

# THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

## Influence of Competitive Intelligence on the Relationship between Strategy Evaluation and Control and Performance of Companies Listed on the Nairobi Securities Exchange, Kenya

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### **Abstract:**

*The study examined the moderating role of competitive influence on the relationship between strategy evaluation and control on listed companies. The study of strategy evaluation and control has drawn much attention to both policy makers, business managers as well as academic researchers. In Kenya, there are many studies on the relationship between evaluation and control and firm performance. However, there is a limited study on the influence of competitive intelligence on the relationship between strategy evaluation and firm performance. The main purpose of this study was to provide further insight and evidence of influence of competitive intelligence on the relationship between strategy evaluation and performance of listed companies in Kenya. All the 65 listed companies on NSE were selected as population for the study. A structured questionnaire was used to collect data from managers of the 65 listed companies. The data was analysed using descriptive and inferential statistics. The result showed that strategy evaluation and control had significant effect on the financial performance. However, competitive intelligence had little or no moderate effect on the relationship between strategy evaluation and control and the performance of listed companies. The study recommends future research on strategy evaluation models reflecting changing nature of the environment on the upcoming businesses due to competitive nature of business environment.*

**Keywords:** Strategy evaluation and control, competitive intelligence, customer satisfaction, financial performance

### **1. Introduction**

Strategy evaluation is the last stage in the strategic management process. Strategy evaluation assesses the stages of strategy implementation in an organisation (El Shamly, 2013). There are many barriers in strategy execution which management must investigate and if need be taken corrective actions (Carpenter & Sander, 2009). Today's businesses are facing fierce competition from both local and global markets (Huynh, et. at., 2013). All businesses in whatever form whether in product or service are evaluating their performance in line with strategic management plans (Abu Bakar, et. al. 2011). Dudin (2013) in emphasizing the role of strategic management process argued that strategic evaluation and control are critical factors in assessing the performance of organisation. UNDP (2008) reported that in a case where there is no qualification or quantitative analysis of performance it becomes risky to implement a strategy. Abdel and Saed (2014) argued that the absence of clear monitoring and evaluation system limits proper implementation of strategic management process.

Hafif and Sadik (2012) state the use and application of strategic management process by companies' leads to achievement of intended benefits and this leads to actualization of its goals and objectives. Gupta (2013) advocate use of PEST analysis in evaluation and management of strategy. As a tool, PEST is used to analyse organisational growth and performance. Bavarsad et, al. (2012) emphasized the use of balanced scorecard (BSC) approach for strategy evaluation in four perspectives; financial, customers perspective, internal business processes and learning and growth.

#### *1.1. Statement of the Problem*

The success of any strategy whether beg or corporation depends on how regularly its activities are monitored, evaluated and corrective action implemented. Information flow is important to pinpoint critical areas of weakness that

require a revisit by managers. Best formulated strategies if not accurately implemented become obsolete as firms' external environment and internal changes occur (Flamilton, 2013). Both financial and non-financial performance of a firm can be measured in terms of profitability, return on equity, return on assets and dividend growth (Omondi & Muturi, 2013). Mohammed and Baroto (2015) and Arvand and Ahanad (2014) in their studies on why strategies fail, argue that 60% of companies don't relate strategy to budget planning process while 95% of the employees don't understand organisational strategy. David (2011) states that it is not possible to formulate and adjust strategy to changing environment without effective strategy evaluation. Previous studies on evaluation and strategy implementation link the success of plans with effective and continuous evaluation and control. Hunger and Wheelen (2011) argue that feedback from strategy evaluation is essential for corrective action. Similar studies by Tunji (2013) and David (2011) point out that strategy requires continuous evaluation. Wanjiru (2016) on studies on corporate performance of hotels concluded that strategy evaluation has a significant influence on performance of firms. Similar studies by Moroa and Muturi (2015) found out that that strategy evaluation influenced performance of organisation. Although there are many studies on strategy evaluation and firm performance, they did not address the influence of competitive intelligence on the relationship between strategy evaluation and firm performance. Further, they have not showed the role of information gathering, utilization and its influence on strategy evaluation and control. It is evident that today's managers rely on intelligence in implementation of strategic plans due to competitive environment. Information is key ingredient in strategy evaluation in any organisation and is a key component in strategic management process. While most of the firms listed on the securities exchange continue to perform far much better, others continue to show decline as well as issuing profit warning and even being delisted from the NSE. Although much of the failures have been attributed to both internal and external factors, little has been done with regard to strategy evaluation carried out by most listed companies. This study therefore sought to investigate the influence of competitive intelligence on the relationship between strategy evaluation and control and performance of companies listed at Nairobi securities exchange, Kenya.

### *1.2. Performance of Companies Listed on Nairobi Securities Exchange*

Many organisational models gauge success on one of the two premises; financial and non-financial outcomes (Sunil et al, 2011; Beheshi & Hultman, 2015). Park, Lee and Chae (2017) posit that financial measurements are represented on long-term value of financial performance. In order to satisfy shareholders expectation, it's important to understand customer performance and prevailing environmental conditions (Yashikuni & Abertin, 2017). Customer performance is assessed by client satisfaction derived from the quality of products and services being offered, customer relationship, customer relation and brand image (Kaplan & Norlon 2008; Park, Lee & Chae, 2017). According to Wheelen and Hunger (2010) the practice of strategic management is justifiable through improved performance.

Performance measurement is essential as a determinant of achieving organisational objectives (Nzuve & Nyaega, 2011). It's also a measure of overall health of a strategic health of organisation (Makanga & Paul, 2017). There are 65 companies listed at Nairobi securities exchange (NSE, 2019) categorized in various sectors. One of the core functions is dissemination of information for securities trading at the bourse (Capasso, 2006). Stock market accelerates investment in an economy by mobilizing resources leading to financial growth. (Musyoka et al, 2018). Kenya Vision 2030 realization is anchored among others a robust financial stability of which the securities market is a key institution (GOK, 2007).

### *1.3. Influence of Competitive Intelligence on Strategy Evaluation and Control*

The basic task of today's strategic management is formulating and implementing successful strategies (Aosa, 2012). Successful strategy implementation means delivery of high value to customers (Kalac et al; 2015). Competitive intelligence is a process that involves information gathering, analysis, interpretation and dissemination to potential users (McDowell, 2009). Competitive intelligence informs the decision-making process (Shih, Liu & Hsu, 2010). Competitive intelligence provides opportunity for an organisation to reposition effectively in a competitive environment (Waithaka, 2016). Competitive intelligence provides vital data analysis and information about behaviour, customer expectation, technological development and general trends in a dynamic business environment (Wright, Eid & Fleisher, 2009). Yab and Rashid (2011) have identified intelligence categories as competitor intelligence, economic intelligence, customer intelligence and legal intelligence.

Protiviti (2011) posits that competitive intelligence forms part of sustained competitive advantage through monitoring, implementing and evaluation the performance of organisation to protect shareholder interests.

### *1.4. Objective of the Study*

To determine the influence of competitive intelligence on the relationship between strategy evaluation and control and performance of companies listed on Nairobi Securities Exchange in Kenya.

### *1.5. Hypothesis of the Study*

- $H_{01}$ : Competitive intelligence has no significant influence on the relationship between strategy evaluation and control and performance of companies listed on the Nairobi Securities Exchange in Kenya.

## **2. Literature Review**

Strategy evaluation and control is the final stage in strategic management process. This stage of strategic management process determines whether a chosen strategy is achieving its intended purpose. Strategy evaluation and control is the process of determining how effective a strategy is in achieving its intended purpose and objective (Agwa, 2018). Otieno et al. (2018) in their study on the effect of implementing strategic management on small and medium

enterprises in Nairobi County found that strategy evaluation has positive impact on the financial performance of SME's in-service sector in Kenya. The link between strategic evaluation and firms' performance has yielded mixed results. Arabzad et al. (2015) found that strategic management process aspects are strongly linked to performance metrics within the organisation. Effendioglu and Karabut (2010) found positive correlation between strategy evaluation as a component of strategic management process and financial performance. The same argument was later supported by Saleh et al. (2013) in their studies on service industries. However, earlier studies by French, Kelly and Hausoun (2004) revealed that there was no relationship between strategy evaluation and financial performance. Guerran- Martina et al. (2014) are of the view that assessing performance, revising variations and making alterations are important components of strategy evaluation and control. Scholars have conducted several studies on the relationship between strategic management processes and organisational performance and most of their findings found positive correlation (Chavanduka, Chimunhu & Sifile, 2015). They further suggested that organisations that evaluated their organisational strategic processes performed better than those that did not. Arasa and K'Obonyo (2012) concluded that the success and better performance of organisations are centered on strategy implementation and evaluation and control.

Strategy evaluation attempts to compare projected performance with actual performance achieved by the organisation. This therefore enables managers to readjust formulated strategies with expected results (Adeyyat & Twaissi, 2011). Further, Arasa and K'Obonyo (2012) explains that a strategy evaluation determines whether the plans are feasible and if they are meeting financial budgets of the entity. This, then implies that organisation should continuously review its capabilities in line with its strategic management plans for successful implementation of the strategy (Popa et al, 2012). The importance of strategy evaluation is viewed in the context of realization of its goals (Naghi & Gica, 2011). Strategy evaluation is critical in enabling the business entity to react to new business challenges posed by environment (Watanaba, 2014). Duhihlela and Sandada (2014) offers advice to small and medium enterprises on the use of strategy evaluation and control to achieve high performance.

### *2.1. Resource-based Theory*

Due to complex and dynamic nature of corporate governance, concepts as well as theories of strategic management practices have become common features in modern management. The Resource-based Theory originated from organisation's philosophy that firm's competitive advantage is determined by internal resources that a firm possesses (Omalaja & Eruola, 2011). Resource-based model has been found to be one of the main strategic management theories that explains organisational performance. Grahovic and Miller (2009) explain how RBV enhances and sustain competitive advantage and efficiency. A firm claims competitive performance if it creates superior economic value in its production processes. (Ghemawat & Revkin, 2010; Makadok, 2010). Resources are classified as either tangible such as financial, physical and human while intangible resources include patents brand and reputation. RBV hold view that a firm comprises of valuable resources as well as capabilities and that survival of a firm depends on resource management to gain competitive advantage (Yu et al, 2014; Terjesema et al; 2011).

RBV theory forms a strong background on how an organisation can perform better than rivalries in the same market (Barney & Clourke, 2014). They further argue that resources and managerial capabilities have great influence on the growth and performance of the organisation. Merrilees, Boumgarth and Urde (2011) perceive organisation as a collection of organisational capabilities and central to entrepreneurial orientation. RBV theory advocates use of organization's unique capabilities and resources to mount strategies capable of countering market challenges (Kerala, 2010). Herath and Mahmood (2014) emphasize that resources alone are not capable of achieving competitive advantages but only a properly aligned resource. They further argue that firm performance is linked to organizational success factor.

### *2.2. Research Design*

The study utilized explanatory research design since it was used to establish the relationship between variables. The design was used to explain the effect of strategy evaluation and control on firm performance as well as influence of competitive intelligence on the relationship between strategy evaluation and performance of companies listed at NSE. There is enough evidence on the use of this research design by Cooper and Schindler (2014) and Cresswell (2014). The study used questionnaire for data collection from managers across all the sectors of the 65 listed companies. The use of questionnaire was favoured due to low cost in data collection.

Table 1 shows the responses obtained from the managers and representatives of various companies listed on NSE. The responses were in respect of strategy evaluation and control practices as applied by respondents.

Statement	%	SD	D	N	A	SA	M SD
EI-1. Information system provides management with relevant reports on internal and external environment.		1.7	10.5	8.8	40.4	38.6	M=4.03 SD=1.03
EI-2. Heads of Departments provide senior managers with accurate reports to carry out duty's responsibilities.		1.8	10.7	12.2	45.6	38.6	M=4.17 SD=.85
EI-3. Departments provide senior managers with proper reports to carry out responsibilities.		1.8	1.8	12.3	52.6	21.6	M=4.10 SD=.81
EI-4. Top management provides feedback to operations managers for review.		1.8	3.5	5.3	63.1	26.3	M=4.08 SD=.78
EI-5. Management monitors procedures to ensure transactions are recorded.		1.5	5.5	7.3	48.9	36.8	M=4.15 SD=.82
EI-6. Management periodically reviews financial and non-financial reports.		1.8	7	1.8	50.9	38.5	M=4.17 SD=.90
EI-7. Management control activities and considers all the activities of the organisation.		3.3	12.4	9.3	36.1	43.9	M=4.05 SD=1.15
EI-8. Management has identified appropriate and up-to-date technology controls.		1.2	4.3	16.5	43.9	34.1	M=3.75 SD=1.18
EI-9. There is always feedback loop for reporting		4	3.1	7	56.1	29.8	M=4.01 SD=1.01
EI-10. Feedback is taken seriously by the management.		1.2	4.3	7.3	37.6	49.6	M=4.11 SD=1.09
EI-11. Control activities are done after evaluation.		3.4	1.6	4.3	52.1	38.6	M=4.23 SD=.84

Table 1: Strategy Evaluation and Control and Firm Performance

N=43, SD=strongly Disagree, D=Disagree, N=Neutral, A=Agree, SA= Strongly Agree, SD= Standard Deviation, M=Mean

### 2.3. Strategy Evaluation and Control and Firm Performance

The objective was concerned with establishing influence of strategy evaluation and control on firm performance. Table 1 indicated that information provided in the organisation availed both internal and external reports. This was strongly agreed by 38 % of the respondents and 40 % similarly were in agreement. However, relatively 10 % disagreed with the statement. Head of departments relay information to managers in order to enable them carry out their responsibilities. This was positively agreed at 52 percent. It was observed that information flow from top management to operations managers was high at 63 percent. Management controls all activities to ensure all proposed objectives are implemented and feedback provided. On that score, 43 percent of the respondents strongly agreed with the statement. Feedback is taken seriously by the organisation as way of retracing any reason for failure to achieve intended objectives and strategic goals set out at the beginning of the trading period. From the results, it's evident that management monitors all the processes and transactions. This was agreed at 48 percent by respondents. The value and importance of this key element is to ensure and guarantee quality of all the processes in the organisation. Review of both financial and non-financial performance that even forms the dependent variables of this study 50 percent positively responded as having to review these performance indicators. Further, 49 percent of the respondents indicated that they valued feedback and is taken seriously by management. The report indicate that control activities are undertaken after evaluation of processes. This was represented by 52 percent of the total respondents.

### 2.4. Strategy Evaluation and Control and Firm Performance

The study investigated how strategy Evaluation and control which is dependent variable affect return on equity, return on assets and customer satisfaction when moderator is included in the regression analysis.

Model R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
.383 <sup>a</sup>	.146	.081	1.080	1.852

Table 2: Coefficient of Strategy Evaluation and Control and Return on Equity with a Moderator  
Predictors: (Constant), EC\_Moderator, Competitive Intelligence, Evaluation and Control  
Dependent Variable: Return on Equity

Table 2 shows model summary of Coefficient of Strategy Evaluation and Control and Return on Equity with moderator where the value of R-square is given as 0.146 and adjusted R-square as 0.081. This indicates that 14.6% of the

return on equity is explained by the independent variables. It therefore suggests that the model is quite significant in explaining the variances. The significance results at  $p < 0.05$  provides support for the relationship. The Durbin-Watson value in Table 2 is 1.852 which is between 0 and 2. Durbin-Watson statistic is used to detect the presence of autocorrelation from a regression analysis. However, it has positive correlation between residuals implying a low correlation. Durbin-Watson tests autocorrelation in the residuals from a statistical regression analysis.

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7.800	3	2.600	2.228	.001 <sup>b</sup>
	Residual	45.507	40	1.167		
	Total	53.307	43			

Table 3: Variance Analysis of Strategy Evaluation and Control on Return on Equity with Moderator

Table 3 shows the effect of strategy evaluation and control and significance effect of independent variables and moderator on return on equity at  $p < 0.05$  (.001) level [ $F(3, 43) = 2.228, p = 0.001$ ].

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.456	.181		19.114	.000
Evaluation Control	.109	.271	.097	.402	.690
Competitive Intelligence	-.517	.243	-.459	-2.129	.040
EC Moderator	-.014	.113	-.030	-.123	.903

Table 4: Coefficient of Strategy Evaluation Control and Return on Equity with moderator

a. Predictors: (Constant) SEC\_Moderator, Strategy Evaluation and Control  
b. Dependent Variable: Return on Equity

In order to establish the relationship between the variables the researcher looked at the coefficient of determination. Table 4 gives the coefficient of strategy evaluation and control and that of moderator's effect on return on equity. The constant  $\alpha = 3.456$  with  $P = 0.000$ , strategy evaluation and control  $\beta = 0.109$ ,  $p = 0.690$ , Competitive intelligence  $\beta = -0.517$ ,  $p = 0.040$ , Moderator effect coefficient ( $\beta = -0.014$ ,  $p = 0.903$ ). The model translates to;  $Y = 3.456 - 0.014XM$ , Where, Y is return on Equity, XM is the moderated effect of competitive intelligence on Strategy Evaluation and Control.

## 2.5. Strategy Evaluation and Control, Moderator and Moderator Effect on Return on Assets1

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.785 <sup>a</sup>	.616	.587	.58772	1.664

Table 5: Model Summary of Strategy Evaluation and Control and Return on Asset with Moderator

a. Predictors: (Constant), EC\_Moderator, Competitive Intelligence, Evaluation and Control  
b. Dependent Variable: Return on Asset

In Table 5 showing Strategic Evaluation Control and Return on Asset with moderator, the value of R-squared is given as 0.616 and adjusted R-squared as 0.587 showing that 61.6% of the variable return on assets is explained by independent variables suggesting that the model is quite significant in explaining the variance at the significance result of  $p < 0.05$  supporting the relationship between the variables. In Table 5, the Durbin-Watson 1.664 is approaching 2 hence it is good and positively correlated with independent variables.

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	21.645	3	7.215	20.888	.000
	Residual	13.471	40	.345		
	Total	35.116	43			

Table 6: ANOVA of Strategy Evaluation and Control on Return on Assets with Moderator

a. Predictors: (Constant), SEC\_Moderator, Competitive intelligence, Strategy Evaluation and Control  
b. Dependent Variable: Return on Assets

Table 6 compares the effect of strategy evaluation and control, competitive intelligence and moderator effect on Return on Assets. It also indicates significant effect of independent variable on return on assets at  $p < 0.05$  (0.000) level [ $F(3, 43) = 20.888, p = 0.000$ ].

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
1	(Constant)	4.285	.098		43.560	.000
	Evaluation Control	.398	.148	.435	2.695	.010
	Competitive Intelligence	.105	.132	.115	.795	.000
	EC_Moderator	-.115	.062	-.307	-1.864	.000

Table 7: Coefficient of Strategy Evaluation Control and Return on Assets with Moderator  
a. Dependent Variable: Return on Assets

Table 7 gives coefficient of strategy Evaluation and Control and moderator effect on Return on Assets. The coefficient of constant  $\alpha = 4.285$  with  $p = 0.000$ , coefficient for strategy Evaluation and control  $\beta = 0.398$ ,  $p = .010$ , coefficient for competitive intelligence  $\beta = .105$ ,  $p = 0.000 < 0.05$ , coefficient for Moderator effect  $\beta = -.115$ ,  $p = 0.000 < 0.05$ . From the coefficients the final model is;

$$Y = 4.285 - 0.398X \text{ Where, } Y \text{ is return on assets, } X \text{ is Strategy Evaluation and Control.}$$

## 2.6. Strategy Evaluation Control, Moderator and Moderator Effect on Return on Equity

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.764 <sup>a</sup>	.584	.552	.59951	1.538

Table 8: Model Summary of Strategy Evaluation and Control on Customer Satisfaction with Moderator  
a. Predictors: (Constant), EC\_Moderator, Competitive Intelligence, Evaluation Control  
b. Dependent Variable: Customer Satisfaction

Table 8 shows Strategy Evaluation and Control and Customer Satisfaction with moderator R-squared given as 0.584 and adjusted R-squared is given at 0.552. This shows that 58.4% of the customer satisfaction is explained by the independent variables indicating that the model is significant. In Table 8 the Durbin-Watson is 1.538 which is less than two indicating positive correlation.

Model	Sum of Squares	Df	Mean Square	F	Sig.	
1	Regression	21.645	3	7.215	20.888	.000
	Residual	13.471	40	.345		
	Total	35.116	43			

Table 9: ANOVA of Strategy Evaluation and Control on Customer Satisfaction with Moderator  
a. Predictors: (Constant), SEC\_Moderator, Strategy Evaluation and Control  
b. Dependent Variable: Customer satisfaction

ANOVA was conducted to compare the effect of strategic Evaluation Control, competitive intelligence and moderator effect on Return on Equity, Return on Assets and Customer satisfaction level. Table 9 gives 'statistically significant model at  $p < 0.05$  level [ $F(3, 42) = 20.888, p = 0.000$  showing that the model is fit. These results show that the final model significantly improves our ability to predict the outcome variable hence the model is significant.

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
1	(Constant)	4.285	.098		43.560	.000
	Evaluation and Control	.398	.148	.435	2.695	.010
	Competitive Intelligence	.105	.132	.115	.795	.000
	EC_Moderator	-.115	.062	-.307	-1.864	.000

Table 10: Coefficients of Strategy Evaluation and Control on Customer Satisfaction with Moderator

## 3. Discussion of Findings on Strategy Evaluation and Control, Moderator and Moderating Effect on Return on Equity

Table 10 gives the coefficient of strategic evaluation control and that of moderators on effect on customer satisfaction. From Table 9 the coefficient of the constant  $\alpha = 4.285$  with  $p = 0.000$ , the coefficient of strategic Evaluation and Control  $\beta = 0.398$ ,  $p = .010 < 0.05$ , the coefficient for competitive intelligence  $\beta = 0.105$ ,  $p = 0.000 < 0.05$ , the coefficient of the

moderator effect  $\beta = -0.115$ ,  $p = 0.000$ . The results clearly showed that there was positive and significant effect of strategy evaluation and control on return on assets. Similarly, coefficient for competitive intelligence ( $\beta = .105$ ,  $p = 0.000 < 0.05$ ) coefficient for moderator effect ( $\beta = -.115$ ,  $p = 0.000 < 0.05$ ) indicate positive relationship and therefore significant in influencing the relationship.

Each of these  $\beta$  values have an associated standard error indicating to what extent these values would vary across different samples, and these standard errors are used to determine whether or not the  $\beta$  value differs significantly from zero (using the t-statistics). Therefore, if the t-test associated with a  $\beta$  value is significant (i.e.,  $p < .001$ ) then that predictor is making a significant contribution to the model. The final model is given as

$$Y = 4.285 + 0.398X$$

The results support the findings by Bloom et al. (2010) found that the evaluation and control through quality of management practices is positively associated with various measures of firm performance. In particular, an improvement in management practices led to an increase in operating revenue, an increase in profit margins by more than 85 per cent, and an increase in the return on total assets by almost 20 per cent. The study findings also dovetail with the results of, Bloom et al. (2012) who found that management practices were found to be positively correlated with firm performance and that management scores were positively and significantly associated with higher productivity, firm size, profitability, sales growth, market value and survival. With addition of moderating factor, the coefficient remains relatively low with the relationship remaining positive indicating that moderator has some effect on how evaluation control affects firm performance. The same argument is supported by McAdam and Scot (2009) who contend that strategy evaluation and control play a significant role as it informs every significant stage of strategic management process. Further, Sharabati & Fuqaha (2014) hold the view that reports on deviation from required direction can be obtained through strategy evaluation. Stewart and Mohamed (2012) opine that milestones in organization enable managers assess progress towards achievements of the goals. Tesot (2013) argues that strategy evaluation informs efficiency and effectiveness in achieving desired goals. Consistent with these results, (Ibrahim et al. 2012) established that strategy evaluation has a strong correlation with firm performance. Yang Li et al. (2008) hold the same view that evaluation of a strategy is a challenge but making it work during implementation process is even harder. This concurs with studies by Korir and Tarus (2015).

- *H<sub>01</sub> Strategy evaluation and control has no significant influence on performance of companies listed on Nairobi Securities Exchange, Kenya.*

The null hypothesis is rejected when it is regressed against return on assets as well on equity while null hypothesis is still rejected when it is regressed against return on equity with a moderator. The hypothesis is rejected when regressed on customer satisfaction with influence of a moderator. Therefore, it can be concluded that strategy evaluation and control have relationship with firm performance to some degree. It is the final stage of management process and directly impact on the organization performance as it helps in identification of the weaknesses and strengths of management process. As argued by Hunger and Wheelen (2011) evaluation and control is the final part of strategic management process as it outlines the weaknesses and successes of implemented plans. Evaluation and control assist managers to pursue goals which are consistent and specific with the overall objectives of the organization.

#### 4. Implications of the Study on Theory and Practice

Firms that ensured robust control systems were designed, customized and implemented to improve their capabilities and performance. Thus, firms out to pursue competitive positioning strategies, of necessity, need to advance their strategic control system and capabilities and integrate the same in their planning systems and processes. The evaluation phase is the stage where decision makers decide whether to act based on the intelligence provided. Measuring performance is one of the crucial parts of evaluation and control. Top management should also remember that evaluation and control follow strategic management process decisions that organisation puts in place. Evaluation and control process must be relevant to the organisation in order to achieve its strategic objectives. Strategic evaluation and control are an opportunity to create goals that reflect progress and highlights challenges. This study contributes to the strategic evaluation literature by bringing into the study the concept of the role of competitive intelligence in performance evaluation of a firm. It provides insight for the purpose of strategic planning a greater understanding manager ought to play in evaluation of firm performance

#### 5. Summary, Conclusion and Recommendation

The study findings conclude that there is positive influence on strategy evaluation and control on performance of companies listed on Nairobi Securities Exchange. Evaluation and control strategies imply that top management are able to interrogate the policies that have been implemented by the company. They are able to evaluate how strategies which have been put in place have the overall effect on the company. The firm's strategic control systems reinforce the strategic management process as an integrative process as well as the monitoring and evaluation capabilities to facilitate other key processes. Among the Kenya listed firms, focus on control played a central role in ensuring deviations and quality lapses are mitigated. Control functions also enhance, organization learning and innovation by providing feedback loops and information for decision making.

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