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Strategic Management Practices and Performance of Technology Start-Up Companies in Nairobi City County, Kenya

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Abstract

Nairobi serves as Kenya's innovation and entrepreneurial centre, providing an appropriate setting to investigate strategic decisions and operational frameworks that determine success or challenges faced by emerging technology ventures. The study identified a disconnect between strategy formulation and execution, both critical to strategic management. Thus, the study examined strategic management practices and performance of technology start-up companies in Nairobi City County, Kenya. The objectives were to evaluate the effects of strategy formulation, implementation, control, and evaluation on start-up technology enterprise performance. Using stratified random sampling, 191 respondents were selected from Nairobi City start-up companies. Primary data was collected using pre-structured questionnaires with closed-ended and open-ended items organized on a Likert scale. Cronbach's alpha testing yielded reliability scores between 0.706-0.796, indicating good internal consistency. The study revealed strong positive correlations between tech start-up success and strategic management practices: formulation, implementation, control, and evaluation. Start-ups investing in comprehensive strategies achieved better business objectives and sustained growth. Those adopting well-defined strategies including effective marketing, innovative product development, robust financial management, and strategic partnerships experienced enhanced performance outcomes. Strategic control provided data enabling informed decisions based on competition research, consumer preferences, and market trends. Strategy evaluation yielded useful information guiding decision-making. The study recommends that companies should conduct market research to determine consumer trends and preferences, implement leadership training programs for founders and managers, identify specific goals such as revenue growth and user acquisition, and establish technology sector KPIs including customer acquisition cost, churn rate, and user engagement metrics.

Keywords: *Strategic Management Practices, Performance, Technology Start-Up Companies, Nairobi City County, Kenya*
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1.0 Background to the Study

A start-up is simply a new business model that has been introduced in the market with the aim of fulfilling its objective in terms of service and product delivery. There are numerous models in the market that include service delivery in taxi services, food delivery, laundry, car wash and in product delivery this includes software development manufacturing, agricultural produce and many others. This study dwelt on the technology start-up companies that evolved in the market with a business concept realized and some not realized by the tech industry. Most start-up tech companies set ambitious growth goals, but only a few succeed in achieving them. Only one in eight businesses worldwide, according to research by Chris James (1998) that included 1,854 multinational enterprises saw profitable expansion. It's interesting to note that 90% of these businesses had well-defined plans with far higher goals.

Strategic management is the process of selecting actions and choices that will ultimately allow a company to achieve its objectives (Bakar et al., 2011). Bryson (2010) describes strategic management as all choices and behaviors that together impact a company's long-term performance. According to Ofunya (2013), strategic management gives managers the ability to identify and employ techniques that provide long-term competitive advantage. Thus, strategic management is an important factor of organizational growth and expansion by aligning operational functions with the goal and vision set up by an organization. Kinney and Randell (2013) highlight that organizations increasingly recognize the value of effective strategic management policies and practices in enhancing departmental performance. They argue that strategic management techniques are employed by both large firms and SMEs to enhance organizational performance and productivity.

Bakar et al. (2011) claim that strategic management techniques enhance organizational performance by reducing uncertainty, enhancing comprehension of the business environment, and supplying pertinent information. As noted by McKinney (2013), a firm's performance hinges on its ability to secure a distinctive position in the market, and it is strategic management practices that help accomplish it. Yabs (2010) and Wheelen & Hunger (2008) pointed out four basic components of strategic management techniques, including strategy development, execution, assessment, and control. All four serve as components of an integrated and interdependent whole, which is referred to as the strategic management process within which these practices are undertaken. Research, including that of Yaşlıoğlu (2016), has demonstrated that strategic management practices significantly affect a firm's competitive positioning within the industry, thereby influencing its overall performance.

Disrupt Africa (2015) states that the majority of investments in Africa's tech industry go to companies in South Africa, Kenya and Nigeria. In 2014, more than $400 million was invested in African digital start-ups by venture capitalists (VC4 Africa, 2016). The tech sector was found to have the highest number of start-ups, which includes e-commerce, online services and computer software (VC4 Africa, 2016). Disrupt Africa (2015) observes that the ICT sector of Kenya will be a significant promoter of economic development. According to the report, Nairobi emerges as a source of technology and innovation, specifically because there exist numerous incubation centres in the country. Bloomberg

(2014) estimated that the technology sector in Nairobi would be valued at over $41 billion by 2019. However, Grandori (2013) shows that while technology start-ups are adaptable and creative, they are most vulnerable at the early stages of development, with a few existing beyond this point, thus leading to a high rate of failure (GSMA, 2014).

Start-up performance is defined by Bakar and Ahmad (2010) as a company's ability to achieve goals through efficient resource utilization. Globally, performance refers to effectively completing tasks, handling requests, or applying knowledge, aligning with corporate objectives. Johnson (2009) notes that an organization's performance on analysis affects its financial, non-financial and market performance and shareholder value, and thus cannot be ignored. Performance influences the continuation of the firm which is a key aspect in any organization (Gibcus & Kemp, 2003). Organizational performance can be evaluated through various methods, using either financial or non-financial indicators (Bagorogoza & Waal, 2010). The Balanced Scorecard (BSC) emphasizes evaluating a firm's strategy through four primary viewpoints: internal processes, customers, innovation and learning, and finances (McKinney, 2013).

Strategic management practices encompass various components that drive organizational success. Markiewicz (2011) notes that strategic management lacks a universally accepted, definitive definition that is recognized globally. However, Pearce and Robinson (1991) define strategic management as the decision-making process guiding plan design and implementation to achieve organizational objectives. It encompasses planning, directing, organizing, and controlling strategies to strengthen competitiveness. Porter (1985) describes strategy as the goals and actions enabling organizations to stay competitive in challenging environments. Waterman, Peters, and Phillips (1980) identified seven key factors driving strategy implementation: subordinate goals, people, abilities, processes, style, context and structure of the approach. Studies by Plance (2015), Muogbo (2013), and Ofunya (2013) have demonstrated positive correlations between strategic management practices and organizational performance across various industries.

Technology start-ups have gained significant prominence in the business landscape, attracting increasing attention and investment while creating new jobs and industries. Kidder (2012) defines a start-up as any newly established firm operating for a short period. Several factors contribute to the rise of tech start-ups: decreased launching costs, global market reach, growing demand for innovative products and services, availability of skilled talent, and inspiration from successful tech entrepreneurs. Singh and Panda (2015) emphasize that economies worldwide need more start-ups to grow into larger corporations, fostering entrepreneurship, employment, and economic growth. Start-ups play a vital role in generating employment and providing opportunities for creative potential by combining technology and innovation, a process referred to as "technovation" (Global Entrepreneurship Monitor, 2017).

Nairobi has emerged as a significant technology hub, often referred to as "Silicon Savannah" in analogy to Silicon Valley (Economist, 2012). Kyung (2017) identifies three major reasons for Nairobi's high-tech start-ups: the broad use of mobile technologies after telecommunications privatization, reliable internet connectivity following the installation

of the submarine fiber-optic cable in Mombasa in 2009, and groundbreaking innovations targeting growing consumer needs such as M-PESA and Ushahidi. The ICT sector contributed 8.4% to Kenya's GDP in 2014 (GoK, 2015). Studies by iHub cite several reasons for start-up failures, including shortcomings in team structure, performance history, funding, and a lack of long-term plans and management skills (Gathege & Moraa, 2013). This study examined how strategic management practices impact the performance of tech start-ups in Nairobi County, Kenya, addressing the critical need to establish and implement good strategic management practices to enhance performance and make technology start-ups sustainable.

1.1 Statement of the Problem

Pena (2002) notes that start-ups established by entrepreneurs face a globally low survival rate, making many susceptible to failure. In the United States, nearly 90% of start-ups fail within their first five years (Forbes, 2015). Similar patterns are observed in India and Africa (Business Line, 2017; World Bank, 2015). The performance of technology start-ups serves as a critical benchmark, affecting their access to funding and credit opportunities (Ries, 2011). A wealth of literature had explored the impact of strategic management practices and performance. However, much of this literature had not focused on the Kenyan context, particularly in Nairobi County. These studies had been conducted in the banking, construction, healthcare and insurance industries. Similarly, majority of these prior studies had used monetary performance measures, ignoring the non-financial indicators. For instance, Njagi (2017) studied Toto Health's performance and strategic management methods in Kenya, finding that Toto Health Kenya's performance was positively impacted by strategic management. However, the study's geographic reach was constrained, and it did not concentrate on the non-financial dimensions of performance.
In Kenya, according to Tracxn Technologies Limited research dated May 2023, there were 491 tech startups. Several local examples illustrated the challenges faced by technology start-ups. Kune, a food tech startup started in 2021 and owned by Robin Reecht, had all the good reasons and business model but sadly closed down abruptly when the CEO declared that it had run out of money. Masoko, a Safaricom subsidiary founded in 2017 as an online shop, was forced to restructure in 2018 due to failed strategy and poor strategic planning (Otieno, 2019). Wazua, a finance and investment technology start-up, experienced challenges due to lack of proper strategy research and formulation as well as lack of management support in implementation (Darden, 2018). ConnectMed, a healthcare start-up founded in 2016, left the market due to poor management and lack of proper long-term strategic planning (De la Chaux & Okune, 2016). These examples demonstrated that strategic management practices were critical factors determining the success or failure of technology start-ups in Kenya.

Ndemo and Weiss (2016) discovered that the majority of inventors and management of Nairobi's innovation centers felt that promising technology start-ups were having difficulty surviving and growing due to a general shortage of seed money and dearth of strategic management and business planning. Investors identified strategic management practices and the ability to perform repeatedly on a suitable business concept and product as critical

skills that entrepreneurs in Nairobi's technology startups lacked. Therefore, this study was conducted to establish the reason behind the ongoing disparity between performance and the ambition outlined in strategic management. The main tenets of strategic management practices - strategy implementation and strategy formulation - were often disconnected in most businesses. The study aimed to explore how strategic management practices influenced the performance of technology start-ups in Nairobi County, addressing the critical gap in understanding the relationship between strategic management and both financial and non-financial performance indicators in the Kenyan technology sector.

1.2 Research Objectives

The study was guided by the following specific objectives:

i. To assess the impact of strategy formulation on the performance of technology start-up companies in Nairobi County.
ii. To evaluate the effect of strategy implementation on the performance of technology start-up companies in Nairobi County.
iii. To examine the influence of strategy control on the performance of technology start-up companies in Nairobi County.
iv. To explore the impact of strategy evaluation on the performance of technology start-up companies in Nairobi County.

2.0 Literature Review

This chapter reviews existing literature relevant to the study, along with its theoretical framework. It covers conceptual and empirical analyses and explores theoretical models linked to study variables and objectives. Each of the section is discussed in depth.

2.1 Theoretical Review

The study was anchored on survival-based theory, competition theory, and profit-maximization theories to establish the theoretical foundation for understanding strategic management practices and organizational performance in technology start-ups. The survival-based theory, as cited by Herbert Spencer and referenced by Abdullah (2010), underscored the importance of continuous adaptation for organizational survival within dynamic competitive environments. Organizations must adopt strategies centered on conducting efficient operations and reacting quickly to competitive environments to survive (Khairuddin, 2005). This perspective held that only the most resilient organizations endure, with competition functioning as a natural mechanism to produce resilient and prosperous organizations. Pena (2002) stated that the survival rate of start-ups was low worldwide, with almost 90% of startups in the US collapsing in their first five years (Forbes, 2015). This theory highlighted the need to understand the market before entry, guiding strategy formulation, implementation, control, and evaluation, while exploring methods to improve financial and non-financial performance. The theory supported the connection between strategy development and performance, emphasizing that businesses must continuously adapt to competitive markets for survival.

The profit maximizing and competition-based theory emphasized that a company's primary goal was to maximize long-term profitability while securing a sustainable competitive edge in the external market. Hall and Hitch's theory highlighted how an organization's strategic location in the external environment determined its level of success. Ansoff (1989) averred that organizations achieve their objectives through the transformation of goods and services into value, thereby gaining profits from selling to customers. Lynch (2000) emphasized that strategies were motivated chiefly by the urge to raise long-term profitability with a view to establishing a sustainable competitive advantage over rivals. This theory indicated that a firm's survival relied on the profits it generated, which were essential for reinvestment and resource replacement. The theory shed light on the profit maximization process of start-ups as they penetrated the market while ensuring they stayed competitive and maintained proper social and moral ethics in their governance and daily activities.

The resource-based view (RBV) theory was introduced by Wernerfelt in 1984 and later refined by Barney (1991), who defined strategic resources as rare, valuable, and difficult to replicate. RBV asserted that a resource held value if it enabled a firm to capitalize on opportunities and counter external threats, emphasizing that competitive advantage originated from internal resources rather than external positioning. Barney (1991) stated that a resource must fulfill four criteria for long-term advantage: being valuable, uncommon among competitors, hard to imitate, and not easily substituted by widely available alternatives. Grant (1991) argued that strategic management and resource alignment generated value. This model underscored resources as pivotal to superior start-up performance, suggesting that Nairobi County's technology start-ups should leverage internal resources when crafting competitive strategies, enhancing performance and profitability for long-term success.

2.2 Empirical Review

Strategy formulation and performance had been extensively studied across various contexts. Meier, Toole, Boyne and Walker (2010) defined strategy concepts as guiding a firm's business through formulation, helping executives define their organization's purpose, goals, and means to achieve those goals. Emeka, Ejim, and Amaka (2015) studied Innoson Manufacturing Company Ltd. in Emene, Enugu, concluding that top management should be more accountable for lowering uncertainty and improving organizational performance through effective strategy development. Owich, Katuse, and Ngari (2018) investigated the effect of strategy formulation on NSE-listed companies, revealing a strong positive connection between strategic planning and firm performance, with well-formulated strategies significantly outperforming those without. In Kenya, Gichunge (2010) investigated formal strategic management's impact on medium-sized manufacturing companies, finding that strategy formulations impacted organizational growth, development, and survival. Bakar et al. (2011) studied strategic management in Malaysian construction firms, finding that adopting firms had clear objectives, effective strategies, and strong mission statements.

Strategy implementation and performance studies revealed significant challenges and success factors. Studies indicated that 50–80% of strategy implementation efforts failed (Ashkenas & Francis, 2000; Beer & Nohria, 2000; Carlopio, 1998, 2003; Jonk & Ungerath, 2006; Raps, 2004; Atkinson, 2006), with Bell, Dean, and Gottschalk (2010) highlighting execution as often the toughest aspect of strategic management. Rajasekar (2014) identified seven critical elements affecting strategy implementation in the service sector: technology, human resources, structure, culture, uncertainty, leadership style, and information accuracy. Ahmadi, Salamzadeh, Daraei, and Akbari (2012) found strong correlations between organizational culture and strategy implementation in Iranian banks, with clan culture having the greatest impact. Hrebniak (2006) identified barriers including resistance to organizational power structures, unclear responsibilities, and poor information sharing. Carlopio and Harvey (2012) concluded that misalignment between organizational culture, structure, and suggested approaches led to implementation failure. Njagi and Kombo (2014) examined Kenyan commercial banks, discovering considerable positive associations between strategy execution and organizational performance.

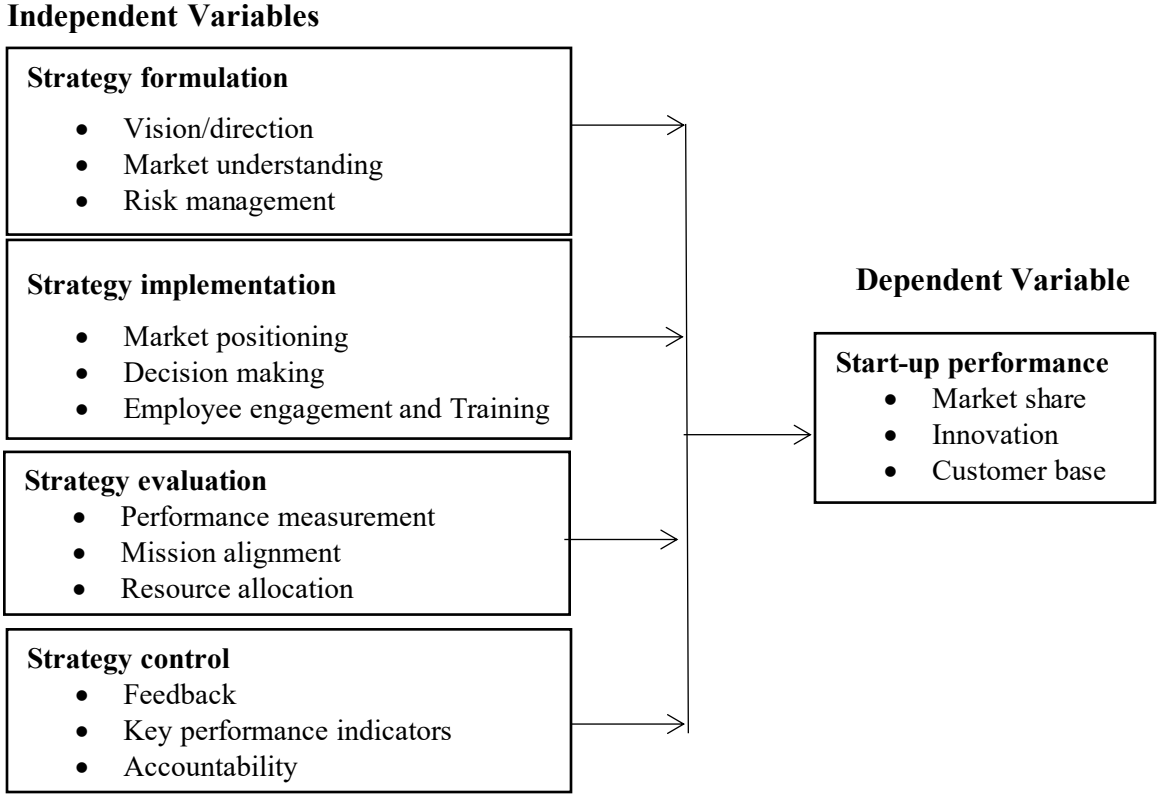
Strategy control and performance research demonstrated the importance of monitoring and adjustment mechanisms. Strategic control ensured strategy progress tracking, detected challenges, and enabled necessary adjustments (Pearce & Robinson, 2008). Management reviewed monthly, quarterly, and annual reports, assessing profitability, sales, earnings per share, and return on investment to measure effectiveness. Pappas (2007) examined how control systems and market volatility impacted strategic success in sales-driven firms, identifying self-control, professional control, activity control, and output control as key influences. Siro (2009) found that budgeting and budget reallocation were central to strategic control. Strategy evaluation and performance studies emphasized the critical role of ongoing assessment in organizational success. Hill and Jones (2001) asserted that strategy evaluation involved ongoing assessment to ensure intended results, allowing for corrective action when necessary.

Thompson and Strickland (2003) identified reviewing internal and external strategic sources, performance analysis, and counteractive measures as key elements. Bordean (2015) analyzed strategic management in Poland's technology sector, finding strategy review crucial but underutilized. Mwangi (2013) investigated strategic management in Kenyan pharmaceutical firms, concluding that companies employing such techniques were more innovative, risk-tolerant, and proactive. Maroa and Muturi (2015) examined strategic management in Kiambu County's floriculture industry, revealing that firms with clear strategic plans, regular evaluations, and controlled implementation experienced moderate to significant performance gains. Issack and Muathe (2017) studied public health institutions in Mandera County, finding strong correlations between strategic management and performance, while Ondera (2013) investigated strategic management at Mbagathi District Hospital, noting employee involvement in plan creation, implementation, and evaluation.

Overall strategic management practices and performance studies had been conducted across various industries, though limited focus on technology start-ups existed. Plance (2015) studied Kumasi-based savings and lending banks, finding that businesses aimed to manage strategically by coordinating initiatives, involving employees, informing staff of strategic direction, monitoring execution, and organizing efficiently. Muogbo (2013) investigated industrial companies in Anambra state, discovering that strategic management implementation greatly increased competitiveness despite infrequent usage. Ofunya (2013) examined Post Bank's success in Kenya, highlighting strategic management's role in enhancing performance through cost reduction, exceptional customer service, and operational efficiency. Njagi (2017) investigated Toto Health's operational success, finding positive strategic management impacts, though the study failed to address non-financial performance dimensions and had narrow geographical coverage. This study addressed the literature gap on strategic management practices and their impact on Nairobi County's tech start-ups, measuring performance using the balanced scorecard approach and examining strategic management through formulation, implementation, control, and evaluation.

2.3 Conceptual Framework

A conceptual framework is essential in research as it transforms an idea into a measurable concept, providing a structured interpretation (Mugenda & Mugenda, 2010). Figure 1 illustrates the relationship between independent and dependent variables.



3.0 Research Methodology

The study employed a descriptive cross-sectional survey design to analyze technology start-ups and their strategic management adoption in Nairobi County. The target population comprised 366 managers from 54 technology start-ups located in Nairobi Central Business District, selected from 167 available start-ups based on their varying implementation of strategic management practices. The managers included 84 Chief Executive officers, 66 Chief Operations officers, 78 Finance Managers, 64 Program Managers, and 74 Project Managers who were key decision makers driving operations. Using Fisher et al. (1991) formula with a 95% confidence level, stratified random sampling was applied to select 191 respondents, ensuring representation across all management levels while reducing sampling error and maintaining cost-effectiveness. Primary data was collected using self-administered, semi-structured questionnaires distributed via face-to-face interviews, email, telephone, and online surveys. The questionnaire used a five-point Likert scale and was divided into two sections: general information covering respondent profiles and organizational details, and strategic management practices addressing strategy formulation, implementation, control, and evaluation. A pilot study involving 32% of the target population assessed questionnaire validity, with Cronbach's Alpha reliability testing yielding specific scores for each variable: strategic formulation (0.752), strategic implementation (0.749), strategic control (0.706), strategic evaluation (0.736), and start-up performance (0.796), with an overall aggregate score of 0.748, indicating acceptable internal consistency across all variables. Data analysis was conducted using SPSS version 21.0, employing both descriptive statistics (means, frequencies, percentages) and inferential statistics, with Karl Pearson's correlation coefficient examining variable relationships and multiple regression analysis measuring independent variables' influence on performance.

4.0 Research Findings and Discussions

This section outlines the study's findings, divided into subsections aligned with research objectives. It covers the response rate, descriptive analysis results and inferential statistics.

4.1 Response Rate

The response rate was determined based on 191 distributed questionnaires sent to respondents.

Table 1 presents the findings.

Table 1: Response Rate

Category	Frequency	Percentage
Response	172	90.1
Non response	19	9.9
Total	**191**	**100**

Source: Survey Data (2024)

The study obtained a 90.9% response rate from 172 returned questionnaires out of 191 issued, according to the data shown in Table 1. Nineteen surveys were not returned, giving the research a non-response rate of 9.9%. However, since Saunders, Lewis, and Thornhill (2011) suggested that analysis can be justified based on a response rate of 70% or more, analysis was conducted based on the response rate attained. Thus, a high response rate will guarantee that the sample is more representative of the intended audience, lowering bias and boosting the accuracy of the findings.

4.2 Descriptive Statistics Results

Descriptive statistics for every variable are presented in this section according to the particular goals of the investigation. A 5-point Likert scale was used to evaluate the replies, and the results are summed up below. The Mean (M) and Standard Deviation (SD) are used to report the findings for each variable, and they are shown as follows.

Table 2: Strategy Formulation

Statements	**M**	**SD**
Strategy formulation helps start-ups define their long-term vision and set specific, measurable goals	3.94	1.064
A well formulated strategy ensures that all team members understand the company's direction, fostering alignment and collaboration across departments	4.21	0.797
Market understanding enable start-up companies gain knowledge of positioning themselves effectively in the market	3.76	1.315
Understanding the target market allows start-ups to tailor their products or services to meet specific customer demands, increasing the likelihood of success	4.54	0.476
Risk management enable start-up companies to assess potential risks and challenges that the start-up may face	4.67	0.328
Risk management enables entrepreneurs to develop contingency plans and mitigate risks before they become significant issues	4.54	0.481
Aggregate mean and standard deviation score	**4.28**	**0.744**

Source: Survey Data (2024)

The results in Table 2, which show an aggregate mean of 4.28 and a standard deviation of 0.744, indicate that respondents agree that strategy design impacts the performance of technology start-ups in Nairobi County. These findings align with a 2015 study by Emeka, Ejim, and Amaka, which examined the effect of strategy creation on organizational performance at Innoson Manufacturing Company Ltd. in Emene, Enugu. The researchers concluded that senior management should play a more active role in reducing uncertainty and improving organizational performance by developing effective strategies. They also

recommended implementing smart technology changes and diversifying product lines to regain customers. Respondents strongly agreed that risk management helps start-ups identify potential risks and challenges (M=4.67, SD=0.328), while understanding the target market allows firms to tailor products and services, increasing success probability (M=4.54, SD=0.476). Additionally, risk management supports entrepreneurs in developing contingency plans, mitigating risks before escalation (M=4.54, SD=0.481).

Owich, Katuse, and Ngari (2018) examined the impact of strategy formulation on NSE-listed firms, revealing a positive and significant correlation between strategy formulation and organizational performance, with a notable mean difference. Respondents also agreed that a well-structured strategy aligns team members, enhancing collaboration across departments (M=4.21, SD=0.797). Market understanding equips start-ups with insights to position themselves effectively (M=3.76, SD=1.315), while strategy formulation enables firms to define long-term vision and set measurable goals (M=3.94, SD=1.064). These findings align with Gichunge (2010), who explored formal strategic management in medium-sized manufacturing firms, demonstrating its role in organizational growth, development, and survival.

Table 3: Strategy Implementation

Statements	**M**	**SD**
A well-executed strategy differentiates an organization from its competitors, enhancing its market position.	3.94	1.080
Strategic implementation fosters an environment conducive to innovation, allowing organizations to explore new opportunities and expand their offerings	4.08	0.918
Effective strategy execution often involves the use of analytics and performance metrics, enabling better-informed decisions	4.52	0.480
Organizations that execute strategies well can adapt more quickly to changes in the market or industry, allowing for timely adjustments	4.63	0.367
Strategic execution often includes identifying and developing the skills necessary for achieving organizational goals, leading to a more competent workforce	4.39	0.510
Organizations that invest in their employees and align their roles with strategic objectives tend to have higher retention rates	4.67	0.330
Aggregate mean and standard deviation score	**4.37**	**0.614**

Source: Survey Data (2024)

As indicated by the cumulative mean and standard deviation values of 4.37 and 0.614, respectively, in Table 3, respondents believed that strategy implementation affects the technological performance of start-up firms in Nairobi County. These results align with a

study by Rajasekar (2014) titled Factors Influencing the Successful Application of Strategies in the Service Sector. The study found that, in the service industry, leadership is the most critical factor influencing the successful execution of a strategy. Respondents strongly agreed that employee investment and role alignment with strategic objectives enhance retention rates (M=4.67, SD=0.330). Additionally, effective strategy execution allows organizations to quickly adapt to industry changes, ensuring timely adjustments (M=4.63, SD=0.367). Utilizing analytics and performance metrics plays a crucial role in informed decision-making (M=4.52, SD=0.480). These findings align with Ahmadi et al. (2012), who examined the impact of organizational culture on strategy implementation in Iranian banks, revealing a strong correlation between the two.

The respondents agreed on the following statements; strategic execution often includes identifying and developing the skills necessary for achieving organizational goals, leading to a more competent workforce (M=4.39, SD=0.510), strategic implementation fosters an environment conducive to innovation, allowing organizations to explore new opportunities and expand their offerings (M=4.08, SD=0.918), a well-executed strategy differentiates an organization from its competitors, enhancing its market position (M=3.94, SD=1.080). The findings align with research by Hrebniak (2006) on obstacles to effective strategy execution, which found that working against the organizational power structure, ambiguous responsibility and accountability, and poor or inadequate information sharing are all components of organizational structure that lead to unsuccessful implementation processes.

Table 4: Strategy Control

Statements	**M**	**SD**
Feedback serves as a critical mechanism for aligning a startup's strategic objectives with market realities	3.94	1.056
A feedback-rich environment fosters a culture of learning within startups, which is essential for long-term success	4.40	0.595
Key performance indicators provide a framework for tracking performance and making informed decisions for start-up companies	4.59	0.409
KPIs enable the management teams of start-ups to make informed choices regarding product development	4.56	0.836
When individuals and teams are held accountable, they are more likely to make informed and thoughtful decisions	4.29	0.708
A culture of accountability fosters a sense of ownership among employees	4.53	0.469
Aggregate mean and standard deviation score	**4.39**	**0.679**

Source: Survey Data (2024)

Table 4 shows an accumulative mean of 4.39 with a standard deviation of 0.679, indicating that respondents agreed on the impact of strategy control on Nairobi County's technology start-ups' performance. These findings align with Pappas (2007), who examined the relationship between market volatility, control techniques, and strategic success in sales-driven firms. The survey highlighted variations in the effects of output control, activity control, professional control, and self-control. Respondents strongly agreed that key performance indicators (KPIs) help start-ups track performance and make informed decisions (M=4.59, SD=0.409). Additionally, KPIs guide management teams in product development choices (M=4.56, SD=0.836), while a culture of accountability fosters employee ownership (M=4.53, SD=0.469). These results align with Siro (2009), who found that budgeting and budget reallocation were primary control measures. Consequently, this study aimed to assess the extent to which strategy control influences the performance of technology start-ups in Nairobi County.

The respondents agreed on the following statements; A feedback-rich environment fosters a culture of learning within startups, which is essential for long-term success (M=4.40, SD=0.595), When individuals and teams are held accountable, they are more likely to make informed and thoughtful decisions (M=4.29, SD=0.708), feedback serves as a critical mechanism for aligning a startup's strategic objectives with market realities (M=3.94, SD=1.056). The results are consistent with studies by Pearce and Robinson (2008), who emphasize that strategic control involves monitoring the plan's implementation, identifying issues or changes as they occur, and making the required corrections.

Table 5: Strategy Evaluation

Statements	**M**	**SD**
Performance measurement helps startups align their operational activities with strategic goals	4.09	0.876
Performance measurement provides data-driven insights that enable founders and management teams to make informed decisions	4.56	0.448
Strategy assessment helps startups ensure that their day-to-day operations align with their long-term mission	4.03	0.948
Mission alignment fosters a cohesive organizational culture and motivates employees	3.67	1.371
Proper resource allocation foster innovation, enabling startups to create unique products or services that differentiate them from competitors	4.54	0.476
Proper resource distribution enhance operational efficiency, allowing startups to streamline processes and reduce costs	4.62	0.377
Aggregate mean and standard deviation score	**4.25**	**0.749**

Source: Survey Data (2024)

Cumulative mean and standard deviation scores of 4.25 and 0.749, respectively, obtained in Table 5 indicate that respondents generally agreed that strategy evaluation has an impact on Nairobi County technology start-ups' performance. The result is in line with Bordean (2015) who undertook studies on strategic management practices among the Poland technology industry. The analysis came to the conclusion that among the main strategic management practices, the most crucial was strategy evaluation but poorly executed in the technology firms of Poland.The respondents strongly agreed on the following statements; proper resource distribution enhance operational efficiency, allowing startups to streamline processes and reduce costs (M=4.62, SD=0.377), performance measurement provides data-driven insights that enable founders and management teams to make informed decisions (M=4.56, SD=0.448) and Proper resource allocation foster innovation, enabling startups to create unique products or services that differentiate them from competitors (M=4.54, SD=0.476). The results are in line with those of Mwangi (2013), who looked at how strategic management techniques affected the performance of major Kenyan pharmaceutical companies. The research found that businesses that employed strategic management techniques did better than their competitors in terms of innovation, proactivity in taking risks, and willingness to take chances.

The respondents agreed on the following statements; performance measurement helps startups align their operational activities with strategic goals (M=4.09, SD=0.876), strategy assessment helps start-ups ensure that their day-to-day operations align with their long-term mission (M=4.03, SD=0.948), mission alignment fosters a cohesive organizational culture and motivates employees (M=3.67, SD=1.371). The findings align with a research by Maroa and Muturi (2015) that analyzed the performance of Kenyan floriculture companies by surveying Kiambu County and looking at the effects of strategic management techniques. The findings revealed that majority of the companies had strategic plans, implemented according to plan, assessed their plans, and kept an eye on their strategic management procedures.

Table 6: Start-up Performance

Statements	**M**	**SD**
The companies have gained a bigger market share	2.96	2.039
The companies have improved on their innovation in terms of products and services	3.12	1.879
The companies increased their customer base	3.25	1.750
Aggregate mean and standard deviation score	**3.11**	**1.889**

Source: Survey Data (2024)

With a cumulative mean and standard deviation value of 3.11 and 1.889, respectively, Table 6's findings demonstrate that respondents had no opinion regarding statements describing the performance of technological start-ups in Nairobi County. The finding is in contrary to the findings of Sabolic (2007) research which asserts that organizational

performance is a factor in the technology industry in developed countries, as well as in transition economies, since it's one of the most important branches of the economy and their overall organizational performance is not only paramount to the individual sector but also to the economy at large. The respondents indicate neutral on statements that; the companies have gained a bigger market share (M=2.96, SD=2.039), the companies have improved on their innovation in terms of products and services (M=3.12, SD=1.879) and the companies increased their customer base (M=3.25, SD=1.750). The outcome is opposite to the outcome of Singh (2015) research that says an economy needs more and more Start-ups's to grow into larger corporations in order to deliver entrepreneurship growth and employment and economy follow.

4.3 Multiple Regression Analysis Results

Regression analysis was applied to predict the relationship between independent and dependent variables. The results are presented below.

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.793[a]	.629	.601	0.0045

Source: Survey Data (2024)

Table 7 shows an adjusted R square value of 0.629, indicating that strategy creation, implementation, control, and evaluation collectively influence 62.9% of technological start-up performance in Nairobi County. The remaining 37.1%, attributed to unexamined strategic management practices, highlights the need for further research. Analysis of variance (ANOVA) was conducted to examine group mean differences within the sample, offering insights into variable relationships. Results are presented in Table 8.

Table 8: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	215.364	4	53.841	63.203	0.003
	Residual	142.263	167	0.851874		
	Total	357.627	171			

Source: Survey Data (2024)

Based on Table 8, the statistical F value (63.203) surpassed the mean value (53.841). Additionally, the significance value (0.003) was lower than 0.05, confirming the model's relevance. Regression coefficient analysis determined the direction and strength of correlations between independent and dependent variables, as shown in Table 9.

Table 9: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.684	0.234		2.923	0.003
	Strategy formulation	0.770	0.336	0.0065	2.292	0.002
	Strategy implementation	0.801	0.297	0.0124	2.697	0.001
	Strategy control	0.728	0.307	0.0116	2.371	0.004
	Strategy evaluation	0.776	0.3	0.1064	2.587	0.003

Source: Survey Data (2024)

Table 9 reveals that technology start-ups in Nairobi County would achieve a performance level of 68.9% (0.689) if strategy creation, execution, control, and assessment remained unchanged. The regression equations indicate that enhancing these strategic management aspects would lead to performance increases of 0.770, 0.801, 0.728, and 0.776, respectively. The following was the regression equation that was determined:

Start-up performance = 0.684 + 0.770(strategy formulation) + 0.801(strategy implementation) + 0.728 (strategy control) + 0.776 (strategy evaluation)

The study revealed a strong positive correlation between strategy formulation and technology start-up performance in Nairobi County, with a beta coefficient (β) of 0.0065. This suggests that enhanced strategy formulation leads to improved performance metrics, further validated by a p-value of 0.002, indicating statistical significance. These findings underscore the importance of strategic planning for start-up success, urging entrepreneurs and stakeholders to prioritize strategy formulation for competitive advantages and better outcomes. The results align with Owich et al. (2018), who examined strategy formulation's impact on organizational performance in NSE-listed companies, confirming a high mean difference and strong positive correlation between the two. The study found a strong positive correlation between strategy implementation and technology start-up performance in Nairobi County, with a beta coefficient (β) of 0.0124. Each unit increase in strategy implementation enhances performance metrics, validated by a p-value of 0.001, indicating high statistical reliability. These findings support the need for continuous strategic refinement in Nairobi's technology sector to boost growth and competitiveness, aligning with Ahmadi et al. (2012), who found a strong correlation between organizational culture and strategy implementation in Iranian banks.

Similarly, strategic control significantly improved performance, with a beta coefficient of 0.0116 and a p-value of 0.004, reinforcing its importance in management and oversight. Increased strategic control optimizes resources and enhances operational efficiency, which is essential for Nairobi's tech industry. This aligns with Pearce and Robinson (2008), who emphasize that monitoring strategy execution, identifying issues, and making necessary adjustments are critical for success. Additionally, the study confirmed that strategy evaluation positively influences performance, with a beta coefficient of 0.1064 and a p-value of 0.003, demonstrating its role in improving revenue, market share, operational efficiency, and customer satisfaction. These findings underscore the importance of strategic management in driving growth in a competitive tech environment and are consistent with Bordean (2015), who examined strategic management methods in Poland's technology sector, noting that strategy evaluation, though crucial, is poorly implemented in Polish firms.

5.0 Conclusion

The study comes to the conclusion that start-ups have a higher chance of achieving their goals and maintaining development if they devote time and money to developing thorough plans. As these start-ups develop and implement well-defined strategies, their performance metrics such as revenue growth, market share, and operational efficiency tend to improve correspondingly. Strategy formulation could serve as a valuable guide for entrepreneurs and stakeholders in the technology ecosystem, encouraging them to prioritize strategic development as a key component of their business operations. In addition, the study concludes that start-ups have adopted and executed well-defined strategies such as effective marketing approaches, innovative product development, robust financial management, and strategic partnerships that enabled them experience enhanced performance outcomes. Start-ups prioritize strategic execution which has enabled them to achieve key performance indicators, including increased revenue growth, improved market share, and greater customer satisfaction. By encouraging start-ups to adopt effective strategic management frameworks, stakeholders including investors, policymakers, and support organizations can contribute to a more vibrant and competitive technology sector in Nairobi County.

The study concludes that strategic control provides access to critical data and analytics, enabling start-ups to base judgments on competition analysis, consumer preferences, and market trends. Strategic control helps start-ups prioritize their resources such as financial, human, and technological ensuring they are allocated to the most impactful projects and initiatives. Establishing clear performance indicators allows for regular assessment of progress towards strategic goals, fostering a culture of accountability among team members. Strategic control ensures that all team members are aligned with the company's vision and goals, promoting a cohesive approach to achieving objectives. The study concludes that regular assessment of strategies provides valuable data that can inform decision-making processes. Start-ups can identify what works and what doesn't, allowing for more informed choices. Start-ups might find opportunities for improvement by

comparing their performance to rivals' or the industry's norms through strategy assessment. By evaluating strategies, inefficiencies and places where expenses may be cut without compromising performance or quality can be found. Frequent evaluations encourage businesses to try out new tactics while gaining insight from their results, which helps promote an innovative culture.

6.0 Recommendations

The study recommends that technology start-ups should carry out in-depth market research to determine customer problems and preferences, should analyze competitors to understand their strengths and weaknesses for market positioning, should embrace agile methodologies to adapt quickly to market changes, and should collaborate with larger companies to access resources and expertise. For strategy implementation, companies should implement training programs focused on leadership and management skills, should partner with local incubators and accelerators for resources and mentorship, should adopt agile methodologies to enhance response to market changes, and should explore various funding sources including crowdsourcing, angel investors, and venture capital. Regarding strategy control, companies should identify specific goals such as revenue growth and user acquisition, should create measurable indicators including monthly active users and customer retention rates, should facilitate partnerships with experienced mentors for guidance on business strategy and technology development, and should form advisory boards with stakeholders from finance, technology, and marketing sectors.

For strategy evaluation, companies should establish KPIs tailored to the technology sector including revenue growth, customer acquisition cost, and churn rate, should regularly track and analyze these indicators, should conduct surveys and interviews with founders and stakeholders to gather information on operational challenges and market opportunities, should develop financial models to project future performance, and should conduct comprehensive market research to understand the technology landscape in Nairobi County. To address the 37.1% gap found in regression analysis, future researchers should conduct additional studies concentrating on different strategic management techniques and should carry out similar research focusing on other organizations beyond technology start-ups in Nairobi City County, Kenya.

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