

Influence of Competitive Intelligence on the Relationship between Strategy Formulation and Performance of Companies listed at Nairobi Securities Exchange, Kenya

Justus Mbevo Wathe^a, Prof. Mike Iravo^b, Dr Joyce Nzulwa^c Rukia Atikiya^d

^{Abc} Department of Entrepreneurship, Technology, Leadership, and Management, Jomo Kenyatta University of Agriculture and Technology, Kenya

^dKenya School of Government, Kenya

juswathe@gmail.com

Abstract

The purpose of this study was to contribute to the extant knowledge on the relationship between strategy formulation and performance of companies. Specifically, it sought to investigate the moderating role of competitive intelligence on the relationship between strategy formulation and firm performance. The choice of this study was motivated by the recent performance of the publicly quoted companies in Kenya. The study was informed by the fact that they are representative of all sectors of the Kenyan economy and mirror the general performance of the economy. Further, listed companies have reported losses and performed below expectations including issuing profit warnings. Dismal performance has called for bailout for state corporations. The economy is facing challenges from global trends, covid-19 pandemic and increased cost of petroleum products. The study adopted cross-sectional survey research design. The target population was 264 senior managers of companies from finance, marketing, human resource and business development. Stratified sampling technique was used to ensure each sector was represented in research. A structured Likert based questionnaire on a five-point scale was used to collect primary data. Pilot testing was done on 19 respondents and reliability coefficient (r) was 0.789 which was within acceptable threshold. Out of 264 respondents, data was collected from 195 representing 73.8 response rate. Descriptive statistics and multiple regression were used to analyse and test the hypothesis. The results revealed that competitive intelligence moderates relationship between strategy formulation and firm performance. The paper recommends blending strategy formulation and business intelligence with digital market to tap economies of scale and potential opportunities at local and regional economies.

Key Words: *Strategy Formulation, Performance, Competitive Intelligence and Economies of scale*