

## STRATEGIC MANAGEMENT PRACTICES AND PERFORMANCE OF NON-ALCOHOLIC BEVERAGE MANUFACTURERS IN NAIROBI CITY COUNTY, KENYA

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### ABSTRACT

Despite the important contribution of non-alcoholic beverage manufacturers to employment creation, value addition, industrial diversification and urban economic growth, firms operating in Nairobi City County continue to experience performance challenges arising from rising input costs, intense market competition, regulatory pressure, changing consumer preferences and operational inefficiencies. The general objective of this study was to examine the influence of strategic management practices on the performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya. Specifically, the study assessed the influence of strategic planning practices and monitoring and evaluation practices on organizational performance. The study was anchored on Resource-Based View Theory and Contingency Theory. A descriptive research design was adopted. The target population comprised 1,360 management employees drawn from 272 registered non-alcoholic beverage manufacturers in Nairobi City County. Using Yamane's formula, a sample size of 309 respondents was selected. Primary data were collected using structured questionnaires and analyzed using SPSS version 28 through descriptive statistics, Pearson correlation and multiple regression analysis. The study achieved a response rate of 77.3%, which was considered adequate for analysis and reporting. The findings revealed that strategic planning practices and monitoring and evaluation practices were positively and significantly associated with organizational performance. Correlation results showed strong positive relationships between performance and strategic planning practices ( $r=0.862$ ,  $p=0.000$ ) and monitoring and evaluation practices ( $r=0.843$ ,  $p=0.001$ ). Regression analysis further established that strategic planning practices ( $\beta=0.357$ ,  $p=0.000$ ) and monitoring and evaluation practices ( $\beta=0.338$ ,  $p=0.001$ ) had positive and statistically significant effects on performance. The regression model explained 64.9% of the variation in organizational performance. The study concluded that strategic management practices are critical drivers of market share, operational efficiency, profitability, customer satisfaction and overall competitiveness among non-alcoholic beverage manufacturers in Nairobi City County. The study recommends that non-alcoholic beverage manufacturers in Kenya should institutionalize comprehensive strategic planning practices that align operational activities with long-term business objectives, market trends and consumer preferences.

**Key Words:** Strategic Management Practices, Strategic Planning Practices, Monitoring and Evaluation Practices Non-Alcoholic Beverage Manufacturers

## Background of the Study

The manufacturing sector is a critical component of an economy, encompassing industries engaged in the transformation of raw materials into finished goods through mechanical, physical, or chemical processes, often on a large scale to meet consumer and industrial demand. Within this sector, non-alcoholic beverage manufacturers specialize in producing drinks that do not contain alcohol, such as bottled water, carbonated soft drinks, fruit juices, energy drinks, sports beverages, dairy-based drinks, and ready-to-drink teas or coffees (Kushnirenko & Gakhovych, 2023). These manufacturers focus on formulation, production, packaging, and distribution, adhering to strict quality and safety standards while innovating to meet changing consumer preferences for taste, nutrition, and sustainability. Non-alcoholic beverage manufacturers play a vital role in promoting economic growth and diversification within the manufacturing sector. They create opportunities for entrepreneurship by enabling individuals and small groups to establish and grow businesses that cater to local and regional markets (Yusuf, Mukulu & Oloko, 2020). These enterprises often focus on niche products, unique flavors, or locally sourced ingredients, contributing to the diversity and cultural relevance of the beverage industry. By producing beverages that reflect local tastes and traditions, manufacturers help preserve cultural identity while meeting consumer demand (Lerai, Rintari & Moguche, 2023).

From an employment perspective, non-alcoholic beverage manufacturers are significant job creators, especially in developing economies where large-scale manufacturing is limited. They generate both direct employment in production, quality control, and packaging, and indirect employment through supply chains, distribution networks, and retail outlets (Anyieni, 2020). This employment creation not only improves livelihoods but also stimulates rural and urban economies by providing income and supporting household welfare. The non-alcoholic beverage industry also fosters innovation and adaptability. They are often more agile than large corporations, allowing them to respond quickly to emerging trends, such as health-conscious beverages, sugar-free options, and eco-friendly packaging. This flexibility helps them capture niche markets and build customer loyalty. Moreover, their smaller scale often makes it easier to implement sustainable practices, such as using recyclable materials or partnering with local farmers for raw ingredients, thereby supporting environmental conservation and local agriculture (Khan & Rasheed, 2020).

In addition, non-alcoholic beverage manufacturers contribute to market competition, which drives product quality, affordability, and consumer choice. Their presence encourages larger companies to improve their offerings, benefiting the overall industry and consumers alike. By participating in both domestic and export markets, non-alcoholic beverage manufacturers can also enhance a country's trade balance and promote its brand globally. In summary, these enterprises are essential drivers of innovation, employment, and cultural identity, while also strengthening economic resilience and competitiveness in the beverage manufacturing sector (Nduhura, Magero & Nansamba, 2022).

Strategic management practices refer to the coordinated processes and activities that organizations undertake to formulate, implement, and evaluate strategies aimed at achieving long-term goals and sustaining competitive advantage. These practices typically involve setting clear objectives, analyzing the internal and external business environment, allocating and managing resources effectively, fostering innovation, and continuously monitoring and evaluating performance to ensure alignment with the organization's vision and market demands. Strategic planning practices involve the systematic process of defining an organization's direction and determining how to allocate resources to achieve its long-term objectives. This includes setting clear, measurable goals, analyzing internal strengths and weaknesses, assessing external opportunities and threats, and formulating strategies that position the business competitively in the market (Mutahi & Busienei, 2021).

Strategic planning ensures that production, marketing, and distribution efforts are aligned with consumer preferences, regulatory requirements, and industry trends, thereby fostering sustainable growth and market relevance. Monitoring and evaluation practices provide a framework for tracking performance, assessing the impact of strategies, and identifying areas for improvement (Munjuri, 2020). This study seeks to examine the influence of strategic management practices on the performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya.

The non-alcoholic beverage (NAB) industry in Nairobi City County comprises a mix of multinational bottlers, regional processors and local manufacturers producing carbonated soft drinks, packaged juices, bottled and mineral water, cordials and ready-to-drink (RTD) products. Production and distribution are concentrated around Nairobi because of the city's transport links, skilled labour pool and proximity to formal retail channels (supermarkets, horeca and modern trade) and informal retail networks. The sector contributes to employment, value-addition of agricultural inputs (fruit, sugar), and urban industrial output, and is subject to food safety, water abstraction and labelling regulations enforced through national agencies and industry associations (KAM, 2024).

Dominant players with significant operations servicing Nairobi include Coca-Cola Bottling operations (through Coca-Cola Beverages Africa—CCBA) which lead the carbonated soft drinks and bottled water segments and have made substantial investments in hot-fill juice and bottling capacity in Nairobi. Other important manufacturers and brands represented in the Nairobi market are Del Monte (juices and concentrates), Kevian and Suntory (local and regional soft drink and water brands), Highlands Drinks and Crown/Keringet in the bottled water segment, and a growing number of Kenyan startups (e.g., Hola, Brava) producing niche carbonates, energy drinks and bottled water. These firms vary by scale from large multinational bottling plants to medium and small local bottlers supplying urban and peri-urban markets (KNBS, 2024).

Key industry dynamics in Nairobi include strong competition on distribution and cooler/refrigeration footprint, growing demand for packaged water and healthier juice options, upward pressure on input costs (sugar, PET packaging, energy) and rising compliance expectations on sustainability and water stewardship. Opportunities center on product-innovation (low-sugar and functional beverages), local sourcing of fruit inputs to reduce import dependence, and investments in circular packaging. Constraints include regulatory compliance costs for small bottlers, water risk management concerns, and margins squeezed by logistics and retail distribution. Industry coordination through associations (e.g., Water Bottlers Association of Kenya) and continuing capital investment by major bottlers are shaping the sector's structure and competitiveness in Nairobi (KAM, 2024).

### **Statement of the Problem**

The manufacturing sector plays a pivotal role in Kenya's economic development, contributing significantly to GDP, job creation, and industrial diversification. According to the Kenya National Bureau of Statistics (KNBS, 2024), the manufacturing sector accounts for approximately 7.6% of the national GDP, with a vision to expand this to 20% under the country's Big Four Agenda. Non-alcoholic beverage manufacturers, form an essential part of the value chain—supporting agricultural inputs, local distribution, and value addition. In Nairobi City County, which serves as Kenya's industrial and commercial hub, Non-alcoholic beverage manufacturers are key to enhancing beverage innovation, urban employment, and market accessibility. However, their ability to thrive is increasingly challenged by operational inefficiencies, volatile market trends, and regulatory burdens (KAM, 2024).

Despite their critical role, the performance of non-alcoholic beverage manufacturers in Nairobi has been declining in recent years. Data from the Kenya Association of

Manufacturers (KAM, 2024) indicates that more than 38% of beverage firms reported stagnant or negative revenue growth over the past three years. Furthermore, the Kenya Private Sector Alliance (KEPSA) reports that from 2021 to 2023, over 25% of beverage manufacturers in Nairobi either closed operations temporarily or scaled down production due to rising input costs, limited access to credit, and weak internal management structures. The 2023 Non-alcoholic beverage manufacturers Competitiveness Report also noted that non-alcoholic beverage faced an average 16% drop in production output and a 22% decline in formal job creation relative to 2019 levels. These worrying trends suggest structural weaknesses in how performance is managed, measured, and improved across the subsector (KNBS, 2024).

Strategic management practices are globally recognized as drivers of organizational success, especially in dynamic and competitive industries. However, in Kenya, there is limited empirical evidence on how these practices are applied by SME manufacturers, particularly in the non-alcoholic beverage subsector. While a few studies (e.g., Wanyoike et al., 2022; Gather, 2023) have examined strategic planning and SME growth broadly, they often fail to address sector-specific dynamics, contextual managerial challenges, or the direct link between strategic management practices and operational performance outcomes. This study sought to fill the highlighted gap by investigating how strategic management practices influence performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya.

## **Objectives of the Study**

### **General Objective**

The general objective of this study was to examine the influence of strategic management practices on performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya

### **Specific Objectives**

- i. To assess the influence of strategic planning practices on performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya
- ii. To analyse how monitoring and evaluation practices influence performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya

## **Theoretical Review**

### **Resource-Based View (RBV) Theory**

The Resource-Based View (RBV) theory founded by Barney (1991) is a strategic management framework that focuses on the internal resources and capabilities of a firm as sources of competitive advantage (Kushnirenko & Gakhovych, 2023). At its core, RBV posits that a firm's unique bundle of resources and capabilities can enable it to achieve sustainable competitive advantage and superior performance in the marketplace. Unlike traditional strategic management approaches that primarily focus on external factors such as market dynamics and industry structure, RBV emphasizes the importance of internal factors in determining a firm's success. RBV theory entails identifying and leveraging a firm's distinctive resources and capabilities to create value and achieve strategic objectives (Magok, Wanyama & Chebet, 2021). Resources can include tangible assets such as physical infrastructure, financial capital, and technology, as well as intangible assets such as human capital, intellectual property, organizational culture, and reputation. These resources are considered valuable if they enable the firm to exploit opportunities or neutralize threats in the external environment. Capabilities, on the other hand, refer to the firm's ability to effectively deploy and utilize its resources to perform specific activities and achieve desired outcomes (Yusuf, Mukulu & Oloko, 2020). This theory was used to assess the influence of strategic

planning practices on performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya.

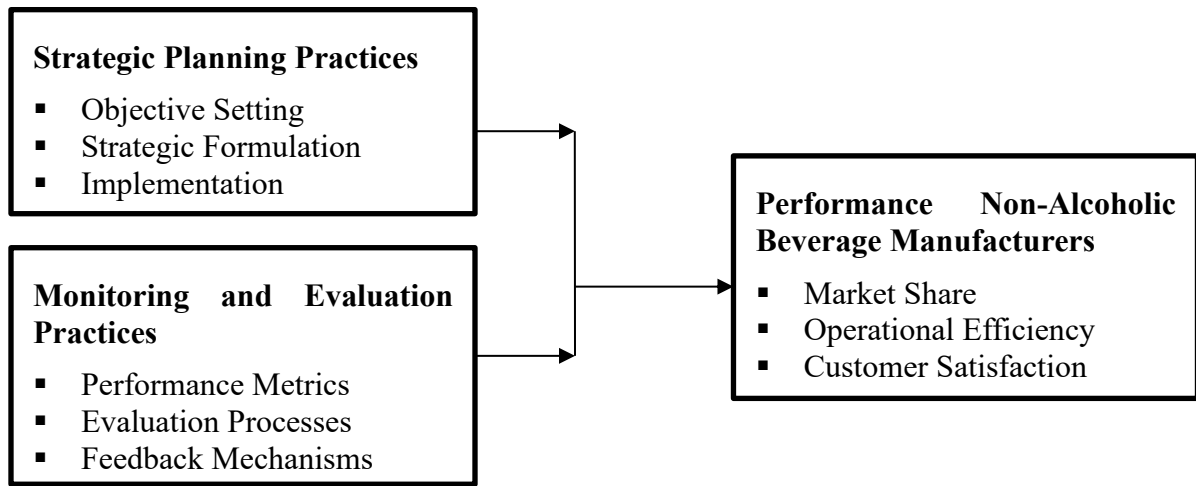
### **Contingency Theory**

Contingency Theory, developed by Fred E. Fiedler (1964) often associated with leadership and organizational management, proposes that there is no one-size-fits-all approach to leadership or management practices (Handayani & Wijaya, 2020). Instead, the effectiveness of leadership styles, organizational structures, and management strategies depends on the specific context in which they are applied. This theory suggests that different situations require different kinds of leadership and management approaches for optimal performance. At its core, Contingency Theory asserts that various factors in the external environment and within the organization itself interact to determine the most effective leadership style or management practice. These factors can include the organization's size, its industry or sector, the complexity of its tasks, its culture, the skills and personalities of its employees, and the external environment such as market conditions or regulatory requirements (Murorunkwere & Munene, 2022).

One of the key principles of Contingency Theory is the idea of fit or match between the leader's or manager's style and the situational demands (Mutsune & Ngugi, 2023). For example, in a highly uncertain and rapidly changing environment, a more flexible and adaptive leadership style may be more effective than a rigid, authoritarian approach. Similarly, in organizations with complex tasks that require specialized knowledge and expertise, leaders who can facilitate collaboration and empower their teams may be more successful than those who rely solely on hierarchical authority. Contingency Theory also emphasizes the importance of understanding the unique characteristics of each situation and tailoring leadership and management practices accordingly (Wanjala, *et al*, 2020). This flexibility allows leaders and managers to adjust their strategies based on the specific challenges and opportunities they face, thereby enhancing organizational effectiveness and performance. Critically, Contingency Theory challenges the notion of a universally "best" or "ideal" leadership style. Instead, it encourages leaders and managers to be adaptive and responsive, continuously evaluating and adjusting their approach to align with the evolving needs of the organization and its environment. By considering the contingency factors and adapting their practices accordingly, leaders can optimize their effectiveness and contribute to the overall success of their organizations (Wambua & James, 2020). This theory was used to analyse how monitoring and evaluation practices influence performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya.

### **Conceptual Framework**

A conceptual framework shows the relationship between the independent variables and the dependent variable below. The independent variables of the study are strategic planning practices and monitoring and evaluation practices. The dependent variable of the study is performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya.



**Independent Variables**

**Dependent Variable**

**Figure 1: Conceptual Framework**

**Strategic Planning Practices**

Strategic planning practices refer to the systematic processes and activities undertaken by an organization to define its long-term direction, set clear objectives, allocate resources effectively, and establish actionable plans to achieve desired outcomes (Kushnirenko & Gakhovych, 2023). These practices involve assessing the internal and external environment, formulating strategies that align with organizational goals, and determining the most effective courses of action to maintain competitiveness and growth. Strategic planning practices also encompass the continuous monitoring and evaluation of progress, allowing for adjustments to respond to changing market conditions and emerging opportunities, thereby ensuring sustained organizational performance (Magok, Wanyama & Chebet, 2021). Objective Setting involves defining the specific, measurable, achievable, relevant, and time-bound goals that an organization seeks to accomplish. This process provides a clear sense of direction and acts as a guiding framework for all strategic initiatives. Well-defined objectives align with the organization's mission and vision, ensuring that all efforts contribute toward a common purpose. Objective setting also helps in prioritizing activities, allocating resources efficiently, and establishing benchmarks for measuring progress and performance. By clearly stating what is to be achieved, it minimizes ambiguity and fosters commitment among stakeholders (Yusuf, Mukulu & Oloko, 2020).

Strategic Formulation is the process of developing strategies that will enable the organization to achieve its set objectives (Lerai, Rintari & Moguche, 2023). It involves analyzing both internal capabilities and external environmental factors to identify opportunities and threats, as well as strengths and weaknesses. Based on this analysis, management designs strategies that align resources and competencies with the prevailing market conditions and organizational goals. Strategic formulation requires careful consideration of alternative courses of action and selection of the most viable path that maximizes competitive advantage. It provides a blueprint for how the organization intends to position itself, create value, and respond to challenges in the business environment (Anyieni, 2020). Implementation refers to the process of putting the formulated strategies into action through the coordinated efforts of people, resources, and systems. This stage involves developing action plans, assigning responsibilities, allocating budgets, and establishing timelines to ensure that strategies are executed effectively. Successful implementation requires effective leadership, communication, and commitment from all levels of the organization. It also calls for establishing monitoring and control mechanisms to track progress, address emerging issues, and make necessary adjustments. Implementation transforms strategic plans from abstract

ideas into tangible outcomes that drive organizational performance (Kushnirenko & Gakhovych, 2023).

### **Monitoring and Evaluation Practices**

Monitoring and evaluation practices refer to the systematic processes used to track the progress of activities, assess performance, and determine the extent to which objectives are being achieved (Handayani & Wijaya, 2020). Monitoring involves the continuous collection and analysis of data to measure ongoing performance against set targets, ensuring that activities remain on track and resources are used efficiently. Evaluation, on the other hand, entails periodic assessment of the relevance, effectiveness, efficiency, and impact of interventions or strategies. Together, these practices provide evidence-based insights that support decision-making, enhance accountability, and inform adjustments needed to improve future outcomes (Murorunkwere & Munene, 2022). Performance Metrics are quantifiable indicators used to measure the efficiency, effectiveness, and overall success of activities, strategies, or operations. They provide a structured way to assess progress toward objectives, identify strengths, and highlight areas needing improvement. Performance metrics can cover various dimensions such as productivity, quality, customer satisfaction, financial returns, and operational efficiency. By setting clear and measurable indicators, organizations can track performance consistently over time, compare results against benchmarks, and make informed decisions to enhance outcomes (Mutsune & Ngugi, 2023).

Evaluation Processes involve the systematic assessment of activities, strategies, or programs to determine their relevance, effectiveness, efficiency, and sustainability (Wanjala, *et al*, 2020). This process is usually conducted at specific intervals and may include both qualitative and quantitative analysis. Evaluation processes help determine whether objectives have been achieved, identify lessons learned, and assess the long-term impact of initiatives. They often rely on data collected through monitoring, surveys, interviews, and other research methods. A well-structured evaluation process ensures that decisions are based on evidence, supports accountability, and guides improvements for future initiatives (Wambua & James, 2020). Feedback Mechanisms are structured systems or processes that allow for the collection, communication, and use of information regarding the performance of activities, strategies, or operations. These mechanisms ensure that insights from monitoring and evaluation are communicated to relevant stakeholders promptly and effectively. Feedback can be upward, downward, or horizontal, depending on the flow of information within the organization. Effective feedback mechanisms promote transparency, encourage continuous learning, and support timely adjustments to strategies or operations. By incorporating stakeholder perspectives, feedback helps ensure that decisions are responsive to both internal needs and external expectations (Handayani & Wijaya, 2020).

### **Empirical Review**

#### **Strategic Planning Practices and Organizational Performance**

Kushnirenko and Gakhovych (2023) conducted a study on the effect of strategic planning of the industrial recovery in Ukraine based on sustainable development. The article substantiates the importance of incorporating the principles of sustainable development into the strategic planning of Ukraine's post-war recovery. The goals and objectives mandatory for the post-war recovery of industrial development in Ukraine are substantiated, namely energy efficiency, ensuring efficient, safe and environmentally friendly production according to the sustainable development principles, a future without a carbon footprint and a circular economy in accordance with the European strategic vector. The study concluded that the action of these instruments is aimed at creating favorable conditions for eco-innovative transformations and is implemented at the level of interstate cooperation, state institution, regional public institution and enterprises.

Magok, Wanyama and Chebet (2021) conducted a study on the relationship between strategic planning practices and financial performances of SMEs in Juba, South Sudan. Strategic planning practices and financial performance are key areas of study because of the critical role they play in the structured development of any economy. This research was guided by three major theories: Strategic Fit Theory, Porter's Competitive Advantage Theory and Institutional Theory. This study used a Cross-Section Survey. The target population consists of 4,951 small and medium enterprises founded in Juba, South Sudan. The study aimed to evaluate government regulations and their moderating effect on the relationship between strategic evaluation practices and financial performance of SME'S in Juba, South Sudan, while controlling for the covariate effect of the strategic formulation and strategic implementation practices

Yusuf, Mukulu and Oloko (2020) conducted a study on the influence of strategic planning to firm performance in agricultural research based institutions of Kenya. The institutions had 2922 employees in the year 2015. The study employed descriptive research design. The sample size was 352 having been arrived at using Yamane's (1967) formula. The study finds that financial resource strategic planning is adopted by agricultural research based institutions of Kenya since it had a significant factor in determining firm performance of agricultural research based institutions in Kenya. Conclusion of the study were that financial resources strategic planning, human capital strategic planning, material resource strategic planning and information resource strategic planning influence a firm's performance in a great way.

Lerai, Rintari and Moguche (2023) conducted a study on the influence of strategic planning on the organizational performance among commercial-based parastatals in Kenya. The study obtained the sample size of 40 departmental managers and 110 administrative staff using simple random method. The study found that the dependent variable results indicated that respondents strongly agreed on the highest mean that the management motivated the staff to go and get a higher academic qualification. The study concluded that the basis of the parastatals' strategic planning was not supported by any bench marking but rather a specific individual's knowledge and experience.

Anyieni (2020) conducted a study on the effect of Effect of Strategic Planning on the Performance of Small and Medium Enterprises in Kenya: A Summary Review of the Literature. The Kenyan Small and Medium Enterprises (SMEs) sector is a very competitive environment, and they need strategic planning to remain competitive. Kenyan SMEs, which include agriculture and rural businesses, have contributed greatly to the growth of the economy, mainly in the creation of employment. This study endeavors, through a literature review, to find out how strategic planning impacts their performance. The study established that the most successful businesses use strategic planning, and there is a high failure rate for those who do not. An issue that has to be dealt with in a SME is planning, in order for the SME to determine where it is going, where it stands and how to reach where it aspires to go

### **Monitoring and Evaluation Practices and Organizational Performance**

Handayani and Wijaya (2020) conducted a study on the effect of learning from local economic development practice in central Java: a perspective based on monitoring and evaluation practices result 2011-2012 in Indonesia. Annual survey i.e. questionnaires to all 35 districts and interviews with selected districts were used as main input to further evaluate the LED achievement. As the result of the M&E 2011-2012, in general it is indicated that there are improvement in terms of growth or quantity of local economic activities mainly in the form of small based industrial cluster. The study concluded that M&E process has become an important tool on LED knowledge transfer, dissemination and social learning for local stakeholders.

Murorunkwere and Munene (2022) conducted a study on the effect of monitoring and evaluation practices and performance of non-governmental organization projects in Rwanda: A Case of Care International Village Savings and Loan Associations Project. The research design that was used is descriptive. The targeted population was 157 composed by staff of Care International staff working with Village Saving and Loan Association and beneficiaries from five saving groups of Rulindo District Village Saving and Loan Association. A sample size of 113 respondents was sampled using simple random sampling. The study found that monitoring and evaluation practices have an important impact on the performance of Care International VSLA projects in Rwanda. The study concluded that monitoring and evaluation practices affect the performance of NGOs in Rwanda, especially for Care International Village Saving and Loan Association projects

Mutsune and Ngugi (2023) conducted a study on the influence of monitoring and evaluation practices on project implementation by national lands commission in Nairobi City County, Kenya. The descriptive research design was employed in study methodology. 6 projects being implemented by the commission were targeted and 66 respondents among them 6 project managers and 60 project team members were the respondents. The study found that M&E practices had a positive and significant relationship. The study concluded that M&E practices had a positive significant influence on project implementation.

Wanjala, *et al* (2020) conducted a study on the influence of monitoring and evaluation practices on projects performance of Kenyan State Corporations. Mixed research design was adopted and a target population of 187 state corporations was used. Simple random sampling was used to select 65 state corporations who form the sample size. The study found that monitoring and evaluation practices had negative significant effect project performance in Kenyan State Corporations. The study concluded that monitoring and evaluation practices have a negative and significant relationship with project performance.

Wambua and James (2020) conducted a study on the effect of monitoring and evaluation practices and performance of county funded education projects in Makueni County, Kenya. The research design used is descriptive survey. The study targeted 31 county funded education projects in Makueni County. The study found a positive relationship between M&E practices and project performance. The study concluded that M&E practices had significant influence on performance of county funded education projects.

## **RESEARCH METHODOLOGY**

### **Research Design**

The study used a descriptive research design. The descriptive research design is a type of research study design that is used to collect information on the current status of a person or on object (Mugenda, 2019). Information is collected without altering anything in the in the area of study; also known as observational studies. It can be either qualitative or quantitative in nature. This design is preferable for this study because it enabled the researcher to undertake a breadth of observations on phenomenon under study.

### **Target Population**

A population is a well-defined collection of people, services, elements, events, groupings of objects, or homes that are being studied in order to generalize the findings (Cooper & Schindler, 2019). This study targeted non-alcoholic beverage manufacturers in Nairobi City County, Kenya. According to KAM (2025) Nairobi County has a total of 272 non-alcoholic beverage manufacturers. The unit of analysis was therefore the 272 non-alcoholic beverage manufacturers while the unit of observation was 1360 management employees working with these firms. In each firm, the study targeted 5 management employees in charge of finance, planning, risk management, innovation management and monitoring and evaluation. The total target population was therefore 1360 respondents.

## Sampling Frame

The sampling frame is a comprehensive list of all elements from which the sample was drawn. For this study, the sampling frame comprised of the 272 non-alcoholic beverage manufacturing firms in Nairobi County, as obtained from the Kenya Association of Manufacturers (KAM, 2024) directory. From each firm, five management employees were targeted, namely officers in finance, planning, risk management, innovation management, and monitoring and evaluation, ensuring representation of the key management functions relevant to the study variables. The stratified approach provides an accurate representation of the population while facilitating generalization of the study findings.

**Table 1: Sampling Frame**

Category	Target Population	Sample Size
Finance	272	62
Planning	272	62
Risk Management	272	62
Innovation Management	272	62
Monitoring And Evaluation	272	61
<b>Total</b>	<b>1360</b>	<b>309</b>

## Sample Size and Sampling Technique

Kothari (2019) explains that a sample size refers to the number of items to be selected from the universe to constitute a sample while sampling procedures refers to the technique used in selecting the items of the sample. The study used Yamane (1967) formula to determine the size of the sample. The selection formula is as follows:

$$n = \frac{N}{1 + (N-1)e^2}$$

Where n= the required sample size

N = is the Target Population (1360 respondents)

e = accuracy level required. Standard error = 5%

Sample calculation

$$n = \frac{N}{1 + (N-1)e^2}$$

$$n = \frac{1360}{1 + (1360)0.05^2}$$

$$n = \frac{1360}{4.4} = 309$$

From the formula, the sample size was 309 respondents. The study used stratified sampling technique. Stratified sampling was preferred since it is a probability method that divides a population into distinct, homogeneous subgroups (strata) hence ensuring fair representation of all groups in the sample

## Data Collection Instruments

This research used questionnaires to collect primary data. According to Patton et. al (2019), a questionnaire is appropriate in gathering data and measuring it against a particular point of view. It provides a standardized tool for data collection. Structured questions were used to collect primary data from the field. Questionnaires were preferred because they are effective data collection instruments that allow respondents to give much of their opinions pertaining to the research problem (Dempsey, 2019). According to Kothari (2018), the information obtained from questionnaires is free from bias and researchers' influence and thus accurate

and valid data was gathered. The preference for the questionnaire is based on the premise that it gives respondents freedom to express their views or opinions more objectively.

### **Pilot Test**

According to Mugenda and Mugenda (2019), a pilot test is a small-scale preliminary study conducted to evaluate feasibility, duration, cost, adverse events, and improve upon the study design prior to performance of a full-scale research project. The study carried out a pilot study to pretest and validates the questionnaire. Cronbach's alpha methodology, which measures internal consistency, was used. The main aim of the pilot test is testing how reliable the data collection tool is. The study used a total of 31 individuals in the pilot test which represented 10% of the sample size. The pilot sample was not included in the final study.

### **Data Analysis and Presentation**

Data from questionnaires was coded and analyzed using the Statistical Package for Social Sciences (SPSS version 28). The study used descriptive and inferential statistics for data analysis.

Descriptive statistics such as frequency distribution, mean (measure of dispersion), standard deviation, and percentages were used. Descriptive statistics therefore enables researchers to present the data in a more meaningful way, which allows simpler and easier interpretation (Singpurwalla, 2019). Inferential data analysis was conducted by use of Pearson correlation coefficient, and multiple regression analysis. Inferential statistic is used to make judgments about the probability that an observation is dependable or one that happened by chance in the study.

The relationship between the study variables was tested using multivariate regression model.

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \varepsilon$$

Whereby;

Y = Performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya

$\beta_0$  = Constant

$\beta_1, \beta_2$ , = Coefficients of determination

X<sub>1</sub> = Strategic planning practices

X<sub>2</sub> = Monitoring and evaluation practices

$\varepsilon$  = Error term

## **FINDINGS AND DISCUSSION**

### **Descriptive Statistics Analysis**

#### **Strategic Planning Practices and Organizational Performance**

The first specific objective of the study was to assess the influence of strategic planning practices on performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya. The respondents were requested to indicate their level of agreement on various statements related to strategic planning practices and performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya. The results were as shown table 2.

From the results, the respondents agreed that their organization sets clear and measurable objectives for all business activities (M= 3.981, SD= 0.626). In addition, the respondents agreed that the objectives set align with their organization's vision and long-term goals (M=3.970, SD=0.725). Further, the respondents agreed that they analyze both internal and external factors before developing their strategies (M=3.868, SD=0.815).

From the results, the respondents agreed that their strategies are designed to give the organization a competitive advantage (M=3.854, SD= 0.728). In addition, the respondents agreed that roles and responsibilities for strategy implementation are clearly communicated (M=3.828, SD=0.831). Further, the respondents agreed that progress on strategic initiatives is regularly monitored to ensure successful execution (M=3.771, SD=0.642).

These findings are consistent with empirical studies which have established that effective strategic planning enhances organizational efficiency, competitiveness, decision-making, and overall firm performance. For instance, studies by scholars such as Bryson (2023), Elbanna (2020), and Omboi and Mucai (2021) found that organizations that adopt structured strategic planning practices are more likely to achieve improved operational performance, market growth, and sustainability. The findings therefore suggest that strategic planning practices provide a clear direction for organizational activities and contribute positively to the performance of non-alcoholic beverage manufacturers.

**Table 2: Strategic Planning Practices and Organizational Performance**

	Mean	Std. Deviation
Our organization sets clear and measurable objectives for all business activities.	3.981	0.626
The objectives set align with our organization's vision and long-term goals.	3.970	0.725
We analyze both internal and external factors before developing our strategies.	3.868	0.815
Our strategies are designed to give the organization a competitive advantage.	3.854	0.728
Roles and responsibilities for strategy implementation are clearly communicated.	3.828	0.831
Progress on strategic initiatives is regularly monitored to ensure successful execution.	3.771	0.642
<b>Aggregate</b>	<b>3.864</b>	<b>0.728</b>

**Monitoring and Evaluation Practices and Organizational Performance**

The second specific objective of the study was to analyse how monitoring and evaluation practices influence performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya. The respondents were requested to indicate their level of agreement on statements relating to monitoring and evaluation practices and performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya. The results were as presented in Table 3.

From the results, the respondents agreed that their organization uses clearly defined indicators to measure progress toward goals (M=3.891, SD=0.805). In addition, the respondents agreed that performance data is collected regularly to track achievements (M=3.875, SD=0.798). Further, the respondents agreed that they conduct periodic evaluations to assess the effectiveness of their projects and activities (M=3.854, SD=0.891).

From the results, the respondents agreed that evaluation results are used to identify areas for improvement (M=3.815, SD=0.598). In addition, the respondents agreed that feedback from employees and stakeholders is encouraged and valued (M=3.787, SD=0.772). Further, the respondents agreed that suggestions from feedback are incorporated into decision-making processes (M=3.741, SD= 0.681).

The findings are consistent with empirical studies which established that monitoring and evaluation systems contribute significantly to improved organizational performance, resource

utilization, and achievement of strategic objectives. Studies by scholars such as Kusek and Rist (2024), Crawford and Bryce (2018), and Mutua and Kiruja (2021) found that organizations with strong monitoring and evaluation frameworks are better positioned to track progress, identify performance gaps, and implement corrective measures that enhance organizational outcomes. Therefore, the findings imply that monitoring and evaluation practices are essential in improving the performance and sustainability of non-alcoholic beverage manufacturers.

**Table 3: Monitoring and Evaluation Practices and Organizational Performance**

	<b>Mean</b>	<b>Std. Deviation</b>
Our organization uses clearly defined indicators to measure progress toward goals.	3.891	0.805
Performance data is collected regularly to track achievements	3.875	0.798
We conduct periodic evaluations to assess the effectiveness of our projects and activities.	3.854	0.891
Evaluation results are used to identify areas for improvement.	3.815	0.598
Feedback from employees and stakeholders is encouraged and valued.	3.787	0.772
Suggestions from feedback are incorporated into decision-making processes.	3.741	0.681
<b>Aggregate</b>	<b>3.827</b>	<b>0.758</b>

**Organizational Performance**

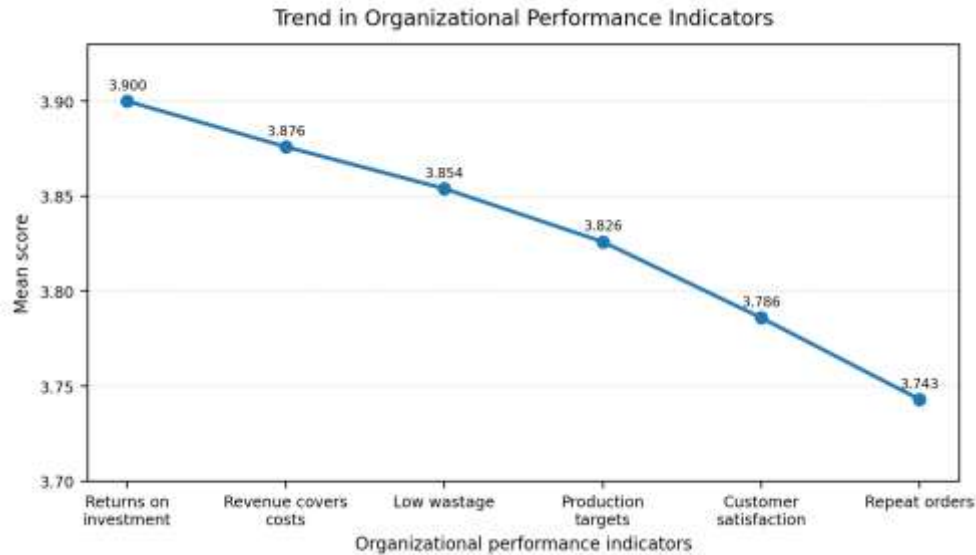
The respondents were requested to indicate their level of agreement on various statements related to performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya. The results were as shown Table 4.

From the results, the respondents agreed that they are able to generate sufficient returns from their investments in production and marketing (M=3.900, SD= 0.665). In addition, the respondents agreed that their sales revenue comfortably covers operational costs and leaves a healthy surplus (M=3.876, SD= 0.689). Further, the respondents agreed that their production processes minimize wastage of raw materials and resources (M=3.854, SD= 0.943).

From the results, the respondents agreed that they are able to meet production targets within planned timelines (M=3.826, SD= 0.887). In addition, the respondents agreed that their customers are satisfied with the quality of their beverages (M=3.786, SD=0.943). Further, the respondents agreed that they receive positive feedback and repeat orders from their customers (M=3.743, SD=0. 0.681).

**Table 4: Organizational Performance**

	<b>Mean</b>	<b>Std. Deviation</b>
We are able to generate sufficient returns from our investments in production and marketing.	3.900	0.665
Our sales revenue comfortably covers operational costs and leaves a healthy surplus.	3.876	0.689
Our production processes minimize wastage of raw materials and resources.	3.854	0.943
We are able to meet production targets within planned timelines.	3.826	0.887
Our customers are satisfied with the quality of our beverages.	3.786	0.943
We receive positive feedback and repeat orders from our customers.	3.743	0.681
<b>Aggregate</b>	<b>3.831</b>	<b>0.801</b>



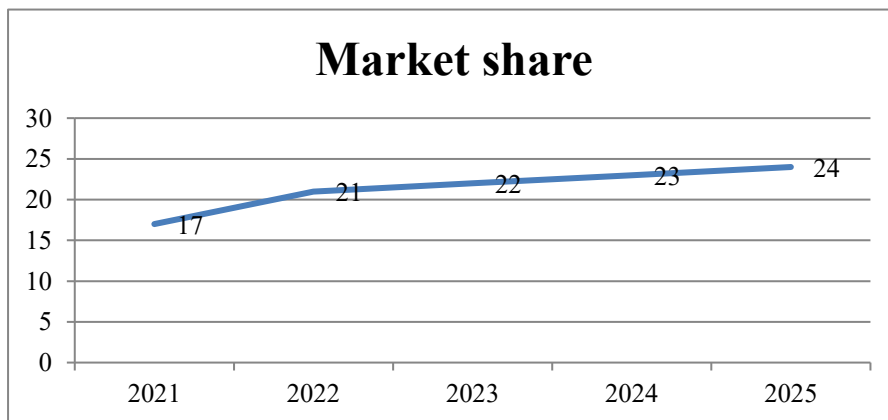
**Figure 2: Trend in Organizational Performance Indicators**

Figure 2 shows that all organizational performance indicators recorded mean scores above 3.70, indicating general agreement among respondents that the manufacturers performed positively across financial, operational and customer-related dimensions. The highest mean was recorded for the ability to generate sufficient returns from production and marketing investments (M=3.900), followed by sales revenue covering operational costs and leaving a healthy surplus (M=3.876). The trend, however, declines slightly toward customer satisfaction and repeat orders, suggesting that although internal financial and production performance was strong, manufacturers should continue strengthening customer experience, product quality consistency and market retention strategies.

**Secondary data on Performance of Non-Alcoholic Beverage Manufacturers**

Performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya was also measured through use of secondary data on market share for a period of 5 years from 2021-2025. The results were as shown in Figures below.

The study collected data on market share of non-alcoholic beverage manufacturers in Nairobi City County in Kenya for a period of 5 years from 2021 to 2025. The results were as shown in Figure 3. From the results, the market share of non-alcoholic beverage manufacturers in Nairobi City County improved by 17% in the year 2021, in the years 2022, the market share increased by 21% and slightly increased to 22% in 2023 before increasing to 23% and 24% in 2024 and 2025 respectively.



**Figure 3: Market share**

### Correlation Analysis

The study used Pearson correlation analysis to determine the strength of association between independent variables (strategic planning practices and monitoring and evaluation practices) and the dependent variable (performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya). Pearson correlation coefficient range between zero and one, where by the strength of association increase with increase in the value of the correlation coefficients.

**Table 5: Correlation Coefficients**

		<b>Organizational Performance</b>	<b>Strategic Planning Practices</b>	<b>Monitoring And Evaluation Practices</b>
Organizational Performance	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	239		
Strategic Planning Practices	Pearson Correlation	.862**	1	
	Sig. (2-tailed)	.000		
	N	239	239	
Monitoring And Evaluation Practices	Pearson Correlation	.843**	.123	1
	Sig. (2-tailed)	.001	.218	
	N	239	239	239

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

From the results, there was a very strong relationship between strategic planning practices and performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya ( $r = 0.862$ ,  $p$  value =0.000). The relationship was significant since the  $p$  value 0.000 was less than 0.05 (significant level). The findings are in line with the findings of Kushnirenko and Gakhovych (2023) who indicated that there is a very strong relationship between strategic planning practices and organizational performance.

The results also revealed that there was a very strong relationship between monitoring and evaluation practices and performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya ( $r = 0.843$ ,  $p$  value =0.001). The relationship was significant since the  $p$  value 0.001 was less than 0.05 (significant level). The findings are in line with the results of Mutsune and Ngugi (2023) who revealed that there is a very strong relationship between monitoring and evaluation practices and organizational performance.

### Regression Analysis

Multivariate regression analysis was used to assess the relationship between independent variables (strategic planning practices and monitoring and evaluation practices) and the dependent variable (performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya)

**Table 6: Model Summary**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	.805	.649	.648	.10428

a. Predictors: (Constant), strategic planning practices and monitoring & evaluation practices

The model summary was used to explain the variation in the dependent variable that could be explained by the independent variables. The r-squared for the relationship between the independent variables and the dependent variable was 0.649. This implied that 64.9% of the variation in the dependent variable (performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya) could be explained by independent variables (strategic planning practices and monitoring and evaluation practices).

**Table 7: Analysis of Variance**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	75.028	2	37.514	218.105	.002 <sup>b</sup>
Residual	40.653	236	.172		
Total	115.681	238			

a. Dependent Variable: performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya

b. Predictors: (Constant), strategic planning practices and monitoring & evaluation practices

The ANOVA was used to determine whether the model was a good fit for the data. F calculated was 218.105 while the F critical was 3.034. The p value was 0.002. Since the F-calculated was greater than the F-critical and the p value 0.002 was less than 0.05, the model was considered as a good fit for the data. Therefore, the model can be used to predict the influence of strategic planning practices and monitoring and evaluation practices on performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya.

**Table 8: Regression Coefficients**

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.277	0.073		3.795	0.002
strategic planning practices	0.357	0.093	0.358	3.839	0.000
monitoring and evaluation practices	0.338	0.088	0.337	3.841	0.001

a Dependent Variable: performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya

The regression model was as follows:

$$Y = 0.277 + 0.357X_1 + 0.338X_4 + \epsilon$$

According to the results, strategic planning practices has a significant effect on performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya ( $\beta_1=0.357$ , p value= 0.000). The relationship was considered significant since the p value 0.000 was less than the significant level of 0.05. The findings are in line with the findings of Kushnirenko and Gakhovych (2023) who indicated that there is a very strong relationship between strategic planning practices and organizational performance.

In addition, the results revealed that monitoring and evaluation practices has a significant effect on performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya ( $\beta_1=0.338$ , p value= 0.001). The relationship was considered significant since the p value 0.001 was less than the significant level of 0.05. The findings are in line with the findings of Mutsune and Ngugi (2023) who indicated that there is a very strong relationship between monitoring and evaluation practices and organizational performance.

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusions

The study concludes that strategic planning practices have a positive and significant effect on performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya. Findings revealed that objective setting, strategic formulation and implementation influence performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya.

The study also concludes that monitoring and evaluation practices have a positive and significant effect on performance of non-alcoholic beverage manufacturers in Nairobi City

County, Kenya. Findings revealed that performance metrics, evaluation processes and feedback mechanisms influence performance of non-alcoholic beverage manufacturers in Nairobi City County, Kenya.

### Recommendations

This study recommends that non-alcoholic beverage manufacturers in Kenya should institutionalize comprehensive strategic planning practices that align operational activities with long-term business objectives, market trends and consumer preferences. Firms should conduct regular environmental scanning, set measurable strategic objectives, assign clear implementation responsibilities and review progress against key performance indicators. Employee involvement in the planning process should also be enhanced to improve coordination, ownership and commitment.

The study also recommends that non-alcoholic beverage manufacturers in Kenya should strengthen monitoring and evaluation practices through regular assessment of operational activities, production targets, quality standards and strategic objectives. Clear performance indicators, periodic reviews and reliable data collection systems should be used to enhance accountability, support corrective action and improve evidence-based decision-making.

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