EFFECTS OF STRATEGIC MANAGEMENT PRACTICES ON SUSTAINABLE PERFORMANCE OF AUTOMOBILE PARTS INDUSTRY IN KENYA

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Abstract: The growth of firms is something inherent to their actual existence. Throughout their life, firms must grow continuously if they want to sustain their competitive position within an environment where other rival firms may be growing at a faster pace. The main objective of this study was to examine the effect of strategic management practices on sustainable performance of Automobile Parts Industries in Kenya. The specific objectives are to determine the effect of corporate vision on sustainable performance of Automobile Parts Industries in Kenya; to examine the effect of strategic resources on sustainable performance of Automobile Parts Industries in Kenya; to establish the effect of competitive positioning on sustainable performance of Automobile Parts Industry in Kenya and to examine the effect of strategic synergy on sustainable performance of Automobile Parts Industries Kenya. To strengthen the conceptual framework the researcher used theories such as resource dependency theory, competitive advantage theory and organizational growth theory. The study used primary data which was collected through use of questionnaires with respondents at the Automobile Parts Industries in Kenya. The target population was 124. The sample size was 95. A modified Likert scale questionnaire was developed divided into three parts. A pilot study was carried out to refine the instrument. The quality and consistency of the study was further be assessed using Cronbach’s alpha. Data analysis was performed on a PC computer using Statistical Package for Social Science (SPSS Version 23) for Windows. Analysis was done using frequency counts, percentages, means and standard deviation, regression, correlation and the information generated was presented in form of graphs, charts and tables. The study found out that strategic resources significantly and positively affected sustainable performance. This study highlighted the importance of strategic resources to the performance of Automobile Parts Industries in Kenya. The study found out that competitive positioning had a significant and positive influence on sustainable performance of Automobile Parts Industries in Kenya. It was therefore recommended that automobile parts companies needed to identify the best strategies that would enable them to stay above their competitors. The study found out that strategic synergy significantly and positively affected sustainable performance. It was concluded that automobile parts companies needed to embrace strategic management practices in order to achieve sustainable performance. The results obtained from this study were important in terms of reflecting the situation on the usage and performance levels of strategic management practices of sustainable performance in automobile parts companies. The results further revealed a positive relationship between the individual strategic management practices and sustainable performance.

Keywords: Automobile Parts Industries, strategic management practices, sustainable performance.

1. INTRODUCTION

The growth of firms is something inherent to their actual existence. Throughout their life, firms must grow continuously if they want to sustain their competitive position within an environment where other rival firms may be growing at a faster pace (Johnson, Scholes and Whittington, 2016): (Kazmi, 2016). While some surveys show that growth is not an objective for all firms, the ability of firms to grow is important, because it has been suggested that firms with low or negative
growth rates are more likely to fail (Headd & Harada, 2016). What is perhaps more controversial and surprising is that recent evidence suggests that the high growth firms are not necessarily newly founded entrepreneurial startups, but rather tend to be larger and more mature firms (Honjo & Harada, 2015). The strategic orientation of a firm is its tendency towards valuing and prioritizing certain strategically relevant actions rather than others. A firm could emphasize activities that drive down its costs, respond aggressively to competitors, seek to provide maximal customer value, or seek to speed up the pace of technological innovations. Any of these thrusts, and many others, could potentially result in favorable outcomes such as corporate growth (McKelvie & Wiklund, 2016); (Cressy, 2015). Based on this, researchers have considered the performance effects of strategic orientation construed in terms of (Porter’s, 2013) generic strategies to explain the choice of strategies to adopt for growth and sustainability thus creating competitive advantage.

Thomas, David and Krish, (2016) assert that although corporate profitability measures generally rise with earnings and sales growth, an optimal point exists beyond which further growth and sales growth destroys shareholder value. They note that many firms go beyond this optimal point and conclude that corporate managers need to abandon the habit of blindly increasing company size. In today’s world of cutthroat competition, corporate growth is an ambiguous phenomenon and it can be measured and interpreted in a variety of different ways. Corporate growth reflects the degree of success achieved in terms of stated objectives and as the objectives differ widely so does the concept of corporate growth (Aggarwal, 2015). McGrath, Kroeger, Traem and Rockenhaeuser, (2016) suggest that companies need to achieve a strategic balance between top and bottom line growth. The strongest companies are those that recognize and understand the importance of both innovation and improvement. These companies never stop growing and are the true value growers. Canals, (2016) developed an integrative model of corporate growth explaining the nature of the factors influencing corporate growth. These are: the firm’s internal and external context, the development of a business concept, resources and capabilities, and the strategic investment decisions. Roberts (2016) pointed out that growth of corporations is influenced by three major factors – the background/resource of the entrepreneur, the nature of the firm, and the strategic decisions taken by the owner/manager. The top management needs to develop both strategic and tactical skills and abilities. High growth firms make use of external relations Lechner, Dowling and Welpe, (2016) and growth is a combination of environmental and leadership processes (Eisenhardt and Schoonhoven, 2015).

It has been also found that strong growth may reduce the firm’s profitability temporarily, but increase it in the long run (McDougall, ovin, Robinson and Herron, 2016). It is worth noting that corporate growth is essential for sustaining the viability, dynamism and value-enhancing capability of firms. A growth-oriented firm is not only able to attract the most talented executives, but it would also be able to retain them. Corporate growth leads to higher profits and increase in shareholders’ value. Greiner, (2016) pointed out that growth in corporations is a predetermined series of evolution and revolution attributes. However, for growth to be realized and be sustainable, the combination of resources, distinctive capabilities, distinctive competencies, and attributes must lead to competitive advantage thus outperforming competitors. This is the basis of value creation that when sustained, leads to competitive positioning. Sustained competitive positioning leads to corporate growth.

2. STATEMENT OF PROBLEM

There has been an increase in Automobile parts industry players in Kenya in the recent past. The automobile parts industry in Kenya faces a number of constraints that need to be addressed to enable them to improve outreach, growth and sustainability (Allaire, et al., 2016). These constraints have contributed to a large extent to the poor performance and eventual demise of some automobile parts companies. For an automobile part company are not profitable, growth remains a dream, thus unsustainable. A key justification for the advancement of automobile companies is that, a motor sector that is both profitable and sustainable can ultimately impact positively on economic growth and development; this is sufficiently lacking (Allaire, et al., 2016).

Great effort has been devoted to studying the general determinants of growth of firms with theoretical frameworks of firm formation and growth being formulated, though few have been tested extensively (Davidsson, et al., 2016). The most recognized and empirically tested theory of firm growth is probably Gibrat’s law that theorizes that the size of the firm at any given point in time is the product of a series of random growth rates in the history of the firm. In other words, the growth of a firm in any given period of time is independent of the size of the firm at the beginning of the period.
Greiner, (2016) asserts that growth in firms takes place in series of steps and phases of evolution and revolution. However, the basis and determinants of growth remain heterogeneous. Most important to note is that academics, management experts and governments in many countries have been keen to discover ways in which corporate growth can be encouraged. Several studies have been conducted on determinants of corporate growth of firms over time. Hermelo and Vassolo, (2016) found out that technology, diversification and productivity increase corporate growth in Ethiopia.

Further studies attempt to link determinants of growth from different perspectives or dimensions. Baum and Wally, (2015); Davidsson, et. al. (2016), found out that their explanatory power is low due to the relatively small number of variables. It is therefore of special interest to examine the determinants of firm growth in an integrated way, and to identify the most important determinants of firm growth. Much research effort has been targeted particularly at investigating the factors affecting firm growth, but to date there is no comprehensive theory to explain which firms will grow or how they will grow Garnsey, Slam and Heffernan (2016). It seems that not even very strong explanatory factors have been identified, though various explanatory approaches have been presented. These studies, though very important to the industry players, fell short in identifying the strategic management determinants on sustainable performance of automobile parts industry. Thus, there is a compelling need to explore the strategic management determinants on sustainable performance of automobile parts industry in Kenya that can successfully propel firms to growth, sustainability, and prosperity.

3. OBJECTIVES OF THE STUDY

This study was guided by both general and specific objectives

3.1 General Objective:
To examine the effects of strategic management practices on sustainable performance of Automobile Parts Industries in Kenya.

3.2 Specific Objectives:
1. To assess the effect of corporate vision on sustainable performance of Automobile Parts Industries in Kenya.
2. To determine the effect of strategic resources on sustainable performance of Automobile Parts Industries in Kenya.
3. To establish the effect of strategic competitive positioning on sustainable performance of Automobile Parts Industries in Kenya.
4. To evaluate the effect of strategic synergy on sustainable performance of Automobile Parts Industries in Kenya.

4. RESEARCH HYPOTHESSES

This study tested the following null hypotheses;

HO₁: Strategic vision has no significant effect on sustainable performance of Automobile Parts Industries in Kenya.

HO₂: Strategic resources has no significant effect on sustainable performance of Automobile Parts Industries in Kenya.

HO₃: Strategic Competitive positioning has no significant effect on sustainable performance of Automobile Parts Industries in Kenya.

HO₄: Strategic synergy has no significant effect on sustainable performance of Automobile Parts Industries in Kenya.

5. SIGNIFICANCE OF THE STUDY

This study is very important and essential to automobile industry, policy makers, scholars and researchers, and the community.

5.1 Automobile Parts Industry:

This study will help Automobile parts industry to wisely intervene in improving their performance by assisting in tackling those factors that inhabit corporate growth and helping them to embrace and deploy those factors that positively facilitate corporate growth. This will lead to Automobile parts industry growth, sustainability and productivity. Given the chance in
successful corporate growth, the strategic management determinants of growth would reduce managerial uncertainty in corporations. Automobile parts industry have an overwhelmingly dominant position in developing-economy and are extremely important engines of economic growth (Maina, 2015).

6. LITERATURE REVIEW

6.1 Literature Review:

6.1.1 Resource Dependency Theory:

The resource dependency theory is important in explaining the actions of organizations, by forming interlocks, alliances, joint ventures, and mergers and acquisitions, in striving to overcome dependencies and improve an organizational autonomy, legitimacy and competitiveness. It is instrumental to organizations on the power to control resource allocation as the key to organizational growth and survival. The theory’s central proposition is that organizations will try to manage their resource dependencies with a variety of tactics, such as the cooptation of sources of constraint, in order to achieve greater autonomy and thus reduce uncertainty in the flow of needed resources from the environment. In essence, strategic partnerships have the potential to address challenges and opportunities that could not have been handled in the same way outside of a partnership (Davis & Cobb, 2010).

Perceived mutual dependencies between organizations can motivate potential partners to come together and join forces when the organizations perceive critical strategic interdependencies with other organizations in their environment (Drees and Heugens, 2016). Interdependence causes uncertainty in managing necessary resources for organizational survival and drives organizations to seek complementary or supplementary capabilities and resources in others. Because organizations are not self-sufficient and do not have control over all the resources they require, interaction with others is necessary to advance one’s own interests.

6.1.2 Competitive Advantage Theory:

When a firm sustains profits that exceed the average for its industry the firm is said to possess competitive advantage over its rivals. The goal of much of business strategy is to achieve a sustainable competitive advantage (Barney and Hesterly, 2015). Smith, (2013) identified two basic types of competitive advantage which are cost and differentiation advantage. Cost Advantage exists when the firm is able to deliver the same benefits as competitors but at a lower cost, but differentiation advantage are the core benefits that a firm obtains which exceed those of competing products. Cost and differentiation advantages are known as positional advantages since they describe the firm’s position in the industry as a leader in either cost or differentiation. Thompson, Strickland, Gamble, and Jain (2006) describes generic strategies as being core to improvement of a firm’s performance. For an Automobile parts industry to perform it must use one or more of the generic strategies otherwise its performance is bound to decline (Allen & Helms, 2006).

These generic strategies are cost leadership, differentiation and focus. Cost Leadership strategy calls for companies to be low cost producers compared to their rivals. As the industry matures and prices decline, firms that can produce more cheaply will remain profitable for a long period of time. Differentiation strategy is the development of a product or service that offers unique attributes that are valued by customers and that customers perceive to be better than those of competitors. In differentiation, a firm seeks to be unique in its industry along some dimensions that are widely valued by buyers (Porter, 2011).

6.1.3 Organizational Growth Theory:

Greiner, (2016) proposed a growth model that explained the growth in business organizations as a predetermined series of evolution and revolution. In order to grow, the organization is supposed to pass through a series of identifiable phases or stages of development and crisis. These phases are; growth through creativity, growth through direction, growth through delegation, growth through collaboration and growth through coordination. Greiner’s model suggests how organizations grow, but the basic reasons behind the growth process and its mechanics remain heterogeneous. However, worth noting is that in corporations, the importation of materials and energy from the environment not only sustains life but also contributes to growth. As they keep growing, so does their ability to acquire resources. This means that the more they grow, the more capacity in resources acquisition they have and the more resources they can access. This growth and the
increase in resource acquisition capabilities provide a positive feedback loop, which continues until the organization matures (Schimke, 2015).

If the resources in a niche or a domain are abundant, a business organization in that niche is likely to run at a profit (provided that the relevant costs are under control), which results in an improvement in return on investment (ROI), which tends to attract more funds from the investors. The firm can use these funds to reinvest for expansion, to gain more market control, and make even more profit. This positive feedback will continue until limiting factors (e.g. an increase in competition or the depletion of resources within a particular niche) take effect (Ansoff and McDonald, 2015).

6.2 Conceptual Framework:

![Conceptual Framework](image)

6.2.1 Strategic Vision:

Strategic vision serves as the framework for a roadmap and guides every aspect of business by describing what needs to be accomplished in order to continue achieving sustainable, quality growth. Corporate vision is an essential factor in building scalable organizations that last for the long haul and reveals how companies can stay their course, even as they grow. Growing companies require a vision—a precise idea of their raison d’etre, strategy and values that are both inspiring and concrete enough to guide corporate action. A company’s vision should describe a future that is more attractive than the present, and its leaders should recognize that diverse viewpoints as debates are essential to vision development (Johnson, et al., 2016). Corporate strategy unifies the organization through the corporate vision, which directly influences corporate growth (Thomas, et al., 2016).

Dan (2015) states that Strategic Planning process involves the implementation of strategy in an organization which should be managed through a sequence of steps. These steps include setting of objectives, analysis of environmental trends & capabilities, evaluation of the available options and planning, implementation, operationalization and institutionalization of strategy. Barney and Hesterly, (2015) are of the view that the process of strategic planning has to be designed well such that it meets the specific needs of the organization. The strategic management planning process involves the mission and vision of the organization, environmental analysis, selection of objectives and analyzing strategic choices (Porter, 2008).
6.2.2 Strategic Resources:

Strategic partnering is an idea that is loosely used to describe anything from teamwork to strategic alliances to contractual partnerships. Therefore, it is the process of two or more entities coming together for the purpose of creating synergistic solutions to their mutual challenges (Hitt, et al., 2015). Through pooling of strategic resources, strategic partners are able to enter new markets with little investment, be more effective, drive cost benefits or leverage strengths, and be more competitive. Grant (2016) states that for complete strategies, as opposed to individual projects, creating option value means positioning the firm such that a wide array of opportunities become available. Firms taking advantage of strategic partnerships can utilize other company's strengths to make both firms stronger in the long run. Typically, two companies form a strategic partnership when each possesses one or more business assets that will help the other, but that each respective other does not wish to develop internally. An organization might form partnerships with customers, suppliers or even competitors (Crook, et. al., 2015). Partners may provide the strategic partnerships with resources such as products, distribution channels, manufacturing capability, project funding, capital equipment, knowledge, expertise, intellectual property and organizational legitimacy (Luypaert, 2015). In essence, strategic partnerships have the potential to address challenges and opportunities that could not have been handled in the same way outside of a partnership (Davis and Cobb, 2010).

6.2.3 Competitive Positioning:

Competitive advantage (CA) relates to strategy formulation and implementation in organizations (Galetic, et al., 2014). Automobile parts industries that desire to perform must select strategies that give them a competitive advantage over their competitors based on their core competencies (Enzi, 2014). Organizations can do strategic analysis to achieve competitive advantage using tools such as Strengths Weaknesses Opportunities and Threats (SWOT) Analysis, Porter’s five forces model and the Resource Based Theory (RBT) of the firm. Strengths, Weaknesses, Opportunities and Threats analysis aims at matching an organizations internal strengths and weaknesses with a firm’s external opportunities and threats.

Porters Five Forces Model determines the firms’ abilities to position and compete in an industry such as the Automobile parts industry. Mibe (2014) also proposes three generic strategies which can help organizations to cope with competitive forces and these include focus, cost leadership and differentiations.

6.2.4 Strategic Synergy:

Strategic partnerships aim at amercing strategic synergy and creating synergistic solutions where each partner hopes that the benefits from the partnerships will be greater than those from individual efforts. The Strategic partnerships often involve technology transfer (access to knowledge and expertise), economic specialization, and shared expenses and risk (Davis and Cobb, 2010). Strategic synergy describes the mutual benefits a business experiences by strategically organizing itself to maximize cooperation and innovation. In simple terms, a synergistic organization achieves more as a group than its parts could in isolation. Increasing synergy requires a careful analysis of your organization’s current strategies to identify better ways of doing business. Eliminating structural redundancy and sharing successful strategies also increases synergy by identifying ways to streamline operations and allowing each partner to focus on being maximally efficient. In either case, the partners benefit from the synergistic connection in ways that neither could alone. It is this bundle of benefits that leads to corporate growth (Rigsbee, 2014, Gaddis, 2015).

6.2.5 Measurement of Sustainable Performance:

Since firm growth is fundamentally a multidimensional phenomenon, researchers have used different growth measures for different forms of growth. Possible growth indicators include; assets, employment, market share, physical output, profits, stock market value and sales (Delmar et. al., 2003). However, the selection of growth indicator depends on the research question and the type of firms that are included in the sample (Davidsson, et al., 2016). The interpretation of growth metric also depends on the length of time over which it is measured and due to the possibility of the exit of a firm that may again make comparisons misleading. Since there is no one best measure of firm growth, researchers have advocated composite measures using multiple indicators to measure heterogeneity in firm growth. The two basic approaches commonly used in literature to measure firm growth are the absolute and relative growth. Absolute growth measures the absolute increase or decrease in numbers of firm size whereas relative growth measures the growth rate in percentage terms. The challenge is to develop better knowledge about the relative and combined effects of many predictors under different circumstances (Boom & Reenen, 2016; Delmar, 2016).
Using multiple measures help not only in providing a “big picture” of the empirical relationships but also allow comparisons with the earlier studies.

Davidsson, et al., (2016) states that growth can be measured with a range of different indicators, the most frequently suggested being sales, employment, assets, physical output, market share and profits. Growth metrics can further be divided into quantitative and qualitative measures. Quantitative measures include firm productivity, financial profitability, asset base, return on investment (ROI), percentage of market share, volume of sales, capital base, and volume of loans disbursed, stock turnover and rate of new customers among others. Qualitative measures include customer service, social and environmental impact, financial deepening, and economic empowerment (Meyer, 2007). Both Quantitative and relative metrics of growth will be deployed for this study. Corporate growth will to be measured by corporate profitability, market share, new customers, rate of loan recovery, branch network, number of employees and social impact.

7. RESEARCH METHODOLOGY

7.1 Research Design:
The researcher used descriptive research design. Descriptive study is concerned with finding out who, what, where and how much of a phenomenon, which is the concern of the study. Sekaran, (2015) observes that the goal of descriptive research is to offer the researcher a profile or describe relevant aspects of the phenomena of interest from the individual, organization, industry or other perspective.

7.2 Target Population:
The study targeted 100 employees of Automobile parts industry in Kenya in the top, middle level management and unionisable employees. Since the study is descriptive in nature, (Bryman and Bell, 2015) recommend thirty percent of the population. However, Kothari and Gang, (2014) recommends that a sample size be as large as possible in order to reproduce salient characteristics of the accessible population to an acceptable level as well as to avoid sampling errors. Automobile parts industry in Kenya was selected as a case study because of proximity to the researcher, time availability for research and budgetary constraints.

Table 1: Target Population

<table>
<thead>
<tr>
<th>Management Level</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>20</td>
</tr>
<tr>
<td>Middle Management</td>
<td>34</td>
</tr>
<tr>
<td>Unionsable Workers</td>
<td>70</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>124</strong></td>
</tr>
</tbody>
</table>

7.3 Sample Size and Sampling Technique:

7.3.1 Sample Size:
Sample size determination is the act of choosing the number of observations or replicates to include in a statistical sample. The sample size is an important feature of any empirical study in which the goal is to make inferences about a population from a sample (Bryman and Bell, 2015). The total sample size for this study will be obtained using the formulae developed by Cooper and Schinder, (2013) together with Kothari and Gang, (2014). The sample size will be 95.

\[
 n = \frac{N}{1 + N (\alpha)^2}
\]

Where: \( n \) = the sample size, 
\( N \) = the sample frame (population) 
\( \alpha \) = the margin of error (0.05%).

\[
 n = \frac{124}{1+124(0.05)^2} = 95
\]
Table 2: Sample Size

<table>
<thead>
<tr>
<th>Management Level</th>
<th>Population</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td>Middle Management</td>
<td>34</td>
<td>33</td>
</tr>
<tr>
<td>Unionsable Workers</td>
<td>70</td>
<td>43</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100</strong></td>
<td><strong>95</strong></td>
</tr>
</tbody>
</table>

7.4 Data Collection Instruments:
This section outlines the methods that was used to collect primary data which was a questionnaire. It also indicates the method that will be used to collect secondary data for the study.

7.5 Data Collection Procedure:
The data collection instrument in this study was a questionnaire. The research instrument was conveyed to the respondents through the drop and pick technique. The researcher approached each respondent, introduced himself to the respondents by explaining to them the nature and purpose of the study and then will leave the questionnaires with the respondents for completion and picked later within three days. Before the questionnaire is given out, the researcher will seek for authorization from Automobile parts industry management to collect data.

7.6 Data Processing, Analysis and Presentation:
Kothari and Gang, (2014) argue that data collected has to be processed, analyzed and presented in accordance with the outlines laid down for the purpose at the time of developing the research plan. Data analysis involves the transformation of data into meaningful information for decision making. It will involve editing, error correction, rectification of omission and finally putting together or consolidating information gathered. The collected data will be analyzed quantitatively and qualitatively. Descriptive and inferential statistics will be done using SPSS version 23 and specifically multiple regression model will be applied. Set of data will be described using percentage, mean standard deviation and coefficient of variation and presented using tables, charts and graphs.

The multiple regression equation is as follows;

\( Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \)

\( Y \) = Represents the dependent variable, Sustainable Performance
\( a \) = Constant
\( \beta_1, \beta_2, \beta_3 \& \beta_4 \) = Partial regression coefficient
\( X_1 \) = Corporate Vision
\( X_2 \) = Strategic Resources
\( X_3 \) = Competitive Positioning
\( X_4 \) = Strategic Synergy
\( \varepsilon \) = error term or stochastic term.

8. RESEARCH FINDINGS AND DATA ANALYSIS

8.1 Analysis of Objectives:
In the research analysis the researcher used a tool rating scale of 5 to 1; where 5 were the highest and 1 the lowest. Opinions given by the respondents were rated as follows, 5= Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree and 1= Strongly Disagree. The analyses for mean, standard deviation was based on this rating scale.
8.1.1 Corporate Vision:

**Table 3: Corporate Vision**

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presence and clarity of Corporate Vision leads to increased and sustainable performance of Automobile parts companies</td>
<td>81</td>
<td>4.30</td>
<td>.980</td>
</tr>
<tr>
<td>Institutionalization of Corporate Vision leads to growth and sustainable performance of Automobile Parts companies</td>
<td>81</td>
<td>4.15</td>
<td>.654</td>
</tr>
<tr>
<td>Continuously Monitoring the Corporate Vision leads to increased corporate growth and sustainable performance of Automobile parts industries</td>
<td>81</td>
<td>3.43</td>
<td>1.549</td>
</tr>
<tr>
<td>Continuously Reviewing the Corporate Vision Leads to increased corporate growth and sustainable performance</td>
<td>81</td>
<td>3.78</td>
<td>1.072</td>
</tr>
<tr>
<td>A unifying corporate culture leads to increased corporate growth of Automobile Parts Companies</td>
<td>81</td>
<td>3.81</td>
<td>1.526</td>
</tr>
<tr>
<td>Communication of Corporate Vision leads to increased corporate growth and sustainable performance of Automobile Parts Companies</td>
<td>81</td>
<td>4.22</td>
<td>1.405</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>81</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The first objective of the study was to establish the effects of corporate vision on sustainable performance of Automobile parts industry in Kenya. Respondents were required to respond to set questions related to corporate vision and give their opinions. The statement in agreement that presence and clarity of corporate vision leads to increased and sustainable performance of automobile parts companies had a mean score of 4.30 and a standard deviation of 0.980. The statement in agreement that institutionalization of corporate vision leads to growth and sustainable performance of automobile parts companies had a mean score of 4.15 and a standard deviation of 0.654. The statement that continuously monitoring the corporate vision leads to increased corporate growth and sustainable performance of automobile parts industries had a mean score of 3.43 and a standard deviation of 1.549. The statement that continuously reviewing the corporate vision leads to increased corporate growth and sustainable performance had a mean score of 3.78 and a standard deviation of 1.072. The statement that a unifying corporate culture leads to increased corporate growth of automobile parts companies had a mean score of 3.81 and a standard deviation of 1.526. The statement in agreement that communication of corporate vision leads to increased corporate growth and sustainable performance of automobile parts companies had a mean score of 4.22 and a standard deviation of 1.405. This agrees with Kavale, Mugambi, & Namusonge, (2014) that communicating the corporate vision of an organization to all stakeholders increases corporate growth since all efforts are pulling in one direction.

8.1.2 Strategic Resources:

**Table 4: Strategic Resources**

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seeking of complementary-supplementary resources leads to increased profitability of Automobile parts companies</td>
<td>81</td>
<td>4.02</td>
<td>.707</td>
</tr>
<tr>
<td>Entering in to strategic networks/ alliances leads to increased market share in our Automobile Parts Industry</td>
<td>81</td>
<td>3.94</td>
<td>1.208</td>
</tr>
<tr>
<td>Entry into new markets through strategic partnerships leads to increased growth of market share in Automobile Parts Companies</td>
<td>81</td>
<td>4.06</td>
<td>.796</td>
</tr>
<tr>
<td>Forming partnership with customers and competitors leads to increased growth of market share and sustainability</td>
<td>81</td>
<td>4.00</td>
<td>1.255</td>
</tr>
<tr>
<td>Setting prices lower than competitors leads to increased market shares and sustainable performance of Automobile parts companies</td>
<td>81</td>
<td>3.36</td>
<td>1.591</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>81</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The second objective of the study was to establish the effects of strategic resources on sustainable performance of Automobile parts industry in Kenya. Respondents were required to respond to set questions related to strategic resources and give their opinions. The statement in agreement that seeking of complimentary/ supplementary resources leads to increased profitability of automobile parts companies had a mean score of 4.02 and a standard deviation of 0.707. The statement that entering into strategic networks/alliances leads to increased market share in our automobile parts industry had a mean score of 3.94 and a standard deviation of 1.208. The statement in agreement that entry into new market through strategic partnerships leads to increased growth of market share in automobile parts companies had a mean score of 4.06 and a standard deviation of 0.796. The statement in agreement that forming partnership with customers and competitors leads to increased growth of market share and sustainability had 4.00 and a standard deviation of 1.255. The statement that setting prices lower than competitors leads to increased market share and sustainable performance of automobile parts companies had a mean score of 3.36 and a standard deviation of 1.591.

8.1.3 Competitive Positioning:

<table>
<thead>
<tr>
<th>Table 5: Competitive Positioning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Descriptive Statistics</td>
</tr>
<tr>
<td>Automobile parts companies should be aware of new entrants</td>
</tr>
<tr>
<td>Automobile parts companies should be aware of substitute products</td>
</tr>
<tr>
<td>Automobile parts companies should be familiar with major competitor’s strategies</td>
</tr>
<tr>
<td>To remain competitive Automobile parts companies should adopt other competitive strategies to remain competitive</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
</tr>
</tbody>
</table>

The third objective of the study was to establish the effects of competitive positioning on sustainable performance of Automobile parts industry Kenya. Respondents were required to respond to set questions related to competitive positioning and give their opinions. The statement that automobile parts companies should be aware of new entrants had a mean score of 3.78 and a standard deviation of 0.500. The statement in agreement that automobile companies should be aware of substitute products had a mean score of 4.78 and a standard deviation of 0.418. The statement in agreement that automobile parts companies should be familiar with major competitor’s strategies had a mean score of 4.33 and a standard deviation of 1.06. The statement that to remain competitive automobile parts companies should adopt other competitive strategies to remain competitive had a mean score of 3.69 and a standard deviation of 1.765. These results are supported by a study of differentiation in German automobile companies which established a positive relationship between strategic competitive advantage and performance (Mitra, Nistor, Borza & Bordean, 2015).

8.1.4 Strategic Synergy:

<table>
<thead>
<tr>
<th>Table 6: Strategic Synergy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Descriptive Statistics</td>
</tr>
<tr>
<td>Sharing of risks and expenses leads to increased profitability and sustainable performance of Automobile parts company</td>
</tr>
<tr>
<td>Increased corporation and innovation leads to increased market share and sustainable performance of Automobile parts company</td>
</tr>
<tr>
<td>Combined competitive Advantage leads to profitability and sustainable performance of Automobile parts company</td>
</tr>
<tr>
<td>Enhancing and amercing strategic synergy leads to profitability and sustainable performance of Automobile parts company</td>
</tr>
<tr>
<td>Eliminating structural redundancy and sharing of successful strategies leads to increased profitability and sustainable performance of Automobile parts company</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
</tr>
</tbody>
</table>
The fourth objective of the study was to establish the effects of strategic synergy on sustainable performance of Automobile parts industry in Kenya. Respondents were required to respond to set questions related to strategic synergy and give their opinions. The statement in agreement that sharing risks and expenses leads to increased profitability and sustainable performance of automobile parts company had a mean score of 4.43 and a standard deviation of 0.706. The statement in agreement that increased corporation and innovation leads to increased market share and sustainable performance of automobile parts company had a mean score of 4.52 and standard deviation of 0.573. The statement in agreement that combined competitive advantage leads to profitability and sustainable performance of automobile parts company had a mean score of 4.15 and a standard deviation of 1.152. The statement in agreement that eliminating structural redundancy and sharing of successful strategies leads to increased profitability and sustainable performance of automobile parts companies had a mean score of 4.14 and a standard deviation of 1.009. These results were consistent with another study that found out that strategic synergy contributes significantly to sustainable performance of automobile parts companies in Sweden (Glaister, et. al., 2015).

### 8.1.5 Sustainable Performance:

<table>
<thead>
<tr>
<th>Table 7: Sustainable Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Descriptive Statistics</strong></td>
</tr>
<tr>
<td>N</td>
</tr>
<tr>
<td>Corporate profitability in Automobile parts industry creates sustainable performance</td>
</tr>
<tr>
<td>Increased market share helps to sustain performance of Automobile parts industry in Kenya.</td>
</tr>
<tr>
<td>Acquisition of New customers helps to sustain performance of Automobile parts industry in Kenya.</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
</tr>
</tbody>
</table>

The statement in agreement that corporate profitability in Automobile parts industry in Kenya creates sustainable performance had a mean score of 4.26 and a standard deviation of 1.563. The statement in agreement that increased market share helps to sustain performance of Automobile parts industry in Kenya had a mean score of 4.30 and a standard deviation of 1.279. The statement that acquisition of new customers helps to sustain performance of Automobile parts industry had a mean score of 3.67 and a standard deviation of 1.500.

### 8.2 Coefficient of Correlation:

Pearson Bivariate correlation coefficient was used to compute the correlation between the dependent variable (Sustainable Performance) and the independent variables (Corporate vision, Strategic resources, Competitive positioning and Strategic Synergy).

<table>
<thead>
<tr>
<th>Table 8: Pearson Correlation Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Correlations</strong></td>
</tr>
<tr>
<td>Sustainable Performance</td>
</tr>
<tr>
<td>----------------------------</td>
</tr>
<tr>
<td>Sustainable Performance</td>
</tr>
<tr>
<td>Corporate Vision</td>
</tr>
<tr>
<td>Strategic Resources</td>
</tr>
<tr>
<td>Competitive Positioning</td>
</tr>
<tr>
<td>Strategic Synergy</td>
</tr>
</tbody>
</table>
In trying to show the relationship between the study variables and their findings, the study used the Karl Pearson’s coefficient of correlation (r). This is as shown in Table 8 below. According to the findings, it was clear that there was a positive correlation between the independent variables, corporate vision, strategic resources, competitive positioning, strategic synergy and the dependent variable sustainable performance. The analysis indicates the coefficient of correlation, r equal to 0.483, 0.550, 0.263 and 0.359 for corporate vision, strategic resources, competitive positioning and strategic synergy respectively. This indicates positive relationship between the independent variable namely corporate vision, strategic resources, competitive positioning and strategic synergy and the dependent variable sustainable performance.

8.2.1 Coefficient of Determination (R²):

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.828a</td>
<td>.685</td>
<td>.668</td>
<td>2.00115</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Strategic Synergy, Strategic Resources, Corporate Vision, Competitive Positioning

The model explains 68.5% of the variance (Adjusted R Square = 0.668) on sustainable performance. Clearly, there are factors other than the four proposed in this model which can be used to predict sustainable performance. However, this is still a good model as Cooper and Schinder, (2013) pointed out that as much as lower value R square 0.10-0.20 is acceptable in social science research.

This means that 53.1% of the relationship is explained by the identified four factors namely corporate vision, strategic resources, competitive positioning and strategic synergy. The rest 31.5% is explained by other factors in the sustainable performance not studied in this research. In summary the four factors studied namely corporate vision, strategic resources, competitive positioning and strategic synergy, or determines 68.5% of the relationship while the rest 31.5% is explained or determined by other factors.

8.3 Regression Analysis:

8.3.1 Analysis of Variance (ANOVA):

The study used ANOVA to establish the significance of the regression model. In testing the significance level, the statistical significance was considered significant if the p-value was less or equal to 0.05. The significance of the regression model is as per Table 10 below with P-value of 0.00 which is less than 0.05. This indicates that the regression model is statistically significant in predicting factors of sustainable performance. Basing the confidence level at 95% the analysis indicates high reliability of the results obtained. The overall Anova results indicates that the model was significant at F = 25.443, p = 0.000.

Table 10: ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Regression</td>
<td>661.650</td>
<td>4</td>
<td>165.412</td>
<td>41.306</td>
</tr>
<tr>
<td>Residual</td>
<td>304.350</td>
<td>76</td>
<td>4.005</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>966.000</td>
<td>80</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
8.3.2 Multiple Regression:

The researcher conducted a multiple regression analysis as shown in Table 11 so as to determine the relationship between sustainable performance and the four variables investigated in this study.

Table 11: Multiple Regression

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>9.167</td>
<td>4.521</td>
</tr>
<tr>
<td>Corporate Vision</td>
<td>.407</td>
<td>.134</td>
</tr>
<tr>
<td>Strategic Resources</td>
<td>.742</td>
<td>.111</td>
</tr>
<tr>
<td>Competitive Positioning</td>
<td>.666</td>
<td>.231</td>
</tr>
<tr>
<td>Strategic Synergy</td>
<td>.711</td>
<td>.271</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Sustainable Performance

The regression equation was:

\[ Y = 9.167 + 0.407X_1 + 0.742X_2 + 0.666X_3 + 0.711X_4 \]

Where;

- \( Y \) = the dependent variable (Sustainable Performance)
- \( X_1 \) = Corporate Vision
- \( X_2 \) = Strategic Resources
- \( X_3 \) = Competitive Positioning
- \( X_4 \) = Strategic Synergy

The regression equation above has established that taking all factors into account (Sustainable performance because of corporate vision, strategic resources, competitive positioning and strategic synergy) constant at zero logistics service delivery will be 0.9167. The findings presented also shows that taking all other independent variables at zero, a unit increase in corporate vision will lead to a 0.407 increase in the scores of sustainable performance; a unit increase in strategic resources will lead to a 0.742 increase in sustainable performance; a unit increase in competitive positioning will lead to a 0.666 increase in the scores of sustainable performance; a unit increase in strategic synergy will lead to a 0.711 increase in the score of sustainable performance. This therefore implies that all the three variables have a positive relationship with strategic resources contributing most to the dependent variable.

8.4 Hypothesis Testing:

Hypothesis 1

\( H_0: \) Corporate vision has no significant effect on sustainable performance of Automobile Parts Industries in Kenya.

\( \beta_1=0, \)

\( H_1: \) Corporate vision has a significant effect on sustainable performance of Automobile Parts Industries in Kenya.

\( \beta_1\neq0, \)

In relation to the variable corporate vision, the results in Table 11 above indicate that corporate vision has a significant effect on sustainable performance. This is supported by regression analysis t-value of 3.034 which is greater than the critical value 2.0 and a p-value of 0.00 at 95% level of significance which is less than 0.05

After testing the hypothesis by comparing the scores of calculated t-value and critical t calculated t-values was 3.034 for corporate vision, which is greater than the critical \( t_{0.05}(0.05)= 2.0 \), the study rejected the null hypothesis that there is no effect of corporate vision on sustainable performance Automobile Parts Industries in Kenya.
Therefor the study accepted the alternative hypothesis that corporate vision has a significant effect on sustainable performance of Automobile Parts Industries in Kenya.

**Hypothesis 2**

H₀: Strategic resources has no significant effect on sustainable performance of Automobile Parts Industries in Kenya.
\[ \beta_2 = 0, \]

H₁: Strategic resources has a significant effect on sustainable performance of Automobile Parts Industries in Kenya.
\[ \beta_2 \neq 0, \]

In relation to the variable strategic resources, the result in Table 11 above indicates that strategic resources have a significant influence on sustainable performance of Automobile Parts Industries in Kenya. This is supported by regression analysis t-value of 6.678 which is greater than the critical value 2.0 and a p-value of 0.00 at 95% level of significance which is less than 0.05

After testing the hypothesis by comparing the scores of calculated t-value and critical t; Calculated t-values was, 6.678 for, which is greater than the critical \( t_{36,1} (0.05) = 2.0, \)

The study rejected the null hypothesis that there is no significant effect of strategic resources on sustainable performance of Automobile Parts Industries in Kenya.

Therefore, the study accepted the alternative hypothesis that there is an effect of strategic resources on sustainable performance of Automobile Parts Industries in Kenya.

**Hypothesis 3**

H₀: Competitive positioning has no significant effect on sustainable performance of Automobile Parts Industries in Kenya.
\[ \beta_3 = 0, \]

H₁: Competitive positioning has a significant effect on sustainable performance of Automobile Parts Industries in Kenya.
\[ \beta_3 \neq 0, \]

In relation to the variable competitive positioning, the results in table 11 above indicate that competitive positioning has a significant influence on sustainable performance of Automobile Parts Industries in Kenya.

This is supported by regression analysis t-value of 2.877 which is greater than the critical value 2.0 and a p-value of 0.00 at 95% level of significance which is less than 0.05.

After testing the hypothesis by comparing the scores of calculated t-value and critical t; Calculated t-values was, 2.877 for competitive positioning, which is greater than the critical \( t_{36,1} (0.05) = 2.0, \)

The study rejected the null hypothesis that there is no effect of competitive positioning on sustainable performance of Automobile Parts Industries in Kenya.

Therefore, the study accepted the alternative hypothesis that there is an effect of competitive positioning on sustainable performance of Automobile Parts Industries in Kenya.

**Hypothesis 4**

H₀: Strategic synergy has no significant effect on sustainable performance of Automobile Parts Industries in Kenya.
\[ \beta_4 = 0, \]

H₁: Strategic synergy has a significant effect on sustainable performance of Automobile Parts Industries in Kenya.
\[ \beta_4 \neq 0, \]
In relation to the variable strategic synergy, the results in Table 11 above indicate that strategic synergy have a significant influence on sustainable performance of Automobile Parts Industries in Kenya. This is supported by regression analysis t-value of 2.620 which is greater than the critical value 2.0 and a p-value of 0.000 at 95% level of significance which is less than 0.005.

After testing the hypothesis by comparing the scores of calculated t-value and critical t; Calculated t-values was, 14.897 for government policy, which is greater than the critical \( t_{95,1} (0.05) = 2.0 \), the study rejected the null hypothesis that there is no effect of strategic synergy on sustainable performance of Automobile Parts Industries in Kenya.

Therefore, the study accepted the alternative hypothesis that there is an effect of strategic synergy on sustainable performance of Automobile Parts Industries in Kenya.

9. DISCUSSION OF KEY FINDINGS

9.1 Corporate Vision:

The results indicate a positive statistically significant relationship between corporate vision and sustainable performance. This implies that a good corporate vision may be a strong determinant of sustainable performance. This is supported by Johnson, et al., (2016), who say that corporate vision is an essential factor in building scalable organizations that last for the long haul and reveals how companies can stay their course, even as they grow. It unifies the organization and thus directly influences performance of Automobile parts industries in Kenya.

9.2 Strategic Resources:

The findings revealed a positive statistically significant relationship of strategic resources and sustainable performance. This implies that as Automobile parts industries immensely increase pooling of strategic resources, sustainable performance increases. The presence of a large base of resources allows an organization to outlast competitors by sharing risks and expenses.

9.3 Competitive Positioning:

The findings revealed a positive statistically significant relationship between competitive positioning and sustainable performance. This implies that as Automobile parts industries immensely increases competitive positioning, sustainable performance increases. Competitive positioning helps the company to use its strengths and opportunities to be ahead of competition (Kavale, et al., 2014).

9.4 Strategic Synergy:

The findings revealed a positive statistically significant relationship between strategic synergy and sustainable performance. This implies that as Automobile parts industries immensely increase strategic synergy, sustainable performance increases. Gaddis, (2015), supports the idea and points out that in practice; strategic synergy is expected to bring benefits greater to the parties than individual strategies. This is achieved from valuable, rare, in imitable, interchangeable and intangible assets, resources and capabilities of the firm. It is this bundle of benefit that lead to competitive advantage which in return leads to corporate growth (Kavale, et al., 2014)
10. CONCLUSION AND RECOMMENDATIONS

10.1 Conclusion:
The conclusions were based on the objectives of the study that strategic management practices had a significant influence on sustainable performance. The results established that strategic management practices were found to significantly and positively influence sustainable performance Automobile parts industries in Kenya.

Strategic resources were the driver which had the highest effect on sustainable performance followed by strategic synergy, competitive positioning and corporate vision. The findings of the study established that automobile companies were operating under a highly competitive environment.

It was concluded that automobile parts companies needed to embrace strategic management practices in order to achieve sustainable performance.

10.2 Recommendations:
The study recommended the following:
1. That automobile parts companies should continuously update corporate vision to meet dynamic changes in the industry.
2. That automobile parts companies should apply strategic resources in the areas where there are good returns.
3. That automobile parts companies should continuously embrace competitive strategies to remain active in the market.
4. That automobile parts companies should embrace strategic synergy to have franchise and partnership to enlarge their scope of operations.

REFERENCES


