be undertaken to provide a clear insight into the sustainability of the improved performance and how strategic agility enhances the organizational performance of other entities other than the listed manufacturing firms.

Other studies can be conducted to explore the moderating factors that might be influencing the relationship between strategic agility and the performance of organizations.

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