

TRANSFORMATIONAL STRATEGIC MANAGEMENT AND PERFORMANCE OF FASHION RETAIL FIRMS IN NAIROBI CITY COUNTY, KENYA

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ABSTRACT

The performance of fashion retail firms in Nairobi City County has declined in recent years despite the sector's significant contribution to employment, economic growth, and value chain development. Many firms continue to experience shrinking profit margins, intense competition, rapid technological changes, and difficulties adapting to evolving consumer preferences, raising concerns about their long-term competitiveness and sustainability. This study examined the effect of servant leadership and Technology adoption on the performance of fashion retail firms in Nairobi City County, Kenya. Specifically, the study sought to determine the effect of servant leadership and Technology adoption on firm performance. The study adopted a cross-sectional survey research design. The unit of analysis comprised 43 registered fashion retail firms in Nairobi City County, while the unit of observation consisted of management-level employees drawn from the selected firms. A target population of 258 management employees was identified, from which a sample of 157 respondents was determined using Yamane's sampling formula. Primary data were collected using a structured self-administered questionnaire and analyzed using the Statistical Package for the Social Sciences (SPSS). Descriptive statistics were used to summarize the data, while Pearson correlation and multiple regression analyses were employed to establish the relationships between the study variables. The findings revealed that servant leadership has a positive and statistically significant influence on the performance of fashion retail firms. The study also established that Technology adoption positively and significantly influence firm performance by enhancing organizational adaptability, operational efficiency, and competitive advantage. The study concludes that organizations that embrace servant leadership while continuously investing in innovation are more likely to achieve superior organizational performance. The study recommends that management should strengthen servant leadership practices through employee empowerment, ethical leadership, and participatory decision-making while simultaneously investing in continuous innovation, digital transformation, and product and process improvement to enhance organizational competitiveness and sustainable performance.

Keywords: Servant leadership, Technology adoption, organizational performance, fashion retail firms, strategic management, competitiveness, Nairobi City County, Kenya.

INTRODUCTION

Customers' preferences and tastes are ever evolving, technology advancements are always emerging, and global integration is constantly shifting; these factors are crucial, especially in the fashion retail firms in Nairobi City County, Kenya. Digitalization is a key element of transformational strategic management. Westerman, Bonnet and McAfee (2017) say that for organizations to keep their consumers happy and gain a competitive edge, digital transformations need the integration of digital technology into an organization's procedures. Accordingly, Vial (2019) urges that digital transformation utilizes advanced, up-to-date technologies that include the use of the cloud to store data, big data analytics, and AI to spur creativity and enhance process performance. Additionally, Kane et al. (2018) show the importance of technology in an organization saying it guides managers in making informed decision. While Mintzberg et al. (2018) Strategic responses refer to the actions and decisions an organization takes to address changes, challenges, or opportunities in its external environment.

These responses are part of a company's broader strategic management process and are designed to help the organization adapt to, anticipate, and shape its external circumstances in a way that aligns with its goals and objectives. For instance, a company might partner with a local firm in a foreign market to better navigate regulatory environments or cultural differences. These alliances are particularly useful in industries where technological advancements or market changes occur rapidly, enabling firms to remain competitive without the need for mergers or acquisitions. Diversification is a strategic response that involves expanding a company's operations or product lines into new areas, either related or unrelated to its existing business. This strategy is used to reduce risk by spreading investments across different products, markets, or industries, thus minimizing the impact of adverse market conditions in any single area.

Diversification can take two primary forms: related diversification, where a company expands into areas that are similar to its current operations, and unrelated diversification, where the expansion is into completely different industries (Chia-chi Chang *et al*, 2023). Market development involves expanding into new markets with existing products. This strategic response is often employed when a company's current market is saturated, or when there is potential for growth in untapped markets. Market development can be geographic, where a company enters new regions or countries, or demographic, where it targets new customer segments. For example, a firm that has established itself in urban markets might seek to expand into rural areas or international markets. This strategy requires a deep understanding of the new market's needs, preferences, and regulatory environment, as well as potential modifications to products or marketing strategies to appeal to the new audience (Dave & Saffer, 2023).

Successful market development can lead to significant growth and increased market share. ICT integration involves the adoption and implementation of digital technologies to enhance business operations, improve efficiency, and support decision-making processes (Mbui, 2023). As a strategic response, ICT integration can transform how a company operates, interacts with customers, and competes in the market. Technologies such as cloud computing, big data analytics, artificial intelligence, and digital communication platforms enable companies to streamline operations, improve customer service, and create new business models. For instance, e-commerce platforms allow businesses to reach global customers, while data analytics tools provide insights into consumer behavior, enabling more targeted marketing strategies (Yigit & Anil, 2023).

Statement of the Problem:

Fashion retail firms in Nairobi City County, Kenya play a pivotal role in the economic development of Kenya by providing affordable and accessible financial services to a broad range of individuals, especially those in underserved communities (Murule, 2020). Fashion

retail firms contribute to financial inclusion by job opportunities, increased performance, and overall growth to organizations. This is particularly significant in rural areas and among low-income earners, where Fashion retail firms help individuals build financial resilience, support entrepreneurship, and facilitate the smooth flow of capital. Additionally, Fashion retail firms promote social and economic empowerment by fostering a culture of innovation, collective responsibility, and financial discipline, which ultimately strengthens the overall economic fabric of the country (Kimalel et al, 2022).

Fashion retail firms in Nairobi County, Kenya, face a variety of challenges that impact their overall performance, especially concerning profitability, market share, and customer satisfaction. These challenges, when left unaddressed, can hamper the growth and sustainability of Fashion retail firms in a competitive financial services environment (Nyokabi, 2023). Profitability remains a significant challenge for Fashion retail firms in Nairobi City County, Kenya. Descriptive and inferential statistics, including multiple regression analysis, are used in analyzing the data collected to determine the relationship between the independent variables (servant leadership, and technology adoption) and the dependent variable (fashion retail firm performance). The study uses both financial and non-financial indicators to conceptually measure organizational performance.

The financial indicators include profitability and market share, and the non-financial indicators include customer satisfaction, retention, and brand reputation. The study conceptually measures organizational performance using these indicators in accordance with established performance measurement frameworks (Kaplan & Norton, 1996). The study provides valuable insights on transformational strategic management and performance of businesses, but it focuses on fashion retail firms in Nairobi City County, Kenya, hence these findings may not be generalizable in other contexts.

Objectives of the Study

The general objective of this study is to assess the influence of transformational strategic management on the performance of fashion retail firms in Nairobi City County, Kenya.

Specific Objectives

- i. To determine the effect of servant leadership on the performance of fashion retail firms in Nairobi City County, Kenya.
- ii. To establish the effect of technology adoption on the performance of fashion retail firms in Nairobi City County, Kenya

THEORETICAL FRAMEWORK

Transformational Leadership Theory

Transformational leadership was advanced by Burn (1978), the theory was later developed by Bass (1985). The theory urges that transformational leaders focus on employee motivation and inspiration, encouraging them outperform set expectations. Leaders achieve this by creating a shared vision, investing on innovation and driving organizational change. Transformation leadership is guided by prioritization of staff growth, personal improvement, employee empowerment and dedication hence improved overall organizational performance. Fashion retail firms need to be able to navigate through the dynamic market's conditions marked by shifting consumer tastes and preferences and technology disruption existing in the environment these firms operate in. (Northouse 2019), believes that leaders that practice transformational approaches have a better chance of effectively enhancing strategic change with the organization, gaining competitive edge and improve employee involvement. This idea aids the study's objective of determining the influence of transformational leadership on performance of fashion retail firms.

Diffusion of Innovation Theory

Rogers (2003) developed the Diffusion of Innovation Theory to explain how innovation, technology and processes spread within and between organizations. The notion outlines observability, trialability, complexity and compatibility as important elements that impact adoption. Elements including online shopping platforms, mobile applications and online payment systems significantly impact technology adoption in fashion retail firms. According to (Rogers, 2003; Brynjolfsson & McAfee, 2017) organizations that utilize innovation technology early on are superior, they are in a better position of generating great performance results, achieve exceptional customer experience and enhance productivity. This notion assists the study in investigating the extent to which technological adoption determines organizational success. Rogers categorized the adopters into five categories based on their adoption speed: innovators, early adopters, early majority, late majority and laggards. In Nairobi's fashion retail sector, innovators and early adopters are companies that use AI-powered analytics and omnichannel commerce to gain "first-mover" advantages. In contrast, the "late majority" frequently adopts only when digital presence becomes a basic requirement for survival, often prompted by external factors such as the COVID-19 pandemic, which acted as a significant "catalyst" for digital adoption in Kenya. This argument is essential to the current study because it explains the different rates of digital integration among fashion enterprises in Nairobi County. While some businesses have gone on to "implementation" by utilizing powerful, cutting-edge e-commerce and m-commerce platforms, others are still in the "persuasion" stage, hampered by various problems such as complexity, lack of observability, and low perceived compatibility with local client preferences. According to recent studies conducted in Nairobi, "how-to knowledge" is a critical barrier; firms frequently struggle to find the specialized skills required to integrate it effectively into their business models, rather than the existence of technology, which appears to be the greater issue, or rather, the expected issue. Empirical research has advanced DOI by relating it to digital marketing performance.

In Kenya, Muthoni and Muathe (2023) and Gichuki and Muturi (2021) revealed that the "relative advantage" of digital tools considerably raises and expands organizational sales, as long as the social system (the local market) trusts digital infrastructure. Furthermore, standing et al. (2022) observe that digital diffusion in retail is no longer linear; it is frequently fueled by "network effects," in which an organization's decision to use is influenced by the visible success of its peers in the same geographic cluster, such as Nairobi's CBD or shopping malls. Using DOI Theory, this study aims to track the adoption process of fashion merchants in Nairobi, finding the various "reinvention" tactics they employ to adapt global digital trends to the Kenyan context. This sheds more light on why some firms achieve better strategic performance through digital transformation while others struggle to do so.

Conceptual Framework

A conceptual framework is an analytical tool with several variations and contexts that can be used to make conceptual distinctions and organize ideas. Strong conceptual frameworks capture something real and do this in a way that is easy to recall and apply (E., Hackman, J. K., & Nani, G., 2015). However, if one variable depends upon or is a consequence of the other variable, it is termed a dependent variable, and the variable that is antecedent to the dependent variable is termed an independent variable (Uttam, K., & Roos, C. L. L., 2015). The independent variables that have been developed include Servant leadership, and technology adoption.

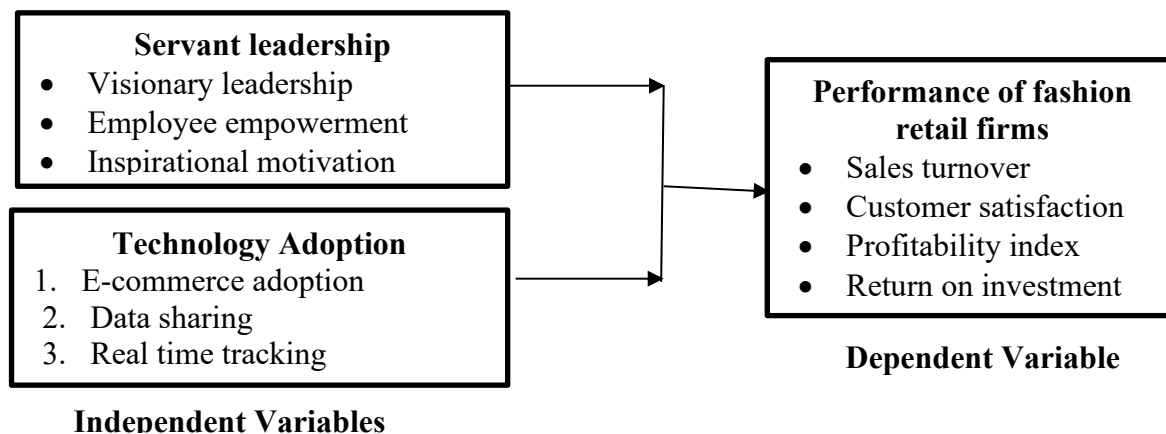


Fig.1.1 Conceptual Framework

Servant Leadership

According to Greenleaf (1977), as refined by Eva et al. (2019), servant leadership is a holistic leadership approach that mainly focuses on the growth and well-being of followers over the self-interest of the leader. In the fashion retail sector, this involves leaders empowering their design and sales teams to take initiative, which fosters a high-trust environment. Spears (2010) argues that employee retention and customer service quality can be improved by concentrating on empathy and stewardship. In the Kenyan context, Kariuki (2020) notes that servant leadership is a strategic driver that aligns internal human capital with the firm’s long-term vision.

Technology Adoption

Technology adoption is defined as the process through which organizations integrate new digital tools, systems, and innovations into their operations to improve efficiency, decision-making, and overall performance. According to Fred D. Davis (1989), perceived usefulness and simplicity of use have a substantial impact on technology adoption, influencing how individuals and organizations accept new systems. Similarly, Everett M. Rogers (2003) defined technology adoption as a gradual procedure that is made up of appraisal, trial, complete deployment and awareness within a firm. Technology adoption is regarded as a vital enabler of competitiveness in the context of strategic management enabling organizations to thrive in a competitive ever-changing environment that they operate in. Previous literature defines technology adoption as an intentional reaction to evolving market trends and environmental change. For instance, Bharadwaj et al. (2023) urges that organizations offer excellent customer service and streamline processes when they embrace digital technologies such as AI, data analytics and online shopping platforms. Technology adoption for fashion retail firms in Nairobi City County, Kenya looks like this; integration of e-commerce platforms, digital payment systems and digital inventory management systems thanks to technology to match shifting consumer tastes and preferences for online and multichannel shopping. Furthermore, Olanrewaju and George (2020) found that retail firms that adopt online payment systems and online shopping platforms have visible customer loyalty and lower operational costs showing the advantage of integrating technology with organizations procedures. According to Nyang'au and Mungai (2022), the utilization of technology by retail firms in Kenya bears results by improving operational efficiency, inventory management and data driven decision-making. However, the adoption process is characterized by challenges and this is not exceptional. According to Kumar and Malik (2019), small and medium sized organizations still face challenges that hinder them from successful adoption. These barriers include expensive implementation cost, lack of technical skills, and resistance to change, being comfortable with the now since the systems still work. Technology adoption gives firms an easy access to upgraded procedures, increases responsiveness and unshakable competitive advantage. When

technology adoption is successfully adopted, it acts as pillars supporting strategic approaches including innovation and organization restructuring hence it's an important indicator of organizations performance operating in a volatile environment such as fashion retail.

EMPIRICAL REVIEW

Servant leadership

The empirical research on servant leadership show that this type of leadership has become widespread known and its impact on firm success. However, despite this, there are still challenges especially during implementation in retail context. Liden et al. (2014) and van Dierendonck (2011) discovered that this type of leadership has a significant impact on employee involvement, organizational commitment, in improving employee performance by building trust rather than fear, empowerment and upholding ethics. Similarly, Eva N. Liden et al. (2014) found that organizations that adopt servant leadership, create a supportive working environment hence enhancing individual and unit performance. In Kenya, Ngugi and Wanjiru (2020) found that this type of strategic leadership focuses on building employees and prioritizing their well-being and in return, this enhances outcomes for retail firms. Despite the insights provided by these studies, there is still limited studies done exploring the relationship between leadership and strategic decision-making procedures. Also, its link with digital transformation is unexplored. This creates a gap especially in dynamic environments such as fashion retail firms in Nairobi City County where leadership rely heavily on capital to achieve volatile technology and consumer demands.

Technology Adoption

Previous study on technology adoption explains its key role in improving firm performance and earn organization a competitive edge. Mwangi (2016) have invested heavily on e-banking and mobile banking, making a part of their diversification strategies. These initiatives have significantly improved customer experience and improved service delivery. Similarly, Ngugi and Wanjiru (2020) discovered that about 65% of SMEs in Kenya face challenges in implementing technology adoption due to high implementation cost while 40% of them face challenges especially lack of cybersecurity. This indicates both restrictions and advantages of digital transformation. Global studies on digital transformation suggest that technology adoption plays a critical in smoothening operations hence efficiency, consumer involvement, and strategic agility. Despite these valuable insights presented by these studies, there is limited information focusing on the impact of technology adoption on decision making processes or its relationship with servant leadership, Technology Adoption and organization restructuring within a unified framework.

RESEARCH METHODOLOGY

The study adopted a descriptive research design to examine the relationship between digital transformation and the competitiveness of fashion retail firms in Nairobi City County. A descriptive design was considered appropriate because it enables the researcher to investigate relationships among variables as they naturally occur without manipulating the study environment. The design also facilitates the collection of quantitative data that explains existing organizational practices and supports the achievement of the study objectives (Kerlinger, 2007; Mugenda & Mugenda, 2008; Creswell & Clark, 2017; Saunders et al., 2019).

The target population comprised 258 management-level employees drawn from 43 registered fashion retail firms operating in Nairobi City County. The study focused on top, middle, and lower-level managers because they are directly involved in strategic decision-making, digital transformation initiatives, and organizational competitiveness. The unit of analysis was the fashion retail firms, while the unit of observation was the management employees responsible for implementing digital transformation strategies (Ngechu, 2016).

A stratified random sampling technique was employed to ensure proportional representation of respondents across the management categories. The sample size was determined using the Yamane (1967) formula at a 5% margin of error, yielding a sample of 157 respondents from the target population of 258 employees. Stratified sampling was selected because it improves representativeness by dividing the population into homogeneous groups before randomly selecting respondents from each stratum (Kothari, 2015; Creswell, 2019).

Primary data were collected using a self-administered structured questionnaire measured on a five-point Likert scale. The instrument consisted of sections covering respondents' demographic information, the study's independent variables, and organizational performance. Structured questionnaires were adopted because they facilitate systematic collection of quantitative data, are easy to administer, and enhance consistency in data analysis while minimizing costs and time requirements.

Data collection was conducted using the drop-and-pick-later approach after obtaining an introduction letter from the university and permission from the selected fashion retail firms. Before the main survey, a pilot study involving 16 respondents was undertaken to assess the adequacy of the research instrument. The pilot study enabled refinement of the questionnaire and ensured that potential weaknesses in the instrument were identified before the actual data collection exercise (Mugenda & Mugenda, 2019). The collected data were coded, cleaned, and analyzed using the Statistical Package for the Social Sciences (SPSS). Descriptive statistics, including frequencies, percentages, means, and standard deviations, were used to summarize the data, while inferential statistics comprising correlation and multiple regression analyses were employed to examine the relationships between digital transformation dimensions and firm competitiveness. Statistical significance was evaluated at the 95% confidence level.

DATA ANALYSIS, PRESENTATION, AND INTERPRETATION

From the 157 questionnaires, 140 were completely filled and returned, hence a response rate of 89.2%. The response rate was considered suitable for making inferences from the data collected. Smith (2011) indicates that a response rate that is above fifty per-cent is considered adequate for data analysis and reporting, while a response rate that is above 70% is classified as excellent. Hence, the response rate of this study was within the acceptable limits for drawing conclusions and making recommendations.

Descriptive Statistics

Servant Leadership and Organization Performance

The first specific objective of the study was to determine the effect of servant leadership on the performance of fashion retail firms in Nairobi City County, Kenya. The respondents were requested to indicate their level of agreement on statements relating to servant leadership and performance of fashion retail firms in Nairobi City County, Kenya. The results were as shown in Table 1. From the results, the respondents agreed that servant leadership enhances employee motivation within fashion retail firms ($M=3.842$, $SD=0.781$). In addition, the respondents agreed that leaders encourage teamwork and collaboration among employees ($M=3.816$, $SD=0.745$). Further, the respondents agreed that employee empowerment improves organizational performance ($M=3.794$, $SD=0.712$). The respondents also agreed that management supports employee growth and development within the organization ($M=3.768$, $SD=0.688$). The results further showed that respondents agreed that servant leadership improves customer satisfaction and service delivery ($M=3.751$, $SD=0.701$). In addition, the respondents agreed that leaders promote open communication within the organization ($M=3.739$, $SD=0.682$). Further, respondents agreed that servant leadership enhances employee commitment towards organizational goals ($M=3.721$, $SD=0.665$). The respondents also agreed that ethical leadership practices improve organizational trust within fashion retail firms ($M=3.706$, $SD=0.651$). The aggregate mean score of 3.767 and standard deviation of 0.703

indicated that servant leadership practices were generally adopted among fashion retail firms and positively contribute towards improved organizational performance.

Table 1: Servant Leadership and Organization Performance

Statements	Mean	Std. Deviation
Servant leadership enhances employee motivation within the organization.	3.842	0.781
Leaders encourage teamwork and collaboration among employees.	3.816	0.745
Employee empowerment improves organizational performance.	3.794	0.712
Management supports employee growth and development.	3.768	0.688
Servant leadership improves customer satisfaction and service delivery.	3.751	0.701
Leaders promote open communication within the organization.	3.739	0.682
Servant leadership enhances employee commitment to organizational goals.	3.721	0.665
Ethical leadership practices improve organizational trust.	3.706	0.651
Aggregate	3.767	0.703

Technology Adoption and Organization Performance

The second specific objective of the study was to establish the effect of technology adoption on the performance of fashion retail firms in Nairobi City County, Kenya. The respondents were requested to indicate their level of agreement on statements relating to technology adoption and performance of fashion retail firms in Nairobi City County, Kenya. The results were as shown in Table 2.

From the results, the respondents agreed that technology adoption improves customer experience in fashion retail firms (M=3.914, SD=0.721). In addition, the respondents agreed that e-commerce platforms increase sales performance among fashion retail firms (M=3.886, SD=0.706). Further, the respondents agreed that digital payment systems improve operational efficiency (M=3.861, SD=0.687). The respondents also agreed that technology adoption enhances inventory management practices (M=3.842, SD=0.671).

The results further showed that respondents agreed that adoption of digital tools improves strategic decision-making (M=3.819, SD=0.653). In addition, respondents agreed that mobile applications enhance customer interaction and engagement (M=3.798, SD=0.641). Further, the respondents agreed that technology adoption improves communication with customers (M=3.781, SD=0.628). The respondents also agreed that digital transformation increases organizational competitiveness (M=3.764, SD=0.616). The aggregate mean score of 3.833 and standard deviation of 0.665 indicated that technology adoption is a significant transformational strategic management practice that enhances the competitiveness and performance of fashion retail firms in Nairobi City County.

Table 2: Organization Restructuring and Organization Performance

Statements	Mean	Std. Deviation
Technology adoption improves customer experience in fashion retail firms.	3.914	0.721
E-commerce platforms increase sales performance.	3.886	0.706
Digital payment systems improve operational efficiency.	3.861	0.687
Technology adoption enhances inventory management.	3.842	0.671
Adoption of digital tools improves strategic decision-making.	3.819	0.653
Mobile applications enhance customer interaction and engagement.	3.798	0.641
Technology adoption improves communication with customers.	3.781	0.628
Digital transformation increases organizational competitiveness.	3.764	0.616
Aggregate	3.833	0.665

Performance of Fashion Retail Firms

The respondents were requested to indicate their level of agreement on various statements relating to the performance of fashion retail firms in Nairobi City County, Kenya. The results were as shown in Table 3.

From the results, the respondents agreed that their fashion retail firm has experienced improved customer satisfaction due to effective strategic management practices (M=3.842, SD=0.781). In addition, the respondents agreed that their firm has experienced growth in market share over recent periods (M=3.832, SD=0.807). Further, the respondents agreed that their fashion retail firm has improved profitability as a result of effective management practices (M=3.769, SD=0.618). The respondents also agreed that their firm has enhanced brand reputation and customer loyalty within the market (M=3.735, SD=0.750).

From the results, the respondents agreed that operational efficiency has improved within their fashion retail firm (M=3.711, SD=0.552). In addition, the respondents agreed that their firm has achieved improved sales performance through the adoption of strategic practices (M=3.681, SD=0.919). Further, the respondents agreed that their fashion retail firm adapts effectively to changes in customer preferences and market conditions (M=3.644, SD=0.742). The respondents also agreed that their firm maintains a competitive advantage within the fashion retail sector (M=3.628, SD=0.531).

The aggregate mean score of 3.750 and standard deviation of 0.718 indicated that fashion retail firms in Nairobi City County generally experience improved performance through effective transformational strategic management practices, including leadership, innovation, restructuring, and technology adoption.

Table 3: Performance of Fashion Retail Firms

Statements	Mean	Std. Deviation
Customer satisfaction has improved within our fashion retail firm.	3.842	0.827
Our fashion retail firm has experienced growth in market share in recent periods.	3.832	0.807
Our firm has recorded improved profitability over time.	3.769	0.618
Our fashion retail firm has enhanced brand reputation and customer loyalty.	3.735	0.750
Operational efficiency has improved within our fashion retail firm.	3.711	0.552
Our firm has achieved improved sales performance.	3.681	0.919
Our fashion retail firm adapts well to changes in customer preferences and market conditions.	3.644	0.742
Our firm maintains a competitive advantage within the fashion retail industry.	3.628	0.531
Aggregate	3.734	0.718

Correlation Analysis

The study employed Pearson's Product Moment Correlation analysis to determine the strength and direction of the relationship between the independent variables (servant leadership and Technology Adoption) and the dependent variable (performance of fashion retail firms in Nairobi City County, Kenya). Pearson's correlation coefficient (r) ranges from -1 to +1, where values closer to +1 indicate a stronger positive relationship between variables.

Table 4: Correlation Analysis

Variable	Servant Leadership	Technology Adoption	Performance
Servant Leadership	1		
Sig. (2-tailed)	-		
N	140		
Technology Adoption	.847**	1	
Sig. (2-tailed)	.002	-	
N	140	140	
Performance	.862**	.847**	1
Sig. (2-tailed)	.000	.001	-
N	140	140	140

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

The correlation analysis established that servant leadership has a very strong positive and statistically significant relationship with the performance of fashion retail firms in Nairobi City County, Kenya ($r = 0.862$, $p = 0.000$). The findings suggest that organizations whose leaders prioritize employee empowerment, ethical leadership, mentorship, and stakeholder well-being are more likely to achieve superior organizational performance.

The findings further revealed that technology adoption has a very strong positive and statistically significant relationship with the performance of fashion retail firms ($r = 0.847$, $p = 0.001$). This implies that firms that embrace modern technologies, digital platforms, and innovative information systems are better positioned to improve operational efficiency, customer experience, and overall organizational competitiveness.

Regression Analysis

Multiple regression analysis was conducted to determine the joint effect of servant leadership and technology adoption on the performance of fashion retail firms in Nairobi City County, Kenya.

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.918	.843	.841	.09156

Predictors: (Constant), Servant Leadership, Technology Adoption

The model summary indicates that the coefficient of determination (R^2) was 0.843, implying that servant leadership and technology adoption jointly explained 84.3% of the variation in the performance of fashion retail firms in Nairobi City County, Kenya. The remaining 15.7% of the variation may be explained by other organizational and environmental factors that were not considered in the present study.

Table 6: Analysis of Variance (ANOVA)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	102.853	2	51.427	613.428	.000 ^b
Residual	19.162	137	.140		
Total	122.015	139			

Dependent Variable: Performance of fashion retail firms in Nairobi City County, Kenya

Predictors: (Constant), Servant Leadership, Technology Adoption

The ANOVA results indicate that the regression model was statistically significant ($F = 613.428$, $p < 0.001$). Since the calculated F-value was substantially greater than the critical F-value and the significance level was below 0.05, the model adequately predicts the influence of servant leadership and technology adoption on the performance of fashion retail firms in Nairobi City County, Kenya.

Table 7: Regression Coefficients

Model	Unstandardized Coefficients (B)	Std. Error	Standardized Beta	t	Sig.
(Constant)	0.289	0.074		3.905	.000
Servant Leadership	0.452	0.078	0.456	5.794	.000
Technology Adoption	0.438	0.081	0.442	5.407	.000

Dependent Variable: Performance of fashion retail firms in Nairobi City County, Kenya

Regression Equation

$$Y = 0.289 + 0.452X_1 + 0.438X_2 + \varepsilon$$

Where:

- **Y** = Performance of fashion retail firms
- **X₁** = Servant Leadership
- **X₂** = Technology Adoption

The regression results indicate that servant leadership has a positive and statistically significant effect on the performance of fashion retail firms in Nairobi City County, Kenya ($\beta = 0.456$, $B = 0.452$, $p < 0.001$). This implies that improving servant leadership practices by one unit results in an estimated increase of 0.452 units in organizational performance, holding other factors constant. The findings emphasize that servant leaders foster employee engagement, trust, collaboration, and commitment, which collectively contribute to improved organizational performance.

Similarly, technology adoption was found to have a positive and statistically significant influence on the performance of fashion retail firms ($\beta = 0.442$, $B = 0.438$, $p < 0.001$). This suggests that greater investment in digital technologies, automation, online retail platforms, and information systems significantly enhances operational efficiency, customer satisfaction, and firm competitiveness.

Conclusion

The study concludes that servant leadership positively and significantly influences the performance of fashion retail firms in Nairobi City County, Kenya. Leaders who prioritize employee development, ethical behavior, collaboration, and empowerment create an organizational culture that enhances employee commitment, operational efficiency, and sustainable organizational performance.

The study further concludes that technology adoption has a positive and significant effect on firm performance. Organizations that embrace digital transformation through the adoption of modern technologies, e-commerce platforms, digital payment systems, inventory management systems, and data-driven decision-making achieve higher levels of operational effectiveness and competitive advantage.

Recommendations

Recommendations to Management

The study recommends that management of fashion retail firms should strengthen servant leadership practices by promoting employee empowerment, participatory decision-making, mentorship, and ethical leadership. Organizations should invest in leadership development programmes that cultivate servant leadership competencies capable of improving employee motivation, teamwork, innovation, and organizational performance.

The study further recommends that fashion retail firms should prioritize technology adoption by investing in modern digital infrastructure, e-commerce platforms, inventory management

systems, customer relationship management systems, and data analytics technologies. Continuous employee training on emerging technologies should also be undertaken to maximize technology utilization and improve organizational efficiency and competitiveness.

Recommendations to Policymakers

The study recommends that the Government of Kenya and relevant regulatory agencies should develop policies that facilitate technology adoption within the fashion retail industry through tax incentives, affordable digital infrastructure, innovation grants, and capacity-building programmes. Policymakers should also support leadership development initiatives that encourage ethical, people-centered leadership capable of enhancing organizational productivity and sustainable business growth.

Recommendations to Researchers and Scholars

Future researchers should examine the influence of servant leadership and technology adoption in other sectors and geographical contexts to determine the generalizability of the findings. Further studies should also investigate the moderating or mediating effects of organizational culture, employee digital competence, innovation capability, and environmental uncertainty on the relationship between servant leadership, technology adoption, and organizational performance.

Suggestions for Further Research

Future studies should replicate this research in other industries and regions to enhance the external validity of the findings. Researchers are also encouraged to investigate the long-term effects of servant leadership and technology adoption using longitudinal research designs and to examine additional strategic factors that may influence organizational performance in the evolving digital business environment.

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