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Strategy

**THE EFFECTS OF STRATEGIC MANAGEMENT ON PERFORMANCE OF
AUCTIONEER FIRMS IN KENYA**

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THE EFFECTS OF STRATEGIC MANAGEMENT ON PERFORMANCE OF AUCTIONEER FIRMS IN KENYA

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Abstract

Purpose: The purpose of this study was to analyze the effects of strategic management on performance of auctioneer firms in Kenya

Methodology: The study used descriptive survey research design. Stratified and simple random sampling methods will be used to identify the study respondents. The target population of the study were all management employees of auctioneering forms in Kenya. This study used primary data which was collected through use of Questionnaire. Data from the questionnaires was sorted, coded and input into a software for analysis. Data from the questionnaire were analysed using statistical package for the social sciences (SPSS) to generate frequencies, descriptive statistics and inferential statistics.

Results: Results indicated that strategic planning had effects on performance of the auctioneering firms. Study findings further indicated that strategic implementation affects performance of the auctioneering firm. Results further indicated that organization structure affects performance of the auctioneering firms. Results also indicated that environmental characteristics affects performance of the auctioneering firms.

Unique contribution to theory, practice and policy: the study recommended that organization structure should be keenly observed in the management of auctioneer firms. It also recommended that further investigation be done on the effect of proper leadership practices in income generating organizations.

Keywords: *Economic Value Added, Gross Domestic Product, Strategic Human Resource Management*

1.0 INTRODUCTION

According to Pearce & Robinson (2011), strategic management is a set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives. This entails formulation of the company's mission about its purpose, philosophy and goals. Conducting an analysis that reflects the company's internal conditions and capabilities and assessing the company's external environment including the competitive and remote environment. It involves; identifying suitable, feasible and acceptable options that match the company's resources with external environment and selection of long-range objectives and grand

strategies that will achieve the most desirable options. It also encompasses developing annual objectives and short-term strategies that are compatible with the long-range objectives and strategies. Implementation of the strategic choices by ensuring appropriate alignment of the organisational design, human resource, technology, finances, relationships, leadership, and culture to the strategy.

The economic and business planning framework and priorities have shifted from the short term and tactical to the long-term and strategic (Betts and Ofori, 2002), due to various factors including the particular challenges of the business environment (Benjamin, Rockart, Morton, and Wyman, 2004) caused by the increasing global competition in various industries (Levit, 2003). Strategic management practice is an important practice as it gives a strong influence towards firms' success. The importance of strategic management in a firm can be answered by looking at the relationship between strategic management and organizational performance. Strategic management does give positive influence, especially in its profitability to the large firms (David, 2007).

In Japan, Japanese contractors have successfully out-thought construction firms in many markets in various parts of the world because of the attention they give to business strategy (Hasegawa, 2008). US banks show higher return on equity for banks which had both a strategic commitment to planning and provided regular strategic management training. Firms with good performance such as The Body Shop, Sony and Merck effectively exploit visionary strategies (Abu Bakar, Tufail, Nizam and Virgiyanti, 2011). Although, strategic management has until recently been a low-profile activity within many construction firms, it is now becoming more widely used by many large organizations that are allocating substantial resources to the task (Price, Ganiev and Newson., 2003) and generally strategic management practices can improve efficiency in various organizations.

Although it has been demonstrated that strategy management can improve business performance, it has also been acknowledged that environmental uncertainties might affect the postulated relationship (Day & Wensley, 2008; Kohli & Jaworski, 2010). Carpano, Chrisman, and Roth (2004) stated that, depending on the competitive situation that firm's face, the performance of firms following a particular strategy can vary. Others have added that, in certain environments, certain strategies would lead to significantly higher performance than other strategies (Belderbos & Sleuwaegen, 2005; Powell, 2003; Williamson, Jenkins, Cooke, & Moreton, 2004).

1.1 Auctioneering Sector in Kenya

Amongst the industries affected negatively by the court decisions happens to be the banking sector. The auction industry in Kenya just like in any other profession the world over has its share of quacks; unlicensed and unqualified individuals operating and carrying themselves as auctioneers. It is for the clients benefit to deal with a properly licensed person. Licensed auctioneers proscribe to a code of conduct and constantly attend educational workshops organized by the auctioneer licensing board. Further auctioneers are required under the law to take out insurance covers against fire, theft and burglary for the auctioned property to cushion their clients against losses occasioned by the said insurable risks. Should a licensed auctioneer conduct himself inappropriately while performing his duties, the licensing board is there for you

unlike while dealing with quacks. In other words by dealing with a licensed auctioneer you are safe (National Association of Kenya Auctioneers, 2011).

1.2 Statement of the Problem

By employing strategic management in firms, auctioneering gains meaningful direction and the ability to illustrate its success to key stakeholders and others. Strategic management is also a team building exercise that involves both staff and key stakeholders in the process of determining the growth and future of the organization. Without a strategy, an organization may lose its direction, unknowingly drift away from its values, and lack the ability to understand whether or not it is successful in delivering its services or products to its clients. Generally strategic management practices can improve efficiency in various organizations. Strategic management has evolved into a more sophisticated and potentially more powerful tool (Stoney, 2001). Hunger and Wheelen (2003) noted that people at all levels, not just top management, need to be involved in strategic management; scanning the environment for critical information, suggesting changes to strategies and programs to take advantage of environment shifts, and working with others to continuously improve work methods, procedures, and evaluation techniques.

Many researches have been carried out on strategic management practices including studies by Chinowsky and Meredith (2000), Dikmen and Birgonul (2003), Price et al. (2003) and Dansoh (2005) in different sectors. Stoner & Wankel (2007) stated that effective management must have a strategy and must operate on the day-to-day level to achieve it. Chinowsky and Meredith (2000) noted that while strategic management topics receive significant focus from construction and other professionals, less attention is paid to strategic management in auctioneering firms.

Given that the auction sector of business is increasingly growing and an increasing dependence on auctioneering services has arisen, strategic management provides an approach to aid organizations in determining appropriate goals and how to reach them. While strategic management is widely practiced by firms and other profit oriented organizations in Kenya, its adoption by auctioneering firms is less understood. There is paucity of research on strategic management practices in auctioneering firms. This study is undertaken to fill this knowledge gap.

1.3 Study Objectives

1. To establish the extent to which strategic planning influence performance of auctioneer firms in Kenya.
2. To establish whether strategy implementation influences performance of auctioneer firms in Kenya.
3. To investigate the effect of environmental characteristics on performance of auctioneer firms in Kenya.
4. To establish the effect of organization structure on performance of auctioneer firms in Kenya

2.0 LITERATURE REVIEW

2.1 Theoretical Literature Review

According to Trochim (2006) Aguilar (2009), and Tormo (2006), a theoretical framework guides research, determining what variables to measure, and what statistical relationships to look for in the context of the problems under study. Thus, the theoretical literature helps the researcher see clearly the variables of the study; provides a general framework for data analysis; and helps in the selection of applicable research design. The Theory guides every aspect of research, from formulation of the research question through operationalization and discussion.

2.1.1 Universalistic theory

It is also referred to as the best practice model, which is based on the assumption that there is a set of superior/best strategic management practices, and that adopting them will inevitably lead to superior organizational performance (Luthans & Summer, 2005). The notion of best practice was identified initially in the early US models of strategic management, many of which mooted the idea that the adoption of certain ‘best’ human resource practices would result in enhanced organizational performance, manifested in improved employee attitudes and behaviors, lower levels of absenteeism and turnover, higher levels of skills and therefore higher productivity, enhanced quality and efficiency and of course increased profitability (Marchington & Wilkinson, 2008).

Here, it is argued that all organizations will benefit and see improvements in organizational performance if they can identify, gain commitment to and implement a set of best strategic management practices. Thus, universalistic perspective maintains that firms will see performance gains by identifying and implementing best practice irrespective of the product market situation, industry or location of the firm (Pfeffer, 2001). However, the notion of a single set of best strategic management practices has been overstated. There are examples in every industry of firms that have very distinctive management practices, distinctive human resources practices which shape the core competences that determine how firms compete. What works well in one organization will not necessarily work well in another because it may not fit its strategy, technology or working practices.

2.1.2 Contingency theory

It is all contingent on the organization’s context, culture and its business strategy (Wright & Snell, 2005). Contingency scholars have argued that strategy would be more effective only when appropriately integrated with a specific organizational and environmental context. The best fit theory emphasizes the importance of ensuring that strategies are appropriate to the circumstances of the organization, including the culture, operational processes and external environment. strategies have to take account of the particular needs of both the organization and its people. It explores the close link between strategic management and HRM by assessing the extent to which there is vertical integration between an organization’s business strategy and its HRM policies and practices (Schuler & Jackson, 1987; Dyer, 2005; Mahoney & Decktop, 2006).

2.2.2 Empirical Literature Review

This section discusses literature from various sources regarding container freight stations and also brings out gaps in literature that this study seeks to address

2.3 Conceptual Framework

The goal of a conceptual framework is to categorize and describe concepts relevant to the study and map relationships among them.

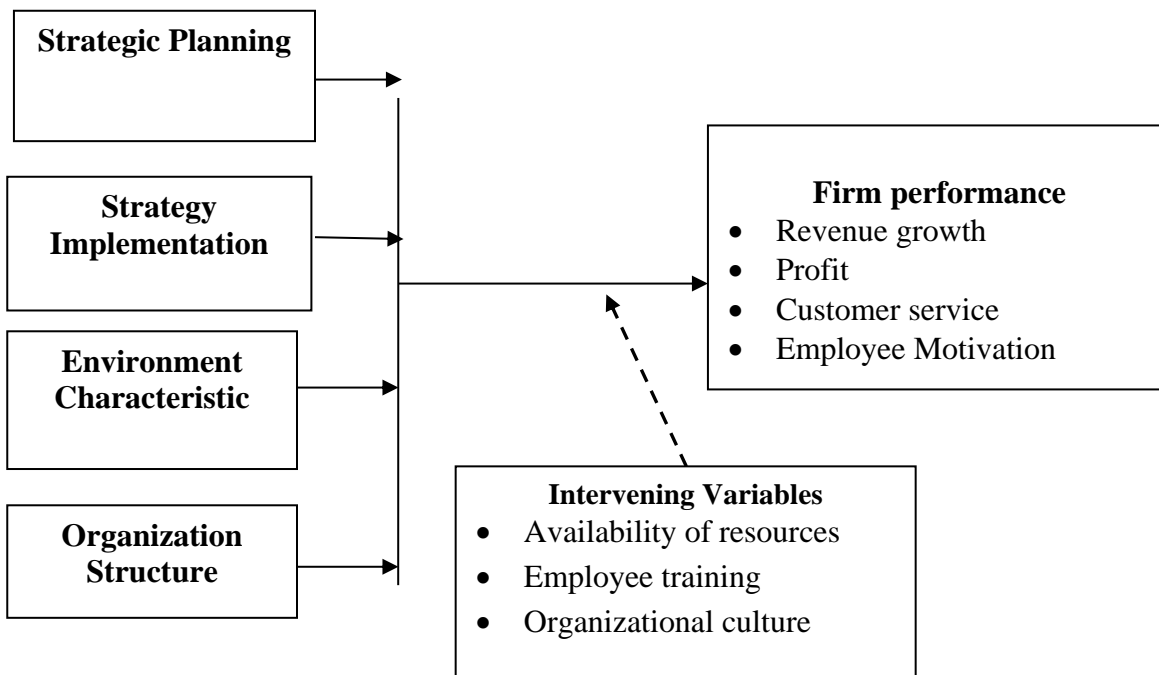


Figure 2.1 – Conceptual Framework – strategy management & Performance

3.0 RESEARCH METHODOLOGY

The study used descriptive survey research design. Stratified and simple random sampling methods will be used to identify the study respondents. The target populations of the study were all management employees of auctioneering forms in Kenya. This study used primary data which was collected through use of Questionnaire. Data from the questionnaires was sorted, coded and input into a software for analysis. Data from the questionnaire were analysed using statistical package for the social sciences (SPSS) to generate frequencies, descriptive statistics and inferential statistics

4.0 RESULTS AND DISCUSSIONS

4.1 Descriptive for customers

4.1.1 Number of Years the Firm Has Been Operational

The study sought to establish the number of years the firm has been operational. The findings are presented in figure 4.1 below. As illustrated in figure 4.1, the findings revealed that an equal majority of 27% of the respondents indicated that their firms had been operational for periods between 11 to 17 years and 26 to 35 years respectively. On the other hand, 18% indicated that their firm had been operational for a period between 18 to 25 years. Thirteen (13%) of the respondents indicated that their firm had been operational for a period between 36 to 45 years while a trial tie of 5% of the respondents indicated that their firms had been operation for periods between 46 to 55 years, over 55 years and less than 10 years respectively. The findings imply that most auctioneering firms have been in the market for a period less than 35 years.

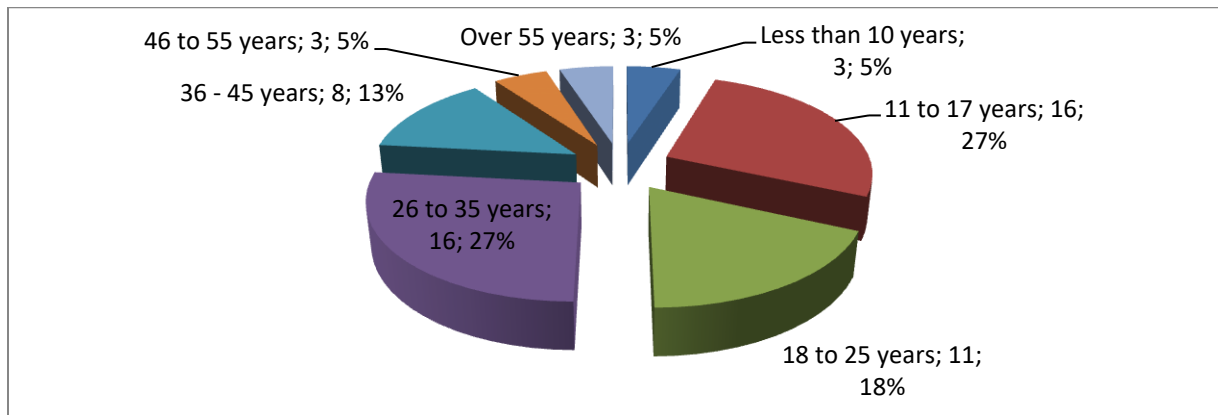


Figure 4. 1: Number of Years the Firm Has Been Operational

4.2 Strategic Management and Performance

4.2.1 Effects of Strategic Planning on Performance

The study sought to establish the influence of strategic planning on performance. The results are presented on table 4.1 below. As illustrated in table 4.1, majority 55% of the respondents agreed and another 7% of the respondents strongly agreed bringing to a total of 62% of those who agreed with the statement that majority of auctioneer firms have strategic plans. Meanwhile, 5% of the respondents strongly disagreed, a further 8% disagreed and 25% of the respondents neither agreed nor disagreed with the statement.

In addition, a majority 42% of the respondents agreed with the statement that their firm has a strategic plan. Besides, 13% of the respondents strongly agreed to the statement totaling to 55% of those who agreed. Meanwhile, 22% of the respondents disagreed and further 5% strongly disagreed bringing to a total of 27% of those who disagreed and finally 18% of the respondents neither agreed nor disagreed with the statement.

A majority 48% of the respondents agreed with the statement that Strategic planning is a prerequisite for good performance of the firm. Besides, 15% of the respondents strongly agreed

with the statement bringing to a total of 63% of those who agreed. Meanwhile, 18% of the respondents disagreed, and 3% strongly disagreed. However, 15% neither agreed nor disagreed with the statement.

Furthermore, majority 55% of the respondents agreed with the statement that their firm has a vision and a mission. In the same line, 7% of the respondents strongly agreed with the statement thus a total of 62% agreed with the statement. Meanwhile, 25% of the respondents neither agreed nor disagreed while 8% of the respondents disagreed and 5% strongly disagreed with the statement.

A majority 42% of the respondents agreed with the statement that their firm has strategic objectives. Besides, 13% strongly agreed making a total of 55% of those who agreed with the statement. Meanwhile, 22% of the respondents disagreed and 5% strongly disagreed. However, 18% of the respondents neither agreed nor disagreed with the statement.

Furthermore, a majority of 48% of the respondents agreed with the statement that having core values is important in driving ethics. In the same accord, 15% strongly agreed thus making a total of 63% of those who agreed with the statement. Meanwhile, 18% of the respondents disagreed while 3% strongly disagreed. However, 15% neither agreed nor disagreed with the statement.

Finally, majority 55% of the respondents agreed with the statement that in their firm performance is measured against annual targets and budgets set at the beginning of the year. In concurrence, 7% strongly agreed thus making a total 62% of those who agreed with the statement. Meanwhile, 25% of the respondents neither agreed nor disagreed while 8% of the respondents disagreed and 5% strongly disagreed with the statement.

Table 1: Strategic Planning

	%strongly disagree	%disagree	%neutral	%agree	%strongly agree
Strategic Planning-Majority of auctioneer firms have strategic plans	5%	8%	25%	55%	7%
Strategic planning-Our firm has a strategic plan	5%	22%	18%	42%	13%
Strategic planning is a prerequisite for good performance of our firm	3%	18%	15%	48%	15%
Strategic planning-Our firm has a vision and a mission	5%	8%	25%	55%	7%
Strategic planning-Our firm has strategic objectives	5%	22%	18%	42%	13%
Strategic Planning-Having core values is important in driving ethics	3%	18%	15%	48%	15%
Strategic Planning-Performance is measured against annual targets and budgets set at the beginning of the year	5%	8%	25%	55%	7%

4.2.2 Regression for Strategic Planning and Performance

Regression analysis was conducted to empirically determine whether strategic planning was a significant determinant of performance by auctioneering firms. Regression results in table 4.2 indicate the goodness of fit for the regression between strategic planning and performance is satisfactory. An R squared of 0.525 indicates that 53% of the variances in performance are explained by the variances in the strategic planning.

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.724 ^a	.525	.517	.48597

a. Predictors: (Constant), Strategic Planning

Anova statistics indicate that the overall model was significant. This was supported by an F statistic of 64.048 and p value of 0.000. The reported probability was less than the conventional probability of 0.05 (5%) significance level

Table 3: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.126	1	15.126	64.048	.000 ^a
	Residual	13.698	58	.236		
	Total	28.824	59			

a. Predictors: (Constant), Strategic Planning

b. Dependent Variable: Performance

The relationship between strategic planning and performance is positive and significant ($b_1=0.96$, p value 0.000).

Table 4: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.128	.421		.304	.762
	Strategic Planning	.960	.120	.724	8.003	.000

a. Dependent Variable: Performance

4.2.3 Effects of Strategy Implementation on Performance

The study sought to establish the influence of strategic implementation on performance. The results are presented on table 4.2 below. As illustrated in table 4.2, majority 42% of the

respondents agreed with the statement that their firm has a team to monitor the progress of strategy implementation and another 13% strongly agreed bringing to a total of 55% of those who agreed with the statement. Meanwhile, 22% of the respondents disagreed, a further 5% strongly disagreed and 18% of the respondents neither agreed nor disagreed with the statement.

In addition, a majority 48% of the respondents agreed with the statement that aggressive implementation of their strategies has ensured better performance of their firm. Besides, 15% of the respondents strongly agreed to the statement totaling to 63% of those who agreed with the statement. Meanwhile, 18% of the respondents disagreed and further 3% strongly disagreed and finally 15% of the respondents neither agreed nor disagreed with the statement.

A majority 55% of the respondents agreed with the statement that they have annual actions and targets which they use to monitor progress of strategy implementation. Besides, 7% of the respondents strongly agreed with the statement bringing to a total of 62% of those who agreed. Meanwhile, 8% of the respondents disagreed, and 5% strongly disagreed. However, 25% neither agreed nor disagreed with the statement.

Furthermore, majority 42% of the respondents agreed with the statement that all departments in their firm have their own targets aligned to the company strategy. In the same line, 13% of the respondents strongly agreed with the statement thus a total of 55% agreed with the statement. Meanwhile, 22% of the respondents disagreed and 5% of the respondents strongly disagreed while 18% neither agreed nor disagreed with the statement.

Finally, a majority of 48% of the respondents agreed with the statement that all their employees have annual performance contracts which are aligned to the strategy. Besides, 15% strongly agreed making a total of 63% of those who agreed with the statement. Meanwhile, 18% of the respondents disagreed and 3% strongly disagreed. However, 15% of the respondents neither agreed nor disagreed with the statement.

Table 5: Strategy Implementation

	%strongly disagree	%disagree	%neutral	%strongly agree	%agree
Our firm has a team to monitor the progress of strategy implementation	5%	22%	18%	42%	13%
Aggressive implementation of our strategies has ensured better performance of our firm	3%	18%	15%	48%	15%
We have annual actions and targets which we use to monitor progress of strategy implementation	5%	8%	25%	55%	7%
All departments have their own targets aligned to the company strategy	5%	22%	18%	42%	13%
All our employees have annual performance contracts which are aligned to the strategy	3%	18%	15%	48%	15%

contracts which are aligned to the strategy

4.2.2.1 Regression for Strategic Implementation and Performance

Regression analysis was conducted to empirically determine whether strategic implementation was a significant determinant of performance by auctioneering firms. Regression results in table 4.6 indicate the goodness of fit for the regression between strategic implementation and performance is satisfactory. An R squared of 0.761 indicates that 76.1% of the variances in performance are explained by the variances in the strategic implementation.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.872 ^a	.761	.757	.34451

a. Predictors: (Constant), Strategic Implementation

Anova statistics indicate that the overall model was significant. This was supported by an F statistic of 184.857 and p value of 0.000. The reported probability was less than the conventional probability of 0.05 (5%) significance level

Table 7: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.940	1	21.940	184.857	.000 ^a
	Residual	6.884	58	.119		
	Total	28.824	59			

a. Predictors: (Constant), Strategic Implementation

b. Dependent Variable: Performance

The relationship between strategic implementation and performance is positive and significant (b1=1.116, p value 0.000). The findings imply that strategic implementation has a significant effect on performance.

Table 8: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	-.400	.287		-1.394	.169
Strategic_Implementation	1.116	.082	.872	13.596	.000

a. Dependent Variable: Performance

4.3.3 Effects of Environmental Characteristics on Performance

The study sought to establish the influence of environmental characteristics on performance. The results are presented on table 4.3 below. As illustrated in table 4.3, majority 55% of the respondents agreed with the statement that competition in the auctioneer business calls for proper strategic planning by firms, another 7% of the respondents strongly agreed bringing to a total of 62% of those who agreed with the statement. Meanwhile, 25% of the respondents neither agreed nor disagreed while 8% disagreed and 5% strongly disagreed with the statement.

In addition, a majority 42% of the respondents agreed with the statement that scanning the environment on a continuous basis is important. Besides, 13% of the respondents strongly agreed to the statement totaling to 55% of those who agreed with the statement. Meanwhile, 22% of the respondents disagreed and further 5% strongly disagreed and finally 18% of the respondents neither agreed nor disagreed with the statement.

A majority 48% of the respondents agreed with the statement that they review their strategy regularly to ensure its alignment to the operating environment of their firm. Besides, 15% of the respondents strongly agreed with the statement bringing to a total of 63% of those who agreed. Meanwhile, 18% of the respondents disagreed, and 3% strongly disagreed. However, 15% neither agreed nor disagreed with the statement.

Furthermore, majority 55% of the respondents agreed with the statement that the operating environment is critical in determining the performance of auctioneer firms. In the same accord, 7% of the respondents strongly agreed with the statement thus a total of 62% agreed with the statement. Meanwhile, 25% of the respondents neither agreed nor disagreed with the statement while 8% disagreed and 5% of the respondents strongly disagreed with the statement.

Finally, a majority of 42% of the respondents agreed with the statement that turbulent operating environment has made many auctioneer firms scale down their operating scope. Besides, 13% strongly agreed making a total of 55% of those who agreed with the statement. Meanwhile, 22% of the respondents disagreed and 5% strongly disagreed. However, 18% of the respondents neither agreed nor disagreed with the statement.

Table 9: Environmental Characteristics

	%strongly disagree	%disagree	%neutral	%strongly agree

Competition in the auctioneer business calls for proper strategic planning by firms	5%	8%	25%	55%	7%
Scanning the environment on a continuous basis is important	5%	22%	18%	42%	13%
We review our strategy regularly to ensure its alignment to the operating environment	3%	18%	15%	48%	15%
The operating environment is critical in determining the performance of auctioneer firms	5%	8%	25%	55%	7%
Turbulent operating environment has made many auctioneer firms scale down their operating scope	5%	22%	18%	42%	13%

4.3.3.1 Regression for Environmental Characteristics and Performance

Regression analysis was conducted to empirically determine whether environmental characteristics was a significant determinant of performance by auctioneering firms. Regression results in table 4.10 indicate the goodness of fit for the regression between environmental characteristics and performance is satisfactory. An R squared of 0.768 indicates that 77% of the variances in performance are explained by the variances in the environmental characteristics.

Table 10: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.768 ^a	.590	.583	.45146

a. Predictors: (Constant), Environmental Characteristics

Anova statistics indicate that the overall model was significant. This was supported by an F statistic of 83.423 and p value of 0.000. The reported probability was less than the conventional probability of 0.05 (5%) significance level

Table 11: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.003	1	17.003	83.423	.000 ^a
	Residual	11.821	58	.204		
	Total	28.824	59			

a. Predictors: (Constant), Environmental Characteristics

b. Dependent Variable: Performance

The relationship between environmental characteristics and performance is positive and significant ($b_1=0.82$, p value 0.000). The findings imply that an environmental characteristic has a significant effect on performance.

Table 12: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.627	.316		1.988	.052
Environmental_Characteristics	.820	.090	.768	9.134	.000

a. Dependent Variable: Performance

4.3.4 Effects of Organization Structure on Performance

The study sought to establish the influence of organization structure on performance. The results are presented on table 4.4 below. As illustrated in table 4.4, majority 48% of the respondents agreed with the statement that a good structure is key to good leadership and performance, another 15% of the respondents strongly agreed bringing to a total of 63% of those who agreed with the statement. Meanwhile, 15% of the respondents neither agreed nor disagreed while 18% disagreed and 3% strongly disagreed with the statement.

In addition, a majority 55% of the respondents agreed with the statement that a flat structure is more effective in delivering strategy and better performance. Besides, 7% of the respondents strongly agreed to the statement totaling to 62% of those who agreed with the statement. Meanwhile, 25% of the respondents neither agreed nor disagreed with the statement. However, 8% of the respondents disagreed and further 5% strongly disagreed with the statement.

A majority 42% of the respondents agreed with the statement that lean structure is better for improving company performance. Besides, 13% of the respondents strongly agreed with the statement bringing to a total of 55% of those who agreed. Meanwhile, 22% of the respondents disagreed, and 5% strongly disagreed. However, 18% neither agreed nor disagreed with the statement.

Furthermore, majority 48% of the respondents agreed with the statement that their company performs better because it has a lean establishment. In the same accord, 15% of the respondents strongly agreed with the statement thus a total of 63% agreed with the statement. Meanwhile, 15% of the respondents neither agreed nor disagreed with the statement while 18% disagreed and 5% of the respondents strongly disagreed with the statement.

Finally, a majority of 55% of the respondents agreed with the statement that decision making in our company is fast due to less bureaucracy in the structure. Besides, 7% strongly agreed making a total of 62% of those who agreed with the statement. Meanwhile, 25% of the respondents neither agreed nor disagreed with the statement while 8% disagreed and 5% strongly disagreed with the statement.

Table 13: Organization Structure

	%strongly disagree	%disagree	%neutral	%agree	%strongly agree
A good structure is key to good leadership and performance	3%	18%	15%	48%	15%
A flat structure is more effective in delivering strategy and better performance	5%	8%	25%	55%	7%

Lean structure is better for improving company performance	5%	22%	18%	42%	13%
Our company performs better because it has a lean establishment	3%	18%	15%	48%	15%
Decision making in our company is fast due to less bureaucracy in the structure	5%	8%	25%	55%	7%

4.3.4.1 Regression for Organizational Structure and Performance

Regression analysis was conducted to empirically determine whether organizational structure was a significant determinant of performance by auctioneering firms. Regression results in table 4.14 indicate that the goodness of fit for the regression between organizational structure and performance is satisfactory. An R squared of 0.799 indicates that 80% of the variances in performance are explained by the variances in the organizational structure.

Table 14: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.894 ^a	.799	.796	.31582

a. Predictors: (Constant), Organization Structure

Anova statistics indicate that the overall model was significant. This was supported by an F statistic of 230.978 and p value of 0.000. The reported probability was less than the conventional probability of 0.05 (5%) significance level.

Table 15: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.039	1	23.039	230.978	.000 ^a
	Residual	5.785	58	.100		
	Total	28.824	59			

a. Predictors: (Constant), Organization Structure

b. Dependent Variable: Performance

The relationship between organizational structure and performance is positive and significant ($b_1=0.978$, p value 0.000). The findings imply that organizational structure has a significant effect on performance.

Table 17: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		

1	(Constant)	.052	.228		.226	.822
	Organization Structure	.978	.064	.894	15.198	.000

a. Dependent Variable: Performance

5.0 DISCUSSION CONCLUSIONS AND RECOMMENDATIONS

5.0. Introduction

The chapter addressed the summary of the findings, the conclusions and the recommendations. This was done in line with the objectives/research questions of the study.

5.1. Summary of Findings

The general objective of this study was to investigate the effect of strategic management on performance of auctioneer firms in Kenya. The specific objectives of this study were to establish the extent to which strategic planning influence performance of auctioneer firms in Kenya, to establish whether strategy implementation influences performance of auctioneer firms in Kenya to investigate the effect of environmental characteristics on performance of auctioneer firms in Kenya and to establish the effect of organization structure on performance of auctioneer firms in Kenya.

The research used a population of 200 auctioneering firms and a 100 as the sample size for the study. For purposes of collecting primary data, the use of a questionnaire developed by the researcher was used and their results analyzed using various statistical methods such as charts, tables and with the aid of Microsoft Excel.

Study findings indicated that equal majority of 27% of the respondents indicated that their firms had been operational for periods between 11 to 17 years and 26 to 35 years respectively. Followed by 18% who indicated that their firm had been operational for a period between 18 to 25 years. Thirteen (13%) of the respondents indicated that their firm had been operational for a period between 36 to 45 years while a trial tie of 5% of the respondents indicated that their firms had been operation for periods between 46 to 55 years, over 55 years and less than 10 years respectively. A majority (23%) of the respondents indicated that most of their clientele are from the cooperative sector followed by a very close majority of 22% who indicated that their clientele come from families. On the other hand, 18% indicated that their clientele come from the micro-finance sector. Fifteen (15%) of the respondents indicated that their clientele are from the government while 14% indicated that their clientele come from the banking sector and finally 8% indicated that their clientele come from other sectors not indicated in the questionnaire. Findings revealed that majority (65%) of the respondents agreed that they do have a strategic plan in their firm while 35% of the respondents indicated that their firms do not have any strategic plan

Results indicated that strategic planning had affects on performance of the auctioneering firms. This is evidenced by the majority of the respondents who indicated that they strongly agreed and agreed with the statements related to strategic planning and performance of the auctioneering

firms. This is also supported by a positive and significant regression analysis between the strategic planning and performance.

Study findings further indicated that strategic implementation affects performance of the auctioneering firms. This is evidenced by the majority of the respondents who indicated that they strongly agreed and agreed with the statements related to strategic implementation and performance of the auctioneering firms. This is also supported by a positive and significant regression analysis between the strategic implementation and performance.

Results also indicated that environmental characteristics affects performance of the auctioneering firms. This is evidenced by the majority of the respondents who indicated that they strongly agreed and agreed with the statements related to environmental characteristics and performance of the auctioneering firms. This is also supported by a positive and significant regression analysis between the environmental characteristics and performance.

Results further indicated that organization structure affects performance of the auctioneering firms. This is evidenced by the majority of the respondents who indicated that they strongly agreed and agreed with the statements related to organization structure and performance of the auctioneering firms. This is also supported by a positive and significant regression analysis between the organization structure and performance.

5.2: Conclusions

5.3.1 Effects of Strategic Planning on Performance

The other objective of the study was to establish the extent to which strategic planning influence performance of auctioneer firms in Kenya. Following the study results, it was possible to conclude that strategic planning affected the performance of the auctioneer firms since majority of them do have strategic plans, vision and a mission, strategic objectives, measured their performance annually against annual targets and budgets set at the beginning of the year. It was possible to conclude that strategic planning is a prerequisite for good performance of auctioneer firms. It was possible too to conclude that having core values is important in driving ethics in auctioneer firms.

5.3.2 Effects of Strategy Implementation on Performance

The other objective of the study was to establish whether strategy implementation influences performance of auctioneer firms in Kenya. It was possible to conclude that strategy implementation methods such as monitoring the progress of strategy implementation, aggressive implementation of strategies, having annual actions and targets, having annual performance contracts lead to better performance of a firm.

5.3.3 Effect of Environmental Characteristics on Performance

Another objective of the study was to investigate the effect of environmental characteristics on performance of auctioneer firms in Kenya. Following the study results it was possible to conclude that such practices as competition, scanning the environment on a continuous basis, reviewing the strategy regularly and ensuring turbulent operating environment are very essential for auctioneering firms to perform better.

5.3.4 Effects of Organization Structure on Performance

Finally, the last but not least objective of the study was to establish the effect of organization structure on performance of auctioneer firms in Kenya. Following the study results it was

possible to conclude that an auctioneer firm practicing either lean or flat structure and avoiding unnecessary bureaucracy is likely to perform better and maintain good leadership in its operations since such activities as decision making are done with relative ease.

5.3.2 Recommendations for Further Studies

The study recommends that further investigation be done on the effect of proper leadership practices in income generating organizations.

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