Influence of Grand Strategies on Performance of Manufacturing Firms in Nairobi County, Kenya

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ABSTRACT

Relationship between grand strategies and performance of manufacturing firms has gained credence globally. Manufacturing firms in Japan have recorded greater success in manufacturing sector globally due to their ability to adopt various grand strategies that have aided them to achieve sustained competitive advantage. However, manufacturing industry in Kenya has experienced decline over the last five years. Manufacturing sector GDP contribution in Kenya has reduced in 2022 first quarter to KES 118,134 from KES 113,460 million 2022 second quarter. Therefore, this study sought to examine the influence of grand strategies on performance of manufacturing firms in Nairobi County, Kenya. The specific objectives were to examine the influence of product development strategy on performance of manufacturing firms and to establish the influence of turnaround strategy on performance of manufacturing firms in Nairobi County, Kenya. The study was guided by Igor Ansoff's theory, and Stage theory of successful turnaround. Descriptive research design was used in this study. One hundred (100) respondents from 20 large manufacturing firms in Nairobi County were targeted. The sampling frame comprised of marketing/sales managers, finance managers, human resource managers, operational managers, Strategy & Business Development Managers. The study sampled 100 using census sampling technique. Primary data was collected using a well-designed questionnaire. Quantitative data was analyzed using descriptive and inferential statistics. Descriptive analysis was summarized data in form of central tendency as well as dispersion and inferential analysis was used to test hypothesis at a significance level of 0.05. Descriptive analysis included; frequencies, Mean, Standard deviation and percentage while inferential analysis involved correlation analysis and multiple linear regression analysis. Prior to conducting multiple linear regressions, the study ensured that the assumptions of linear regression are met. The data was presented in form of tables and models. The results indicated that product development strategy had positive and significant effect on organizational performance. Turnaround strategy had a positive and significant effect on performance. On the other hand, the regression analysis revealed that the grand strategies explained up to 64.5% change in organizational performance of manufacturing firms in Nairobi County. The study concluded that grand strategies significantly influence organizational performance of manufacturing firms in Nairobi County. This study recommends that management of manufacturing firms pursuing product development strategies so as to come up with products that meet the changing needs of their customers. It is recommended that the companies should open new branches in new geographical areas to reach new customers not only beyond Nairobi County, but also beyond East Africa. The companies can expand their product lines by developing new products that may or may not be related to the current products to target current customers. The study recommends that management of manufacturing firms should create an organizational culture that is in line with their turnaround strategy.

Keywords: [Organizational Performance, Product Development Strategy, Turnaround Strategy]

INTRODUCTION

Organizations are facing exciting and dynamic challenges in the 21st century thus making it very difficult for any modern business enterprise to operate. Because of uncertainties, threats and constraints, the business corporations are under great pressure and are trying to find out the ways and means for their healthy survival. Under such circumstances, the only last resort is to make the best use of strategic management which can help the corporate management to explore the possible opportunities and at the same time to achieve an optimum level of efficiency by minimizing the expected dangers (Ansoff, Kipley & Ansoff, 2019). Globalization of business has forced organization to consider their strategic thinking and this can be achieved by involving robust grand strategies for them to attain sustainable competitive. Sustainable or sustained competitive advantage can be realized when an organization implements a strategy with value creation and other firms in the industry are incapable to replicate the benefits or find it expensive to introduce them. Grand strategy comprises of action, decision and commitments that are need for an organization to attain strategic competitiveness which will enable it to gain beyond average in the industry (Peng, 2013). Challenges of grand strategy goals are not limited to large firm as small firms are not exempted.

Grand strategy is something that has the characteristics of being long term in scope. Grand strategies are foundation for sustained and co-ordinated efforts aimed for attainment of long-term business goals (Robinson & Pearce, 2013). The key role of grand strategy is to co-ordinate all the resources of a firm towards the attainment of its goals, objectives and vision. Grand strategies describe a company's overall direction towards growth by managing business and product line. These include stability, growth and retrenchment. The process of developing corporate strategy involves making the moves to establish in different businesses and achieve diversification, initiating actions to boost the combined performance of the businesses the firm has diversified into, pursuing ways to capture valuable cross-business strategic fits and turn them into competitive advantage and establishing investment priorities and steering corporate resources into the most attractive business units.

Caldart and Ricart (2015) argue that grand strategy is a dynamic framework for a company strategy involving three interconnected elements that shape the company strategy itself, which are identifying success factors, company's initiative strategy and architecture design. Ireland, Hoskisson and Hitt (2013) also stated that grand strategy specifies actions firms take to gain a competitive advantage by selecting and managing a group of different businesses competing in different product market. Grand strategy influences all levels of strategy formulation including business and functional level, in that the decisions made at this level becomes the blue print of strategy formulation at the business level, which in turn influences the functional level. This does not mean that functional level and business level strategies do not influence corporate strategies. Even though there may be influence from both these levels of strategy formation on corporate strategy, it is how the corporation's top management defines the strategy of the company as a whole that will influence the company's strategy at various levels of its hierarchy.

The arguments that grand strategy has a limited impact on firm performance have been challenged (Thompson, 2011). Empirical evidence has shown that grand strategy matters in organization performance (Monroe, 2012). It has a small but significant influence on the variance of both business unit performance and organization performance. Brush & Bromiley (2014) asserted that grand strategies influence organization performance due to its ability to maximize organization potential and resources in the industry. Monroe (2012) established that

grand strategy could be used to distinguish successful firms from non-successful firms, hence grand strategy actually influence firm performance. This was also supported by Wheelen and Hunger (2012) where they indicated that grand strategy does matter to firm performance and can be utilized to differentiate the continuing firm superior performance group from the non-continuing firm superior performance groups on the basis of the incidence of resource governance decisions. The key role of grand strategy is to co-ordinate and direct all the resources of a firm towards the attainment of its goals and objectives and vision (Pearce & Robinson, 2013). Therefore, grand strategy should be aligned appropriately so as to drive firm performance towards a stated target.

Statement of the Problem

Past studies have indicated that grand strategies have an influence on firm performance (Liu, Lin & Huang, 2014; Marangu, Oyagi & Gongera, 2014). Nandakumar, Ghobadian, and O'Regan (2011) asserted that Japanese manufacturing firms have realized performance due to adoption of grand strategies especially product, market and diversification strategies. Gerald and Elisifa (2013) postulated that grand strategies have significantly contributed to the performance of companies being listed in the Dar es Salaam stock exchange. Paul and Dorothy (2016) asserted that performance of food processing companies in Kenya is influenced by grand strategies especially market development strategy. Kenya manufacturing sector has registered stagnation and declining profits for the last five years due to unpredictable operating environment. This exposes a gap in the country's ability to achieve a fully industrialized economy by 2020 (WB, 2017). The gross domestic product from manufacturing sector has been stationary and in some cases there has been drop due to seasonal fluctuations (Trading Economics, 2017). KPMG (2016) revealed

that real growth in the manufacturing sector averaged 4.1% p.a. during 2010-2017 which is lower than the average annual growth in overall real GDP of 4.6%. It is estimated that manufacturing firms in Kenya have lost 70 per cent of their market share in East Africa (GoK, 2015) due to contingencies. Firms such as TATA, Johnson & Johnson and Unilever have announced plans to shut down their plants or shift operations from Nairobi to other countries due to cost of production, cheap imports and counterfeit products (KAM, 2016).

This has resulted to reduction in government annual gross domestic product, inflation, unemployment and trading imbalance which has led to unstable and weak Kenya shilling as a consequence of rise in imports. The KPMG report argues that there is still a lot of room for expansion in Kenya's manufacturing sector but for this to happen; there is need for effective strategies to be implemented so as to compete with imports (KPMG, 2016). It is imperative to examine influence of grand strategies on performance of large manufacturing firms in Nairobi County.

General Objective of the Study

The general objective of the study was to investigate influence of grand strategies on performance of manufacturing firms in Nairobi County, Kenya.

Specific Objectives

The specific objectives were:-

i. To examine the influence of product development strategy on performance of manufacturing firms in Nairobi County.

ii. To establish the influence of turnaround strategy on performance of manufacturing firms in Nairobi County.

Research Hypotheses

This study was guided by the following research hypotheses

$H0_1$: Product development strategy does not significantly influence organizational performance of manufacturing firms in Nairobi County.

H0₂: Turnaround strategy does not significantly influence organizational performance of manufacturing firms in Nairobi County.

LITERATURE REVIEW
Theoretical literature
This study is founded on the, igor Ansoff (Igor, 1957) which offers extensive explanation of product development and Stage Theory of Successful Turnaround (1991) for turnaround strategies.

Igor Ansoff's Theory
Igor (1957) posited that for an organization to increase its performance, it needs to achieve products and market growth through four different strategies which depends on whether or not a company or product is already present in the market. He considered two dimensions; one dimension is based on the product being either new or existing while the other dimension consider market as new or existing. The four main growth strategies include market penetration, product development, diversification and market development.

The growth strategies pose different levels of risks and need for investment. Market penetration which involves selling more of existing products in already exiting market possess the lowest risk (Shroder, 2015), this strategy is aimed at achieving market dominance through gaining competitor's customers, attracting non-users and having the current users buy more (Gardetti,2005). While companies attempt to venture into new markets such as new countries and new geographical regions using their current products. This can be achieved through different segment of customers, industrial buyers for a product that was earlier sold exclusively to the new household regions or areas of the foreign markets and country. This kind of strategy is more probable to be a success in cases where the company has an inimitable production technology that can control the new market, the company can gain from economies of scale only if it is able to expand the output, the new market

does not differ significantly from the previous and therefore, the new buyers in the market are inherently lucrative and profitable.

Organization could also opt to introduce new products in an already existing market by developing products that are closely related to the existing products, developing totally new products to match existing needs of customers or a product that rejuvenates the usage of existing product (Free-Management-e-Books, 2016) as a strategy, this strategy was described by Igor (1957) as product development strategy. This entails expanding the product spectrum available to the company's current markets. These goods may be achieved by buy in the product, acquiring of patent rights in production of another company or individual products, investment in development and research of extra products and "branding" it and combined development with owners of another product that requires entry to the channel of distribution or brands.

Diversification strategy proposed by Igor (1957) involves developing a totally new product and selling it in a new market that the organization was not operating in, while market development entails selling the existing product into a new market. Both diversification and product development pose the highest risk and are the least employed growth strategies (Shroder, 2015). Through diversification strategy, a firm attempts to expand their share of the market by introduction new products in the new markets. The strategy is considered risky as both market development and product development are required. This can be achieved via vertical integration and concentric diversification. Unrelated diversification also considered as conglomerate growth since the resultant company is a conglomerate which consist of various business is devoid of any kind of relationship among the firms.

The rationale of the Ansoff matrix has attracted a lot of criticisms. The logical issues relate to elucidations about newness.

If a person presumes a new product is indeed new to the organization, in numerous cases, a new product will instantaneously lead a company into a new unknown market. Otherwise, if a new product fail to take the company into a new market, then new product combination into new market fails to equate to diversification in the sense of venturing into a totally unfamiliar business (Dawes, 2018).

The theory was applicable in this study because the researcher had theorized that within the framework of the Ansoff growth matrix and the variable product leadership, the matrix allows marketers to consider ways to grow the business via existing and/or new products. In market development strategies, manufacturing firms could consider selling more established products into new markets by increased promotion or price reductions or better routes to market, while in product development it will involve manufacturing firms developing new products and placing them into existing markets. This involves extending the product range available to the firm's existing markets.

Stage Theory of Successful Turnaround

A considerable amount of research studies the phenomenon corporate turnarounds with the objective to distinguish firms that overcome severe performance decline and return to prosperity from those eventually which fail to recover. The stage theory of successful turnaround by Manimala (1991) identified four important stages in any successful turnarounds namely: arresting sickness, focusing on core business, expansion and growth, and institutionalization through culture building. It lays emphasis on turnaround managers to adopt a stage wise procedure when implementing their strategies. On the same note, the stage theory viewpoint explains how and why a chronology of events interact overtime and eventually leads to organisational survival or failure. Chowdhury (2002) proposed a similar four staged approach, which is, decline,

response, initiation, transition, and outcome. He further suggested that turnaround occurs when an organisation perseveres through an existence, threatening performance decline, ends the threat of bankruptcy with a combination of strategies, systems, skills and capabilities, and achieves sustainable performance recovery.

Consistent with Bibeault (1999), Pearce and Robbins (1993), Arogyaswamy, et al. (1995), and Graves and Smith (2005) viewed the turnaround process as consisting of a decline and recovery stage and all proposed models of the turnaround process. The studies viewed the crucial objective of the decline period as to stabilize the firm's financial condition and address root cause of decline in common. The studies suggested that the firm should undertake decline stemming strategies including turnaround actions such as improving efficiency by initiating cost retrenchment, renewing the firm's stakeholder support, supporting organizational motivation, and stabilizing internal environment (decision-making processes, responsibilities, and climate) in order to achieve stabilization, which is necessary for continuing with recovery strategies.

In the studies models, the decline-stemming strategies is stressed which should be applied with considerations to the severity of decline, size of the firm, and the level of available resources. When stabilized, the firm should consider the causes of decline and competitive situation in forming the recovery strategy. Before undertaking the recovery strategy, the firm should choose whether to continue to pursue its current strategy in a reduced form or implement a more growth-oriented (also mentioned as entrepreneurial-oriented) strategy. Previous model stress that decline stemming and recovery strategies should be executed sequentially, although they accept that turnaround actions may be overlapping (for example Pearce and Robbins, 1992). However, the major contribution of Smith and Graves' (2005) model is that it accepts that the two phases may be executed

simultaneously due to firm-specific circumstances. This was theorized based on case observations, where turnaround actions were observed to be executed simultaneously in practice.

The core criticism of this theory is related to its vagueness in relationship to stakeholders who are involved in organization turnaround as well as the time frame of turnaround. It focuses mainly on long run decline and ignore shock induced declines. There are some gaps in the theory which are considered as open questions. One of the fundamental gap in theory is how mismanagement and management of firm resources alter turnaround and crises (Witting, 2016). It varies from the question of how timing influences the result to the quality management in this respect and its intuition affecting organization resource composition. Another weakness stage theory of turnaround is the interaction and handling of stakeholders in an organization which ranges from the motivation structure in the organization, power struggles as well as interpersonal relations between stakeholder and management during implementation of turnaround strategies (Barker, Patterson & Mueller, 2001).

The relevance of this theory is its application by the management of manufacturing to achieve superior firm performance. This theory explains that in any turn around or transformation process, an organization goes through different stages. In so doing, organizations develop new goals which guide them towards attainment of their objectives. Further in the different stages, organizations come up with new programs, ideas and technology which they combine to make the change process successful. This theory is applicable in the current study as it assisted in describing turnaround strategy could result to the desired performance improvement. Further, two other theories used in this study did not cater for turnaround variable, therefore, its inclusion is vital.

Conceptual Framework

The conceptual framework was derived from the grand strategies identified in this study. The independent variable of this study was grand strategies operationalized through product development and turnaround strategies. The dependent variable was performance measured by the growth, adaptability and efficiency. The relationship between the independent and dependent variable was established by conceptual framework of the study as shown in Figure 1
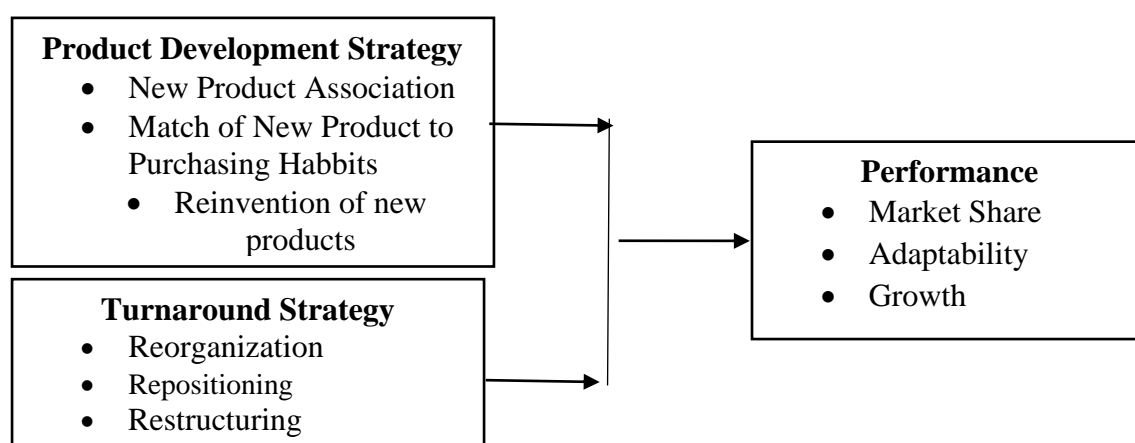

Figure 1: Conceptual Framework

Product Development strategy and Firm performance

Product development entails significant alteration of current products or creating of related or new products that can be marketed to the existing customers via established channels (Pearce & Robinson, 2000). The product development strategy is

adopted either to prolong lifecycle of current product or to take advantage of a favorite reputation or a brand name. The idea is to attract satisfied customers to new products as a result of their positive experience with the firm's initial offering. The product development strategy is based on penetration.

Hanna (2014) investigated market research in Swedish to establish to find the extent of new product development for diabetics. The study objective was to identify market entry barriers and perceived market potential for a new food with added health values for people with diabetes. The study findings indicate that there are many factors that affect conditions for product launch of healthy food products for diabetics. First of all the chosen food products should be relevant for target consumer and a part of their daily habits. It is important not to make niche products that are marketing to a small segment that could increase significant to failure in the market place target audiences in the society which means that products need to be marketed to all people in the society and simple products that could be included in the consumer's daily habits. The ingredients in the product play an important role. The study concluded that to identify market entry barriers and potential for a new food product there are different complex characteristics for developing new food products.

Liu, Lin and Huang (2014) tended to explore the effects of product development on operating performance in textile industry with quantitative questionnaire survey. Total 450 copies of questionnaires were distributed to the supervisors, employees, and customers of Tainan Spinning and 384 copies were retrieved, in which 347 copies were valid, with the retrieval rate 77%. The research results show more successful product development could better enhance operating performance in textile industry. Apparently, electronic marketing has largely changed consumers' purchase behaviors.

Mbithi, Muturi and Rambo (2015) empirically examined the impacts of product development strategy on firm performance. To do as such, two measures of product development strategy which incorporate improving existing products and new product development were considered as predicator variable while capacity utilization, sales quantities, profitability and total output turnover were used as performance measures. In line with hypothesis of the study, the results revealed that introduction of new products rather than sugar has basically been negligible while on the other hand, the improvement of existing product has been adopted via branding and packaging. The firm performance was positive as shown in capacity utilization, sugar sales quantities and total output turnover was moderate. On the other hand, there was fluctuation in profitability after tax. Performance was moderately reactive to increase of product procedures and process but lowly in the introduction of new products because, the firms have not yet realized actualization.

Adhiambo (2014) examined how commercial banks in Kenya financial performance are affected by product innovation. The finding of the study revealed that it is evident that all commercial banks innovated and implemented core products, formal products and augmented products over the year under study. Moreover and because of their nature core products do not need strong marketing content to be accepted by the market and are crucial to the banks since they serve a wide range of their customer segments. The findings shows that managers of commercial banks should put additional emphasis on innovation and continually slash costs and improve customer service with new products and competitive advantage by pioneering core products and customized software solutions. A successful product innovation should be marketed by moderate newness to the market, tried and tested technology, saved money, met customer needs and existing practice. Even though formal product innovation affects negatively financial performance,

managers should continue to invest more on innovative products and support new attempts of introducing new product innovations of each type. The study concludes that banks in Kenya use highly financial innovations to survive in the current environment characterized by tough competition and competitive bank products. The study also shows that banks have been motivated by different interests to pursue different financial innovations. Therefore, the study found out that there is no clear indication that shows its influence on organization performance for this reason the researcher studied on the manufacturing sector so as to identify whether product development strategy has an effect on performance of manufacturing industries.

Turnaround Strategies and Firm performance

To survive in a globally competitive market, firms need to take advantage of the new technological opportunities for efficiently serving their target market and quickly responding to the needs of customers during the turnaround process. This forces firms to become craftier in their resource management and manipulation. In the end, the ability to deal with a sophisticated demand results not only in a direction towards more differentiated products but also in a competitive edge in the global market. Ondimu (2015) points out the role of demanding customers for driving forward new solutions and products. Decisions should be made contingent to the prevailing situations.

Okwisa, Manana and Gicheru (2016) evaluated the result of turnaround techniques of Uchumi Supermarket. The examination embraced a case approach so as to get in-depth of the result in usage of turnaround strategies. The study population comprised of 311 employees from Uchumi Supermarket involving middle and top level managers. The study used simple random sampling to get real individuals. Primary data were gathered by utilizing interviews schedule and questionnaires while

Secondary information was gotten from an audit of distributed materials regarding the matter of turnaround and from association reports recording Uchumi turnaround. The qualitative information gathered was analyzed by utilizing narrations while data collect from quantitative techniques was analyzed using SPSS version 22. From the findings, it was concluded that the success of New Uchumi Supermarket turnaround strategies is largely due to great role played by stakeholders.

Johan and Handika (2018) explored the way in which leaders manage the company's turnaround process and their leadership style through a qualitative study in Indonesian business. Qualitative research approaches were selected as research design. Drawing from several top managers in various industries in Indonesia, the result showed that there are many attempts one should consider on implementing turnaround process. Financial restructuration, employee's transformation initiative, and business reengineering process are imperative approaches. Furthermore, leaders need to consider top-down approach on decision making, paying attention to details, and open communication to gain employees commitment.

Sijei, Omwenga and Iravo (2016) sought to determine the relationship between financial restructuring turnaround strategy and performance of small and medium enterprises in Kenya. The study targeted 8604; however, the sample size used in the study was three hundred and seventy five respondents. Descriptive survey design and correlational research design were used in this study. This study tested the null hypotheses that financial restructuring has no relationship with the performance of SMEs in Kenya. The study found that financial restructuring turnaround strategy had significant influence on SMEs performance.

Ngwenya, Sibanda and Zana (2016) sought to explore the extent of successful implementation of turnaround strategies in

the manufacturing sector in Harare over the period 2009 to 2014 on back drop of impediments and challenges faced. The study employed triangulation approach design as it was found to be the most suitable. A stratified random sampling was used to select companies for the purposes of the study across the 14 subsectors of the manufacturing sector in Zimbabwe. A minimum of 2 respondents per company was selected. Data was collected using questionnaires which were administered physically and electronically. In-depth interviews were also conducted for chief executive officers and managing directors. The findings of the study were that companies in the manufacturing sector implemented turnaround strategies that were focused on cutting down costs, with retrenchments yielding no positive results.

Ukaidi (2016) assessed empirically the impact of turnaround strategy and corporate performance. The three measures of corporate performance which was the criterion variable in this study were profit, return on investment (ROI) and return on equity (ROE) correspondingly turnaround strategy which was the predictor variable was operationalized into three empirically referents namely: cost reduction, asset reduction and revenue generation. Adopting methodological triangulation, our data collection included the questionnaires and interviews. An eight item scale was developed from literature and validated to generate data on mediating influence of contextual factors. By means of the SPSS window editor, descriptive statistics were computed using Pearson correlation coefficient and regression coefficients were calculated for testing the hypotheses. The result of analysis shows that there is a positive and significant association between the empirical referents of turnaround strategy and corporate performance

Research Design

According to Kothari (2003), arrangement of conditions for data collection and analysis in a way that aims to combine applicability to the study purposes with economy in procedure. The research design will help the researcher to organize her ideas in a form where it will be possible for her to look for flaws and inadequacies. As Oso (2011) states, there are several research design but the study adopted a descriptive method of research design in view of the fact that descriptive method enabled the researcher to get the results he wants and identify the relationship between independent variable and dependent variable. Descriptive design is preferred because it ensures complete description and analysis of the phenomena making sure that it has minimum biasness. Descriptive survey research designs are intended to produce accurate description of variables relevant to the decisions being faced without demonstrating that some relationship exist between the variables Luck and Rubin (1992). The descriptive survey research design enabled the researcher to get actual happenings and expected happenings in order to make a detailed assessment. This provided a detailed research which in turn allowed a more comprehensive coverage of organizations under study.

Target Population

Fowler (2013) asserted target population comprises of the whole group that is been studied. There are 230 large manufacturing firms located in Nairobi County (KAM Directory, 2017). The study targeted 20 Building, Mining and Construction manufacturing firms. Therefore, these firms were used as unit of analysis in this study. The unit of inquiry was top management who were viewed in this study as growth champions. As growth champions, they are the owners of their company key growth support functions since the teams have a broad range of capabilities and are contributors to and leaders of the growth agenda. This team comprised of marketing/sales managers, finance managers, human resource managers, operational managers, Strategy & Business

Development Managers. Therefore, the total target population was 100 from the 20 firms. The study considered Nairobi County because this is where most of the large scale manufacturing firms in different sectors are concentrated and thus providing a population where an adequate sample was selected. A list of the large Building, Mining and Construction manufacturing firms in Nairobi considered in the study is presented in appendix II. The target population is as shown in Table 1:

Table 1: Target Population

Sector	Number of Respondents
Sales/Marketing Managers	20
Operational Managers	20
Finance Managers	20
Human Resource Managers	20
Strategy & Business Development Managers	20
Total	100

Source: Kenya Association of Manufacturers (2021)

Sampling Frame

A list comprising of sampling units from which the study population is obtained is known as sampling frame (Cochran, 2007). Sampling frame outlines the study population. The sampling frame of this study included the marketing/sales managers, finance managers, human resource managers, operational managers, Strategy & Business Development Managers.

Sample Size and Sampling Techniques

A sample is a portion of the population that has been chosen to participate in the study. Cooper and Schindler (2003) defined sampling as selecting a given number of subjects from a defined population as a representative of that population. Sampling technique is process by which the entities of the sample are selected from the study population (Kothari, 2004). The sample size was 100 respondents. The use of census sampling was due to small number of target population and according to Mugenda and Mugenda (2008), for a population of 1-100 a sample of 100% shall be used as a sample size.

Data Processing and Analysis

According to Kothari (2005) data analysis include procedures included in the process of packaging the collected information by each instrument in order and structuring its main components in a way that the findings can be easily communicated. The process of data analysis will involve several stages namely; data clean up and explanation, data cleanup involved editing, coding and tabulation in order to detect any abnormalities in the response and assign specific numerical values to the response for further analysis completed questionnaires will be edited for completeness and consistency, the data was then coded and checked for any errors and omissions Cooper and Schondler (2003). Frequency tables and percentages were used to present the findings. Responses in the questionnaires were tabulated, coded and processed by use of a computer statistical package for social sciences (SPSS) version 20 program to analyze the data using descriptive. The generated information was reported through, percentages, tabulations and measures of central tendency. This provided the generalization of the findings.

In addition, multiple regression analysis was conducted to establish the relationship between grand strategy and Performance of manufacturing firms. Multiple regression is a flexible method of data analysis that may be appropriate whenever quantitative variables are to be examined in relation to any factors. Relationships may be non-linear, independent variables may be qualitative or quantitative and one can examine the effect of a single variable or multiple variables with or without the effect of other variables considered (Coherent, West and Aiken, 2003). To test individual hypothesis, the study used the following regression model as per the objectives.

H_{o1}: There is no significant influence of product development grand strategy on performance of manufacturing firms in

Nairobi County. $Y = \alpha + \beta_1 X_1 + \varepsilon$

H_{o2}: There is no significant influence of turnaround grand strategy on performance of manufacturing firms in Nairobi

County. $Y = \alpha + \beta_2 X_2 + \varepsilon$

The overall regression model of the study was as follows:
Y   = $\alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$
Where Y= Performance
          α= constant term
β_1 & β_2= coefficient of determination of independent
X_1 = product development Strategy
X_2 = Turnaround strategy
ε = error term

Descriptive Statistics
The presentation of descriptive statistics is based on the frequencies, percentage, mean and standard deviation of study variables. These variables were product development strategy, market development strategy, diversification strategy and turnaround

strategy which were independent variables while organizational performance of manufacturing firms in Kenya was dependent variable. The respondents were asked to indicate their level of agreement from 1 strongly disagree, 2-Disagree, 3-uncertain, 4-agree and 5 strongly agree. The findings are as follows.

Product development strategy and Organizational performance of manufacturing firms in Kenya
The first objective of this study was to examine the effect of product development strategy on organizational performance of manufacturing firms in Kenya. In order to achieve this objective, the study therefore sought to find out the extent to which product development strategy affects organizational performances. The results are presented in Table 2 in which percentage are presented inside brackets while frequency outside brackets.

Table 2: Product development strategy

Product development strategy	5	4	3	2	1	Mean	SD
The firm has continuously modified it existing products and service to suit its market demand.	19 (25.3)	29 (38.7)	15 (20)	9 (12)	3 (4)	3.69	1.10
The firm has structured itself to include the new products within the existing product lines.	9 (12)	42 (56)	12 (16)	10 (13.3)	2 (2.7)	3.61	0.96
The firm has continuously introduced new products in the market.	22 (29.3)	22 (29.3)	20 (26.7)	9 (12)	2 (2.7)	3.71	1.10
Product development strategy has resulted to improve on the quality of existing products.	10 (13.3)	38 (50.7)	16 (21.3)	7 (9.3)	4 (5.3)	3.57	1.02
The firm has sought growth opportunities in the existing product lines through product development strategy.	10 (13.3)	25 (33.3)	25 (33.3)	13 (17.3)	2 (2.7)	3.37	1.01
Overall Mean Score						3.59	1.04
N=75; KEY: 1= Strongly Disagree; 2= Disagree; 3=Uncertain; 4= Agree; 5=Strongly Agree; SD= Standard Deviation.							

The study findings from table 2 indicate that out of 75 respondents who took part in the study 25.3% strongly agreed, 38.7% agreed, 20% neutral and only 12.0% disagreed with the statement that their firm has continuously modify it existing products and service to suit its market demand. The line had a mean and standard deviation (M=3.69; SD= 1.10), which is an indicator that majority of the respondents well understood that their firm has continuously modified it existing products and service to suit its market demand. On the statement that their firm has structured itself to include

the new products within the existing product lines, 2.7% strongly disagreed, 13.3% disagreed, 16.0% were neutral, 56.0% agreed and 12.0% strongly agreed. The statement had a mean and standard deviation (M=3.61; SD=0.96).
On the statement of the firm has continuously introduced new products in the market, 2.7% strongly disagreed, 12.0% disagreed, 26.7% remained neutral, 29.3% agreed while 29.3% strongly agreed (M= 3.71; SD=1.10). This implies that majority of the respondents were in agreement that their firm has continuously introduced new

products in the market. Out of 75 respondents who participated in this study, 5.3% strongly disagreed, 9.3% disagreed, 21.3% was neutral, 50.7% agreed and 13.3% strongly agreed that with the statement that product development strategy has resulted to improve on the quality of existing products (M=3.57; SD=1.02). This indicates that majority of were in agreement that product development strategy has resulted to improve on the quality of existing products. Few of the respondents strongly agreed 13.3%, 33.3% strongly agreed that the firm has sought growth opportunities in the existing product lines through product development strategy although 33.3% of the respondents were undecided. The statement had a mean and standard deviation (M=3.37; SD=1.04).

Averagely, the level of product development strategy was at 71.8% mean response (mean=3.59, std. dev. =1.04) rated high as shown in Table 2 an implication that product development strategy such as introduction of new products and improvement of existing products influences organizational performance. Kotabe (1990) in his study found a direct relation to new product performance and better performance while Liu, Lin & Huang (2014) found successful product development to enhance operating performance in textile industry. In auto industry, Cusumano and Nobeoka (1991) linked product development strategy with project structure to improve on project performance. This study findings that new product is expected to have a positive effect on organizational performance reaffirms that sugar companies cannot depend on their current product offering only to meet their sales and profit objectives. However important, still some new products do not succeed in the market according to (Hultink, Himmelberg & Palia, 1998). Hopkins (1981), points out that successful improvement of products through new processes is an important factor in the survival of the most companies. Organizations depend on such improvements for long-term growth and survival.

Turnaround strategy

The fourth objective of this study was to assess the effect of turnaround strategy on organizational performance of manufacturing firms in Nairobi County. So as to achieve this objective, the researcher sought to find out how turnaround strategy influences the organizational performances. The results are presented in Table 3 in which percentage are presented inside brackets while frequency outside brackets.

Table 3: Turnaround strategy

Turnaround strategy	5	4	3	2	1	Mean	SD
Reorganization of internal and external operations has helped the firm to use resources wisely in the pursuit of firm goals.	13 (17.3)	32 (42.7)	23 (30.7)	2 (2.7)	5 (6.7)	3.61	1.03
Restructuring of operations has aided the firm to cope with its challenges.	13 (17.3)	47 (62.7)	11 (14.7)	3 (4)	1 (1.3)	3.91	0.77
The firm has aligned performance incentives to the new structure.	7 (9.3)	54 (72)	4 (5.3)	7 (9.3)	3 (4)	3.73	0.91
The firm has repositioned its products and services so as to be seen as having few credible substitutes in the marketplace.	17 (22.7)	40 (53.3)	10 (13.3)	5 (6.7)	3 (4)	3.84	0.99
The structure of the firm has been reorganized to be more responsive to customers and the market.	14 (18.7)	40 (53.3)	14 (18.7)	5 (6.7)	2 (2.7)	3.79	0.92
Overall Mean Score						3.78	0.92
N=75; KEY: 1= Strongly Disagree; 2= Disagree; 3=Uncertain; 4= Agree; 5=Strongly Agree; SD= Standard Deviation.							

The findings indicate that out of 75 respondents who took part in the study, 6.7% strongly disagreed, 2.7% disagreed, 30.7% remained neutral, 42.7% agreed while 17.3% strongly agreed that reorganization of internal and external operations has helped the company to use resources wisely in the pursuit of company goals. The line had a mean and standard deviation (M= 3.61, SD= 1.03), indicating that reorganization of internal and external operations has helped the company to use

resources wisely in the pursuit of company goals. Furthermore majority of the respondents agreed that restructuring of operations has aided the company to cope with its challenges (M=3.91; SD=0.77), indicating that restructuring of operations has aided the company to cope with its challenges.

On the statement that the firm has aligned performance incentives to the new structure, 4.0% strongly disagreed, 9.3% disagreed, 5.3% remained neutral, 72.0% agreed while 9.3% strongly agreed. The statement had a mean and standard deviation (M=3.73; SD= 0.91), indicating that firms have aligned performance incentives to the new structure. The results also revealed that 53.3% agreed and 22.7% strongly agreed that the firm has repositioned its products and services so as to be seen as having few credible substitutes in the marketplace. Further, 13.3% of the respondents were undecided with a mean of 3.84 and standard deviation of 0.99. Lastly, 53.3% and 18.7% of the respondents agreed and strongly agreed that the structure of the firm has been reorganized to be more responsive to customers and the market. On the other hand, 18.7% of the respondents were undecided with a mean of 3.79 and standard deviation of 0.92.

Averagely, the level of product development strategy was at 75.6% mean response (mean=3.78, std. dev. =0.92) rated high as shown in Table 4.8 an implication that turnaround strategy such as reorganization, repositioning and restructuring influences organizational performance. In his study, Masinde (2016) concluded that Kenya Railway Corporation adopted six principal strategies that helped in making a sustained recovery from a period of performance decline among them being the downsizing of the bloated workforce. Mutunga (2013) also supports the study as she concludes that for the turnaround strategies to be successful, status quo must change by injecting new and vibrant workforce committed to her vision and that it should be swift, prompt, and decisive to negate the spillover effect such neglect could cause. Sije (2017) found out that the majority of the respondents agreed that diversification strategy had improved performance of their business. These results were consistent with Ondimu(2015)"s who found out that diversification in banks had positive performance feedback that reinforced the persistency of using a diversification strategy in the future and also it involved seeking growth opportunities in other new industries.

Organizational performance of manufacturing firms in Nairobi County

The general objective of the study was to examine effect grand strategies on organizational performance of manufacturing firms in Nairobi County. The results are presented in Table 4 in which percentage are presented inside brackets while frequency outside brackets.

Table 4: Organizational performance

Organizational performance	5	4	3	2	1	Mean	SD
The firm has more than doubled in size for the past five years.	18 (24)	25 (33.3)	27 (36)	3 (4)	2 (2.7)	3.72	0.97
The Firm has maintained customer value in the market in terms of products/services offered.	9 (12)	44 (58.7)	14 (18.7)	6 (8)	2 (2.7)	3.69	0.88
The firm's volume of sales has been increasing steadily.	13 (17.3)	27 (36)	22 (29.3)	12 (16)	1 (1.3)	3.52	1.00
The firm meets the required needs and demands of the market on time.	18 (24)	37 (49.3)	6 (8)	13 (17.3)	1 (1.3)	3.77	1.05
There has been improvement in firm's customer base.	18 (24)	15 (20)	26 (34.7)	14 (18.7)	2 (2.7)	3.44	1.13
Overall Mean Score						3.63	1.01
N=75; KEY: 1= Strongly Disagree; 2= Disagree; 3=Uncertain; 4= Agree; 5=Strongly Agree; SD= Standard Deviation.							

The study findings from table 4 indicate that out of 75 respondents who took part in the study 24.0% strongly agreed, 33.3% agreed, 36.0% neutral, 4.0% disagreed and only

2.7% strongly disagreed with the statement that the firm has more than doubled in size for the past five years. The line had a mean and standard deviation (M=3.72; SD= 0.97), which is an indicator that majority of the respondents well understood that their firm has more than doubled in size for the past five years. On the statement that their firm has maintained customer value in the market in terms of products/services offered, 2.7% strongly disagreed, 8.0% disagreed, 18.7% were neutral, 58.7% agreed and 12.0% strongly agreed. The statement had a mean and standard deviation (M=3.69; SD=0.88). On the statement that the firm's volume of sales has been increasing steadily, 1.3% strongly disagreed, 16.0% disagreed, 29.3% remained neutral, 36.0% agreed while 17.3% strongly agreed (M= 3.52; SD=1.00). This implies that majority of the respondents were in agreement that the firm's volume of sales has been increasing steadily.

Out of 75 respondents who participated in this study, 1.3% strongly disagreed, 17.3% disagreed, 8.0% was neutral, 49.3% agreed and 24.0% strongly agreed that their firm meets the required needs and demands of the market on time (M=3.77; SD=1.05). This indicate that majority of the firms met the required needs and demands of the market on time. Few of the respondents strongly agreed 24.0%, 20.0% agreed that there has been improvement in firm's customer base.

although 34.7% of the respondents were undecided. The statement had a mean and standard deviation (M=3.44; SD=1.13). Averagely, the level of performance was at 72.6% mean response (mean=3.63, std. dev. =1.14) rated high as shown in Table 4.

Pearson Correlation Analysis
Linear regression analysis assumes there is linear relationship between independent and dependent variables. The linearity is as a result of significance level being less than 0.05 which was evident for all study variables. All linear relationships were significant at 0.01 (99.0% confidence level). The results are as shown in Table 5.

Table 5: Pearson Correlation Analysis

		PDS	TS
PDS=Product development strategy	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	75	
TS =Turnaround strategy	Pearson Correlation	.291[*]	1
	Sig. (2-tailed)	.011	
	N	75	75
Organizational performance	Pearson Correlation	.438[**]	.604[**]
	Sig. (2-tailed)	.000	.000
	N	75	75
**. Correlation is significant at the 0.01 level (2-tailed).			
*. Correlation is significant at the 0.05 level (2-tailed).			

The results indicate that product development strategy has a moderate positive Pearson correlation (r=0.438) influence on organizational performance of manufacturing firms in Nairobi County. This indicates that product development strategy plays a major role in ensuring organizational performance. These findings support the studies by Fong, Lo and Ramayah (2014); Mbithi, Muturi and Rambo (2015); and Numa (2013) which found a significant and positive relationship between the two variables. The findings

agree with Szutu (2019) who suggested that there is a positive relationship between product development and product effectiveness. Mei et al. (2014) concluded that all components of product development, including technical innovation, functional innovation, and market innovation, improve organizational performance. According to Nwokah and Ofoeghu (2019) the aspects of product development such as product quality and product mix have a positive association with aspects of organizational

efficiency, profitability, sales volume and customer loyalty.

The results showed that there is positive relationship between turnaround strategy and organizational performances (Pearson correlation coefficient, r= 0.604). This implies that turnaround strategy is very necessary in attaining organizational performances. Okwisa, Manana and Gicheru (2016) evaluated the result of turnaround techniques of Uchumi Supermarket. From the findings, it was concluded that the success of New Uchumi Supermarket turnaround strategies is largely due to great role played by stakeholders.

Linear Regression Results

Linear regression analyses were used to test the null hypotheses used in this study. The study used two types of linear regression analysis, the simple linear regression analysis for each independent variable while multiple linear regression analysis was used to establish the regression coefficients using beta coefficients. The study used

significance level of beta coefficients in multiple linear regressions to test null hypotheses. The R square was used to tell the amount of change in organizational performance of manufacturing firms in Nairobi County that is been accounted for by the independent variables. The significance level was at 0.05.

Influence of Product development strategy on Organizational performance of manufacturing firms in Nairobi County

The first objective of the study was to examine the effect of product development strategy on organizational performance of manufacturing firms in Nairobi County. This was achieved by carrying out simple linear regression to establish the coefficient of determination (r^2) which explains changes in organizational performance of manufacturing firms in Nairobi County that is been accounted for by product development strategy. The results are as shown in Table 6.

Table 6: Regression Results of Product development strategy and Organizational performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.438[a]	.192	.181	.68527	.192	17.339	1	73	.000
a. Predictors: (Constant), Product development strategy									
b. Dependent Variable: Organizational performance of manufacturing firms in Nairobi County									

Table 7: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8.143	1	8.143	17.339	.000[b]
	Residual	34.281	73	.470		
	Total	42.423	74			
a. Dependent Variable: Organizational performance of manufacturing firms in Nairobi County						
b. Predictors: (Constant), Product development strategy						

Table 8: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.501	.473		3.173	.002
	Product development strategy	.517	.124	.438	4.164	.000
a. Dependent Variable: Organizational performance of manufacturing firms in Nairobi County						

From the Table 6, the value of R^2 is 0.192 shows that product development strategy explains up to 19.2% of variance in organizational performance of manufacturing firms in Nairobi County. From the ANOVA results, the significance

of the model has a value F (1, 74) =17.339, P=0.000. This implies that product development strategy is a useful predictor of organizational performance of manufacturing firms in Nairobi County. The unstandardized regression coefficient value

of product development strategy is 0.517 and significance level of p=0.000. This indicated that a unit change in product development strategy would result to significant change in organizational performance of manufacturing firms in Nairobi County by 0.517 units, P<0.01. Hence, there exists a positive and significant influence of product development strategy on organizational performance of manufacturing firms in Nairobi County. The simple linear regression equation is as shown below

Organizational performance (Y)= $1.501+0.517(X_1)$ Product development strategy

The findings are in agreement with studies by Liu, Lin and Huang (2014) in textile industry where they found product development to better enhance operating performance and organizational effectiveness. Wang (2011) further confirm the findings of this study when they concluded that product based strategies impact positively on performance when they

considered innovativeness of product against performance. The results further partially confirm previous findings of Hoofer and Reilly (2014) who associated strong sales with new product introductions in car industry. Udegbe and Udegbe (2013) findings show innovation process on products to exert positive influence on organizational performance. Innovativeness in development of new products or improvement of existing ones is further supported by resource based theory where new organisational resources are found to benefit from new opportunities and eventually boosting performance (Rangone, 2009).

Influence of Turnaround strategy on Organizational performance of manufacturing firms in Nairobi County

The fourth objective of the study was to assess the effect of turnaround strategy on organizational performance of manufacturing firms in Nairobi County. The results are as shown in Table 9.

Table 9: Regression Results of Turnaround strategy and Organizational performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.604[a]	.365	.356	.60758	.365	41.921	1	73	.000
a. Predictors: (Constant), Turnaround strategy									
b. Dependent Variable: Organizational performance of manufacturing firms in Nairobi County									

Table 10: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	15.475	1	15.475	41.921	.000[b]
	Residual	26.948	73	.369		
	Total	42.423	74			
a. Dependent Variable: Organizational performance of manufacturing firms in Nairobi County						
b. Predictors: (Constant), Turnaround strategy						

Table 11: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.270	.343		3.704	.000
	Turnaround strategy	.618	.095	.604	6.475	.000
a. Dependent Variable: Organizational performance of manufacturing firms in Nairobi County						

From the Table 9, the value of R^2 is 0.365 reveals that up to 36.5% of change in organizational performance of manufacturing firms in Nairobi County is accounted for by turnaround strategy. From the ANOVA results, the significance of the model has a value F (1,74) =41.921, P=0.000. This postulates that turnaround

strategy is a significant predictor of organizational performance of manufacturing firms in Nairobi County. The unstandardized regression coefficient value of turnaround strategy is 0.618 and significance level of p=0.000. This implies that a unit change in turnaround strategy would result to significant change in

organizational performance of manufacturing firms in Nairobi County by 0.618 (P<0.05). Therefore, there exists a positive and significant influence of turnaround strategy on organizational performance of manufacturing firms in Nairobi County. The simple linear regression equation is as shown below

Organizational performance (Y)= 1.270+0.618 (X$_2$)Turnaround strategy

The results are in agreement with the findings of Sije (2017) who found out that there was a positive and significant relationship between reorganization turnaround strategy and Small and Medium Enterprises" performance in Kenya. Lee and Schaltegger, (2014) in their study, suggested that for a firm to achieve transformation expected during the reorganization turnaround strategies, leaders from the top management are usually instrumental in enabling large and more radical changes tailored to improving firm performance positively. This conclusion supported the proposition that organizations had the right employees committed to the organization vision which scored the highest mean of 3.41 in agreement. These findings further

contradicted the works of Evans et al, (2013) who, in their study of the applications of proxy system modelling in high resolution paleoclimatology found reconfiguration of operations to have no likely effect with the success of the companies.

Multiple Regression Analysis
Objective of this study sought objective of the study was to examine effect grand strategies on organizational performance of manufacturing firms in Nairobi County. This was achieved by carrying out standard multiple regression. The study was interested in knowing the effect of each of the growth strategies constructs on organizational performance when all these constructs were entered as a block on the model. The results of multiple linear regression analysis were presented in model summary tables which contained model summary (R, R^2, Adj R^2) results, ANOVA tables (goodness of fit; F Ratio, Sig Value) while multiple regression tables contained regression coefficient (Unstandardized & standardized), t-value and Sig. value results.

Table 12: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.803ᵃ	.645	.625	.46393	.645	31.777	4	70	.000

a. Predictors: (Constant), Diversification strategy, Turnaround strategy, Market development strategy, Product development strategy
b. Dependent Variable: Organizational Performance

The results from the model summary in Table 12 give us information on the overall summary of the model. Looking at the R square column, we can deduce that turnaround strategies account for 64.5% significant variance in organizational performance (R square =.645, P=0.000) implying that 35.5% of the variance in organizational performance is accounted for by other variables not captured in this model. From the findings, also adjusted R

square value is obtained, which is a corrected R square value to provide a useful estimate of true study population. The difference between R^2 and adjusted R^2 is obtained by subtracting the later from the former (.645-.625=0.020) a value when multiplied by 100% results in 2.0 percent. This reduction implies that should the model originated from the entire population instead of a sample, it would explain about 2.0% less variation in the study outcome.

Table 13: Model of Fit (ANOVA Table)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	27.357	4	6.839	31.777	.000[b]
	Residual	15.066	70	.215		
	Total	42.423	74			
a. Dependent Variable: Organizational Performance						
b. Predictors: (Constant), Turnaround strategy						

In order to assess the significance of the model, simply whether the study model is a better significant predictor of the organizational performance rather than using mean score which is considered as a guess, the study resorted to F Ratio. The F value from study findings indicates the proportion of the improvement in predicting the results from fitting the model relative to the inaccuracy or errors that still prevails in the study model. From the findings, the F value is more than one, as indicated by a value of 31.777, which means that enhancement as a result of model fitting is much larger than the model errors/inaccuracies that were not used in the model ($F_{(4,74)} = 31.777$, P=0.000). The large F value is very unlikely to exist by chance (99.0%), thus implying that the final study model has significant improvement in it is prediction ability of manufacturing firms' performance in Nairobi County.

The presented in Table 14 shows unstandardized coefficients, standardized coefficients, t statistic and significant values. The study has an option of either using Unstandardized Coefficients or Standardized Coefficients depending on the type of data. The study used unstandardized coefficient column because we want to compare grand strategies effect across same measures (Likert Scale 1 through 5).

Table 14: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.646	.425		-1.519	.133
	Product development strategy	.202	.093	.171	2.169	.033
	Market development strategy	.344	.133	.269	2.587	.012
	Diversification strategy	.347	.097	.357	3.597	.001
	Turnaround strategy	.232	.093	.227	2.501	.015
a. Dependent Variable: Organizational Performance						

A regression of the four predictor variables against organizational performance established the multiple linear regression model as below as indicated in Table 14:

$Y = 0.646 + 0.202X_1 + 0.232X_2$

Where;

Y = Organizational performance of Manufacturing firms in Nairobi County

X_1 = Independent variable 1 [product development strategy]

X_2 = Independent variable 4 [turnaround strategy]

From the findings presented in Table 14, we look at the model results and scan down through the unstandardized coefficients B column. All growth strategies constructs had significant effect on the organizational performance. If grand strategies are held at zero or it is absent, the performance of manufacturing firms would decrease by 0.646units, but not significant since p -value is 0.133. It was revealed that product development strategy had unique significant contribution to the model with B=.202, p=.033 suggesting that controlling of other variables (Market development strategy, Diversification strategy and Turnaround strategy) in the model, a unit increase in product development strategy would result to significant increase in manufacturing firms performance by 0.202 units. Liu, Lin and Huang (2014) tended to explore the effects of product development on operating performance in textile industry with quantitative questionnaire survey. The research results show more successful product development could better enhance operating performance in textile industry. Mbithi, Muturi and Rambo (2015) empirically examined the impacts of

product development strategy on firm performance. Performance was moderately reactive to increase of product procedures and process but lowly in the introduction of new products because, the firms have not yet realized actualization.

The coefficient of market development strategy was 0.344, which was significant (p=.012) and also positive. When the variance explained by all other variables (product development strategy, diversification strategy and turnaround strategy) in the model is controlled, a unit increase in Market development strategy would result to increase in manufacturing firms performance by 0.344 units. Paul and Dorothy (2016) studied market development strategy and success of food processing companies in Kenya. Findings showed that firms expanding within and outside the country were showing a high level of success. Chisanga, et. al., (2014) showed that while firms have strategically positioned themselves in markets which are characterized by trade and investment incentives, the competitive outcomes in the region are more likely to be affected by protectionism. Muga (2016) sought to establish the strategies adopted by the twenty-two multinational pharmaceutical companies operating in Kenya, their performance and the influence of these strategies on the performance of these companies. Obasan, Ariyo & Hassan (2015) investigated the nature of relationship between marketing strategy and product performance with a special focus on the food and beverage industry in Nigeria. The results show that indeed marketing strategy impacts product performance of the observed firms.

Another variable that also had a unique significant contribution to the model was the value for Diversification strategy (B=.347, p=.001). When other variables in the model are controlled (market development strategy, product development strategy and turnaround strategy), a unit increase in diversification strategy would result to significant increase in manufacturing firms

performance by 0.347 units. Averen (2011) studied on diversification as a corporate strategy: an assessment of financial performance of industrial companies in South Africa. The study found out that moderately diversified companies performed better than highly diversified and focused companies. Anne (2016) showed that mobile internet banking among agency banking, money transfer services, asset financing and bank assurance as product diversification strategy used by banks was the main products that banks have diversified. Similarly Afza, Slahudin and Nazir (2008) in their study on the relationship between diversification and firm performance in Pakistan left many doors open like the influence of group size on diversification, nature of corporate diversification whether related or unrelated.

Lastly, turnaround strategy had also unique significant contribution to the model with B=0.232, p=.015 implying that when other variables in the model are controlled (market development strategy, diversification strategy and product development strategy), a unit increase in turnaround strategy would result to significant increase in manufacturing firm's performance by 23.2units. Ukaidi (2016) assessed empirically the impact of turnaround strategy and corporate performance. The result of analysis shows that there is a positive and significant association between the empirical referents of turnaround strategy and corporate performance. Ngwenya, Sibanda and Zana (2016) sought to explore the extent of successful implementation of turnaround strategies in the manufacturing sector in Harare over the period 2009 to 2014 on back drop of impediments and challenges faced. The findings of the study were that companies in the manufacturing sector implemented turnaround strategies that were focused on cutting down costs, with retrenchments yielding no positive results. Sijei, Omwenga and Iravo (2016) sought to determine the relationship between financial restructuring turnaround strategy and

performance of small and medium enterprises in Kenya. The study found that financial restructuring turnaround strategy had significant influence on SMEs performance.

Testing Null Hypotheses

The hypotheses testing was based on Table 14 which is regression coefficient results for multiple linear regression analysis. This was arrived by using significance level of unstandardized B coefficient. The significance level was set at P<0.05; therefore, B coefficient which had significance level less than 0.05 was considered significant and therefore, the null hypothesis was rejected.

H_{01}: Product development strategy does not significantly influence organizational performance of manufacturing firms in Nairobi County.

H_{A1}: Product development strategy does significantly influence organizational performance of manufacturing firms in Nairobi County.

B Coefficient results: (B_1 = 0.202; p=0.033< 0.05)

Verdict: The null hypothesis H_{01} was rejected.

Results interpretation: H_{A1}: Product development strategy does significantly influence organizational performance of manufacturing firms in Nairobi County.

H_{02}: Turnaround strategy does not significantly influence organizational performance of manufacturing firms in Nairobi County.

H_{2A}: Turnaround strategy does significantly influence organizational performance of manufacturing firms in Nairobi County.

B Coefficient results: (B_2= 0.232; p=0.015< 0.05)

Verdict: The null hypothesis H_{04} was rejected.

Results interpretation: H_{A2}: Turnaround strategy does significantly influence organizational performance of manufacturing firms in Nairobi County.

CONCLUSIONS

In the first objective, the study concluded that product development strategy influenced organizational performance of manufacturing firms in Nairobi County. This implies that application of product development strategy would results to improvement in organizational performance. Manufacturing of firms in Nairobi has continuously modified it existing products and service to suit its market demand. Further, the study established manufacturing firms have structured themselves to include the new products within the existing product lines. Hence, manufacturing firms have continuously introduced new products in the market which has significantly improved organizational performance.

The study also concluded that turnaround strategy has significant influence on the organizational performance of manufacturing firms in Nairobi County. The study established that restructuring of manufacturing firms' operations has aided them to cope with their challenges. Manufacturing firms have repositioned their products and services so as to be seen as having few credible substitutes in the marketplace. The structure of the manufacturing firms has been reorganized to be more responsive to customers and the market. These have resulted to significant improvement in organizational performance of manufacturing firms in Nairobi County.

RECOMMENDATIONS

The findings of this study have established the existence of a significant relationship between product development strategies and performance. This study recommends that management of manufacturing firms pursuing product development strategies so as to come up with products that meet the changing needs of their customers. Modification of existing products will also help in catering to changing customers' preferences. It is also recommended that management should have strong R & D departments that can develop products that suit ever-changing customers' preferences.

The study recommends that turnaround strategy requires a company to make changes not only in operations but also various departments that reflects necessary support of the turnaround strategy, hence, the management of manufacturing firms should align their departments with the turnaround strategy. The study recommends that management of manufacturing firms should create an organizational culture that is in line with their turnaround strategy. Organizational culture plays a key role in turnaround process since it influences how employees act in the organization towards meeting the hierarchical destinations that the company needs to achieve.

Areas for Further Research

The general objective of this study was to examine effect turnaround strategies on organizational performance of manufacturing firms in Nairobi County. Specifically, this study concentrated on the effect that the product development strategy, market development strategy, diversification strategy and turnaround strategy had on the organizational performance. The independent variables studied are definitely not exhaustive and hence further research could be carried out to unearth other grand strategies that can be applied to change the fortunes of manufacturing firms such as market penetration and modernization strategy.

The results indicated that the four selected grand strategies explained 64.5% of the variation in organizational performance of manufacturing firms. This implies that the remaining 25.5% of the variance can be explained by moderating variables such as organizational culture which can strengthen the effect of grand strategies on performance of manufacturing firms in Nairobi County.

Methodologically, the study confines itself only to the manufacturing firms in Nairobi county meaning some manufacturing firms were not include although a justification was provided. The study recommended that a study should be undertaken to cover all manufacturing firms in Kenya.

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