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STRATEGIC MANAGEMENT MODELS AND PERFORMANCE OF FOOD AND BEVERAGE MANUFACTURING FIRMS IN KIAMBU 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 Management Models on performance of food and beverage manufacturing firms in Kiambu County, Kenya. Specifically, the study sought to establish the influence of benchmarking on performance of food and beverage manufacturing firms in Kiambu County, Kenya and to determine the influence of SWOT analysis on performance of food and beverage manufacturing firms in Kiambu County, Kenya. The study adopted a descriptive research design. According to KAM (2022) report, there are 189 manufacturing firms in Kiambu County, out of these, 76 are food and beverage manufacturing firms. This study therefore target 456 management employees working in the 76 food and beverage manufacturing firms in Kiambu County. The study's sample size was reached at using Krejcie and Morgan sample size determination formula. 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 benchmarking has a positive and significant effect on performance of food and beverage manufacturing firms in Kiambu County, Kenya. The study also concludes that SWOT analysis has a positive and significant effect on performance of food and beverage manufacturing firms in Kiambu County, Kenya. Based on the findings, the study recommends that the management of beverage manufacturing firms should implement a structured benchmarking process that involves comparing their operations and practices with those of industry leaders both locally and globally. By systematically evaluating key performance indicators such as production efficiency, quality control, and customer service against best-in-class competitors, firms can identify performance gaps and areas for improvement.

Key Words: Strategic Management Models, Strategic Management Models, SWOT Analysis

Background of the Study

The contemporary organization operates in a dynamic environment which calls for the formulation and implementation of strategies which would lead to superior organizational performance. According to Afonina and Chalupsky (2012), Strategic Management Models (SMMs) are models that support managers in all phases of strategic management from strategic analysis through strategy choice to strategy implementation with the sole aim of improving company performance. They noted that SMMs have become crucial in the attainment and sustaining of competitive advantage of organizations. Firm performance looks at the attainment of objectives of the company whether in financial or non-financial perspectives and assists managers to evaluate the success of the implemented strategies.

The management of firms has become challenging due to political, socio-cultural, economic, technological, and legal factors. Managers need to have clear understanding of the external environment to implement the best suited strategies and apply the most appropriate SMMs. Organizations formulate and implement different strategies and SMMs at all phases of strategic management process. However, the understanding of these strategy models is just as important as their application without which the desired objectives will not be attained.

As the level of global competition increases and profits dissipate, business organizations will seek to gain competitive advantage by breaking recipes of industries that were already established while engaging in innovation models that facilitates effective running of business activities (Sampaio, Saraiva & Monteiro, 2018). The global competition has been manifested by increased customer demands and availability of substitute products that might be of higher quality and more affordable, a situation that forces companies to develop alternative business strategies that will lead to an increase in the firm's performance (Brannon & Wiklund, 2016). For effective strategy to compete in such an uncertain business environment there is need for not only an effective strategy, but also appropriate internal processes that facilitate the actualization of the strategies. Di Valentin, Burkhart and Vanderhaeghen (2016) therefore assert that business models act as a link between a strategy of company and its business strategies in particular.

Consequently, adoption of appropriate business model will act as a catalyst to the improved organizational performance. While the focus of an organizational strategy is on the techniques that a firm implements in order to overcome competitors, business models will facilitate coordination of business activities and creation of value (Casadesus-Masanell, & Ricart, 2019). Strategic Business model (BM) is vital for today's businesses. However, strategic BM can be irreversible, and therefore, in comparison to product, service or process innovation, entail bigger risk and ambiguity (Talwar, 2017). Understanding the way in which strategic BM exerts influences over firm's performance would help business-owners to be more effective.

The business model concept has received substantial attention from researchers in the fields of entrepreneurship and strategy (Zott, Amit, & Massa, 2017). This interest has been manifested in a number of ways including the number of research projects, academic and popular books, and pedagogical material. A review of business model literature has been provided by George and Bock (2017) and Zott, Amit and Massa (2017). The business model is a framework for understanding how a firm makes money (Afuah, 2018) and captures the fundamental linkages in a venture on a number of levels. These levels can include production, strategy and economic aspects (Amit & Zott, 2017; Morris, Schindehutte, Richardson, & Allen, 2016).

Strategic Management Models are used at all levels of strategic management process. There are several strategic models used that includes SWOT analysis, Benchmarking, portfolio analysis and strategic market orientation. Strategic benchmarking involves taking a long-term view of the company's direction. As such, the process of strategic benchmarking involves adapting other

methods into planning, goals and objectives of the organization (Were, 2017). Strategic portfolio analysis involves identification and evaluation of all products or service groups offered by company on the market (so called product mix) and preparing specific strategies for every group according to its relative market share and actual or projected sales growth rate. Effective strategic planning ensures the investment in strategy can capably produce long-term results

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 has a great potential for promoting economic growth and competitiveness in the country like Kenya. Data shows that the government of Kenya spends between 10 -30 percent of Gross Domestic Product on procurement alone (Maria, 2021). Out of that 5% goes to waste due to lack of proper strategic management (Gordon, 2019). 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 (KAM, 2018).

Different scholars have sought to investigate the effect of business models on the firm outcomes. According to the study done by Bouwman, Nikou and de Reuver (2019) 43.2% of textile firms have adopted freemium model in the process of production, 21.6% and 2.5% had adopted multilevel marketing model and bricks and model. The most used model therefore the freemium model. Further from their findings it was revealed that use of business models improved the performance of the firms by over 30% of the existing production and performance level.

Brannon and Wiklund (2019) investigated the nexus between business models and performance of Indian and Chinese textile export firms. The findings have shown that increased customer knowledge and awareness is associated with business model innovation. The impact of the business model for Russian Food Service Ventures was explored by Morris, Shirocova, and Shatalov (2018). The study revealed that restaurant and service for fast food supplies concentrate on the provision of utilities by reducing production expenses as it enhances the company's earnings and profits. Mutisya (2019) investigated Mombasa business models and established that the 50% of the supermarkets of Mombasa have implemented a number of business models and a variety of factors have affected the model selection. Further, Maina (2017) researched on the adopted business models by container consignment stations in Kenya and found out that majority of the freight stations handled a variety of commodities and most of the freight stations

customers were those that the freight stations had approached for business and they thus did not depend much on KPA rebates as a source of revenue. Njeru (2017) researched on the strategic management practices and performance of small and medium sized enterprises in Kenya. Baraza and Arasa (2017) conducted a study on the effects of competitive strategies on performance of manufacturing firms in Kenya, a case study of East Africa Breweries Limited. Kombo, Obonyo and Ogutu (2017) conducted a study on the influence of Strategic Management Models on Performance of Manufacturing Firms in Kenya.

From the above studies, it is evident that different researchers have investigated the effect of different firm business models on organizational outcomes. However, the dimensions of business models used are varied as well as the methodology employed by the researchers. Also, the studies were limited to specific firms hence the study findings cannot be generalized to the current study. In addition, the studies have been conducted in different contexts; none have been conducted in food and beverage manufacturing firms in Kiambu County, Kenya. As a result of the existing gap, this research sought to determine the effect of strategic management models on performance of food and beverage manufacturing firms in Kiambu County, Kenya.

Objectives of the Study

General Objective

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

Specific Objectives

The specific research objectives were,

i. To establish the influence of benchmarking on performance of food and beverage manufacturing firms in Kiambu County, Kenya.

ii. To determine the influence of SWOT analysis on performance of food and beverage manufacturing firms in Kiambu County, Kenya.

Theoretical Review

Resource Based View Theory

Resource Dependence Theory (RDT) founded by Pfeffer and Salancik (1978) is a theoretical framework in organizational studies that examines how organizations strategically manage and depend on external resources to achieve their goals and sustain their operations. RDT argues that organizations exist within an environment where they must interact with external entities such as suppliers, customers, competitors, government agencies, and other stakeholders. These external entities possess resources that are crucial for the organization's survival and success (Gakuba & Gitahi, 2023). Central to RDT is the concept of resource dependency, which suggests that organizations are dependent on external resources that they cannot fully control. These resources include financial capital, technology, information, expertise, raw materials, market access, and political support, among others. The theory posits that the ability of an organization to secure and manage these external resources effectively influences its organizational behavior, decision-making processes, and strategic actions (Agbo, 2020).

Organizations employ various strategies to manage resource dependencies, including forming strategic alliances, diversifying suppliers, lobbying for favorable regulations, investing in technology, and engaging in networking activities. These strategies are aimed at reducing uncertainty, ensuring access to critical resources, and enhancing organizational resilience in a competitive environment. RDT also emphasizes power dynamics in resource exchanges between

organizations and their external environment. Organizations with greater resource dependencies may find themselves in vulnerable positions if they lack alternatives or substitutes for essential resources (Kerandi, *et al*, 2023). Conversely, organizations that successfully manage and diversify their resource dependencies can strengthen their competitive position and influence within their industry or market. Moreover, RDT highlights the role of inter-organizational relationships and networks in resource acquisition and management. Organizations often engage in strategic interactions with external stakeholders to negotiate resource exchanges, build trust-based partnerships, and gain access to complementary resources that contribute to their strategic objectives (Chebet & Muturi, 2020). This theory was relevant in establishing the influence of benchmarking on performance of food and beverage manufacturing firms in Kiambu County, Kenya.

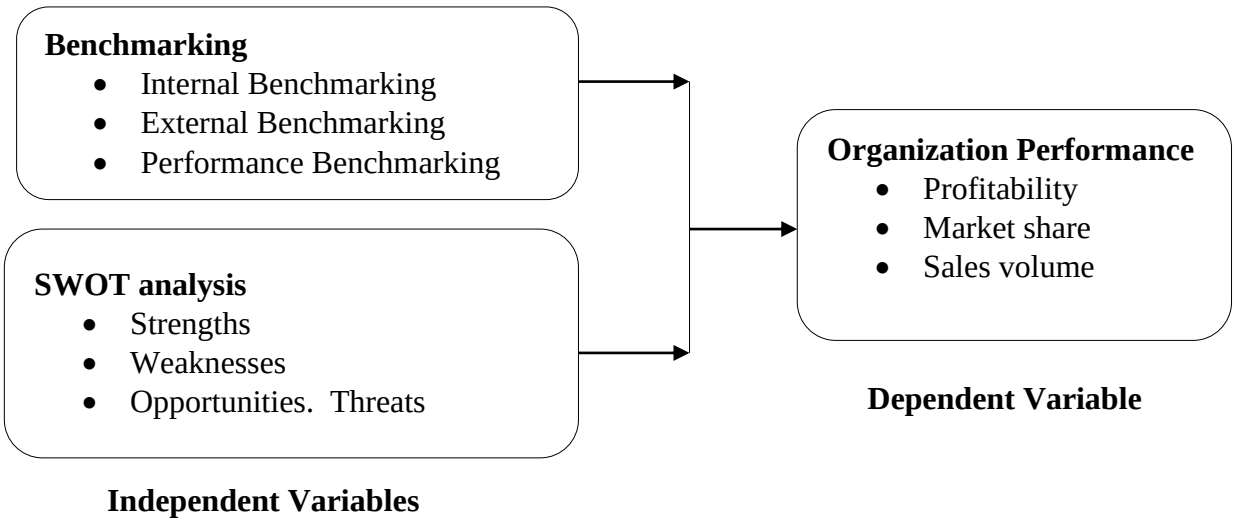
The Institutional Theory

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). This theory was relevant in determining the influence of SWOT analysis on performance of food and beverage manufacturing firms in Kiambu County, Kenya.

Conceptual Framework

Conceptual framework is a network of inter related concepts, principles and ideas that creates awareness among different concepts (Cao, Thompson & Triche, 2018). This study focused on determining the influence of Strategic Management Models on performance of food and beverage manufacturing firms in Kiambu County, Kenya. The independent variable comprised of: benchmarking and SWOT analysis while the dependent variable is performance of food and beverage manufacturing firms in Kiambu County, Kenya.



Benchmarking

Benchmarking is a systematic process used by organizations to evaluate their performance by comparing it against industry standards or best practices from other leading companies. This comparison helps identify areas where an organization is excelling or falling short and provides insights into how to improve operations and achieve better results (Chebet & Muturi, 2020).

Internal Benchmarking involves comparing performance metrics and practices within different departments or units of the same organization. This method allows a company to identify best practices and areas of excellence across its own operations. For example, if one department excels in reducing costs while another is less efficient, internal benchmarking can help uncover successful strategies or processes that can be adopted across the organization. This approach fosters a culture of continuous improvement by leveraging internal knowledge and resources, and can lead to enhanced overall performance and consistency within the company (Kahuria, *et al*, 2020).

External Benchmarking is the process of comparing an organization's performance and practices with those of other organizations, typically within the same industry or sector. This type of benchmarking helps companies understand how they stack up against competitors and industry leaders. External benchmarking involves analyzing metrics such as market share, customer satisfaction, and operational efficiency. By studying external benchmarks, organizations can identify gaps in their performance, discover best practices adopted by others, and gain insights into trends and standards within their industry. This comparative approach is valuable for setting realistic performance targets and striving for competitive advantage (Gakuba & Gitahi, 2023).

Performance Benchmarking focuses specifically on comparing key performance indicators (KPIs) and outcomes to measure how well an organization is achieving its goals relative to others. This form of benchmarking involves assessing metrics such as productivity, quality, and financial performance. Performance benchmarking helps organizations identify areas where they excel and where improvements are needed. For instance, if a company finds that its production costs are higher than the industry average, performance benchmarking can pinpoint specific areas of inefficiency and suggest ways to enhance operational effectiveness. This targeted approach enables organizations to make informed decisions to boost performance and achieve strategic objectives (Agbo, 2020).

SWOT analysis

SWOT analysis is a strategic planning tool used to identify and evaluate the Strengths, Weaknesses, Opportunities, and Threats related to a business or project. The purpose of SWOT analysis is to help organizations understand their internal and external environments, enabling them to make informed decisions and develop effective strategies (Okuyoyi & Okello, 2020).

Strengths are internal attributes and resources that provide an organization with a competitive edge. These are aspects of the business that are well-developed and contribute positively to its success. For instance, a company might have a strong brand reputation, a loyal customer base, advanced technology, or a highly skilled workforce. These strengths enable the organization to deliver value effectively, differentiate itself from competitors, and achieve its goals more efficiently. Leveraging strengths allows the organization to build on its core competencies and capitalize on its advantages to maintain or enhance its market position (Okwemba & Njuguna, 2021).

Weaknesses are internal factors that pose challenges or limitations to an organization's performance. These might include areas where the company is underperforming, lacks resources, or faces inefficiencies. Examples of weaknesses could be outdated technology, limited financial resources, skill gaps within the team, or poor internal processes. Recognizing weaknesses is crucial for addressing and mitigating these issues to prevent them from undermining the organization's objectives. By identifying and improving upon these areas, the organization can enhance its overall effectiveness and competitiveness (Mosiori, Thinguri & Mugwe, 2023).

Opportunities represent external factors or trends that the organization can exploit to its advantage. These opportunities could arise from various sources such as market trends, technological advancements, changes in consumer preferences, or shifts in regulatory environments. For example, a growing market segment, new technological innovations, or regulatory incentives for sustainability could present valuable opportunities for growth and expansion. Identifying and seizing these opportunities allows the organization to strategically position itself for future success and capitalize on favorable conditions (Bakir, 2023).

Threats are external challenges or risks that could negatively impact the organization's performance. These threats might include increased competition, economic downturns, changes in industry regulations, or shifts in consumer behavior. For instance, new entrants into the market, fluctuating raw material prices, or adverse economic conditions can pose significant risks. Understanding and anticipating these threats enable the organization to develop strategies to mitigate their impact, adapt to changing conditions, and safeguard its market position (Habimana, Mutambuka & Habinshuti, 2021).

Empirical Review

Benchmarking and Organization Performance

Gakuba and Gitahi (2023) assessed on benchmarking and employee performance in Rwanda. This study employed a descriptive research design. The study was supported by 40 respondents. The study found that there was a statistically significant relationship between benchmarking and employee performance. The study concluded that benchmarking affect employee performance in ISON Business Process Out-resourcing (ISON BPO) Kigali, Rwanda.

Kerandi, *et al* (2023) conducted a survey of performance improvement through benchmarking in commercial banks in Kenya: The managers' perception and experience. The research design used for this study was descriptive survey. The target population constituted all managers from all the twenty five banks within the Nakuru town. The study found that benchmarking has a positive and significant correlation with organizational performance. The study concluded that

there is a strong and positive relationship between benchmarking practices and organizational performance.

Chebet and Muturi (2020) researched on effect of benchmarking practices on financial performance of private hospitals in Kenya. a case of private Hospitals in Kisii County, Kenya. The study used descriptive research design so as to gather the necessary data for analysis. The study undertook census survey of all the 173 proprietors and medical practitioners. The study found that benchmarking practices in private hospitals have a strong association with their financial performance. The study concluded that benchmarking practices have a significant influence on the financial performance of private hospitals.

SWOT analysis and Organization Performance

Bakir (2023) conducted a study on the impact of strategic analysis (SWOT) 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 SWOT analysis 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 SWOT analysis 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 SWOT analysis 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.

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 (2022) report, there are 189 manufacturing firms in Kiambu County, out of these, 76 are food and beverage manufacturing firms. This study therefore targeted 456 management employees working in the 76 food and beverage manufacturing firms in Kiambu County

Sample and Sampling Techniques

The study's sample size was reached at using Krejcie and Morgan sample size determination formula (Russell, 2013). Using this formula a representative sample was obtained. The study's total population is 630.

The formula used for arriving at the sample size was;

$$n = \frac{x^2 NP(1-P)}{\left(ME^2(N-1)\right) + \left(x^2 P(1-P)\right)}$$

Where:

n=sample size

x^2=Chi-square for the specified confidence level at 1 degree of freedom

N=Population size (456)

P = is the proportion in the target population estimated to have characteristics being studied. As the proportion was unknown, 0.5 was used.

Chuan and Penyelidikan (2016) indicate that the use of 0.5 provides the maximum sample size and hence it is the most preferable. 437.9424/2.1004

ME=desired margin of Error (Expressed as a proportion)

$$\frac{1.96^2 456 * 0.5 * 0.5}{(0.05^2 * 456) + (1.96^2 * 0.5 * 0.5)}$$

$$n = 209$$

Table 3. 1: Sample Size

Category	Target Population	Sample Size
Top Managers	76	35
Middle Managers	152	70
Lower Level Managers	228	105
Total	**456**	**209**

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.

Descriptive 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.

Inferential Statistics

Pearson R correlation was used to measure strength and the direction of linear relationship between variables. The information provided initial achievement of objectives 1, 2, 3 and 4 Strategic Management Models (benchmarking and SWOT analysis) influence performance of food and beverage manufacturing firms in Kiambu County, Kenya. A large correlation implies a strong relation exists between the variables. The extent of the level of association between 2 variables is determined using correlation analysis (Levin & Rubin, 1998). If the Correlation coefficient is zero, then it suggests the variables are not related, if the value is ±1 the variables are strongly associated (Hair et al., 2010). Small association is indicated by values ranging from 0.1- 0.29, medium association is indicated by value ranging from 0.3-0.49, and strong association is indicated by value of 0.5 and above.

Multiple regression models were fitted to the data in order to determine how the predictor/independent variables affect the response/dependent variable. Multiple regression Analysis was used in this study because it uses the predictor variables in predicting the response variable. It is a statistical tool attempting to establish whether some variables can be used together in predicting a particular variable (Mugenda & Mugenda, 2018). Multiple regression model was used to measure the influence of Strategic Management Models on performance of food and beverage manufacturing firms in Kiambu County, Kenya.

To determine any causal relationship, multiple linear regression analysis was conducted. As stated by Gujarati (1995), causation models are best explained by linear regression analysis and thus, the study used linear regression results for each variable to measure hypothesis 1, 2, 3, and 4. The model was as shown below;

Performance of food and beverage manufacturing firms in Kiambu County, Kenya = f (strategic market orientation, benchmarking, portfolio analysis and SWOT analysis)

$Y= \beta 0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$

Where:
Y= performance of food and beverage manufacturing firms in Kiambu County, Kenya
β= Constant
β_1, β_2, = Coefficients
X_1= Bench marking
X_2= SWOT Analysis
ε = error term (random variation due to other unmeasured factors).

PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

Descriptive Statistics Analysis

Benchmarking and Organization Performance

The first specific objective of the study was to establish the influence of benchmarking on performance of food and beverage manufacturing firms in Kiambu County, Kenya. The respondents were requested to indicate their level of agreement on benchmarking and performance of food and beverage manufacturing firms in Kiambu County, Kenya. The results were as shown in Table 4.1

From the results, the respondents agreed that they regularly compare performance metrics across different departments or units within the organization (M=3.983, SD= 0.765). In addition, the respondents agreed that internal benchmarking helps them identify best practices and areas for improvement within their company (M=3.806, SD=0.845). Further, the respondents agreed that they actively compare their performance with that of other leading companies in their industry (M=3.785, SD=0.688).

The respondents also agreed that their organization uses external benchmarking data to understand how they stack up against competitors (M=3.718, SD=0.788). In addition, the respondents agreed that they regularly evaluate their performance against established performance standards or metrics (M=3.698, SD=0.686). The respondents agreed that their organization uses performance benchmarking to measure progress towards their strategic goals (M=3.662, SD=0.617).

Table 4. 1: Benchmarking and Organization Performance

	Mean	**Std. Deviation**
We regularly compare performance metrics across different departments or units within the organization.	3.983	0.765
Internal benchmarking helps us identify best practices and areas for improvement within our company	3.806	0.845
We actively compare our performance with that of other leading companies in our industry.	3.785	0.688
Our organization uses external benchmarking data to understand how we stack up against competitors	3.718	0.788
We regularly evaluate our performance against established performance standards or metrics.	3.698	0.686
Our organization uses performance benchmarking to measure progress towards our strategic goals	3.662	0.617
Aggregate	**3.775**	**0.731**

SWOT Analysis and Organization Performance

The second specific objective of the study was to determine the influence of SWOT analysis on performance of food and beverage manufacturing firms in Kiambu County, Kenya. The respondents were requested to indicate their level of agreement on various statements relating to SWOT analysis and performance of food and beverage manufacturing firms in Kiambu County, Kenya. The results were as presented in Table 42.

From the results, the respondents agreed that they effectively leverage their core strengths to achieve strategic goals (M=3.955, SD= 0.895). In addition, the respondents agreed that their strengths are well-documented and communicated across the organization (M=3.946, SD=0.886). Further, the respondents agreed that they regularly identify and assess areas where their organization is underperforming (M=3.907, SD= 0.725). The respondents also agreed that they systematically explore new market opportunities that align with their strategic goals (M=3.902, SD= 0.881).

The respondents agreed that their organization is proactive in identifying and pursuing emerging trends and opportunities (M=3.898, SD=0.683). In addition, the respondents agreed that they actively monitor and evaluate potential external threats that could impact their business (M=3.884, SD=0.796).

Table 4. 2: SWOT Analysis and Organization Performance

	Mean	**Std. Dev**
We effectively leverage our core strengths to achieve strategic goals.	3.955	0.895
Our strengths are well-documented and communicated across the organization	3.946	0.886
We regularly identify and assess areas where our organization is underperforming	3.907	0.725
We systematically explore new market opportunities that align with our strategic goals.	3.902	0.881
Our organization is proactive in identifying and pursuing emerging trends and opportunities	3.898	0.683
We actively monitor and evaluate potential external threats that could impact our business.	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 (benchmarking and SWOT analysis) and the dependent variable (performance of food and beverage manufacturing firms in Kiambu County, Kenya).

Table 4. 3: Correlation Coefficients

		Organization Performance	**Benchmarking**	**SWOT Analysis**
Organization Performance	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	189		
Benchmarking	Pearson Correlation	.846**	1	
	Sig. (2-tailed)	.001		
	N	189	189	
SWOT Analysis	Pearson Correlation	.869**	.179	1
	Sig. (2-tailed)	.000	.071	
	N	189	189	189

From the results, there was a very strong relationship between benchmarking and performance of food and beverage manufacturing firms in Kiambu County, Kenya (r = 0.846, 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 Agbo (2020) that there is a very strong relationship between benchmarking and organization performance.

The results also revealed that there was a very strong relationship between SWOT analysis and performance of food and beverage manufacturing firms in Kiambu 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 SWOT analysis and organization performance.

Regression Analysis

Multivariate regression analysis was used to assess the relationship between independent variables (benchmarking and SWOT analysis) and the dependent variable (performance of food and beverage manufacturing firms in Kiambu 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), benchmarking and SWOT analysis

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 Kiambu County, Kenya) could be explained by independent variables (benchmarking and SWOT analysis).

Table 4. 5: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.027	2	6.014	83.53	.000[b]
	Residual	6.552	184	.036		
	Total	18.579	188			

a. Dependent Variable: performance of food and beverage manufacturing firms in Kiambu County, Kenya

b. Predictors: (Constant), benchmarking and SWOT analysis

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 benchmarking and SWOT analysis on performance of food and beverage manufacturing firms in Kiambu 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
	Benchmarking	0.376	0.095	0.375	3.958	0.002
	SWOT analysis	0.387	0.097	0.386	3.990	0.000

a Dependent Variable: performance of food and beverage manufacturing firms in Kiambu County, Kenya

The regression model was as follows:

$$\mathbf{Y = 0.330 + 0.376X_1 + 0.387X_2 + \varepsilon}$$

According to the results, supplier benchmarking has significant effect on performance of food and beverage manufacturing firms in Kiambu County, Kenya, β1=0.376, 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 conform to the findings of Agbo (2020) that there is a very strong relationship between benchmarking and organization performance.

In addition, the results revealed that SWOT analysis has significant effect on performance of food and beverage manufacturing firms in Kiambu 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 SWOT analysis and organization performance.

Conclusions

The study concludes that benchmarking has a positive and significant effect on performance of food and beverage manufacturing firms in Kiambu County, Kenya. Findings revealed that internal benchmarking, external benchmarking and performance benchmarking influence performance of food and beverage manufacturing firms in Kiambu County, Kenya.

The study also concludes that SWOT analysis has a positive and significant effect on performance of food and beverage manufacturing firms in Kiambu County, Kenya. Findings revealed that strengths, weaknesses and opportunities threats influence performance of food and beverage manufacturing firms in Kiambu County, Kenya.

Recommendations

The study recommends that the management of beverage manufacturing firms should implement a structured benchmarking process that involves comparing their operations and practices with those of industry leaders both locally and globally. By systematically evaluating key performance indicators such as production efficiency, quality control, and customer service against best-in-class competitors, firms can identify performance gaps and areas for improvement.

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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