

Strategy Implementation Practices, Integration of Esg Metrics and Performance of Manufacturing Firms in Kenya

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ABSTRACT

Strategy implementation involves conversion of strategic intents into coordinated organisational actions. These study sought to examine the relationship between strategy implementation practices and integration of ESG metrics and performance of manufacturing firms in Kenya. Strategy implementation was measured using adequacy of resource allocation, leadership communication, and organisational culture. A mixed method research approach and a cross sectional research design were adopted. The target population was 992 manufacturing firms registered with Kenya Association of Manufacturers as at 31 December 2024. Sample size of 285 was calculated using Yamane's formula and simple random sampling technique was used. The primary data were collected from senior managers using structured open ended questionnaires. 89 % response rate was attained. Firm performance was measured using Return on Equity (ROE). Quantitative data was analysed using descriptive statistics, Pearson Product-Moment correlation and simple linear regression while qualitative data was analysed thematically. Results show that strategy implementation practices were widely embraced with a grand mean of 3.99 and individual means ranging between 3.96 and 4.02. The Pearson correlation analysis showed a significant positive correlation between strategy implementation and firm performance ($r = .638$, $p < .001$). Simple linear regression also revealed that strategy implementation was a significant predictor of firm performance, accounting for 40.7 % of the variance in ROE ($R^2 = .407$, $F(1,253) = 173.561$, $p < .001$). The regression coefficient was positive and statistically significant ($B = .451$, $\beta = .638$, $t = 13.174$, $p < .001$). ESG metrics also had a positive and statistically significant relationship with strategy implementation practices ($r = .565$, $p < .001$). The findings highlight the significance of successful strategy implementation and ESG integration in manufacturing companies. Manufacturing firms need to integrate ESG considerations in strategic execution, enhance resource alignment, establish implementation responsibility, strengthen leadership communication, promote a supportive organisational culture and establish continuous tracking mechanisms.

Keywords: Strategy implementation, ESG metrics, Manufacturing firms, Firm performance, Return on Equity.

INTRODUCTION

Strategic management offers an organisations systematic method to establishing where they are going, making strategic decisions, distributing resources and responding to the changes in their operating environments. However, developing the adequate strategy does not, per se, ensure that organisational outcomes improve. The anticipated benefits of a strategy are highly contingent upon the organization's ability to translate strategic priorities into coordinated actions, assign responsibility, mobilise resources and track progress. Strategy implementation is therefore an important organisational process that translates strategic intentions into operational activities and measurable results (Hitt et al., 2020; Rothaermel, 2021).

Strategy implementation is the set of organisational activities that are required to execute formulated strategies. This involves aligning organisational resources with strategic priorities, clarifying responsibilities, communicating strategic objectives, co-ordinating activities and establishing mechanisms to monitor execution. Implementation will be effective only if the managerial decisions are linked to operational activities in such a way that the employees are aware of what is expected of them and how their role contributes to organisational objectives.

The research on strategy execution indicates that the implementation success depends on the coherence of the organisational structures, resources, leadership and internal processes to the strategies chosen by the organization (Cândido & Santos, 2019; Sull et al., 2019).

Resource allocation is a significant aspect of strategy implementation since strategic priorities are not achievable without adequate financial, human, technological, and physical resources. Strategies, no matter how well designed, may not bring the desired results when resources are misallocated, insufficient or not aligned with strategic priorities. Resource allocation is vital for manufacturing companies as they are heavily invested in machinery, technology, raw materials, human capital, production facilities and supply-chain systems. These resources can be aligned with the strategic priorities enabling the firms to translate the strategic plans into operational capabilities and support the achievement of intended performance outcomes (Barney & Hesterly, 2019; Hitt et al., 2020).

Leadership communication is another important component in the successful implementation of strategy. In the organization, leadership shares the strategic goals by explaining the priorities and ensuring that employees understand the direction the organization is going. Good communication links the organization's goals to the responsibilities of departments and people in a strategically aligned way. It can also provide staff with information on expected results and rationale for strategic decision. In manufacturing organisations, implementation requires coordination across multiple functions and organisational levels of operations (George et al., 2021; Verhoef et al., 2021). Consistent communication can reduce ambiguity and increase organisational alignment.

Another important condition which has an impact on the implementation of strategy is organisational culture. An organisation's culture describes the behaviours, values, norms and expectations that are present and that can either help or hinder the achievement of strategic priorities. A culture that speaks to collaboration, accountability, learning, innovation and adaptation can result in an environment that fosters strategy execution. By contrast, poor communication, weak accountability and resistance to change can obstruct implementation even when resources are adequate. Organisational culture is therefore relevant for manufacturing firms since successful implementation of technological, operational, market and organisational strategies usually requires changes in employee behaviour and established organisational routines (Sull et al., 2019; George et al., 2021).

The Kenyan manufacturing sector is an important context for examining strategy implementation because the manufacturing firms experience considerable pressures from competition, technology, regulation and resources. Previous empirical work in Kenya has demonstrated the significance of implementation-related practices for organisational performance. For instance, Rambeka and Odollo (2023) revealed a positive relationship between strategic management practices and the performance of family-owned manufacturing companies in Nairobi City County. Evidence on resource allocation also indicates that the alignment of resources with strategic priorities can influence performance in manufacturing firms. The findings indicate that the success of strategy implementation is not just a function of having strategic plans but a function of the organisational capabilities that enable firms to translate strategic intentions into coordinated action.

This study, therefore, is specifically directed toward strategy implementation and firm performance. The three dimensions considered for strategy implementation include adequacy of resource allocation, communication of strategic goals by leadership and an organisational culture that supports implementation. These dimensions are the main organising mechanisms through which formulated strategies are translated into action. This study examines the extent of utilisation of such implementation practices by manufacturing

firms and whether the variations in strategy implementation are associated with variations in firm performance.

Statement of the Problem

The ability of manufacturing firms to translate strategic intentions into measurable organisational outcomes remains a major strategic management challenge. Although organisations invest significant resources in developing strategic plans, the existence of a well-developed strategy does not necessarily ensure its successful implementation or improved performance. Strategy implementation involves the alignment of organisational resources, employee responsibilities, leadership direction, communication processes, monitoring systems and organisational culture with strategic priorities. When these elements are poorly coordinated organisations may suffer from ineffective use of resources, delays in implementing strategic initiatives, employee uncertainty, poor accountability and the failure to achieve pre-determined strategic objectives. Recent empirical evidence shows that strategic management practices and implementation capabilities are important determinants of organisational performance because they enable firms to convert strategic decisions into coordinated organisational actions and measurable outcomes (Abdalla & Nakagawa, 2020; Kinyua & Yatich, 2023; Nduati et al., 2022). Hence, the continued existence of implementation problems produces a gap between strategy implementation and the attainment of intended firm performance.

The problem is especially significant in the Kenyan manufacturing sector due to the sector's contribution to economic growth, employment and industrial transformation. According to the Kenya National Bureau of Statistics (KNBS, 2024), manufacturing activities accounted for approximately 7.8% of Kenya's gross domestic product in 2023. The sector grew at a rate of about 2.8% in 2023, compared with 3.1% in 2022. The relatively modest growth rate is important because manufacturing is anticipated to contribute significantly to economic transformation through value addition, employment creation, technological development and export diversification. The evidence from manufacturing enterprises also suggests that the firms face challenges related to resource constraints, technological changes, employee capabilities, market competition and organisational coordination that require effective strategy implementation capabilities (Were, 2024; Nduati et al., 2022). The performance of the manufacturing sector therefore depends not only on the quality of strategies formulated by firms but also on their capacity to mobilise resources, communicate strategic priorities, clarify employee responsibilities, monitor implementation and to establish organisational cultures that support execution.

Despite the growing body of empirical research, an important knowledge gap exists on the relationship between key strategy implementation practices, the integration of ESG metrics and performance of manufacturing firms in Kenya. Existing studies have often focused on selected implementation factors, individual industries or specific organisational settings. Nduati et al. (2022) studied strategic leadership, strategic innovation and organisational culture among small manufacturing firms. Kinyua and Yatich (2023) studied strategic management practices within a specific public organization. The focus of Were (2024) was on technology capability within the furniture manufacturing industry. These studies offer useful insights but leave limited empirical evidence on the combined consideration of strategy implementation practices and ESG integration within medium and large manufacturing firms in Kenya.

Therefore, the study seeks to examine strategy implementation practices, integration of ESG metrics and firm performance among manufacturing firms in Kenya. Filling this empirical gap, the study provides evidence that can help manufacturing managers strengthen resource alignment, enhance strategic communication and develop organisational cultures that support effective strategy implementation and firm performance while considering ESG priorities.

Objectives

General Objective

To examine the relationship between strategic implementation practices, integration of ESG metrics and performance of manufacturing firms in Kenya.

Specific Objectives

1. To examine the effect of strategy implementation practices on the performance of manufacturing firms in Kenya.
2. To examine the relationship between strategy implementation practices and integration of ESG metrics among manufacturing firms in Kenya.

Hypotheses

H01: Strategy implementation practices have no significant effect on the performance of manufacturing firms in Kenya.

H02: There is no significant relationship between strategy implementation practices and integration of ESG metrics among manufacturing firms in Kenya.

Purpose of the Study

The study investigated the practices of strategy implementation, integration of ESG metrics and performance of manufacturing firms in Kenya. The study focused on how firms put strategic priorities into action through resource allocation, leadership communication and organisational culture. It also examined the link between the use of strategy implementation practices and the inclusion of environmental, social and governance considerations in manufacturing firms.

The study was deemed especially relevant within the Kenyan manufacturing sector because of the sector's contribution to economic growth, employment and industrial transformation. According to Kenya National Bureau of Statistics (KNBS, 2024), manufacturing activities contributed approximately 7.8% of Kenya's gross domestic product in 2023. The sector recorded a growth rate of approximately 2.8% in 2023 compared with 3.1% in 2022. The study therefore sought to provide evidence on the relationship between effective strategy execution and attention to ESG considerations on firm performance in a sector that remains a fundamental component of national development under Vision 2030 and the Bottom-Up Economic Transformation Agenda (BETA).

THEORETICAL REVIEW

Stakeholder Theory

Freeman (1984) argues that in order for businesses to prosper in the long run, they need to consider the interests of all stakeholders i.e. employees, clients, suppliers, communities and governments, and not just shareholders. Strategy implementation and ESG metrics are the tools to measure how companies handle the conversion of strategies and their responsibilities toward society and the environment beyond financial results. (Donaldson & Preston, 1995; Jones, 1995) found that businesses are more likely to benefit from greater legitimacy, brand equity, and loyalty when they use ESG practices to align their strategies and implementation with stakeholder interests.

Resource Based View (RBV) Theory

The resource-based view is a useful addition to the strategic process view as it explains the contribution of internal organisational resources to performance. Barney (1991) argues that resources and capabilities can be sources of competitive advantage if they are valuable and difficult for competitors to imitate.

The extension of the RBV to strategy implementation and the integration of ESG metrics suggest that firms need not only resources but also capabilities for resource deployment in a strategic manner. Thus, resource allocation systems, communication routines, employee coordination, organisational culture and monitoring capabilities can be viewed as organisational capabilities that support execution.

However, implementation capabilities may be relatively common among organisations. This creates a possible platform to explore strategy implementation and the integration and influence of ESG metrics on firm performance in Kenyan manufacturing firms.

EMPIRICAL REVIEW

Strategy implementation practices have been empirically linked to differences in organisational performance . However, the strength of the relationships varies across organisational contexts . Kinyua and Yatich (2023) in their study on strategic management practices and organisational performance in Kenya observed that strategic leadership, staff competencies, strategic planning and organisational structure were significant predictors of organisational performance. Similarly, Nduati et al. (2022) revealed that strategic leadership, strategic innovation and organisational culture influenced strategy implementation in small manufacturing firms in Nairobi County.

(2024) found that in the Kenyan furniture manufacturing industry, technology capability explained roughly 49% of the variance in firm performance. This highlights the significance of organisational capabilities in converting strategic initiatives into tangible performance outcomes. The results show that organisational capabilities and implementation practices are important for performance, but also point out that the effect of individual implementation factors may vary according to the organisational and sectoral context. There was no evidence of the practices of strategy implementation and integration and influence of ESG metrics on firm performance among the manufacturing firms in Kenya.

CONCEPTUAL FRAMEWORK

In this study, strategy implementation practices were considered as the independent variable and firm performance was considered as the dependent variable. Firm performance was operationalised using Return on Equity (ROE). To establish the relation between ESG metrics and strategy implementation practices, ESG metrics were used as an additional study variable. The study did not test ESG metrics as a mediator of the relationship between strategy implementation and performance.

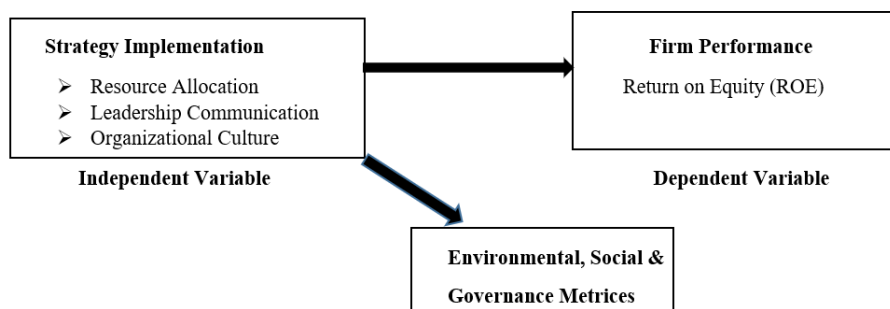


Figure 7.1: Conceptual Framework

Methodology

The study adopted mixed method research approach and cross-sectional research design. The mixed method approach allowed the researcher to obtain both the quantitative and qualitative data on strategy implementation practices, integration of ESG metrics and performance of manufacturing firms in Kenya. The quantitative component examined the relationship between strategy implementation practices and firm performance, and the qualitative component offered contextual insights into strategy implementation practices and ESG integration. The cross-sectional design was appropriate since data were collected at one point in time to reflect the prevailing practices of the firms during the study period.

The target population was the 992 manufacturing firms that were registered and listed with the Kenya Association of Manufacturers (KAM) as at 31st December 2024. Medium and large-scale manufacturing firms were selected for the study because such firms tend to have formal strategic management processes

and well-established organisational structures. The sample size of 285 firms was determined using Yamane's formula at 5 percent level of precision and simple random sampling was used to select the firms.

Data were collected through structured questionnaires to senior managers responsible for strategy, sustainability/ESG and production or operations. Questionnaires were comprised of closed-ended items for measuring strategy implementation practices and ESG metrics, and open-ended questions for qualitative responses. We received 255 completed questionnaires, which gives a response rate of 89 percent.

$$n = N / (1 + N e^2)$$

We used three dimensions to measure strategy implementation practices; resource allocation, leadership communication and organisational culture. ESG metrics were evaluated across the environmental, social and governance dimensions. Performance of the firms was measured by Return on Equity (ROE) which was obtained from the secondary financial information in the company annual reports and other relevant financial sources. Quantitative items were measured on a Likert-type scale, with higher values indicating more agreement.

The questionnaire was pilot tested for clarity, relevance and feasibility. Expert review was used to assess content validity and construct validity was assessed by factor analysis. Reliability was tested with the Cronbach's alpha, the reliability coefficient of the strategy implementation scale was 0.712, which was higher than the threshold value of 0.70.

Quantitative data were analysed and coded using SPSS. Descriptive statistics including means, standard deviations, skewness and kurtosis were used to provide an overview of the variables based on questionnaires. Pearson Product-Moment correlation was employed to confirm the relationship between strategy implementation practices and firm performance and strategy implementation practices and ESG metrics. A simple linear regression was used to estimate the predictive contribution of strategy implementation practices to firm performance measured by ROE. The regression analysis produced the coefficient of determination (R^2), regression coefficient, t-statistic and p-value.

Diagnostic tests were conducted to check the appropriateness of the data for regression analysis. The tests include normality and multicollinearity tests. Qualitative responses from the open-ended questionnaire items were analysed using thematic analysis. Responses were analysed, coded and organised into recurring themes related to strategy implementation practices and ESG integration and qualitative findings were used to complement and contextualise quantitative findings.

The hypotheses were tested at 5 per cent level of significance. The null hypothesis was rejected when the relevant statistical test was significant at $p < 0.05$. The study was conducted in an ethical manner, considering voluntary participation, confidentiality and anonymity of respondents and obtaining the research authorisation and permissions before data collection.

FINDINGS

Descriptive Statistics for Strategy Implementation

The descriptive results are presented in the Table.

Table 9.1.1 Descriptive Statistics for Strategy Implementation

Statement	N	SD	D	N	A	SA	Mean	Std. Dev.	Skewness	Kurtosis
Adequate resources are allocated to support	255	1(0.4)	2(0.8)	14(5.5)	213(83.5)	25(9.8)	4.02	0.469	1.330	2.772

strategy execution.										
Employees clearly understand their roles in strategy implementation.	255	1(0.4)	2(0.8)	40(15.7)	159(62.4)	53(20.8)	4.02	0.658	0.527	1.472
The firm continuously monitors progress during strategy execution.	255	2(0.8)	0(0)	29(11.4)	197(77.3)	27(10.6)	3.97	0.539	1.244	1.073
Leadership effectively communicates strategic goals to employees.	255	1(0.4)	2(0.8)	36(14.1)	184(72.2)	32(12.5)	3.96	0.577	0.745	3.292
The organization's culture supports strategy implementation.	255	1(0.4)	3(1.2)	27(10.6)	192(75.3)	32(12.5)	3.98	0.561	0.949	0.503
Note: SD = Strongly Disagree, D = Disagree, N = Neutral, A = Agree, SA = Strongly Agree. Values are frequency (valid percent).										

Respondents on the statement ‘Adequate resources are allocated to support strategy execution.’ were on average in agreement ($M = 4.02$, $SD = 0.469$), with 93.3% agreeing or strongly agreeing and only 1.2% disagreeing or strongly disagreeing. The distribution was clearly negatively skewed (skewness = -1.330) and sharply leptokurtic (highly peaked, with responses tightly clustered around the mean and thin tails) (kurtosis = 2.772).

Respondents agreed on average ($M = 4.02$, $SD = 0.658$) with the statement ‘Employees understand their roles in strategy implementation clearly.’ with 83.2% agreeing or strongly agreeing and only 1.2% disagreeing or strongly disagreeing. The distribution was slightly negatively skewed (skewness = -0.527) and leptokurtic (more peaked than a normal distribution) (kurtosis = 1.472).

The statement ‘The firm continually measures progress while executing strategy.’ had an average agreement of 3.97 ($SD = 0.539$), with 87.9% agreeing or strongly agreeing and only 0.8% disagreeing or strongly disagreeing. The distribution was significantly negatively skewed (skewness = -1.244) and sharply leptokurtic (highly peaked, with responses tightly clustered around the mean and thin tails) (kurtosis = 1.073).

On the statement ‘Leadership effectively communicates strategic goals to employees’ respondents on average agreed ($M = 3.96$, $SD = 0.577$), with 84.7% agreeing or strongly agreeing and only 1.2% disagreeing or strongly disagreeing. The distribution was moderately negatively skewed (skewness = -0.745) and sharply leptokurtic (highly peaked, with responses tightly clustered around the mean and thin tails) (kurtosis = 3.292).

On the statement ‘The organization’s culture supports strategy implementation.’ respondents on average agreed ($M = 3.98$, $SD = 0.561$), with 87.8% agreeing or strongly agreeing and only 1.6% disagreeing or strongly disagreeing. The distribution was moderately negatively skewed (skewness = -0.949) and leptokurtic (highly peaked, with responses concentrated around the mean and thin tails) (kurtosis = 0.503).

The 5 items measuring strategy implementation had a mean range of 3.96 to 4.02 (grand mean = 3.99). Overall, the respondents generally agree with the statements on strategy implementation. The highest rated

item was ‘Adequate resources are allocated to support strategy execution.’ ($M = 4.02$) and the lowest rated item was ‘Leadership effectively communicates strategic goals to employees’. ($M = 3.96$). The generally negative skewness values across items indicate response distributions clustered toward the agree end of the scale, while the generally high, positive kurtosis values suggest peaked distributions with low dispersion around the mean—a pattern consistent with strong, fairly uniform agreement among respondents rather than a normal spread of opinion.

Correlation between Strategy Implementation, ESG Metrics and ROE

To determine the direction and strength of the associations between strategy implementation practices, ESG metrics and firm performance as indicated by ROE, Pearson Product-Moment correlation was conducted. The analysis tested the association between strategy implementation practices and variations in ROE and the association between strategy implementation practices and the integration of ESG metrics.

Correlation between Strategy Implementation, ESG Metrics and Firm Performance

Variable Pair	Pearson's r	Significance (p-value)	ESG Metric
Strategy Implementation and Firm Performance (ROE)	0.638	Strategy Implementation and ESG Metrics	0.565

As shown in Table 9.2.1, strategy implementation practices were positively and significantly correlated with firm performance measured by ROE ($r = .638$, $p < .001$). ESG metrics also was positively and statistically significantly associated with strategy implementation practices ($r = .565$, $p < .001$) indicating that greater integration of ESG metrics was associated with stronger strategy implementation practices. ESG metrics were not tested as a mediating variable in the analysis.

Relationship between Strategy Implementation and ROE

A simple linear regression was conducted to assess whether strategy implementation practices predict firm performance measured by Return on Equity (ROE).

Table 9.3.1: Model Summary for Strategy Implementation and ROE

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.638	.407	.405	.64253
a. Predictors: (Constant), strategy implementation practices				

Table 9.3.2: ANOVA for Strategy Implementation and ROE

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	71.653	1	71.653	173.561	.000
Residual	104.449	253	.413		

Total	176.102	254			
a. Dependent Variable: Return on Equity (ROE)					
b. Predictors: (Constant), strategy implementation practices					

Table 9.3.3: Coefficients Strategy Implementation

Coefficients					
Model	B	Std. Error	Beta	t	Sig.
(Constant)	2.214	.135		16.375	.000
Strategy implementation practices	.451	.034	.638	13.174	.000
a. Dependent Variable: Return on Equity (ROE)					

Strategy implementation practices significantly predicted ROE, $F(1, 253) = 173.561$, $p < .001$. The model explained 40.7% of the variance in ROE ($R^2 = .407$, Adjusted $R^2 = .405$). The regression coefficient ($B = .451$, $\beta = .638$, $t = 13.174$, $p < .001$) shows that each unit increase in the implementation of strategy increased the ROE by 0.451 units.

$$ROE = 2,214 + 0.451 (\text{Implementation Strategy})$$

The analysis of variance in Table 9.3.2 shows that the regression model was statistically significant. The F statistic of 173.561 indicated that the regression model explained ROE significantly better than a model without the strategy implementation practices. The p-value of $< .05$ was considered significant, which indicated that the observed relationship was statistically significant. The null hypothesis that there is no significant effect of strategy implementation practices on the performance of manufacturing firms was therefore rejected.

The results show significant positive relationship between strategy implementation practices and firm performance in terms of Return on Equity (ROE). The model indicated that strategy implementation practices accounted for 40.7% of the variation in ROE. The finding indicates the better execution of strategy by the firms is associated with better financial performance.

The coefficient results of Table 9.3.1 also revealed that strategy implementation practices had a positive and statistically significant effect on ROE. The positive regression coefficient suggests that the improvement in strategy implementation was related to an increase in ROE. The standardised coefficient also indicates a significant positive effect of strategy implementation on the variation in firm performance of the sampled manufacturing companies.

The regression equation $ROE = 2.214 + 0.451(\text{Strategy Implementation})$ explains the nature of the relationship of the two variables. The positive coefficient suggests that manufacturing firms can improve financial performance through effective implementation of strategic plans via effective resource allocation, clear implementation responsibilities, ongoing evaluation, effective communication and supportive organisational cultures.

Thus the results showed that strategy implementation was a significant aspect of strategic management for manufacturing firms. Even the best strategies will not improve organisational outcomes if they are not properly implemented. The findings indicated that strategic intentions must be translated into coherent organisational actions and that employees, resources and organisational systems should be aligned with

strategic priorities. Manufacturing firms should therefore enhance their implementation capabilities by providing adequate resources, clear responsibilities, effective leadership communication and regular evaluation of strategic activities. Such practices can help firms to achieve their strategic objectives and to improve their performance in the competitive manufacturing environment.

Also, the findings emphasised the need for clear definition of employee roles in the execution of strategy. Employees needed to understand what the organization wanted to achieve and how their own role contributed to the achievement of strategic objectives. Effective leadership communication was thus seen as a key mechanism for translating organisational strategies into coordinated employee action.

This finding was further supported by the respondents. Respondent 1 stated: ‘A strategy can be very good on paper, but without sufficient financial and human resources it becomes difficult to implement. “The resources have to be aligned with the priorities in the strategic plan.” As Respondent 2 stated, “Employees need to understand what is expected of them and how their work fits into the larger strategy. “If management communicates, that makes it a whole lot easier to implement.” Respondent 3 added that “The organisational culture matters because people have to be willing to work together and adapt when new strategies are introduced. Resistance to change can hold up implementation.”

Thus, organisational culture was determined as an important implementation aspect. A culture that promoted teamwork, accountability, adaptability and commitment to organisational goals created a fertile ground for strategy execution. In contrast, ineffective communication, insufficient resources and resistance to change may pose challenges in the implementation of strategic plans into actual organisational activities. The implementation of strategies was thus viewed as a need for the coordination of resources, leadership, employees and organisational culture.

Thus, the thematic evidence supplemented the regression findings by explaining how implementation works within firms. Resource alignment, employee role clarity, leadership communication, and organisational culture created a connected implementation environment. Evidence also showed that resistance to change may prevent implementation while teamwork and flexibility can aid in execution.

DISCUSSION

Strategy implementation had a grand mean of 3.99 implying general agreement that firms allocate assets, communicate strategic goals, monitor execution and build supportive cultures for implementation. The positive relation with ROE is statistically significant, suggesting that good execution of strategic priorities is associated with improved financial performance.

This finding is consistent with the view of the Strategic Management Process that sees implementation as the execution oriented phase that translates formulated strategy into action. Resource-Based View (RBV) states that organisational capabilities like effective resource allocation, communication routines, employee coordination, organisational culture and monitoring capabilities can support effective deployment of resources and strategic execution.

The findings are also in line with Rambeka and Odollo (2023) who found that strategy implementation had positive and significant effects on the performance of family-owned manufacturing firms in Kenya. Also, the results are consistent with those of Ali, Ogolla and Nzioki (2022) who looked at Kenyan cement manufacturers and established that resource allocation had a positive impact on organisational performance. The findings also in line with the literature points out the importance of leadership communication and organisational coordination in strategy execution. This study brings in the evidence from medium and large KAM registered manufacturing firms. Furthermore, the study reveals a statistically significant relationship between strategy implementation practices and the integration of ESG metrics ($r = .565$, $p < .001$).

CONCLUSION

The findings of the study indicated that the practices of strategy implementation positively and significantly impact firm performance (ROE). The results also confirmed a positive and statistically significant association of strategy implementation practices and ESG metrics. Therefore, strategy implementation is vital in translating strategic intentions into measurable financial results, allowing for a focus on environmental, social and governance issues.

The study also concluded that successful strategy implementation was dependent on the adequate allocation of resources. Manufacturing strategies need sufficient financial resources, human capital, technology, equipment and other operational inputs. Resources are better aligned with strategic priorities, enabling firms to better translate strategic plans into activities and outcomes.

The study also found that employees needed to know their strategic roles in order for the implementation to be successful. Employees need to know what they are personally responsible for, but also how their activities contribute to broader organisational objectives. This understanding and coordination across organisational levels is aided by leadership's open discussion of strategic goals.

A successful strategy implementation is also found to be vital with Organisational culture and continual evaluation. A culture that supports strategy implementation encourages people to pursue the organisation's priorities. It promotes cooperation, responsibility and responsiveness. Regular evaluation allows management to identify any problems with implementation and take corrective action before they adversely affect organisational performance.

Finally, the study concluded that strategy implementation is a necessary link between strategic intentions and organisational outcomes. The strategies of manufacturing firms should be backed up by proper resources, well defined responsibilities, good communication, suitable organisational cultures and regular monitoring. The strong relationship between strategy implementation and ESG metrics indicates that ESG priorities should be incorporated into strategic execution. However, this study did not test ESG as a mediator of the strategy implementation and ROE relationship directly.

RECOMMENDATIONS

According to the study, manufacturing firms need to improve the alignment of organisational resources with strategic priorities. Management should also ensure that financial, human, technological and physical resources are allocated in accordance with the strategic activities that require them. Resource allocation decisions should refer to clearly defined strategic priorities. This will help avoid wastage and ensure that critical strategic initiatives receive adequate support while considering relevant ESG priorities.

Clear implementation roles and responsibilities for managers and employees should also be set out by manufacturers. Management should communicate specific expectations, responsibilities, timelines and performance targets to those individuals and departments involved in strategy execution. Clear accountability structures should be established so that managers can identify implementation gaps and take corrective action in a timely manner.

The study also implies that organisational leaders need to improve communication in the implementation of strategies. Senior managers should communicate strategic objectives, progress, challenges and expected outcomes to employees at various levels of the organization on a regular basis. Communication should be ongoing and two way so that employees can provide feedback, raise challenges to implementation and offer ideas for improving the execution of strategic initiatives.

Organisational cultures that facilitate strategy implementation and focus on ESG considerations should be created by manufacturing firms. Management should encourage employees to work together, be accountable, be innovative, be adaptable and commit to organisational goals. Also, encouraging the

recognition of employees effectively contributing to strategic initiatives may increase their commitment and motivation toward strategy execution.

Manufacturing firms should institutionalise regular monitoring and review of strategy implementation, together with relevant ESG metrics. Mechanisms should be established to monitor progress toward strategic objectives, identify challenges in implementation and ESG requirements, and make necessary changes. Strategy implementation should also be integrated with performance management systems, so that employees and departments are evaluated based on their contributions to strategic priorities.

The study also recommends other studies in other sectors to find out if the impact was unique for manufacturing firms. There are sectors where studies could be done, such as agriculture, financial services, transport, construction, hospitality, healthcare and public sector organisations. Comparative studies across sectors will help determine if the contribution of strategic formulation and ESG metrics differs based on the nature and operating environment of organisations.

Ethical Consideration

Prior to data collection, an introduction letter was issued by Cooperative University of Kenya, an ethical approval obtained from Tangaza University of Kenya Institutional Review Board (IRB), followed by a research permit from the National Commission for Science, Technology and Innovation (NACOSTI). The study thereafter complied with all applicable ethical guidelines governing research involving human participants, as well as the internationally recognized ethical standards as described by Cooper and Schindler (2014) on voluntary participation. Respondents' participation was entirely voluntary, and informed consent was acquired before any data was collected. The study posed minimal risk to participants, mainly the perceived disclosure of strategic organizational information. To minimize this risk, no personal or organizational identifiers was collected, and all data was coded, securely stored, and used solely for academic purposes. Participants were informed of their right to withdraw from the study at any stage without any penalty.

Conflict of Interest

No conflict of interest existed during the study.

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