STRATEGIC LEADERSHIP MODELS AND PERFORMANCE OF FOOD AND BEVERAGE MANUFACTURING FIRMS IN NAIROBI CITY COUNTY, KENYA

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ABSTRACT

The manufacturing sector including food and beverage manufacturing firms has been earmarked to be a key pillar towards the realization of Kenya's vision 2030. However, several manufacturing firms are operating below capacity and others closing down their subsidiary factories. The general research objective was to assess the influence of Strategic leadership Models on performance of food and beverage manufacturing firms in Nairobi City County, Kenya. Specifically, the study sought to assess the influence of servant leadership on performance of food and beverage manufacturing firms in Nairobi City County, Kenya and to determine the influence of strategic thinking on performance of food and beverage manufacturing firms in Nairobi City County, Kenya. The study adopted a descriptive research design. According to KAM (2023) report, there are 119 food and beverage manufacturing firms in Nairobi City County. This study therefore targeted 714 management employees working in the 119 food and beverage manufacturing firms in Nairobi City County. The Yamane formula was adopted to calculate the study sample size. Therefore, the study sample size was 256 respondents. This research used a questionnaire to collect primary data. The study collected quantitative data which was analysed using descriptive and inferential statistics using the Statistical Package for Social Sciences (SPSS) version 24. Multivariate linear regression was used to determine the relationship between the dependent and independent variables. The study concludes that servant leadership has a positive and significant effect on performance of food and beverage manufacturing firms in Nairobi City County, Kenya. The study also concludes that strategic thinking has a positive and significant effect on performance of food and beverage manufacturing firms in Nairobi City County, Kenya. Based on the findings, the study recommends that the management of food and beverage manufacturing firms should consider ensuring effective Strategic leadership Models (servant leadership and strategic planning)

Key Words: Strategic Leadership Models, Servant Leadership, Strategic Thinking, Descriptive Research Design

Background of the Study

The manufacturing sector plays a crucial role in the economic development of a country, serving as a backbone for industrialization and contributing significantly to national income (Nasir, Mamun & Breen, 2020). One of the primary functions of the manufacturing sector is job creation. It provides employment opportunities for a large segment of the population, particularly in regions where other forms of employment may be limited. By employing individuals with varying skill levels, from unskilled laborers to highly skilled engineers and technicians, the manufacturing industry fosters inclusive economic growth and reduces unemployment rates (Kiowi, K'Obonyo & Ogutu, 2020). This job creation not only improves individual livelihoods but also strengthens local economies and communities. In addition to job creation, the manufacturing sector contributes to the overall economic growth of a country through increased productivity. Manufacturing industries often leverage advanced technologies and efficient production processes to maximize output while minimizing costs. This increase in productivity leads to higher levels of goods produced, which can boost export opportunities and enhance trade balances. Furthermore, a robust manufacturing sector can stimulate growth in related industries, such as transportation, logistics, and services, creating a ripple effect throughout the economy (Umuhire & Irechukwu, 2023).

The manufacturing sector is also a key driver of innovation and technological advancement. By investing in research and development (R&D), manufacturers can create new products and improve existing ones, fostering a culture of innovation. This technological progress not only enhances the competitiveness of the manufacturing industry but also leads to improvements in productivity and efficiency across other sectors of the economy (Mwaura & Obonyo, 2020). Additionally, as manufacturing firms adopt advanced technologies, such as automation and artificial intelligence, they contribute to the development of a more skilled workforce capable of meeting the demands of a rapidly changing economy. Moreover, the manufacturing sector significantly contributes to government revenue through taxation. As manufacturers generate profits, they contribute to national and local tax revenues, which can then be used to fund public services such as education, healthcare, and infrastructure development (Muchiri & Muathe, 2024). This financial support is vital for enhancing the quality of life for citizens and fostering further economic growth. Additionally, by promoting domestic production, the manufacturing sector can reduce reliance on imports, leading to a more self-sufficient economy and improved trade balances (Gakuba & Gitahi, 2023).

Strategic leadership models are frameworks that guide leaders in aligning organizational resources, capabilities, and strategies with their vision and goals. These models focus on the long-term direction of an organization and emphasize the importance of adaptability and responsiveness to changing environments (Agbo, 2020). Among the various strategic leadership models, several have gained prominence due to their effectiveness in fostering organizational success. Strategic leadership models provide valuable frameworks for guiding organizations toward long-term success. Each model offers unique approaches to leadership, emphasizing different aspects such as inspiration, structure, service, adaptability, humility, and strategic alignment (Kerandi, *et al*, 2023). Effective leaders often blend elements from multiple models to create a leadership style that resonates with their organization's culture and goals. By understanding and applying these strategic leadership models, organizations can better navigate challenges, foster innovation, and achieve sustained growth (Chebet & Muturi, 2020). This study therefore sought to assess the influence of Strategic leadership Models on performance of food and beverage manufacturing firms in Nairobi City County, Kenya.

Muhoho and Margret (2016) established that Strategic Leadership Models positively influenced the performance of the manufacturing firms in Nairobi as it had helped the organizations grow their customer base, develop new products and services, achieve better coordination of firm

activities, grow their firm revenues, achieve stability against/during market turbulence, achieve congruence of organizational objectives and performance targets with the organizational mission and vision and increase management effectiveness. The study established that adoption of Strategic Management Models enabled the organizations to match their output with the market demand, to have a clear purpose and direction, align their objectives and performance targets with their mission and vision, achieve clarity in organizational direction and achieve coherence in organizational decision making.

Mutua (2016) notes that the application by organizations of concepts such as strategic fit between resources and opportunities, generic strategies low cost versus differentiation versus focus and the strategy hierarchy of planning goals, strategies, and tactics often abets the process of competitive decline. There are two contrasting models of strategy which are meant to entrench a competitive advantage over firm's rivals: one is for maintaining strategic fit while the other focuses on leveraging resources. The two are not mutually exclusive, but they represent a significant difference in emphasis that deeply affects how competitive battles get played out over time.

Jepkosgei (2017) established that employees who understand and agree with company Strategic Management Models will most likely have a higher commitment to the firms' success than employees who do not know or agree with it and this is likely to contribute to positive or negative firm performance. Likewise, Mankins and Steel (2017) reported that majority of firms only realize 63% of their financial performance promises by their crafted strategies. Also, Kaplan and Norton (2017) attribute strategy to performance gap, in part to the fact that approximately 95% of firms' employees are not aware or do not understand their firms' strategy management models.

Statement of the Problem

The manufacturing sector is vital to the economic development of Kenya, contributing significantly to job creation, innovation, and overall economic growth. Specifically, food and beverage manufacturing firms play a critical role in the country's economy by providing essential products that cater to the daily needs of the population (Kanaga & Wanjala, 2023). These firms not only generate substantial employment opportunities but also contribute to the country's gross domestic product (GDP) and foster local entrepreneurship (Kipkorir & Maina, 2022). Moreover, the sector supports agricultural producers by sourcing raw materials locally, thereby stimulating rural economies and enhancing food security. As such, the performance of manufacturing firms is crucial not only for economic stability but also for the well-being of the population (Kahuria, *et al*, 2020).

However, the food and beverage manufacturing sector in Nairobi City County has been experiencing a notable decline in performance, raising concerns about its sustainability and future growth KAM, 2023). Recent reports indicate that the manufacturing sector's contribution to the GDP has stagnated, hovering around 10% for several years, despite the government's efforts to promote industrialization through initiatives." Specifically, food and beverage manufacturing has faced challenges such as increased production costs, fierce competition from imported goods, and a lack of innovation (KAM, 2023). For instance, a study by the Kenya Association of Manufacturers revealed that 70% of food and beverage companies reported decreased profitability over the last five years, with over 40% citing poor management practices and ineffective leadership as contributing factors. This decline not only jeopardizes the financial viability of these firms but also threatens job security for thousands of employees, leading to broader implications for the economy (KAM, 2023).

Strategic leadership models present a viable solution to address the declining performance of food and beverage manufacturing firms in Nairobi City County. By adopting strategic leadership

practices, firms can enhance their operational efficiency, foster innovation, and improve employee engagement, all of which are critical for reversing the trend of declining performance (Girangwa, Rono & Mose, 2020). Strategic leaders are adept at creating a compelling vision, aligning organizational resources with strategic goals, and navigating complex challenges in the market. Through the implementation of transformational and adaptive leadership models, for instance, firms can inspire their workforce, cultivate a culture of continuous improvement, and respond effectively to changing consumer demands. Furthermore, strategic leadership promotes accountability and collaborative decision-making, empowering employees at all levels to contribute to the firm's success (Bakir, 2023). By leveraging these leadership models, food and beverage manufacturing firms can not only enhance their performance but also ensure their long-term sustainability and competitiveness in the market.

General Objective

The general research objective was to assess the influence of Strategic leadership Models on performance of food and beverage manufacturing firms in Nairobi City County, Kenya.

Specific Objectives

i. To assess the influence of servant leadership on performance of food and beverage manufacturing firms in Nairobi City County, Kenya.

ii. To determine the influence of strategic planning on performance of food and beverage manufacturing firms in Nairobi City County, Kenya.

Theoretical Review

The Principal-Agent theory

Principal-Agent Theory developed by Stephen Ross and Barry Mitnickin in the 1970s, is a foundational concept in economics and organizational theory that explores the relationship between two parties: the principal, who delegates work or decision-making authority to the agent, who performs tasks on behalf of the principal. This theory is crucial in contexts where there is a potential for misalignment of interests or information asymmetry between the principal and the agent (Ntahondereye, Opuodho & Muigai, 2024). Central to Principal-Agent Theory is the idea that the agent may not always act in the best interests of the principal due to differing goals, risk preferences, or incomplete information. The principal delegates authority to the agent with expectations of achieving certain outcomes, but the agent may pursue actions that maximize their own interests, which can diverge from those of the principal. This divergence of interests can lead to agency costs, such as moral hazard (where the agent takes risks knowing the principal will bear the consequences) or adverse selection (where the principal cannot fully assess the agent's true abilities or intentions) (Olaiya, *et al*, 2022).

The theory also highlights the importance of designing effective incentive structures and monitoring mechanisms to mitigate agency problems and align the interests of principals and agents. For instance, performance-based contracts, profit-sharing arrangements, and transparency in reporting are mechanisms used to encourage agents to act in ways that maximize the principal's welfare. Furthermore, Principal-Agent Theory underscores the role of information asymmetry in shaping the dynamics between principals and agents, emphasizing the need for effective communication, disclosure, and regulatory frameworks to reduce opportunistic behavior and promote efficiency in decision-making (Kipkorir & Maina, 2022).

One fundamental assumption of Principal-Agent Theory is that agents are rational actors who seek to maximize their own utility or interests. This assumption suggests that agents will make decisions that benefit themselves, potentially diverging from the preferences or goals of the

principal. This rationality assumption forms the basis for predicting how agents will behave under different incentive structures and informational conditions (Kanaga & Wanjala, 2023). Another critical assumption is that there exists an information asymmetry between the principal and the agent. The principal typically lacks full information about the agent's actions, effort, or abilities, which can lead to moral hazard (where agents take risks knowing the principal will bear the consequences) or adverse selection (where the principal cannot distinguish between agents with different levels of ability or motivation). This information asymmetry necessitates the design of monitoring mechanisms and incentive systems to align the agent's actions with the principal's interests (Girangwa, Rono & Mose, 2020).

The Institutional Theory

The institutional theory was propounded in 1977 by John Wilfred Meyer and Brian Rowan is a framework used to understand how organizations are influenced by the formal and informal rules, norms, and cultural beliefs of the environment in which they operate. It posits that organizations are not just shaped by economic and technical factors, but also by social and cultural pressures. These pressures come from various institutions such as governments, professional associations, and societal norms, which collectively create a context that organizations must navigate to gain legitimacy, resources, and survival (Bakir, 2023). According to Institutional Theory, organizations often adopt certain structures, practices, and behaviors not because they are the most efficient, but because they are widely accepted and considered legitimate within their institutional context. This process is known as isomorphism, which can be coercive (due to formal regulations), mimetic (imitation of successful organizations), or normative (arising from professional standards and education) (Habimana, Mutambuka & Habinshuti, 2021).
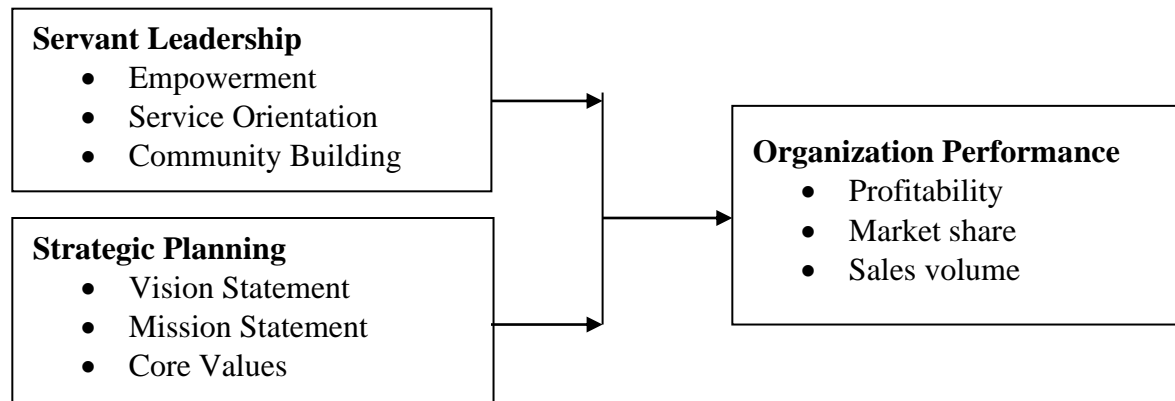
The theory also highlights the concept of institutionalization, where certain practices become taken for granted as the way things are done, making them resistant to change. Organizations strive for legitimacy by conforming to these established norms and expectations, which can lead to homogeneity within fields or industries. Institutional Theory thus provides insights into why organizations often look similar and why they adopt certain practices that may not necessarily be the most efficient but are crucial for their legitimacy and survival within their institutional environment (Okuyoyi & Okello, 2020).

Institutional theory is built on several core assumptions about how organizations and institutions interact. One key assumption is that organizations are deeply embedded in a wider social context, which significantly influences their structures and practices. This context includes regulatory, normative, and cognitive elements that shape organizational behavior these external expectations and norms, rather than solely focusing on efficiency or economic performance (Okwemba & Njuguna, 2021). The theory also assumes that organizations are not entirely autonomous actors; instead, they are influenced by and responsive to the institutional environment around them. Additionally, institutional theory presumes that change within organizations often occurs through processes of isomorphism, where organizations become similar to one another due to coercive, mimetic, or normative pressures (Mosiori, Thinguri & Mugwe, 2023).

Conceptual Framework

Conceptual framework is a network of inter related concepts, principles and ideas that creates awareness among different concepts (Cao, Thompson & Triche, 2018). The study was based on the different variables used in the study and are presented by use of a diagram which basically shows the inter-relationship that exists between the dependent variables and the independent

variables.

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┌─────────────────────────────┐
│ Servant Leadership          │
│   • Empowerment             │
│   • Service Orientation     │────┐
│   • Community Building      │    │
└─────────────────────────────┘    │      ┌─────────────────────────────┐
                                    ├─────▶│ Organization Performance    │
┌─────────────────────────────┐    │      │   • Profitability           │
│ Strategic Planning          │    │      │   • Market share            │
│   • Vision Statement        │────┘      │   • Sales volume            │
│   • Mission Statement       │           └─────────────────────────────┘
│   • Core Values             │
└─────────────────────────────┘
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Independent Variables   **Dependent variable**

Figure 2. 1: Conceptual Framework

Servant Leadership

Servant Leadership emphasizes the leader's role as a servant to their team and organization. This model prioritizes the needs and development of employees, fostering a culture of collaboration and trust. Servant leaders focus on empowering their teams, encouraging personal growth, and promoting a sense of community within the organization (Olaiya, et al, 2022). This approach not only enhances employee satisfaction and retention but also leads to improved organizational performance. By placing the well-being of their team members at the forefront, servant leaders create an environment where individuals feel valued and motivated to contribute to the organization's success (Ntahondereye, Opuodho & Muigai, 2024).

One of the core tenets of servant leadership is empowerment. Servant leaders strive to create an environment where employees feel valued and capable of contributing meaningfully to the organization. By providing support, resources, and opportunities for personal and professional development, servant leaders empower their team members to take ownership of their roles and responsibilities (Kanaga & Wanjala, 2023). This empowerment fosters a sense of autonomy, encouraging employees to share their ideas, take initiative, and develop their skills. In turn, empowered employees are more likely to be engaged and motivated, leading to increased productivity and innovation within the organization. This collaborative atmosphere promotes a culture of trust and respect, which is essential for high-performing teams (Kipkorir & Maina, 2022).

In addition to empowerment, service orientation is a hallmark of servant leadership. This perspective emphasizes the importance of serving others—be it employees, customers, or the broader community. Servant leaders prioritize the needs of their team members and actively seek to understand their challenges and aspirations. By placing the needs of others above their own, these leaders create a culture of empathy and support that fosters strong relationships within the organization. Service-oriented leaders often focus on customer satisfaction, understanding that meeting the needs of clients is essential for the long-term success of the organization. This approach not only enhances customer loyalty but also positions the organization as a socially responsible entity that genuinely cares about the well-being of its stakeholders (Girangwa, Rono & Mose, 2020).

Furthermore, servant leadership promotes community building within organizations. Servant leaders recognize that a strong sense of community is vital for employee morale and organizational culture (Kipkorir & Maina, 2022). By fostering an inclusive environment where

individuals feel a sense of belonging, servant leaders encourage collaboration and teamwork. They actively promote open communication and create opportunities for team members to connect and build relationships (Girangwa, Rono & Mose, 2020). This community-oriented approach cultivates a supportive network where employees feel comfortable sharing their ideas and concerns, ultimately leading to enhanced collaboration and creativity. A strong sense of community not only improves job satisfaction but also fosters resilience during challenging times, as team members are more likely to support one another and work together to overcome obstacles (Kanaga & Wanjala, 2023).

Strategic Planning

Strategic planning is a systematic process that organizations undertake to define their direction and make informed decisions about resource allocation to achieve their goals. This process involves articulating a clear vision, mission, and core values that guide the organization's actions and help align stakeholders around common objectives (Bakir, 2023). By engaging in strategic planning, organizations can better navigate uncertainties, adapt to changing environments, and establish a roadmap for future growth and success. A key component of strategic planning is the vision statement. The vision statement serves as a long-term aspirational goal for the organization, outlining what it aims to achieve in the future. It provides a sense of purpose and inspiration, guiding decision-making at all levels of the organization. A well-crafted vision statement is typically concise, memorable, and forward-looking, capturing the essence of the organization's aspirations (Habimana, Mutambuka & Habinshuti, 2021). For example, a technology company may have a vision statement that reflects its goal to be a leader in innovation and sustainability, inspiring employees and stakeholders to work towards that shared future. By establishing a clear vision, organizations can motivate their teams and create a unified sense of direction (Okuyoyi & Okello, 2020).

In conjunction with the vision statement, the mission statement articulates the organization's fundamental purpose and the value it seeks to deliver to its stakeholders. The mission statement outlines what the organization does, who it serves, and how it operates. It is typically more specific than the vision statement and serves as a guide for day-to-day decision-making and strategic initiatives (Okwemba & Njuguna, 2021). For instance, a non-profit organization may have a mission statement focused on empowering underprivileged communities through education and resources. By clearly defining its mission, the organization can ensure that all activities and strategies align with its core purpose, enabling it to stay true to its goals while making a meaningful impact. Another crucial aspect of strategic planning is the establishment of core values (Mosiori, Thinguri & Mugwe, 2023). Core values are the fundamental beliefs and principles that guide an organization's behavior, culture, and decision-making processes. They define what is important to the organization and serve as a foundation for its identity. Core values can encompass a wide range of concepts, including integrity, innovation, collaboration, and social responsibility. By articulating these values, organizations create a framework for ethical behavior and foster a positive organizational culture. For example, a company that prioritizes integrity as a core value is likely to promote transparency and honesty in its interactions with employees, customers, and partners. This commitment to core values helps build trust and credibility, both internally and externally (Okwemba & Njuguna, 2021).

Empirical Review

Servant Leadership and Organization Performance

Ntahondereye, Opuodho and Muigai (2024) conducted a study on the effect of servant leadership on the quality of financial reporting information in local governments of Rwanda. This study is based on a descriptive research design with a mixed qualitative and quantitative approach. The population of this study was made up of 30 Districts, including the local governments in

Rwanda. The study found a positive correlation between risk assessment and quality of financial reporting information. The study concluded that there is a significant effect of risk assessment on the quality of financial reporting information in local governments in Rwanda.

Olaiya, *et al* (2022) assessed on risk assessment and performance of insurance companies in Nigeria. A descriptive research design was adopted for the study. The study considered multi-sampling technique since the population of insurance companies in Nigeria is fifty–nine. Thirty-six insurance firms were randomly selected from Lagos Headquarter offices. The study found that risk assessment has a significant relationship with organizational performance. The study concluded that risk assessment positively impact organizational performance.

Kipkorir and Maina (2022) researched on enterprise risk assessment and organizational performance: case study of SCJohnson and Son Kenya Limited. A descriptive cross-sectional research design was adopted for the study. The target population of the study was 72 staff members. The study found that enterprise risk assessment positively and significantly affected organizational performance. The study concluded that enterprise risk assessment influenced the performance of SC Johnson and Son Kenya Limited.

Kanaga and Wanjala (2023) investigated on risk assessment and organizational performance of Taita Taveta County, Kenya. The study adopted a positivism research philosophy and descriptive research design. The target population was 3,200 employees of Taita Taveta county and simple random sampling was used to select a sample size of 356 respondents. The study found that there was significant positive correlation between risk assessment and organizational performance of Taita Taveta County in Kenya. The study concluded that risk assessment influenced the performance of Taita Taveta County in Kenya.

Girangwa, Rono and Mose (2020) examined on the influence of risk assessment on organizational performance: evidence from Kenyan State Corporations. The study used explanatory cross sectional survey design. Primary data was collected from structured questionnaires. A survey was carried out on 218 state corporations in Kenya. The study found a positive and significant relationship between risk assessment and organizational performance of state corporations. The study concluded that risk assessment had positive and significant effect on organizational performance.

Strategic Planning and Organization Performance

Bakir (2023) conducted a study on the impact of strategic planning on the performance of Jordanian public shareholding industrial companies: the mediating role of scenario planning. This study is based on the quantitative research method. The study's sample includes 38 companies out of the 54 operating at the Jordanian financial market. The study found that there is a statistically significant impact of SWOT analysis on organizational performance through scenario planning as a mediator. The study concluded that strategic analysis has an impact on the performance of Jordanian public industrial shareholding companies.

Habimana, Mutambuka and Habinshuti (2021) researched on the contribution of Strategic Planning in the competitiveness of business enterprises in Rwanda. The research design that the researchers used was both descriptive and analytical based on qualitative and quantitative data. The population of the study was 65 employees of Banque Populaire Kimironko branch. The study found a positive relationship between SWOT analysis and competitiveness of institutions. The study concluded that SWOT analysis is carried out in Banque Populaire through identifying capacity of the institution to suit in the environment, through identification internal strength and weakness, through market survey, environmental scanning and through preparation of product performance reports.

Okuyoyi and Okello (2020) assessed on the influence of Strategic Planning on organizational

performance in sugar companies in western region Kenya. The study was conducted using descriptive survey design and targeted the management of three sugar companies from the region from which a sample size of 54 respondents was drawn from a population of 54 using the census sampling technique. The study found that organizational performance was strongly and positively correlated with SWOT analysis. The study concluded that SWOT analysis contributes to increase in organizational performance of sugar companies in the Western Region in Kenya.

Okwemba and Njuguna (2021) examined on the effect of Strategic Planning on performance of Chemelil Sugar Company in Kisumu County, Kenya. The research adopted a descriptive research design. The target population was 60. The study focused on the heads of departments as the key respondents. The study found that SWOT analysis is positively and significantly related to performance. The study concluded that SWOT analysis positively influences performance at Chemelil Sugar Company.

Mosiori, Thinguri and Mugwe (2023) investigated on the influence of Strategic Planning on institutional performance in selected national polytechnics in Kenya. The research adopted mixed methodology and the concurrent triangulation model with descriptive correlational designs. Target population was 42,284 participants comprising of 6 TVET principals, 735 lecturers, and 41,375 students. The Central Limit Theorem enabled simple random selection of 252 lecturers and 384 students. The study found that there was a positive association among SWOT analysis and better outcomes in secondary schools in Nakuru County, Kenya. The study concluded that SWOT analysis significantly predicted institutional performance.

RESEARCH METHODOLOGY

Research Design

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

Target Population

. According to KAM (2023) report, there are 119 food and beverage manufacturing firms in Nairobi City County. This study therefore targeted 714 management employees working in the 119 food and beverage manufacturing firms in Nairobi City County

Table 3. 1: Target Population

Category	Target Population
Top Managers	119
Middle Managers	238
Lower Level Managers	357
Total	**714**

Sample and Sampling Techniques

Samples are used to reflect the entire attributes of a given population under investigation such that the study's findings can be generalized to the entire population. A good sample size should be enough to adequately represent the characteristic of the population being studied. Sahu (2019) notes that the best sample should give enough data on the population and this data should be adequate and capable of being analyzed easily.

According to Mugenda and Mugenda (2018), a sample is a smaller group of individuals selected

from the population. The Yamane formula was adopted to calculate the study sample size as follows;

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

Where n is the sample size, and N is the population size, e- acceptable sampling error (0.05)

$$= \frac{714}{1+714(0.05^2)}$$

$$= \frac{714}{2.785} = 256.37$$

n≈ 256

Therefore, the study sample size was 256 respondents.

Sampling technique deals with the procedure the researcher would adopt in obtaining items to be observed (sample) from a given population (Mugenda & Mugenda, 2018). The study used simple random sampling in selecting the sample from study population. The advantage of random sampling is that it ensures that the sampling error is minimal which increases precision of techniques of estimation in use (Cooper & Schindler, 2017).

Table 3. 2: Sample Size

Category	Target Population	Sample Size
Top Managers	119	43
Middle Managers	238	85
Lower Level Managers	357	128
Total	**714**	**256**

Data Collection Instruments

This research used a questionnaire to collect primary data. According to Patton *et. al (*2016), a questionnaire is appropriate in gathering data and measuring it against a particular point of view. It provides a standardized tool for data collection. Structured questions were used to collect primary data from the field. Questionnaires were preferred because they are effective data collection instruments that allow respondents to give much of their opinions pertaining to the research problem (Dempsey, 2019). According to Kothari (2018), the information obtained from questionnaires is free from bias and researchers' influence and thus accurate and valid data was gathered. The preference for the questionnaire is based on the premise that it gives respondents freedom to express their views or opinions more objectively.

Pilot Test

The study carried out a pilot study to pretest and validate the questionnaire. Cronbach's alpha methodology, which measures internal consistency, was used. The main aim of the pilot test is testing how reliable the data collection tool is. The study used a total of 14 individuals in the pilot test which represent 10% of target population. The sample was selected from small and medium grain millers and was not included in the final study.

Data Analysis and Presentation

Data from questionnaires was coded and analyzed using the latest Statistical Package for Social Sciences (SPSS) computer software. SPSS software was used because of its ability to appropriately create graphical presentations of questions, data for reporting and presentation. The analyzed data was presented in the form of frequency distribution tables, pie charts and bar

graphs where appropriate. The study employed mixed methods data analysis applying the use of descriptive and inferential statistics.

Quantitative data collected was analyzed using descriptive statistics techniques which include; means, frequencies, percentages, and standard deviation and the results presented in tables and figures. Through descriptive analyses, correlational as well as experimental studies emerge; and also, they provide clues on the issues that require more attention which leads to further research (Mugenda & Mugenda, 2019). Qualitative data was analyzed using content analysis and presented in prose form. Multiple regression model was used to measure the influence of Strategic leadership Models on performance of food and beverage manufacturing firms in Nairobi City County, Kenya.

PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

Descriptive Statistics Analysis

Servant Leadership and Organization Performance

The first specific objective of the study was to assess the influence of servant leadership on performance of food and beverage manufacturing firms in Nairobi City County, Kenya. The respondents were requested to indicate their level of agreement on various statements relating to servant leadership and performance of food and beverage manufacturing firms in Nairobi City County, Kenya. The results were as presented in Table 4.1.

From the results, the respondents agreed that their supervisor prioritizes the needs of team members over their own interests (M=3.923, SD=0.798). In addition, the respondents agreed that leaders in their organization actively listen to employee concerns and feedback (M=3.915, SD=0.890). Further, the respondents agreed that they feel supported by their leadership when facing work-related challenges (M=3.828, SD=0.829). The respondents also agreed that their supervisor encourages them to take initiative in their work (M=3.825, SD=0.889). The respondents agreed that opportunities for personal and professional development are readily available in their organization (M=3.797, SD=0.781). In addition, the respondents agreed that they feel empowered to make decisions that impact their work (M=3.754, SD=0.686).

Table 4. 1: Servant Leadership and Organization Performance

	Mean	Std. Deviation
My supervisor prioritizes the needs of team members over their own interests.	3.923	0.798
Leaders in my organization actively listen to employee concerns and feedback.	3.915	0.890
I feel supported by my leadership when facing work-related challenges.	3.828	0.829
My supervisor encourages me to take initiative in my work.	3.825	0.889
Opportunities for personal and professional development are readily available in my organization.	3.797	0.781
I feel empowered to make decisions that impact my work.	3.754	0.686
Aggregate	**3.840**	**0.812**

Strategic Planning and Organization Performance

The second specific objective of the study was to determine the influence of Strategic Planning on performance of food and beverage manufacturing firms in Nairobi City County, Kenya. The respondents were requested to indicate their level of agreement on various statements relating to

strategic planning and performance of food and beverage manufacturing firms in Nairobi City County, Kenya. The results were as presented in Table 4.2.

From the results, the respondents agreed that their organization has a clearly defined vision that guides our strategic direction (M=3.955, SD= 0.895). In addition, the respondents agreed that the strategic goals of the organization are well-communicated to all employees (M=3.946, SD=0.886). Further, the respondents agreed that they understand how their role contributes to the organization's strategic objectives (M=3.907, SD= 0.725). The respondents also agreed that employees are actively involved in the strategic planning process (M=3.902, SD= 0.881).

The respondents agreed that they feel that their input is valued in the development of the organization's strategy (M=3.898, SD=0.683). In addition, the respondents agreed that there is transparency in how strategic decisions are made within the organization (M=3.884, SD=0.796).

Table 4. 2: Strategic Planning and Organization Performance

	Mean	Std. Deviation
Our organization has a clearly defined vision that guides our strategic direction.	3.955	0.895
The strategic goals of the organization are well-communicated to all employees.	3.946	0.886
I understand how my role contributes to the organization's strategic objectives.	3.907	0.725
Employees are actively involved in the strategic planning process.	3.902	0.881
I feel that my input is valued in the development of the organization's strategy.	3.898	0.683
There is transparency in how strategic decisions are made within the organization.	3.884	0.796
Aggregate	**3.915**	**0.811**

Correlation Analysis

The present study used Pearson correlation analysis to determine the strength of association between independent variables (servant leadership and strategic planning) and the dependent variable (performance of food and beverage manufacturing firms in Nairobi City County, Kenya).

Table 4. 3: Correlation Coefficients

		Organization Performance	Servant Leadership	Strategic Planning
Organization Performance	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	189		
Servant Leadership	Pearson Correlation	.830**	1	
	Sig. (2-tailed)	.003		
	N	189	189	
Strategic Planning	Pearson Correlation	.869**	.269	1
	Sig. (2-tailed)	.000	.064	
	N	189	189	189

From the results revealed that there is a very strong relationship between servant leadership and performance of food and beverage manufacturing firms in Nairobi City County, Kenya (r = 0.830, p value =0.003). The relationship was significant since the p value 0.003 was less than

0.05 (significant level). The findings are in line with the findings of Kipkorir and Maina (2022) that there is a very strong relationship between servant leadership and organization performance.

The results also revealed that there was a very strong relationship between strategic planning and performance of food and beverage manufacturing firms in Nairobi City County, Kenya (r = 0.869, p value =0.000). The relationship was significant since the p value 0.000 was less than 0.05 (significant level). The findings are in line with the results of Bakir (2023) who revealed that there is a very strong relationship between strategic planning and organization performance.

Regression Analysis

Multivariate regression analysis was used to assess the relationship between independent variables (servant leadership and strategic planning) and the dependent variable (performance of food and beverage manufacturing firms in Nairobi City County, Kenya).

Table 4. 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.886	.785	.786	.10129

a. Predictors: (Constant), servant leadership and strategic planning

The model summary was used to explain the variation in the dependent variable that could be explained by the independent variables. The r-squared for the relationship between the independent variables and the dependent variable was 0.785. This implied that 78.5% of the variation in the dependent variable (performance of food and beverage manufacturing firms in Nairobi City County, Kenya) could be explained by independent variables (servant leadership and strategic planning).

Table 4. 5: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	12.027	2	6.013	83.53	.000[b]
1	Residual	6.552	186	.036		
	Total	18.579	188			

a. Dependent Variable: performance of food and beverage manufacturing firms in Nairobi
b. Predictors: (Constant), servant leadership and strategic planning

The ANOVA was used to determine whether the model was a good fit for the data. F calculated was 83.53 while the F critical was 2.421. The p value was 0.000. Since the F-calculated was greater than the F-critical and the p value 0.000 was less than 0.05, the model was considered as a good fit for the data. Therefore, the model can be used to predict the influence of servant leadership and strategic planning on performance of food and beverage manufacturing firms in Nairobi City County, Kenya.

Table 4. 6: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.330	0.084		3.929	0.002
	servant leadership	0.370	0.093	0.371	3.978	0.001
	strategic planning	0.387	0.097	0.386	3.990	0.000

a Dependent Variable: performance of food and beverage manufacturing firms in Nairobi

The regression model was as follows:

$$Y = 0.330 + 0.370X_1 + 0.387X_2 + \varepsilon$$

The results revealed that servant leadership has significant effect on performance of food and beverage manufacturing firms in Nairobi City County, Kenya β1=0.370, p value= 0.001). The relationship was considered significant since the p value 0.001 was less than the significant level of 0.05. The findings are in line with the findings of Kipkorir and Maina (2022) that there is a very strong relationship between servant leadership and organization performance.

In addition, the results revealed that strategic planning has significant effect on performance of food and beverage manufacturing firms in Nairobi City County, Kenya β1=0.387, p value= 0.000). The relationship was considered significant since the p value 0.000 was less than the significant level of 0.05. The findings are in line with the results of Bakir (2023) who revealed that there is a very strong relationship between strategic planning and organization performance.

Conclusions

The study concludes that servant leadership has a positive and significant effect on performance of food and beverage manufacturing firms in Nairobi City County, Kenya. Findings revealed that empowerment, service Orientation and community Building influence performance of food and beverage manufacturing firms in Nairobi City County, Kenya.

The study also concludes that strategic planning has a positive and significant effect on performance of food and beverage manufacturing firms in Nairobi City County, Kenya. Findings revealed that vision Statement, mission Statement and core values influence performance of food and beverage manufacturing firms in Nairobi City County, Kenya.

Recommendations

The study recommends that the management of beverage manufacturing firms should systematically evaluate and prioritize their product lines based on profitability, market demand, and growth potential. By conducting a detailed portfolio analysis, firms can identify which products are generating the most revenue and which have the highest growth potential.

In addition, the study recommends that the management of beverage manufacturing firms should conduct a thorough SWOT analysis to identify and evaluate their internal strengths, weaknesses, opportunities, and threats. By systematically addressing these elements, firms can develop targeted strategies to capitalize on their strengths and opportunities while mitigating weaknesses and threats.

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