



STRATEGIC DECISION-MAKING PROCESS AND PERFORMANCE OF ENERGY FIRMS IN NAIROBI CITY COUNTY, KENYA

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ABSTRACT

The general objective of this study is to assess the influence of strategic decision-making process on performance of energy firms in Nairobi City County, Kenya. Specifically, the study sought to determine the effect of intuitive decision making on performance of energy firms in Nairobi City County, Kenya, and to determine the effect of crisis decision-making on performance of energy firms in Nairobi City County, Kenya. Because the study collected quantitative and qualitative data that explains the nature and features of the influence of strategic decision-making process on performance of energy firms, the study therefore used a descriptive research approach. The target population for the study was 315 managers in the 35 Petroleum firms in Kenya. This study adopted a census approach since the target population is small. The study used questionnaires to collect primary data. A total of 31 individuals participated in the pilot test which represents 10% of the target population. Data from questionnaires were coded and analyzed using the latest Statistical Package for Social Sciences (SPSS) computer software. Quantitative data collected was analyzed using descriptive statistics techniques. Qualitative data was analyzed using content analysis. Pearson R correlation was used to measure the strength and direction of linear relationship between variables. Multiple regression models were fitted to the data to determine how the independent variables affect the dependent variable. The analyzed data was presented in the form of tables and figures. The study concludes that intuitive decision making has a positive and significant effect on performance of energy firms in Nairobi City County, Kenya. The study also concludes that crisis decision making has a positive and significant effect on performance of energy firms in Nairobi City County, Kenya. This study recommends that the management of Energy firms should invest in improving and streamlining decision-making processes within the organization. This could involve adopting data-driven approaches, implementing decision-support systems, and encouraging cross-functional collaboration. In addition, the management should develop a robust risk assessment framework to identify potential risks and uncertainties in the energy sector. Create strategies for risk mitigation and contingency planning to ensure resilience during crises.

Key Words: Strategic decision-making process, Intuitive decision making, Crisis decision-making, Energy firms

Background of the Study

As robust as the energy sector is, it faces as many challenges as the numerous opportunities it has for its growth prospect. One of the key issues is its performance. Theoretically, oil prices should be a function of supply and demand. When supply and demand increase, prices should drop and vice versa. But the reality is different. Oil which is the preferred source of energy has a complicated pricing model. Demand and supply are only part of the complex equation that has generous elements of geopolitics and environmental concerns, which is a great economic concern to financial managers (Viverita, 2018). The Petroleum products play a central role in the economic development of most countries in the world. It is also important to note that most households in developing countries rely heavily on petroleum products as sources of energy such as lighting and running of small and medium enterprises (SMEs), this is according to the Kenya Association of Manufacturers (KAM reports, 2018). In essence, petroleum products have a huge macro and microeconomic effect on the economies of most countries (Suraw, & Kariuki, 2018). After the deregulation of the energy sector in Kenya in 1992 the market structures of the energy sector remain oligopolistic both in whole and retail level (Government of Kenya, 2015). About 85.3% of market share control is by major oil companies that is Shell/BP now VIVO, Total, Kenol Kobil, Caltex sold all their assets to Total K, and Mobil currently Oil Libya. The major energy companies are vertically integrated with a stake of 51.4% of the 1,153 retail outlets, the remaining are controlled by new entrants and independent owners (Government of Kenya, 2015). The competitive advantage of an organization in a global economy depends primarily on the quality of the decisions made by the management of these organizations in relation to their development. The increasing complexity, turbulence and uncertainty of the environment require different and greater knowledge (Batley & Daly, 2016). Increased consumer demands require new solutions, knowledge and enhanced decision making.

Due to increasing competition, the organization is required to constantly revise its product and service mix and managerial methods to increase productivity (Batley & Daly, 2006). Modern conditions of dynamic competition, sophisticated information technology, knowledge economy, market globalization, have changed the relation to importance of decision making in organizations. Evidently then, strategic decision making will play a critical role in the performance of the organization. Of course, financial, technological, and other material resources are undoubtedly also critical to the organizations' success in any competitive market (Murage & Okello, 2016).

According to Dimitris *et al* (2022), strategic decision-making (SDM) is reflected in sequences of action that bridge the divide between the current and future state of an organization; it is among the most influential predictors of organizational success (Bolland & Lopes 2018). Strategic decisions occur continuously: their formulation and implementation have long been a central managerial activity for all types of organizations; large and small, private and public, for-profit and not-for-profit (Elbanna and Child 2017). Regardless of the organizational type, decision-makers need to cope with uncertainty and complex situations through sensing the environment, deploying organizational structures, and reconfiguring resources and capabilities in an effort to harmonize the organization with external influences (Möller & Matthew 2021). This helps their firm to navigate effectively the competitive marketplace (Mintzberg & Waters 2016), contributing towards survival and organizational growth. Yet, evidence on how SDM process influences the extent to which strategic decisions conclude in desired organizational outcomes offers limited understanding (Nummela *et al.* 2018). The strategic decision-making process-performance linkages in particular, have not yet been so convincingly explicated (McWilliams *et al.* 2016). This study therefore sought to assess the influence of strategic decision making and performance of energy firms in Nairobi City County, Kenya.

Statement of the problem

The Kenyan energy sector contributed an estimated 2.8% to GDP in 2019 with net domestic sales of petroleum products increasing by 6.5% to 5,044.2 thousand tones (KPA, 2020). The energy sector has an annual average growth rate of 14%, therefore the energy firms have been forced to come up with effective strategies to sustain their performance and growth (Muchiri, Ombui, & Iravo, 2017). Currently there is no local crude oil production and activity in the upstream industry that is centered on exploration and the development of infrastructure to facilitate production. Within the upstream oil and gas sector, the level of business participation has been irregular and declining. In 2017, 30% of Tullow Oil's supplier spend was with Kenyan businesses, down from 33% in 2016, albeit with a higher absolute value due to increased expenditure related to the 2017 South Lokichar appraisal campaign (Tullow Oil plc, 2018). The energy sector in Kenya is very competitive because the products are almost homogeneous and the 94 registered petroleum firms by the Energy and Petroleum Regulatory Authority is high (Omai, Njeru, & Memba, 2018).

Energy firms in Kenya have been dodged with a lot of challenges in the last two decades. The demand for oil across the world fell rapidly as mitigation measures instituted against the spread of the COVID-19 pandemic slowed down economic activities in 2020. According to Lawrence and Lorsh (2020) the profitability of most petroleum companies in Kenya fell by 66% as a result of covid 19 pandemic. Kotler and Armstrong (2016) indicate that the hostile business environment has been made worse by the introduction very strict and tough tax regime. The introduction stringent tax regimes in 2005 by the Kenya Revenue Authority requiring upfront prepayment of taxes on oil imports has put a significant financial impact on energy industry in Kenya. Usually, KRA imposes an upfront payment of 50% taxes on imported petroleum products. For instance, Kenol has reduced its petroleum sales to bulk buyers like airlines and emergency power producers citing low margins in these transactions. This saw its revenues fall 19.2 per cent to Sh34.8 billion in the half year ended June 2019, dipping Sh8.3 billion in absolute terms (Kenya Economic Survey, 2019). Its rival Total Company limited also recorded a decline in wholesale supplies to smaller oil marketers, a move that saw its turnover drop 32.6 per cent to Sh55.7 billion in the same period (businessdailyafrica.com, 2019). Covid-19 has impacted individuals, businesses and economies across the globe. The petroleum industry is no exception. According to Frost and Sullivan, (2020), 76% of the energy firms are having difficulties in locally sourcing or importing raw materials and 67% found access to market challenging. This has also resulted to decline in profitability of the petroleum firms. Strategic decision making process influence firm performance

Although various studies have been conducted on strategic decision making and organization performance; (Akhtar, Arif, Rubi, & Naveed, 2017), (Chen, Wang, & Yang, 2019), Kohls (2018) and (McWilliams *et al.* 2016), None of these studies focused on the influence of strategic decision making and performance of energy firms in Nairobi City County, Kenya. To fill the highlighted gaps, this study seeks to assess the influence of strategic decision making and performance of energy firms in Nairobi City County, Kenya.

Objectives of the Study

The general objective of this study is to assess the influence of strategic decision making process on performance of energy firms in Nairobi City County, Kenya.

- i. To examine the effect of intuitive decision making on performance of energy firms in Nairobi City County, Kenya
- ii. To determine the effect of crisis decision-making on performance of energy firms in Nairobi City County, Kenya

LITERATURE REVIEW

Theoretical framework

Dual process theory

Richard Petty and John Cacioppo proposed a dual process theory focused in the field of social psychology in 1986. Their theory is called the elaboration likelihood model of persuasion. In their theory, there are two different routes to persuasion in making decisions. Often, the two processes consist of an implicit (automatic), unconscious process and an explicit (controlled), conscious process (Alsoboa, *et al*, 2015). Verbalized explicit processes or attitudes and actions may change with persuasion or education; though implicit process or attitudes usually take a long amount of time to change with the forming of new habits. Dual process theories can be found in social, personality, cognitive, and clinical psychology. It has also been linked with economics via prospect theory and behavioral economics, and increasingly in sociology through cultural analysis (Reymen, *et al*, 2015)

The Dual-Process Theory of Decision-Making helps explain how intuitive decision-making can be effective in certain contexts while also highlighting the potential biases and limitations of relying solely on intuition. It recognizes that both intuitive and analytical thinking have their strengths and weaknesses and that a balanced approach to decision-making may involve leveraging the strengths of each system. In practice, decision-makers can benefit from being aware of the dual-process nature of decision-making. Recognizing when to trust intuitive judgments and when to engage in more deliberate analysis can lead to better decision outcomes (Bakonyi, 2018). Additionally, decision-makers can use analytical thinking to critically examine their intuitive responses and identify potential biases or errors before finalizing decisions (Kaufmann, Meschnig & Reimann, 2018). This theory was used in this study to assess the effect of intuitive decision making on performance of energy firms in Nairobi City County, Kenya.

Theory of Planned Behavior

The Theory of Planned Behavior (TPB) was developed by Icek Ajzen as an attempt to predict human behavior (Ajzen, 1991). The theory originally assumed that most behaviours of interest are those where the person has the resources, skills and opportunities to engage in their desired action. However, recognizing that this is often not the case, Ajzen (1991) proposed an extension of TRA – the Theory of Planned Behaviour (TPB). This added a further dimension to TRA – that of perceived control over the intended behaviour. Perceived behavioral control is influenced by internal factors (skills, ability, information, emotions) and external factors (opportunity to engage in the behaviour and the extent to which performing the behaviour depends on the cooperation of others) (Martínez & Brusoni, 2018). A person's perceived behavioral control reflects his/her beliefs about factors that may inhibit or promote the performance of the behaviour. Perceived behavioral control is posited to have a causal influence on intentions, but actual behavioral control also has a direct influence on behaviour. Meta-analyses of studies applying TPB conclude that it accounts for considerable proportions of the variance in intentions across a range of behaviours (39-41 per cent) and a somewhat lower proportion of variance in behaviour (27-34 per cent) (Armitage & Connor, 2016). TRA and TPB have been applied to a wide range of decisions about behaviours (for example, dealing in stocks and shares, smoking initiation, shoplifting, condom use, oral contraception, participation in exercise) (Goldberg, 2017).

In line with the theory of planned behavior, managers can employ perceived behavioral control which is influenced by internal factors such as skills, ability, information, emotions, and external factors like opportunity to engage in the behaviour and the extent to which performing the behaviour depends on the cooperation of others in analyzing views of stakeholders during decision making. The foregoing is bound to enable them come up with decisions that would optimally be

beneficial to the firm's performance (Hannah *et al*, 2017). Theory of Planned Behavior was therefore used to assess the effect of crisis decision-making on performance of energy firms in Nairobi City County, Kenya.

Conceptual Framework

David and Resnik (2015) define conceptual framework as an abstract or general idea inferred or derived from specific instances. It can be a word or phrase that symbolizes several interrelated ideas. The researcher conceptualized that; independent variables are intuitive decision making, and crisis decision-making and the dependent variable is performance of energy firms in Nairobi City County, Kenya.

Independent Variables

Dependent Variable

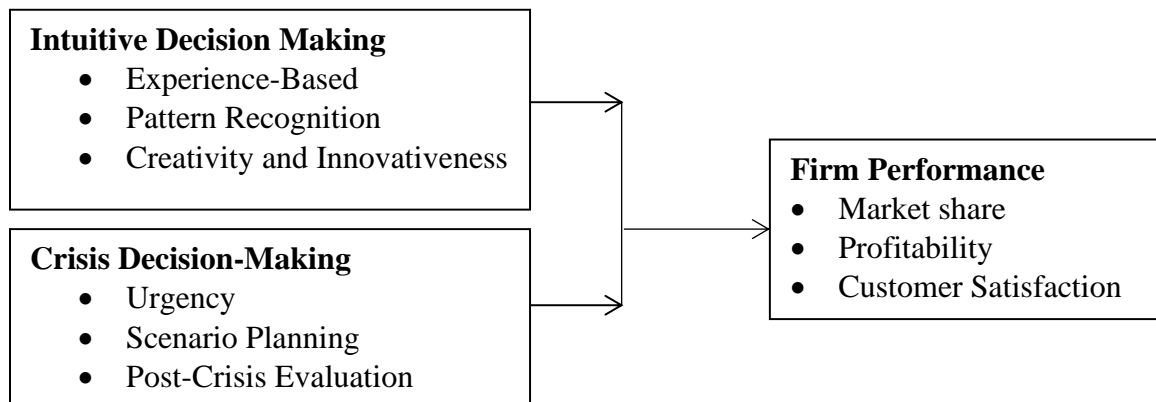


Figure 1: Conceptual Framework

Intuitive Decision Making

Intuitive decision-making is a type of decision-making process in which choices are made based on instinct, gut feelings, and immediate insights, without relying extensively on analytical or deliberate reasoning (Kaufmann, Meschnig & Reimann, 2018). It involves drawing upon one's experience, emotions, and implicit knowledge to arrive at a conclusion quickly. Intuition is often seen as a form of unconscious and rapid cognition, where the decision-maker relies on past experiences and patterns to make decisions without consciously analyzing all available information (Salas, Rosen, & DiazGranados, 2019).

Experience-based decision-making is a type of decision-making process in which choices are influenced primarily by the decision-maker's past experiences, knowledge, and expertise in a particular domain. It involves drawing upon accumulated experience and learning from previous situations to guide the decision-making process. Decision-makers rely on their tacit knowledge, patterns recognition, and lessons learned from past encounters to inform their current decisions (Kibe, 2017). According to Salas, Rosen, and DiazGranados (2019) creativity and innovativeness in decision-making refer to the ability to generate novel and original ideas, solutions, or approaches when faced with challenges or opportunities. It involves thinking outside the box, breaking away from conventional patterns, and introducing new perspectives to arrive at unique and groundbreaking solutions. Creativity and innovativeness are essential in today's dynamic and competitive business environment, where organizations need to adapt and thrive in the face of constant change.

Crisis Decision-Making

Crisis decision-making refers to the process of making critical choices during times of significant and unexpected disruption, uncertainty, or emergency. Crises are situations that pose immediate

threats to an organization's operations, reputation, or even its survival. Effective crisis decision-making is essential to mitigate the impact of the crisis, protect stakeholders, and facilitate a swift and coordinated response (Goldberg, 2017). Urgency in decision-making refers to the need for timely and immediate action in response to a situation or problem. It is a critical factor in various contexts, including crisis management, emergency response, and business operations. Urgency arises when there is a limited time window to make a decision before the opportunity or the ability to influence the outcome diminishes. The sense of urgency is often driven by time-sensitive factors, such as impending deadlines, critical events, or rapidly changing conditions (Shonubi & Akintaro, 2016).

Scenario planning is a strategic decision-making technique that involves creating and analyzing multiple plausible future scenarios to help organizations anticipate and prepare for different potential outcomes. It is a proactive approach that allows decision-makers to explore a range of possible future developments and their implications, enabling them to make more informed and robust decisions in the face of uncertainty (Sniezek, 2017). Okora (2021) indicates that post-crisis evaluation, also known as post-crisis analysis or debriefing, is a crucial step in the aftermath of a crisis or emergency. It involves the systematic assessment and review of how a crisis was managed, the effectiveness of the response, and the lessons learned from the experience. Post-crisis evaluation provides valuable insights to improve future crisis management strategies and enhance an organization's resilience (Sniezek, 2017).

Empirical Review

Intuitive Decision Making and Organization Performance

Kaufmann, Meschnig and Reimann (2018) conducted a study on Rational and intuitive decision-making in sourcing teams: Effects on decision outcomes. The study investigated how the application of rational procedures and experience-based intuition affects the outcomes of supplier selection decisions taken by cross-functional sourcing teams. Specifically, we examine whether the selected supplier's cost and quality/delivery/innovativeness performance is higher when more team members use a highly rational and/or a highly experience-based decision-making approach. From data on 54 teams, the study found that the use of rational procedures enhances cost performance. Conversely, when sourcing team members use their experience-based intuition, the decision is more likely to result in satisfactory supplier performance along all tested performance dimensions

Salas, Rosen, and DiazGranados (2019) conducted a study on expertise-based intuition and decision making in organizations. There has been a growing popular fascination with how experts make rapid and effective decisions. This interest has been paralleled in various scientific research communities. Across these disciplinary boundaries, researchers have found that intuition plays a critical role in expert decision making. Therefore, an understanding of how experts develop and use intuition effectively within organizations has the potential to greatly influence organizational practices and effectiveness. This study found that expertise-based intuition influence organization performance.

Kibe (2017) investigated how intuitive decision making affect organizational performance using a case study of Kenya Ports Authority. From the study, communication strategies were found to play a key role in improving the performance of an organization and that it entails the process of transmitting information and creating an understanding between two or more people. Effective communication is considered to play an integral part of the organizational process as it creates efficiency from the top management to the lower management of an organization. The study noted that well planned and organized communication will in the end help in making planned decisions regarding on how organizational performance can be improved and lead to the attainment of set

goals and objectives. It was noted that in today's world the strategies of communication have become common, and they are widely used as part of the planning process, giving a clear detail on how one should communicate with various groups of people

Crisis Decision-Making and Organization Performance

Goldberg (2017) conducted a study on crisis decision-making: understanding the decision-making process during emergencies. As in any organization, decisions made by one stakeholder can have consequences on other stakeholders. The challenge facing emergency and business continuity managers is developing procedures that allow system stakeholders to better understand the decisions being made and thereby mitigate the impact of unintended consequences. This paper reviews the related literature on three theories that can be applied to organizational decision-making and how they can assist leaders better understand the decisions organizations make during emergencies. The paper concludes with a model that can be generalized to any organization or system for minimizing unintended consequences and improving the transparency of decision-making during emergency situations.

Shonubi and Akintaro (2016) conducted a study on the impact of effective communication on organizational performance. The results showed that communication acts both as a symptom and a source of performance issues in the organization and that organizations that are poorly designed in terms of communication will have ineffective processes, unaligned rewards, inconsistent client/partner orientation, fragmented expectations and team leaders who are not qualified. The results suggested that communication strategies in any organization are considered to be one of the most integral components of any performance improvements approach, organizations looking to achieve strategic goals set well-defined communication approaches and that a well-defined approach is one that includes the staff and aligns with the business goals of the company.

Snizek (2017) researched on training for crisis decision-making: psychological issues and computer-based solutions. This system consists of a first-principles simulator that generates large numbers of realistic scenarios, an immersive multimedia interface that helps elicit psychological processes involved in actual crisis management, and a critiquing expert system that provides real-time and post-session feedback on human decision-making performance. Finally, the study presents an empirical method for evaluating the effectiveness of such a system for crisis management training. Results of evaluation experiments with participants in a ship damage control training program indicate that the described computer-based trainer has psychological realism and improves decision-making performance.

Okora (2021) examined the effects of crisis decision making on Performance of Telecommunication Firms in Kenya. The study was anchored on the communication theory. The study was a desktop type of research. The study found that communication styles had a positive effect on performance. The core components of communication styles include passive communication, aggressive communication, submissive communication, manipulative communication and assertive communication. The assertive communication style was found to be the best communication style to be used in the organization. Assertive communication express positive and negative ideas and feelings in an open, honest and direct way. The study found that integrated communication had a positive effect on performance.

RESEARCH METHODOLOGY

Because the study collected quantitative and qualitative data that explains the nature and features of the influence of strategic decision making process on performance of energy firms, the study therefore used a descriptive research approach. According to Neuman (2010), a descriptive survey research design is one that is used to gather data on the current state of a phenomenon in order to

explain what is present in terms of variables or circumstances in a scenario. This study target population was energy firms in Nairobi County. According to Energy Regulatory Commission (2019), there are 35 energy firms that have been operational between 2010 and 2022. These firms formed the unit of analysis while unit of observation was the management employees. Top managers play a critical role in decision making and defining the firm's future. These managers were selected since they are directly responsible in procurement activities of the firms. Therefore, the target population for the study will be 315 managers in the 35 Petroleum firms in Kenya.

The study's primary data collecting tool was questionnaires, which included both open and closed-ended questions. For the analysis of research variables, the Statistical Package for Social Sciences (SPSS) application version 21 was utilized. It contains descriptive statistical capabilities that help with variable response comparability and show response frequency clearly.

Correlation analysis was used to determine the link between the independent and dependent variables. By fitting a linear equation to the observed data, multiple linear regression aims to describe the connection between two or more explanatory factors and a response variable, where each value of the independent variable is linked with a value of the dependent variable (Ogula, 2015). As a result, this research is a good match for the approach and test. The proportion of variation in the predicted variable explained by variance in the predictor variables is known as R^2 , and the greater it is, the better (Kombo & Tromp, 2013).

PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

From the 315 questionnaires 306 were completely filled and returned hence a response rate of 97.1%. The response rate was considered as suitable for making inferences from the data collected. As indicated by Metsamuuronen (2017), a response rate that is above fifty percent is considered adequate for data analysis and reporting while a response rate that is above 70% is classified as excellent. Hence, the response rate of this study was within the acceptable limits for drawing conclusions and making recommendations.

Descriptive Statistics Analysis

Intuitive Decision Making and Performance of Energy Firms

The second specific objective of the study was to determine the effect of intuitive decision making on performance of energy firms in Nairobi City County, Kenya. The respondents were requested to indicate their level of agreement on intuitive decision making and performance of energy firms in Nairobi City County, Kenya. The results were as shown in Table 1

From the results, the respondents agreed that in their role at the energy firm, they often rely on their intuition to make decisions. This is supported by a mean of 3.996 (std. dv = 0.865). In addition, as shown by a mean of 3.819 (std. dv = 0.945), the respondents agreed that their intuitive decision-making process involves considering factors such as past experience, gut feeling, instinct, emotions, expert advice, and data and analytics. Further, the respondents agreed that they believe that intuitive decision-making plays a significant role in the success of energy firms. This is shown by a mean of 3.798 (std. dv = 0.611).

The respondents also agreed that intuitive decision-making has helped them solve complex problems at work effectively. This is shown by a mean of 3.731 (std. dv = 0.908). With a mean of 3.711 (std. dv = 0.776), the respondents agreed that they are open to further training and development to enhance their intuitive decision-making skills. The respondents agreed that energy firms that encourage and value intuitive decision-making tend to perform better in the market. This is shown by a mean of 3.675 (std. dv = 0.897). With a mean of 3.613 (std. dv = 0.786), the respondents agreed that a supportive organizational culture enhances the utilization of intuitive decision-making in energy firms.

Table 1: Intuitive Decision Making and Performance of Energy Firms

	Mean	Std. Dev.
In my role at the energy firm, I often rely on my intuition to make decisions.	3.996	0.865
My intuitive decision-making process involves considering factors such as past experience, gut feeling, instinct, emotions, expert advice, and data and analytics.	3.819	0.945
I believe that intuitive decision-making plays a significant role in the success of energy firms.	3.798	0.611
Intuitive decision-making has helped me solve complex problems at work effectively.	3.731	0.908
I am open to further training and development to enhance my intuitive decision-making skills.	3.711	0.776
Energy firms that encourage and value intuitive decision-making tend to perform better in the market.	3.675	0.897
A supportive organizational culture enhances the utilization of intuitive decision-making in energy firms.	3.613	0.786
Aggregate	3.732	0.841

Performance of Energy Firms in Nairobi City County

The respondents were requested to indicate their level of agreement on various statements relating to performance of energy firms in Nairobi City County, Kenya. A 5-point Likert scale was used where 1 symbolized strongly disagree, 2 symbolized disagree, 3 symbolized neutral, 4 symbolized agree and 5 symbolized strongly agree. The results were as presented in Table 3.

From the results, the respondents agreed that the general performance of their firm has been improving over the years. This is supported by a mean of 4.084 (std. dv = 0.997). In addition, as shown by a mean of 3.917 (std. dv = 0.831), the respondents agreed that the profitability of our firms has been increasing in the last three years. Further, the respondents agreed that the market share of their firm has increased over the years. This is shown by a mean of 3.858 (std. dv = 0.563). The respondents also agreed that there are few customer complaints on the quality of their services. This is shown by a mean of 3.831 (std. dv = 0.851). From the results, the respondents agreed that the level of customer satisfaction has improved over the years. This is supported by a mean of 3.803 (std. dv = 0.871). In addition, as shown by a mean of 3.917 (std. dv = 0.831), the respondents agreed that they are satisfied with the performance level of their organization.

Table 3: Performance of Energy Firms in Nairobi City County

	Mean	Std. Deviation
The general performance of our firm has been improving over the years	4.084	0.997
The profitability of our firms has been increasing in the last three years	3.917	0.831
The market share of our firm has increased over the years	3.858	0.563
There are few customer complaints on the quality of our services	3.831	0.851
The level of customer satisfaction has improved over the years	3.803	0.871
Am satisfied with the performance level of our organization	3.798	0.786
Aggregate	3.866	0.868

Correlation Analysis

The present study used Pearson correlation analysis to determine the strength of association between independent variables (intuitive decision making, and crisis decision-making) and the dependent variable (performance of energy firms in Nairobi City County, Kenya) dependent variable. Pearson correlation coefficient range between zero and one, where by the strength of association increase with increase in the value of the correlation coefficients.

Table 4: Correlation Coefficients

		Firm Performance	Intuitive Decision Making	Crisis Decision-Making
Firm Performance	Pearson Correlation		1	
	Sig. (2-tailed)			
	N		306	
Intuitive Decision Making	Pearson Correlation	.856**		1
	Sig. (2-tailed)	.001		
	N	306		306
Crisis Decision-Making	Pearson Correlation	.859**	.189	1
	Sig. (2-tailed)	.000	.081	
	N	306	306	306

The results revealed that there is a very strong relationship between intuitive decision making and p performance of energy firms in Nairobi City County, Kenya ($r = 0.856$, p value =0.001). The relationship was significant since the p value 0.001 was less than 0.05 (significant level). The findings conform to the findings of Muiruri and Were (2016) that there is a very strong relationship between intuitive decision making and firm performance.

The results also revealed that there was a very strong relationship between crisis decision-making and performance of energy firms in Nairobi City County, Kenya ($r = 0.859$, 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 Minjeong and Sungyong (2021) who revealed that there is a very strong relationship between crisis decision-making and performance of energy firms

Regression Analysis

Multivariate regression analysis was used to assess the relationship between independent variables (intuitive decision making and crisis decision-making) and the dependent variable (performance of energy firms in Nairobi City County, Kenya)

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.925	.848	.849	.10120

a. Predictors: (Constant), intuitive decision making, and crisis decision-making

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 0.848. This implied that 84.8% of the variation in the dependent variable (performance of energy firms in Nairobi City County, Kenya) could be explained by independent variables (intuitive decision making and crisis decision-making).

Table 6: Analysis of Variance

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	12.027	4	3.007	136.68	.000 ^b
Residual	6.568	301	.022		

Total	18.595	305
a. Dependent Variable: performance of energy firms		
b. Predictors: (Constant), intuitive decision making and crisis decision-making		

The ANOVA was used to determine whether the model was a good fit for the data. F calculated was 136.68 while the F critical was 2.402. 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 intuitive decision making and crisis decision-making on the performance of energy firms in Nairobi City County, Kenya.

Table 7: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.341	0.089		3.831	0.000
	intuitive decision making	0.387	0.095	0.386	3.949	0.000
	crisis decision-making	0.398	0.102	0.399	3.716	0.002

a Dependent Variable: Firm Performance

The regression model was as follows:

$$Y = 0.341 + 0.387X_1 + 0.398X_2 + \varepsilon$$

The results also revealed that intuitive decision making has significant effect on performance of energy firms in Nairobi City County, Kenya, ($\beta_1=0.387$, 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 conform to the findings of Muiruri and Were (2016) that there is a very strong relationship between intuitive decision making and firm performance.

In addition, the results revealed that crisis decision-making has significant effect on performance of energy firms in Nairobi City County, Kenya ($\beta_1=0.398$, p value= 0.002). The relationship was considered significant since the p value 0.002 was less than the significant level of 0.05. The findings are in line with the results of Minjeong and Sungyong (2021) who revealed that there is a very strong relationship between crisis decision-making and firm performance

Conclusions

In addition, the study concludes that intuitive decision making has a positive and significant effect on performance of energy firms in Nairobi City County, Kenya. The study revealed that experience-Based, pattern Recognition and creativity and Innovativeness influence performance of energy firms in Nairobi City County, Kenya

The study also concludes that crisis decision making has a positive and significant effect on performance of energy firms in Nairobi City County, Kenya. The study revealed that urgency, scenario Planning and post-crisis evaluation influence performance of energy firms in Nairobi City County, Kenya.

Recommendations

This study recommends that the management of Energy firms should;

Develop a robust risk assessment framework to identify potential risks and uncertainties in the energy sector. Create strategies for risk mitigation and contingency planning to ensure resilience during crises.

Develop and regularly update crisis management plans that address potential crises specific to the energy sector. Conduct drills and simulations to ensure that employees are well-prepared to respond to emergencies

Suggestions for Further Studies

The study found that the independent variables (intuitive decision making and crisis decision-making) could only explain 84.8% of the performance of energy firms in Nairobi City County, Kenya. This study therefore suggests research on other factors affecting the performance of energy firms in Nairobi City County, Kenya.

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