

## **The Predictive Role of Organizational Vision on Performance of Medium-Sized Manufacturing Enterprises in Kenya**

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### **ABSTRACT**

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Micro, small and medium sized enterprises form the backbone of successful global economies like the United States, China and many countries in the European Union: they employ more than 65% of the total workforce and contribute more than 50% of the respective nation's gross domestic products. In Kenya, they employ 14.9 million people and contribute 33.8% of the GDP. Despite this critical role that these enterprises play in Kenya, they continue to face numerous challenges of inability to access adequate capital and information, regulatory constraints, low managerial capability, low operating efficiencies, low customer satisfaction and competition from established global firms operating in Kenya. This study examined how performance of top medium sized manufacturing enterprises operating in Kenya is affected by the organizational vision. The study used descriptive research design and was underpinned on the contingency theory, supported by the balanced score card model. The study targeted 154 respondents representing 14 managers from each of the 11 top medium-sized manufacturing enterprise in Kenya. A census of all the 154 managers was conducted. Both descriptive and inferential statistics were utilized for in-depth analysis. The study concluded that organizational vision, had a positive and significant effect on organizational performance of the top medium-sized manufacturing enterprises in Kenya. It was recommended that the management of manufacturing enterprises in Kenya should ensure that the organizational vision is clear, concise, and effectively communicated to all levels of the organization.

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**Keywords:** *Manufacturing Enterprise, Medium-Sized, Organizational Performance, Organizational Vision.*

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### **1.0 Introduction**

The global business sphere has experienced a lot of turbulence in the last decade. The manufacturing sector has not been spared either. The global financial crises of 2007-2008 took a toll on the sector. Further, the Covid-19 pandemic negatively affected the sector; effects of which continue to affect the growth of the sector (McKinsey Global Institute, 2021). Nevertheless, manufacturing sector is poised as the most important sector in the economic growth and development contributing approximately 16% of the global GDP (Wang & Shu, 2020). It has been earmarked as the driver for industrialization of economies. The sector has been instrumental in providing a path through which value is added on agricultural products, thereby improving wages

and hence living standards of citizens (World Bank, 2019). Additionally, the sector has fostered innovation and competitiveness thereby making significance contribution to research and development, exports, and productivity growth (McKinsey Global Institute, 2021).

Across the world, major economies have greatly benefited from this sector. For instance, manufacturing plays a leading role in the growth of the Indonesian economy towards achieving the desired average annual expansion of 6% per year (Asian Development Bank and Bappenas, 2019). In China the bulk of exports consist of manufactured goods such as electrical and electronic machinery and equipment, clothing and textiles, as well as footwear; representing 28% of the country's GDP. In Germany, the manufacturing sector contributes much more to GDP than most of European countries. Manufacturing sector contributes roughly 24% of the country's GDP. In the United States, the manufacturing sector contributes \$2.3 trillion annually, employs 12 million people, and supports hundreds of local economies. Overall, the sector contributes 11 percent of the country's GDP.

In Africa, the manufacturing sector faces major challenges as a result of external and internal factors which differ from one nation to another. These challenges relate to high labour costs, low labour efficiency, poor access to capital, poor economic conditions and poor quality of power (Dinh & Clarke, 2012). In Kenya, the manufacturing sector contributed 7.2% in 2022, 7.8% in 2023 and this is expected to increase to 20% by 2030. The sector is however, heavily dependent on imported raw materials which indicates that it is necessary to enhance supply chains in order to build both forward and backward connections in the economic system (KAM, 2018).

The small and medium manufacturing enterprises also face numerous challenges related to legislation, limited funding, poor human resources and technological skills. In their efforts to develop SMEs, developing countries across the globe face crucial problems. This mainly include lack of funding, human resource capacity and technology capabilities (Visser, 2013). As a result, there is need to explore the determinants of performance of top medium-sized manufacturing enterprises, particularly in Kenya.

Strategic intent, which refers to means through which firms set long-term direction through mission, vision, objectives, policies and core values is critically important for firms wishing to win in the long run (Obonyo, 2020). The concept was first introduced in strategic management by Hamel & Prahalad (1989) to refer to obsession to sustainably win on all levels and frontiers that a firm competes in. Without a clear strategic purpose, companies face challenges in establishing precise objectives and actively working towards them, resulting in subpar performance (Seepana, Paulraj & Huq, 2020). Odita and Bello (2015) viewed strategic intent as all management activities that are intentionally planned and embedded in the operations of the firm and aimed at making the firm's performance stand out from its rivals. It encompasses mission, vision, objectives, policies and core values.

Strategic intent makes a firm overcome obstacles by acquiring and improving its strategic resources and capabilities, continuously generating value from the accumulated strategic resources and capabilities, and eventually gaining long-term success (Obonyo, 2020). Thus, organizational performance can be significantly enhanced through the establishment of a clearly articulated written

vision, mission, objectives and policies which serve as fundamental components of organizational strategic direction (Enitilo, et al, 2018).

Strategic intent is normally captured in form of a short, inspiring statement about what the firm aims to become in the long and medium run. The statement of the firm's intent captures its aspirations of the future without details of the means to achieve the aspirations. It is the current broader image a firm has on its goals, even before embarking on achieving them. Organizational vision explains what the organization intends to become in the future. Well-crafted visions explain an organization's goals clearly (Edwards, 2012). It is one important tool available to bosses for inspiring employees. Vision statement has been widely regarded as an essential component of the strategic management process for businesses of all sizes, whether for profit or not, whether multinational or small and medium-sized. According to Greyser and Urde (2019), vision statements foster clarity across the organization, enhances a strong feeling of shared purpose and at the same time acts as a platform for shaping employees' focus.

Vision, in accordance with Kantabutra and Avery (2010), guides the enterprise, retells the business's history, and, drives and governs the firm. According to Ungerer (2013), a corporate vision must be available in order to make sure that there is dedication from everyone involved and to explain the company's expected direction. Organizational vision must be clear and motivating and can incorporate future objectives, strategic orientation, originality and inventiveness, fundamental principles, involvement of stakeholders and measures of performance. Organizational vision must be focused, realistic and the organization must be dedicated to it. Organizational vision should also demonstrate the organization's dedication to corporate citizenship and durability. In this study, organizational vision was measured using focused innovation, shared values and alignment of stakeholders.

Organizational performance is an indicator of the efficiency and effectiveness of a firm in harnesses resources, generating value and thus profits while satisfying diverse needs of various stakeholder groups (Taouab & Issor, 2019). According to Bresciani, Thrassou, and Vrontis (2012), organizational performance is influenced by both internal and external factors. Organizational performance can also be viewed as an organization's capacity to implement its mission through effective management, sound governance, and obsession to getting things done (Owiti, 2014). The balanced scorecard model has become a popular tool for measuring business success and the balanced scorecard model, which focuses on both financial and non-financial outcomes through the organization's internal processes, innovation and growth, client happiness and economic results points of view, is essential for assessing achievement among the service sectors (Gumboh & Gichira, 2015). In this study organizational performance was measured using financial performance, employee satisfaction, customer satisfaction and operating efficiency.

Medium-sized manufacturing enterprises are very important on all economies of the world. As noted by Mukherjee (2018), MSME form the backbone of successful global economies like the USA, China and many countries in the European union. In these developed nations, MSME employ more than 65% of the total workforce and contribute more than 50% of the respective nation's GDP. Medium enterprises sector is an essential sector in achieving the United Nations sustainable development goals, mainly poverty eradication, provision of decent work and economic growth,

innovation and infrastructure development (Verma, 2023). According to the KNBS 2016, medium-sized manufacturing enterprises play a fundamental role in growth and development of the Kenyan Economy. They employ 14.9 million people, contributing 33.8% of GDP and 31.4% of gross value addition; with manufacturing MSMEs contributing 24.3% of the total gross value addition.

## **2.0 Statement of the Problem**

Despite the critical role played by MSMEs in the Kenyan economy, most of the start-ups collapse within the span of three years, perhaps due to the challenges of inability to access adequate capital and information, regulatory constraints, low managerial capability, low operating efficiencies, low satisfaction rate by customers and competition from established global firms operating in Kenya (KNBS 2022). Organizational vision has proven to be a key element in ensuring organizational performance. The customary perspective of strategic planning concentrates on the compatibility between existing assets and current possibilities, while organizational vision serves as a link between resources and aspirations of organizations to tackle the market obstacles that firms are encountering and boost performance (Metzlar, 2017). The goal of the study was to investigate the effect of organizational vision on organizational performance of top medium-sized manufacturing enterprises in Kenya.

Fundamental components of strategic intent such as organizational vision have in the past attracted the interest of many researchers. Eze et al., (2020), investigated the effect firm vision had on the performance of SME printing press firms in Abuja, Nigeria. Organization by Objectives as a technique for evaluating company performance was investigated by (Shonubi & Sodipo 2019). Thorough qualitative and quantitative research of mission characteristics for enterprises in Latin America and how they affect financial performance was conducted by Cortés-Sanchez & Rivera (2019). Turkson et al., (2021) investigated the effects of government policies on 419 Italian enterprises. The operation and socioeconomic of the countries and locations where these studies were carried out is totally different from Kenya, and as such, a contextual gap is provided.

Khan, Afzal, Chaudhry, and Khan's (2020) assessed how an organization's objective affected performance of Pakistan's banking, telecommunications and pharmaceutical industries using Pearson correlation test. Kimani (2022) assessed the mission of NGOs in Kenya's financial viability. Secondary data was employed for this study, hence demonstrated a methodological gap. Jenyo, Ouma, and Mosoti (2018) investigated how vision impacts organizational performance using correlational research design. These studies provided a methodological gap. An investigation of how strategic intent influenced the performance of Safaricom limited using operation plans and structural design to measure strategic intent was conducted by Mugunda et al., (2020). Makau & Muna (2020) investigated how internal policies of the organization affected the performance of Kenya's publicly-held commercial banks. These studies demonstrated conceptual gaps.

From the foregoing, the studies that have been previously carried out only partially addressed the effect strategic intent has on the performance of manufacturing firms in Kenya. In addition, previous research did not completely do justices in regards to strategic intent and performance relationship amongst the Kenya's Medium-sized enterprises. The current study will bridge part of this identified contextual, conceptual and methodological gaps. It will particularly focus on

investigating strategic intent and performance relationship amongst Kenya's top medium-sized manufacturing enterprises.

### **3.0 Theoretical Review**

Developed by Fred Fiedler (1964), the contingency theory asserts that effective leadership is dependent on the extent to which the leader's style is complemented by or aligned with the environment that his firm operates in. There is, therefore, no superior or inferior leadership style: what brings the difference in leadership efficacy is the ability of a leader to match his style with the varying situations that face him (Shala, Prebreza, & Ramosaj, 2021). Similarly, governance and structural designs are most effective if and only if the organizational structure matches its contingencies (Gabow & Kinyua, 2018). A leadership style that yields results in one situation, may, therefore, not yield results in another situation. For optimal performance, a leader must fit his style to the context that he faces.

The extent to which an organization succeeds in achieving its goals is connected with its leader's leadership style. Leaders determine the long-term direction the firm follows by crafting its mission and vision. They then go ahead to motivate, inspire and align with their followers, who help them to achieve the mission and vision that they have set (Vidal, Campdesuñer, Rodríguez, & Vivar, 2017). This theory is the main theory for this study, supporting both the independent and dependent variables. It is pertinent to this study because these characteristics create leaders with the ability to implement organizational visions and missions intended to propel businesses towards higher business levels, given that they are outfitted with perception to evaluate different circumstances emerging as the organization goes after its objectives.

### **4.0 Empirical Review**

Gabow and Kinyua, (2018) carried out a study about the extent to which strategic intent influenced the organizational performance of Kenya Commercial Bank in Nairobi City County, Kenya. Strategic intent was represented by vision, amongst other independent variables. Performance was measured using the banks efficiency, effectiveness, customer retention and new processes. A population of 142 members of staff in the head office, comprising of senior, middle and functional level managers was chosen, as well as a descriptive research design. Further, the researchers selected a representative sample of 73 employees from the total population using 0.5 as the sampling ratio. For this, they adopted a stratified random sampling technique. By analyzing both primary and secondary data that was gathered, the researchers concluded that the Kenya commercial bank's strategic intent had significant influence on the performance of its branches in Nairobi City County, Kenya. Although the aforesaid study was also based on strategic intent and organizational performance in Kenya, it was carried out on commercial banks. Hence, the present study will be carried out on Medium-sized manufacturing enterprises in Kenya.

Jenyo, Ouma, and Mosoti (2018) investigated how vision impacted the organizational performance of private universities in Kenya. The study used correlational research design and positivist methodology. All 17 of Kenya's private universities that have received accreditation from the Commission of University Education formed the population. The board of directors formed the unit of analysis together with vice chancellors and heads of the following key departments in each of the 17 public universities: finance, sports, human resources, research and quality assurance and

academic departments. This provided a total study population of 136. For descriptive statistical analysis, a census was undertaken along with frequency distributions, percentages and means, whilst correlations and regression analyses were used for inferential statistics. According to the study, a sizable amount of the variation in organizational performance can be attributed to vision. As a result, it was determined that the relationship between the research variables could be statistically predicted by the model since it was statistically significant. Based on the conclusion of this study, vision and organizational performance have a positive correlation, in that performance increases by 0.867 units for every unit increase in vision. While this study used correlational research design a methodological gap exist. In this instance, descriptive research design will be the bases. Similarly, an institutional gap exists, considering that this study focused on institutions of higher learning in Kenya and the basis for the proposed study will be top Medium-sized manufacturing enterprises.

In Nigeria, Eze et al, (2020), investigated the effect firm vision had on the performance of SME printing press firms in Abuja. In this study, finance was assumed to be a controlled variable. Survey research design was used. All the 102 SME printing press firms with offices in Abuja were studied. Primary data was collected from senior managers or owner-managers of the targeted SME printing presses by means of a closed ended questionnaire, designed on a five-points Likert scale. The researchers concluded that firm vision strongly and positively impacted growth of SME printing presses in Abuja, Nigeria. While the previous study was carried out in Nigeria, the proposed study will be based in Kenya.

Toroitich, Kosgei, and Kemboi (2021) investigated the impact of shared vision on the performance of SMEs within Baringo and Elgeyo Marakwet counties, which are counties among the Kenya's 47 counties. The study adopted the use of systematic sampling technique. The mean dependability coefficient of the obtained data was 0.807. The findings of the main factor of analysis revealed that shared vision positively impacted SME performance. However, networking considerably mitigated the link among shared vision and SME performance. The findings corroborate the hypothesis and demonstrate the importance of shared vision for SMEs in both counties. The higher the knowledge on how SMEs design competitive approaches to increase their success in the chosen counties in Kenya, the more these results will be beneficial to advisors and assistance organizations that help to comprehend the significance of shared vision. The previous study employed the use of systematic sampling method. The present study will employ the use of census approach.

## **5.0 Conceptual Framework**

From the foregoing review of existing literature and identification of the research gaps thereof, a hypothetical relationship between organizational vision and organizational performance was developed as shown on figure 1.



**Figure 1. Conceptual Framework**

Source: Researcher (2024)

## 6.0 Research Hypotheses

The research hypotheses of this study were;

*H<sub>0</sub>: Organizational vision has no significant effect on organizational performance amongst the top medium-sized manufacturing enterprises in Kenya.*

*H<sub>1</sub>: Organizational vision has a significant effect on organizational performance amongst the top medium-sized manufacturing enterprises in Kenya.*

## 7.0 Research Methodology

### 7.1 Research Design

A descriptive research design was applied in this investigation. Descriptive research is described by Guest (2013) as “a range of surveys and evidence queries. According to Mugenda and Mugenda (2003), research design is the strategy or plan used to find answers to a research problem. Data collection is used to establish the relationship between the study’s components. It is a recommended strategy that incorporates all of the many components of the research (Saunders, Lewis, & Thornhill, 2009). The main goal of a descriptive research is to describe the current situation. Consequently, the investigator will use the procedures to gather and present data from the respondents’ point of view, without changing any assertions they make. Descriptive research design has been extensively adopted in management research (Legeny & Kinyua, 2023; Kinyua & Kinyua, 2023; Mbogo & Kinyua, 2023).

### 7.2 Unit of Analysis and Observation

The unit of analysis was the medium-sized manufacturing enterprise while the unit of observation was the managing director and managers of key departments; particularly the heads of the following key departments in each of the eleven (11) top medium-sized manufacturing enterprises on the KPMG’s survey of 2022: Production, quality, engineering, new products development and/or innovation, safety, health and environment, procurement, logistics, warehousing, sales, marketing, customer service, finance and human resources.

### 7.3 Site of the Study

The locale for this investigation was the five counties in the republic of Kenya, namely Nairobi City, Machakos, Kajiando, Mombasa and Kisumu counties where the targeted medium-sized manufacturing enterprise are located.

## 7.4 Target Population

A target population is made up of all the participants in a group of hypothetical or actual items, events, or people from whom researchers can infer their results (Burns & Grove, 2003). The total population for this study was, therefore, one hundred and fifty-four (154) respondents drawn from production, quality, engineering, new products development and/or innovation, safety, health and environment, procurement, logistics, warehousing, sales, marketing, customer service, finance and human resources of all the eleven (11) top medium-sized manufacturing enterprises on the KPMG's survey of 2022. Given that the population size was less than 200 subjects, a census was carried out.

## 7.5 Instrument for Collecting Data

A structured questionnaire consisting of two main sections, a general information section and a specific information section, was used to gather factual data for this study. The general information section focused on getting personal information of the respondent. The specific information section, on the other hand, focused on getting information regarding research variables. The use of structured questionnaires was advised because this type of questionnaire makes it easier for respondents to reply and also makes it easier for the researcher to compile and synthesize results (William, 2006; Blaxter, Hughes & Tight, 2006). The questionnaire employed was, further, a closed-ended questionnaire and had a Likert scale of 1 to 5.

### 7.5.1 Validity for Research Instruments

The study sought to determine the validity of the questionnaire. Face, content and construct validity were tested. To test face validity, the questionnaire was reviewed by research experts in the area of organizational performance and organizational vision, faculty members and the supervisor. Further, Construct and content validity was confirmed by extensively reviewing the theoretical and empirical literature on organizational vision and organizational performance. After review of the questionnaire by experts and supervisors, it was established that the questionnaire was valid to obtain the required data for the purpose of the study.

### 7.5.2 Reliability

Reliability refers to the extent to which the research instrument is consistent in measuring the study constructs (Anastasiadou, 2006). In this study reliability of the research instrument was measured using internal consistency via Cronbach's alpha. According to Cooper and Schindler (2013), a Cronbach's alpha of 0.70 is generally considered reliable. In this study an Alpha value greater than 0.7 was accepted as reliable. As has been observed in related body of empirical literature, a threshold of 0.7 suffices for evaluation of reliability of a research instrument (Kinyua, 2015; Kinyua, Muathe & Kilika, 2015; Muthoni & Kinyua, 2020).

**Table 1: Statistics for Reliability Test**

Variable	Number of Items	Cronbach's Coefficient	Alpha	Decision
Organizational vision	10	0.785		Reliable
Organizational Performance	4	0.811		Reliable
<b>Aggregate</b>		<b>0.792</b>		<b>Reliable</b>

Source: Pilot Study (2024)



Results of reliability statistics were as summarised on table 1. These results established that organizational vision had a Cronbach's Alpha coefficient of 0.785, which is greater than 0.7, indicating that the research instrument had consistency and that the questionnaire was reliable in collecting the required data.

### 7.6 Data Collection Procedure

For the purpose of gathering data, the researcher first drafted the survey questions then forward them to the supervisor for vetting. A research license from NACOSTI was then obtained by the researcher. To guarantee that respondents had access to all public opinion surveys and to accomplish this purpose, the researcher took careful controlling procedures. A record of all questionnaires sent and received was maintained. The responders were given a questionnaire separately. While assuring the respondents of their confidentiality, the researcher provided extensive information about the questionnaire's goals and asked for the respondent's opinions. The researcher employed a drop-and-pick method.

### 7.8 Data Analysis

Data analysis is crucial stage in the process of extracting valuable information and arriving at well-informed choices from data. For this research, data was cleaned, organized and examined after collection to produce results and derive conclusions from the survey data, make educated guesses about the population's unknown parameters and respond to research queries. The two major types of analysis are descriptive analysis and inferential analysis. Inferential statistics are concerned with generalization, whereas descriptive analysis is concerned with the creation of specific indices from raw data. To describe the responses for descriptive statistics such as percentage and frequency, as well as measures of central tendency and dispersion, tables and charts were used. In addition to inferential analysis, techniques such as correlation and simple linear regression analysis were performed to determine how the independent variable related with the dependent variable. The study's simple linear regression model is as follows:

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Where:

Y= Organizational Performance

$\beta_0, \beta_1$ = regression coefficients

$X_1$  = Organizational Vision

$\varepsilon$  = Error Term

The results of the regression analysis were concluded at a level of confidence of 95% and level of significance of 5%. To facilitate the comprehension and accessibility of the intricate data, an efficient method of data representation was employed. This entailed the utilization of visual tools such as tables, charts, and graphs to convey the significant findings and patterns revealed through the analysis.

## 8.0 Research Findings and Discussion

### 8.1 Response Rate

In this study, the sampling frame was 154 respondents from the eleven (11) manufacturing enterprises on the KPMG's 2022 list of top 100 medium-sized enterprises in Kenya. The researcher administered each respondent with a questionnaire. From the 154 questionnaires 137 were completely filled and returned hence a response rate of 88.9%. The response rate was considered as suitable for making inferences from the data collected. As indicated by Metsamuuronen (2017), a response rate that is above fifty percent is considered adequate for data analysis and reporting while a response rate that is above 70% is classified as excellent.

### 8.2 Characteristics of the Participants

The demographic information of the respondents comprised of gender of the respondents, age bracket, level of education and years of experience. The results of analyses of these attributes are as provided in table 2.

**Table 2: Characteristics of Participants**

Attributes	Categories	Frequency	Percentage
<b>Gender</b>	Female	58	42%
	Male	79	58%
<b>Age</b>	Below 25 years	11	8%
	25 – 50 years	100	73%
	Above 50 years	26	19%
<b>Education Level</b>	Postgraduate	13	10%
	Undergraduate	21	15%
	Diploma	40	29%
	Professional Certificate	34	25%
	Secondary Certificate	29	21%
<b>Years of experience</b>	Below 5 years	44	32%
	6 – 15 years	51	37%
	More than 15 years	42	31%

**Source: Field Data (2024)**

As shown on table 2 above, 58% of the respondents were male and 42% female. Most of the respondents were, therefore, male, though, not overwhelmingly. Further, an overwhelming 73% of the respondents were aged between 25-50 years and 19% and 8% above 50 years and below 25 years respectively. The result also shows that only 21% of the respondents did not possess a professional certificate and above but had secondary school certificates. Further, 29%, 15% and 10% of the respondents had a diploma, undergraduate and postgraduate educational certificates respectively, strongly indicating that the respondents had the requisite level of education to provide the needed information. For the years of experience, 32% indicated below 5 years, 37% between 6-15 years and 31% above 15 years. This therefore implies that the respondents had sufficient experience in their respective manufacturing enterprise to give reliable information regarding the relationship of the variables.

### 8.3 Descriptive Statistics

In this section the study presents findings on Likert scale questions where respondents were asked to indicate their level of agreement with the various statements that relate with the effect of organizational vision on the organizational performance of top Medium-sized manufacturing enterprises in Kenya. They used a 5-point Likert scale where 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree. The means and standard deviations were used to interpret the findings where a mean value of 1-1.4 was strongly disagree, 1.5-2.4 disagree, 2.5-3.4 moderate, 3.5-4.4 agree and 4.5-5 strongly agree. The findings were presented and discussed in sub-sections below.

#### 8.3.1 Organizational Vision

The respondents were requested to indicate their level of agreement on statements relating to organizational vision and organizational performance. The results were as presented on Table 3.

**Table 3: Descriptive Statistics on Organizational Vision**

<b>Organizational Vision</b>	<b>Mean</b>	<b>Standard Deviation</b>
The firm's vision is practical	3.973	0.981
The minds of all employees resonate with the firm's vision	3.966	0.850
The firm's vision fosters enduring creativity of employees	3.931	0.914
The firm's vision is unique to the firm	3.896	0.947
The vision statement clearly captures the aspirations of the firm	3.889	0.856
Vision statement helps the firm to achieve better performance.	3.821	0.743
To a great extent, all of the firm's strategies are aligned with its vision.	3.786	0.876
The vision statement of the firm defines the establishment	3.698	0.897
All the activities of the firm are consistent with the vision statement	3.687	0.786
<b>Aggregate Scores</b>	<b>3.798</b>	<b>0.823</b>

**Source: Field Data (2024)**

From the results shown in table 3, it was established that the aggregate mean score was 3.798, indicating that there was agreement among respondents on the elements of organizational vision and its effect on organizational performance. These results suggest that there is evidence of existence of an organization vision postulating that there is clarity of direction across the organization since there exists a vision that shapes employees focus toward achievement of organizational goals. These results concur with the observation of Greyser (2019) that organizational vision inspires employees and fosters clarity; enhancing a strong feeling of shared purpose.

Specifically, by a mean of 3.973 and a standard deviation of 0.981, the respondents agreed that the organizational vision is practical. Further, through a mean of 3.966 and a standard deviation of 0.85, the respondents agreed that the minds of all employees resonate with the firm's vision. In addition, as indicated by a mean of 3.931 (std. dv = 0.914), the respondents agreed that the firm's vision fosters enduring creativity of employees. These results align well with the findings of Jenyo, Ouma, and Mosoti (2018) who established that

organizational vision should be clear to all employees. In addition, the vision should foster creativity of the employees.

The respondents also agreed that the firm's vision is unique to the firm, as manifested by a mean score of 3.896 (std. dv = 0.947). Similarly, though, a mean of 3.889 (std. dv = 0.856), the respondents agreed that the vision statement clearly captures the aspirations of the firm. In addition, a mean score of 3.821889 (std. dv = 0.743) supported the fact that the vision statement helps the firm to achieve better performance. The respondents, also, agreed that to a great extent, all of the firm's strategies are aligned with its vision as demonstrated by a mean value of 3.786 (std. dv = 0.876). With a mean of 3.698 (std. dv = 0.897), the respondents agreed that the vision statement of the firm defines the establishment.

Further, it was noted that the respondents agreed that all the activities of the firm are consistent with the vision statement. This is supported by a mean of 3.687 (std. dv = 0.786). In addition, as shown by a mean of 3.652 (std. dv = 0.983), the respondents agreed that the actions of all the firm's stakeholders demonstrate a clear understanding of its vision. These results concur with the findings of Eze *et al*, (2020) who revealed that firm vision had a positive and significant effect on organizational growth. In addition, Toroitich, Kosgei, and Kemboi (2021) established that shared vision positively impacted organizational performance.

### 8.3.2 Organizational Performance

The respondents were requested to indicate their level of agreement on various statements relating to organizational performance amongst the top medium-sized manufacturing enterprises in Kenya that they work for. The results were as presented in Table 4.

**Table 4: Organizational Performance**

<b>Organizational Performance</b>	<b>Mean</b>	<b>Std Dev</b>
Improvement of financial performance	4.084	0.997
Employees are satisfied with the vision of the enterprise	3.917	0.831
Increase in customer satisfaction	3.858	0.563
Improved operating efficiency	3.831	0.851
<b>Aggregate Scores</b>	<b>3.03</b>	<b>0.94</b>

**Source: Field Data (2024)**

From the results in table 4, the respondents agreed that they have realised improvement of financial performance. This is supported by a mean of 4.084 (std. dv = 0.997). These results indicate that to a great extent respondent agreed that there was improvement in performance of their companies. These results concurred with the findings of Mark and Nwaiwu (2015) who suggested that organizational performance is a function of both internal and external factors.

In addition, as shown by a mean of 3.917 (std. dv = 0.831), the respondents agreed that employees are satisfied with the vision of the enterprise. Further, the respondents affirmed that organizational vision increased customer satisfaction. The mean for this was

3.858 (std. dv = 0.563). The respondents also agreed that their organization had realised improved operating efficiency. This is shown by a mean of 3.831 (std. dv = 0.851). Makau and Muna (2020) established that performance of an organization can be measured through market share, profitability, level of customer satisfaction and quality compliance.

#### 8.4 Correlation Analysis

Correlation analysis results were used to determine the strength of the relationship between the study variables. The results were summarised in table 2.

**Table 5: Correlation Coefficients**

		Organizational Performance	Organizational Vision
Organizational Performance	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	137	
Organizational Vision	Pearson Correlation	.851**	1
	Sig. (2-tailed)	.002	
	N	137	137

\*\* . Correlation is significant at the 0.01 level (2-tailed).

#### Source: Field Data (2024)

From the results displayed in table 5, it was established that there was a strong positive correlation between organizational vision and organizational performance amongst the top medium-sized manufacturing enterprises in Kenya ( $r = 0.851$ ,  $p$  value = 0.002). This relationship was significant since the  $p$  value was less than 0.05 significant level. The findings are in line with the findings of Gabow and Kinyua, (2018) who indicated that there is a positive correlation between organizational vision and organizational performance.

#### 8.5 Linear Regression

Linear regression analysis was used to assess the nature of the relationship between organizational vision and organizational performance amongst the top medium-sized manufacturing enterprises in Kenya. The results were summarised in table 6.

**Table 6: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	0.804 <sup>a</sup>	0.647	0.636	0.22057		
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.027	4	3.007	60.428	0.000 <sup>b</sup>
	Residual	6.568	132	0.050		
	Total	18.595	136			
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.341	0.089		3.831	0.000
	Organizational vision	0.369	0.099	0.353	3.727	0.000

a. Dependent Variable: Organizational Performance.

b. Predictors: (Constant), Organizational Vision.

**Source: Field Data (2024)**

The coefficients tabulated in chapter 6 aided in the development of a linear model as shown below:

$$\text{Organizational Performance} = 0.341 + 0.369 \text{ Organizational Vision}$$

According to the results, organizational vision has a significant effect on organizational performance amongst the top medium-sized manufacturing enterprises in Kenya ( $\beta_1=0.369$ , p value= 0.002). The findings were consistent with the descriptive statistics which indicated that the respondents agreed that there existed organizational vision and that the organizational vision influenced organizational performance. Moreover, these findings were consistent with correlation results which showed a strong positive correlation between organizational vision and organizational performance. Additionally, the findings in the study support the postulates of contingency theory that the effectiveness of organizational leadership is dependent on the extent to which the leaders are visionary and align organizational vision with those of their followers (Shala, Prebreza, & Ramosaj, 2021).

Further, the findings are in line with the findings of Gabow and Kinyua, (2018) who indicated that there is a very strong relationship between organizational vision and organizational performance. Eze et al, (2020) also concluded that firm vision strongly and positively impacted growth of SME printing presses in Abuja, Nigeria.

## 9.0 Conclusion

The study established that top medium-sized manufacturing enterprises in Kenya had had practical organizational visions. Additionally, the study found that a strong positive correlation exists between organizational vision and organizational performance. Further, organizational vision had a significant effect on organizational performance among the top medium-sized manufacturing enterprises in Kenya.

## 10.0 Recommendations

It was recommended that the management of medium-sized manufacturing enterprises and other firms should ensure that they develop vision statements that are practical and unique. Further, medium-sized manufacturing enterprises should ensure that their employees resonate with their vision so as to foster enduring creativity. To further improve performance, the firm's vision should capture its aspirations and that all its strategies should be consistent with its vision.

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