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INFLUENCE OF STRATEGIC DRIVERS ON PERFORMANCE OF PETROLEUM MARKETING FIRMS IN NAIROBI COUNTY, KENYA

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ABSTRACT

This study interrogated the influence of strategic drivers on performance of petroleum marketing firms in Nairobi County, Kenya focusing on strategic organizational leadership, strategic planning, strategic resource management and strategic customer relationship management. The petroleum firms with a market share exceeding 5% that is Kenol Kobil, Vivo Energy, Total, Gulf energy and Oilibya were targeted. Officials in top and middle management levels of the selected firms were targeted. The study adopted a descriptive research design. Questionnaires were used to collect primary data and analyzed through SPSS. The study findings indicated that strategic organizational leadership, strategic planning, strategic resource management and strategic customer relationship management positively and significantly influence performance of petroleum marketing firms in Nairobi County, Kenya. These findings led to the recommendation that the petroleum marketing firms should focus on enhancing strategic organizational leadership by ensuring there is employee involvement by the firm's top-level team in making key organizational decisions and offering directions by the top management, having a top leadership with a timely and coherent in decision making.

The firms are further recommended to ensure they strategically plans their activities by establishing core values that guides a firm's operation, having a well-planned and formulated vision and having a well-planned and formulated mission statement and having a full involvement of parties in the planning of actions plans. The firms are also recommended to ensure there is strategic resource management firm by having a well-established knowledge management structures and having human resource management practices which are well developed and practiced. In addition, they should ensure strategic customer relationship management within the firm through conducting occasional customer satisfaction surveys to assess customers' satisfaction and having many channels of communication through which the firm collects feedback from its customers.

Key Words: *Strategic Organizational Leadership, Strategic Planning, Strategic Resource Management and Strategic Customer Relationship Management*

BACKGROUND OF THE STUDY

Firms in different economic sectors have found it important to focus on generating certain kind of performance that aims at bringing the maximum profit due to existence of high competition, globalization and changes in the demands of customers in past few years (Shakiba & Kami, 2013). Performance according to Warren (2016) is defined as the firm's abilities of using resources at its disposal, both human capabilities and physical in achieving the firms set goals and objectives. To achieve high performance and stand competitively in the market, firms ought to identify strategic drivers that will contribute to realization of targeted goals both in long and short term. There exist different factors that have been identified and established to significantly determine how firms perform both externally and internally. Marr (2012) defines strategic drivers as the critical factors that tend to determine the failure or success of a firm's strategy. Additionally, Kim (2018) views strategic drivers as forces that shape a firm's strategy. In another definition, Murray (2016) views strategic drivers as the things that a firm needs to capture so as to succeed with stakeholders such as customers, employees, suppliers and other organizations that a firm depends on for attainment of success. Kim (2018) noted that strategic drivers create not only a success pathway but also serves as a link through which performance measurements and strategic planning are undertaken. It is through strategic drivers that a system for streamlining development of strategies and its measurement is supplied. Remarkably, the drivers provide a firm with systems for combining diverse concepts of strategy and activities.

According to Chache (2016), the performance of firms varies in respect to countries, economic sectors and regions. By determining influence of strategic drivers on performance, firms acquire an avenue for formulating strategies that enables them to stand competitively in the markets. This is of importance to petroleum marketing firms since their performance is of importance for survival and sustainability. Murray (2016) advocates for identification of performance drivers amongst petroleum marketing firms in order to attain targeted performance goals in areas such as levels of profits, market share and customer retention. In Kenya, intense competition and turbulent operation environment which characterizes many firms prompts the adoption of performance-oriented strategies to enable survival in the tough environment (Samli, 2001). To stand competitively, different firms adopt different strategies concerning the nature of the business executed by the firm. In the telecommunication sector, firms adopt customer relationship strategies such as retention and attraction strategies in a bid to retain current customers.

In the manufacturing sector, production of quality goods and expansion of customer base forms the utmost objective of many firms in the sector. To achieve the objective, manufacturing firms adopt strategic planning to align their activities aiming at achieving optimum production. Additionally, firms apply various goal-oriented organizational tactics aiming at achieving set goals. The firms establish open communication means for receiving opinions and suggestion from the external environment. According to Christensen (2014), open communication channels paves the way for consumers to air their views on a product which contributes to the product's improvements. Cooren (2011) noted that improvement in performance amongst firms is realized after the incorporation of views and opinions from different sources. However, Clifton (2012) observes that the management bears the decision-making responsibility on what to incorporate in the organizational practices to realize the expected performance.

STATEMENT OF THE PROBLEM

There has been a rapid change in the business environment as a result of changes in the levels of technology, customer demands, competition and globalization. These factors have significantly reshaped operations of the businesses. In order to deal with these dynamisms, firms need to identify strategic drivers that will enable them stand competitively in the business environment. Strategic drivers amongst firms form the basis for achievement of set objectives and goals. It is through the strategic drivers that a firm is in a position to identify its strengths and weakness and undertake the necessary collective measures. However, despite the significance associated with identification of strategic drivers, petroleum marketing firms in Nairobi County, Kenya have not been in a position to identify the influence of strategic drivers on performance which is witnessed by low profits, reduced market shares, low competitive position and low employee retention rates.

Major petroleum firms operating in Kenya have been posting dwindling performance in terms of profits and market share. A report from Petroleum Institute of East Africa (2016) shows that there has been a loss of more than 20.6% in the market share amongst major petroleum firms in Kenya. The loss in the market share has been attributed to the emergence of small petroleum firms in the region which have captured the available markets. According to PIEA (2016), this has made petroleum marketing firms such as Esso, Beyond Petroleum plc, Agip (BP)Caltex (Chevron) and Mobil exit Kenyan Market. Additionally, the poor performance of the firms exit to the market has been associated with incapability of responding to price caps set by ERC. Responses to market changes, operational environment, and high competition can be achieved through identification of strategic drivers within and outside the firm that will enable the firm attain set performance goals and stand competitively in the market. The current study therefore sought to establish the influence of strategic drivers on performance of petroleum marketing firms in Nairobi County, Kenya.

The study was also motivated by the contextual and conceptual research gaps in the previous studies on the theme. Previous studies such as Mwangi (2014) interrogated the strategic management drivers in the context of hospitality industry, Muthoka, Oloko and Obonyo (2017) investigated strategic management drivers in the context of tourism and Yashar *et al.* (2013) similarly investigated the effect of strategic management drivers in the context of hospitality industry. Even though these studies focused on the major concept of strategic management drivers, their narrow focus differed from that of this study. In addition, their contextual focus deviated from that of this study which motivated a need to fill the gaps.

RESEARCH OBJECTIVES

i. To determine the influence of strategic organizational leadership on performance of petroleum marketing firms in Nairobi County, Kenya.

ii. To analyze the influence of strategic planning on performance of petroleum marketing firms in Nairobi County, Kenya.

iii. To assess the influence of strategic resource management on performance of petroleum marketing firms in Nairobi County, Kenya.

iv. To examine the influence of strategic customer relationship management on performance of petroleum marketing firms in Nairobi County, Kenya.

THEORETICAL LITERATURE REVIEW

The study was guided by Strategic Leadership Theory, Synoptic Theory of Strategic Planning, Resourced Based Theory, and Social Exchange theory. The Strategic Leadership Theory by Rowe (2001) is learning oriented,change-oriented and management oriented. In this case, Strategic leadership theories involve the ability of a leader to revolutionize an organization including its changing aims and capabilities. Boal and Hooijberg (2001) stated that strategic leadership targets individuals with overall responsibility in the firm and includes top leadership and line managers. A coording to Vera and Crossan (2004) strategic leadership activities comprise of making strategic decisions, creating and communicating the vision of the future, developing key competencies and capabilities, developing organizational structures, processes and controls, sustaining effective organizational cultures and infusing ethical value systems into the organization.

Synoptic Theory of Strategic Planning proposed by Hudson in 1979 directly relates to a rational model. According to Hudson (1979), the theory is made up of four elements: goal setting, alternatives identification, monitoring and evaluation of progress and decisions implementation. In the past years, convectional processes for strategic planning have changed in respect to approaches formulated by Backoff and Nutt (1992). The theory lays emphasis on interpersonal dialogue and interaction and mutual learning process in planning which involves clarification of values and mission, development of future visions, analysis of opportunities and external challenges, assessment of internal weaknesses and strengths, development of strategic objectives and goals, identification of strategic issues, evaluation and development of alternative strategies, and development of action plans. The theory currently supports strategic planning in institutions of learning and is concerned with participation, content, approach and involvement (Hudson, 1979). The most important part of the theory is concerned with actualizing the set plans. The theory however has received critics from different scholars due to the fact that planning activities in many organizations are normally separated from measurement of performance and allocation of resources (Hudson, 1979).

The Resource Based Theory propounded by Barney in 1991 is based on an assumption that the source of firms' competitive advantage lies in their internal capabilities but not external positioning. This therefore means that the unique resources of a firm are critical and superior to environmental opportunities and threats when conducting (Barney, 1995). The resource-based view of the firm indicate that some resources in firms possesion have the ability to influence the competitive advantage of the firms and its performance (Ainuddin *et al*., 2007). Thus, according to the resource-based theory, managing strategically involves developing and exploiting a firm's unique resources and capabilities and continually maintaining and strengthening those resources.

The Social Exchange Theory proposed by Ekeh (1974) is a social psychological and sociological perspective that explains social change and stability as a process of negotiated exchanges between parties. Social exchange theory posits that all human relationships are formed by the use of a subjective cost-benefit analysis and the comparison of alternatives (Fiske, 1992). The Social Exchange perspective argues that people calculate the overall worth of a particular relationship by subtracting its costs from the rewards it provides. If worth is a positive number, it is positive relationship. On the contrary, negative number indicates a negative relationship (Fiske, 1992). The worth of a relationship influences its outcome, or whether people will continue with a relationship or terminate it. Positive relationships are expected to endure, whereas negative relationships will probably terminate. Other tenets of social exchange theory include the pinnacle roles of trust, commitment, cooperation, satisfaction, and relational norms that develop over time and tend to govern the relationship rather than reliance on written contracts (Koch, 2012).

CONCEPTUAL FRAMEWORK

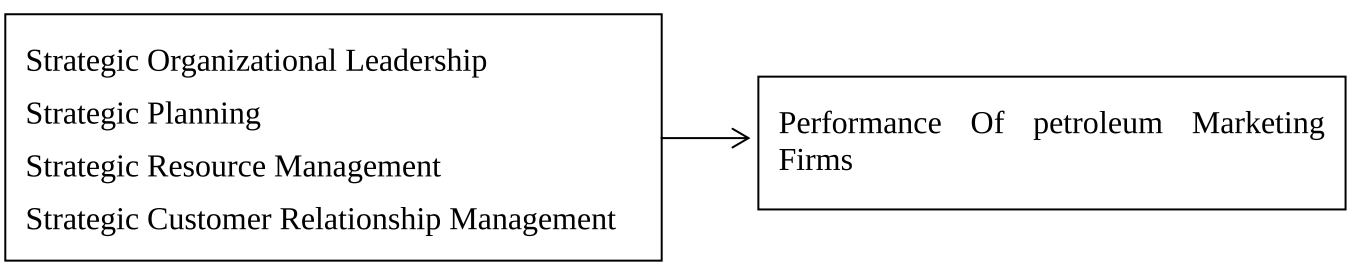

Figure 1 Conceptual Framework

EMPIRICAL LITERATURE REVIEW

Mohammed (2015) evaluated the impact of leadership development on employees' performance in banks of Indonesia and indicated that most of the employees that leadership development had a positive impact on their work commitment work quality and quantity, functional skills, motivation and loyalty and these were all linked to their performance either strongly or moderately but in a supporting direction. Hence, the study concluded that leadership development positively impacted the employees' performance in Pakistani banks. Ogutu (2013) investigated the effect of strategic leadership on the performance of the hospitality industry in Kenya and found out that in today's business environment strategic leadership is being recognized as a significant determinant of both employee and organization performance. Hence, managers have placed great emphasis on the development of leadership to their employees since employees who have undergone leadership training are more likely to take pride in organizations achievements; believe in organizational values, goals, and exhibit higher levels of performance. Mwangi, (2014) studied the effect of leadership on employees' performance at Safaricom limited call center, Nairobi and indicated that strategic leadership positively affect employee's motivation and performance.

Perry (2013) conducted a study to examine the influence of planning on performance of small businesses in the United States and concluded that planning and performance of small businesses positively correlates. Shane and Delmar (2013) conducted a study to examine the relationship between strategic planning and enterprise development in Swedish and revealed existence of a positive relationship between planning and enterprise development. Cassar and Gibson (2015) conducted a study to investigate hypothesized causal relationship between organizational planning and organizational performance over a five-year period in Australia and confirmed the hypothesized relationship between planning and performance. Planning according to the study was a key contributor to performance of organizations as it laid the path for realizing set organization goals and objectives both in short and long term.

Heugens (2013) studied the effects of resource management and organizational outcomes in Dutch food industry and found that resource management activities significantly and positively influenced organizational outcome variables. In addition, Njanja (2009) studied resource management strategies affecting the performance of micro, small and medium enterprises in Kenya. Random sampling was used to target 57 SMEs and found that resource management factors business such as incentives, regulation and policy issues, and infrastructure had a huge effect on the performance of the firm. Otieno (2013) studied resource management practices by small and medium enterprises in Mombasa County and showed that strategic planning was associated with profitability, larger market share, innovation, and liquidity.

Reimann, Lunemann and Chase (2010) studied the relationship between strategic customer relations and performance of firms in American service firms and revealed that CRM did not affect firm performance directly, however; it led to improved sales growth and reduction of cost. In addition, Coltman, Devinney, and Midgley (2011) studied the relationship between Customer relationship management and firm performance of service firms in Europe and indicated that CRM led to an increase in customers which resulted in increased sales and performance. Shavazi, Moshabaki, Hoseini, and Naiej (2013) examined the relationship between customer relationship management and different measures of performance in the banking sector in Iran. The study targeted 31 banks in Tehran and revealed that CRM has a positive impact on sales growth, reduced marketing costs and hence improved organizational performance.

RESEARCH METHODOLOGY

The study adopted a descriptive research design. The target population was petroleum-marketing firms whose Kenyan market share exceeds 5%. According to Energy Regulatory Commission of Kenya (2018), petroleum marketing firms whose market share exceeds 5% as of 2018 were Kenol Kobil (16.7%), Vivo Energy (14%), Total (13.6%), Gulf energy (7.5%) and Oilibya (5.3%). Officials in top and middle management levels from the respective firms were targeted as shown in Table 1.

Table 1: Target Population

Target Group	**Target Population**
Kenol Kobil	33
Vivo Energy	25
Total	28
Gulf energy	22
Oilibya	20
Total	**128**

Since 128 is small, a census on the entire set was adopted as recommended by Neuman (2010). The main data collection instruments were questionnaires. However, before its use, a pilot study was conducted on 6 questionnaires whereby reliability test was conducted through internal consistency. A Cronbach's Alpha coefficient value of 0.7 was used as the threshold but all the variables were reliable with values above 0.7. In addition, content, face and construct validity were conducted whereby validity was ascertained. The quantitative data collected was adopted whereby descriptive statistics such as percentages, means and standard deviation were used. In addition, Pearson correlation and multiple regression analysis was used. Data analysis was done by the use of SPSS (Statistical Package for Social Scientist) V22 programme. The multiple regression model for this study is as illustrated below:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where: Y = Performance of Petroleum Marketing Firms; X_1 =strategic organizational leadership

X_2 = Strategic Planning; X_3 = Strategic Resource Management; X_4 = Strategic Customer Relationship Management; α = regression coefficient; $\beta_1, \beta_2, \beta_3$ and β_4= coefficients of various independent variables; e =error term

RESEARCH FINDINGS

A total of 128 questionnaires were administered to the target respondents comprising of employees from top and middle level management levels where 101 were filled and returned. This represented a response rate of 78.9% in line with Mugenda and Mugenda (2013) who noted that a response rate of 70% and above is considered very good.

Descriptive Results

Strategic Organizational Leadership

The study sought to establish how strategic organizational leadership influences performance of petroleum marketing firms in Nairobi County, Kenya. The findings in table 2 shows that respondents agreed with statements that the firm's top-level team involves the employees in making key organizational decisions as shown by mean of 3.56 and standard deviation of 1.21 and that the top management offers employees with direction as shown by mean 3.71 and standard deviation of 1.19). Similarly, respondents agreed with the statement that the top leadership is timely and coherent in decision-making as shown by mean of 3.98 and standard deviation of 0.93 and that employees are involved in the development of the key organizational structures and processes as shown by a response mean of 3.65 and standard deviation of 1.17).

Consequently, respondents were in agreement with the statement that the top leadership involves employees at all levels of the organization before making key decisions as shown by response mean of 3.52 and standard deviation of 1.21 and that the organizational principle is based on the development of key competences and capabilities as shown by response mean of 3.59 and standard deviation of 1.24). On average, respondents were in agreement with statements of strategic organizational leadership as shown by average response mean 3.67 of and average std dev of 1.16. The results are consistent with Flynn (2008) who asserts that strategic leadership aims at achieving strategic productivity by creating an environment where employees focus on achieving the firm's goals.

Table 2 Descriptive Statistics on strategic organizational leadership

Statements	**Mean**	**Std Dev**
The company's top-level team involves the employees in making key organizational decisions	3.56	1.22
The top management has offered direction	3.71	1.19
Top leadership has been timely and coherent in decision making	3.98	0.93
Employees are involved in the development of the key organizational structures and processes	3.65	1.17
The top leadership has involved employees at all levels of the organization before key decisions are made	3.52	1.21
The organizational principle is based on the development of key competences and capabilities	3.59	1.24
Average	**3.67**	**1.16**

Strategic Planning

The study sought to establish how strategic planning influences performance of petroleum marketing firms in Nairobi County, Kenya. The findings presented in table 3 shows that respondents were in agreement with statements that the firm strategically plans and sets objectives to be achieved as shown by mean of 3.65 and standard deviation of 1.19) and that the firm strategically plans and sets goals to be achieved as shown by response mean of 3.69 and standard deviation of 1.18. Remarkably, respondents agreed that the firm establishes core values that guides its operation as shown by mean of 3.81 and standard deviation of 1.1 and that there is a well-planned and formulated mission statement in the firm as shown by mean of 3.91 and standard deviation 1.01).

Additionally, respondents agreed that there is a well-planned and formulated vision in the firm and that there is full involvement of parties in the planning of actions plans of the firm as shown by response mean of 3.73 and there is full involvement of parties in the planning of actions plans of the firm 1.09), and mean of 3.87 and there is full involvement of parties in the planning of actions plans of the firm of 0.99 respectively. On average, respondents were in agreements with statements on strategic planning as shown by average response mean of 3.78 and std dev of 1.095. This is in agreement with Scholes and Jonson (2011) who noted that firms have acknowledged the significance of strategic planning as it helps them in clearly identifying and prioritizing targets and objectives and in communicating their goals, operational tasks and strategies to both external and internal stakeholders.

Table 3 Descriptive Statistics on Strategic Planning

Statements	**Mean**	**Std. Dev**
The firm strategically plans and sets objectives to be achieved	3.65	1.19
The firm strategically plans and sets goals to be achieved	3.69	1.18
The firm establishes core values that guides its operation	3.81	1.1
There is a well-planned and formulated mission statement in the firm	3.91	1.01
There is a well-planned and formulated vision in the firm	3.73	1.09
There is full involvement of parties in the planning of actions plans of the firm	3.87	0.99
Average	**3.78**	**1.095**

Strategic Resource Management

The study sought to establish how strategic resource management drives performance of petroleum marketing firms in Nairobi County, Kenya. The findings of the study presented in table 4 shows that respondents were in agreement with statements that the organization has a well-established knowledge management structure as shown by a response mean of 3.98 and standard deviation of 0.96 and that the human resource management practices of the organization is well developed and practiced as shown by response mean of 4.14 and standard deviation of 0.78). Consequently, respondents were in agreement with the statements that there exists a continuous employee training to enhance the human resources of the firm as shown by response mean of 4.01 and standard deviation of 0.81. Remarkably, respondents agreed that the firm continuously invests in the quality control systems to improve the physical resources as shown by a response mean of 3.78 and standard deviation of 1.09 and that financial resources within the firms are well managed to enhance efficiency as shown by a response mean of 4.21 and standard deviation of 0.69. Respondents finally agreed that the firm provides avenues for employee development as shown by a response mean of 3.88 and standard deviation of 1.21 and that the firm capitalizes on resources at its disposal to boost performance as shown by a response mean of 4.01 and standard deviation of 0.81. On average, respondents were in agreement with statements on strategic resource management as shown by average response mean of 4.00 and average standard deviation of 0.91. The results agree with Taylor (2014) who observed that a firm that efficiently utilizes resource management practices obtains various benefits that enhance general performance.

Table 4 Descriptive Statistics on Strategic Resource Management

Statements	**Mean**	**Std. Dev**
There are well-established knowledge management structures in the organization	3.98	0.96
The human resource management practices of the organization are well developed and practiced	4.14	0.78
There is continuous employee training to enhance the human resources of the firm	4.01	0.81
There is continuously investing in the quality control systems to improve the physical resources	3.78	1.09
Financial resources are well managed to enhance efficiency	4.21	0.69
The firm provides avenues for employee development	3.88	1.21
The firm capitalizes on resources at its disposal to boost performance	4.01	0.81
Average	**4**	**0.91**

Strategic Customer Relationship Management

The study sought to establish how strategic customer relationship management drives performance of petroleum marketing firms in Nairobi County, Kenya. The results presented in table 5 shows that respondents were in agreement with the statements that the organization practices customer orientation and conducts occasional customer satisfaction surveys to assess their satisfaction as shown by response mean of 4.1 and standard deviation of 0.76 and response mean of 3.99 and standard deviation of 0.96 respectively. Similarly, respondents agreed on the existence of many channels of communication through which the firm collects feedback from its customers, e.g. e-mails, SMS, social media as shown by response mean of 4.08 and standard deviation of 0.77.

Additionally, respondents agreed that the company uses customer focus strategy to enhance customer satisfaction as shown by response mean of 3.69 and standard deviation of 1.21 and that the company practices customer retention strategy as part of a CRM strategy as shown by response mean of 3.98 and standard deviation of 1.07. However, respondents were uncertain on whether the company has reward schemes to ensure customer loyalty as shown by response mean of 3.47 and standard deviation of 1.27. On average however, respondents were in agreement with statements on strategic customer relationship management as shown by average response mean of 3.86 and standard deviation of 1.00. This is consistent with Jain *et al.*, (2014) who noted that when customer relationship management is well implemented in a firm, the firm develops various functional, processes and skills that plays a role towards achievement of long-term loyalty of customers thus improving the general performance.

Table 5 Descriptive Statistics on Strategic Customer Relationship Management

Statements	**Mean**	**Std. Dev**
The organization practices customer orientation	4.1	0.76
The company conducts occasional customer satisfaction surveys to assess their satisfaction	3.99	0.96
The company has many channels of communication through which it collects feedback from its customers, e.g. e-mails, SMS, social media	4.08	0.77
The company has reward schemes to ensure customer loyalty	3.47	1.27
The company uses customer focus strategy to enhance customer satisfaction	3.69	1.21
The company practices customer retention strategy as part of a CRM strategy	3.98	1.07
Average	**3.86**	**1**

Correlation Results

The results show that the correlation between strategic organizational leadership and performance of petroleum marketing firms in Nairobi County, Kenya. is .548 and a p-value of 0.000. This means that strategic organizational leadership and performance positively and significantly correlates implying that increase in strategic organizational leadership practices leads to increase in performances of petroleum marketing firms in Nairobi County, Kenya. The results are consistent with Flynn (2008) who asserts that strategic leadership aims at achieving strategic productivity by creating an environment where employees focus on achieving the firm's goals. The results also show that the correlation between strategic planning and performance of petroleum marketing firms in Nairobi County, Kenya. is .301 and a p-value of 0.006. This means that strategic planning and performance positively and significantly correlates implying that increase in the practices of strategic planning leads to increase in performances of petroleum marketing firms in Nairobi County, Kenya.

This is in agreement with Scholes and Jonson (2011) who noted that strategic planning helps firms in clearly identifying and prioritizing targets and objectives and in communicating their goals, operational tasks and strategies to both external and internal stakeholders which enhances performances. The results further show that the correlation between strategic resource management and performance of petroleum marketing firms in Nairobi County, Kenya is .493 and a p-value of 0.001. This means that strategic resource management and performance positively and significantly correlates implying that increase in the strategic resource management practices leads to increase in performances of petroleum marketing firms in Nairobi County, Kenya. The results agree with Taylor (2014) who observed that a firm that efficiently utilizes resource management practices obtains various benefits that enhance general performance. The results finally show that the correlation between strategic customer relationship management and performance of petroleum marketing firms in Nairobi County, Kenya is .248 and a p-value of 0.012. This means that strategic customer relationship management and performance positively and significantly correlates implying that increase in the strategic customer relationship management practices leads to increase in performances of petroleum marketing firms in Nairobi County, Kenya.

This is consistent with Jain *et al.*, (2014) who noted that when customer relationship management is well implemented in a firm, the firm develops various functional, processes and skills that play a role towards achievement of long-term loyalty of customers thus improving the general performance.

Table 5 Correlation Analysis

		Organizational leadership	**Strategic Planning**	**Strategic Resource Management**	**Strategic Customer Relationship Management**	**Performance of Petroleum Marketing Firms**
Organizational leadership	Pearson Correlation	1				
Strategic Planning	Pearson Correlation	0.094	1			
Strategic Resource Management	Pearson Correlation	0.099	0.129	1		
Strategic Customer Relationship Management	Pearson Correlation	0.014	0.021	0.022	1	
Performance of Petroleum Marketing Firms	Pearson Correlation	.548**	.301**	.493**	.248**	1
	Sig. (2-tailed)	0.000	0.006	0.001	0.012	
	N	101	101	101	101	101

Multiple Regression Analysis

Regression analysis is conducted to establish the strength of relationship between independent and dependent variables of the study. The analysis results are presented in table 6. The result shows that there exists a strong relationship between strategic organizational leadership, strategic planning, strategic resource management and strategic customer relationship management and performance of petroleum marketing firms as shown by R = .789. The coefficient of determination (R-squared) was .622 implying that 62.2% of variation in performance of petroleum marketing firms can be explained by strategic organizational leadership, strategic planning, strategic resource management and strategic customer relationship management. Other drivers not included in the current study explain the remaining 37.8%.

Table 6: Model Summary

R	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
.789[a]	0.622	0.563	0.10123

Analysis of variance (ANOVA) aims at establishing the statistical significance of the model of the study. The results presented in table 7 indicates that the overall model linking strategic organizational leadership, strategic planning, strategic resource management and strategic customer relationship management with performance of petroleum marketing firms was statistically significant. The level of significance is confirmed by comparing the value of F critical at (4, 96) and F calculated value. The F calculated value = 20.229 while of F critical value from F distribution tables =2.4472. The F calculated value is greater than the F critical value confirming the statistical significance of the model.

Table 7 ANOVA (Model Significance)

	Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Regression	9.904	4	2.476	20.229	0.006
Residual	11.748	96	0.1224		
Total	**21.652**	**100**			

Table 8 presents the results of model of coefficient. The results show that strategic organizational leadership positively and significantly drives performance of petroleum marketing firms as shown by $\beta = 0.543$ and Sig = 0.000 <0.05. This implies that a change in unit of strategic organizational leadership practices results to an increase of 0.543 units on performance of petroleum marketing firms in Nairobi County, Kenya. The findings are consistent with Ogutu (2013) who noted that strategic leadership is being recognized as a significant determinant of both employee and organization performance. The results also show that strategic planning positively and significantly drives performance of petroleum marketing firms as shown by $\beta = 0.366$ and Sig = 0.006 <0.05.

This implies that a change in unit of strategic planning practices results to an increase of 0.366 units on performance of petroleum marketing firms in Nairobi County, Kenya. The findings agree with Cassar and Gibson (2015) who found that planning was a key contributor to performance of organizations as it laid the path for realizing set organization goals and objectives both in short and long term. The results further show that strategic resource management positively and significantly drives performance of petroleum marketing firms as shown by β = 0.421 and Sig = 0.003 <0.05. This implies that a change in unit of strategic resource management practices results to an increase of 0.421 units on performance of petroleum marketing firms in Nairobi County, Kenya. The findings agree with Heugens (2013) in his study on the effects of resource management and organizational outcomes and established that resource management activities significantly and positively influenced organizational outcome. The results finally show that strategic customer relationship management positively and significantly drives performance of petroleum marketing firms as shown by β = 0.238 and Sig = 0.011 <0.05. This implies that a change in unit of strategic customer relationship management practices results to an increase of 0.238 units on performance of petroleum marketing firms in Nairobi County, Kenya. The findings concur with Shavazi, Moshabaki, Hoseini, and Naiej (2013) who revealed that CRM has a positive impact on sales growth, reduced marketing costs and hence improved organizational performance.

Table 8 Model Coefficients

	Unstandardized Coefficients		Standardized Coefficients		
	B	**Std. Error**	**Beta**	**t**	**Sig.**
(Constant)	0.231	0.201		1.150	0.006
Organizational leadership	0.543	0.122	0.499	4.451	0.000
Strategic Planning	0.366	0.210	0.294	1.743	0.006
Strategic Resource Management	0.421	0.166	0.378	2.536	0.003
Strategic Customer Relationship Management	0.238	0.236	0.198	1.001	0.011

CONCLUSION

The findings of the study led to conclusions that strategic organizational leadership positively and significantly drives performance of petroleum marketing firms in Nairobi County, Kenya in that that a unit change in strategic organizational leadership practices results to an increase of 0.543 units on performance of the firms. The study further established that practices such as employee involvement by the firm's top-level team in making key organizational decisions, offering directions by the top management, and having a top leadership with a timely and coherent in decision making positively and significantly drive performance of petroleum marketing firms in Nairobi County, Kenya. Similarly, involving employees in the development of the key organizational structures and processes, involving employees at all levels of the organization before key decisions are made and basing organizational principles on the development of key competences and capabilities positively and significantly drive performance of petroleum marketing firms in Nairobi County, Kenya.

The findings of the study also led to conclusions that strategic planning positively and significantly drive performance of petroleum marketing firms in Nairobi County, Kenya in that a unit change in strategic planning practices results to an increase of 0.366 units on performance of the firms. The study further established that practices such as firm strategically planning and setting objectives to be achieved, the firm strategically planning and setting goals to be achieved, establishing core values that guides a firm's operation, and having a well-planned and formulated vision in the firm positively and significantly drive performance of petroleum marketing firms in Nairobi County, Kenya. Additionally, having a well-planned and formulated mission statement in the firm and having a full involvement of parties in the planning of actions plans of the firm positively and significantly drive performance of petroleum marketing firms in Nairobi County, Kenya.

The findings of the study also led to conclusions that strategic resource management positively and significantly drive performance of petroleum marketing firms in Nairobi County, Kenya in that a unit change in strategic resource management practices results to an increase of 0.421 units on performance of the firms. The study further established that practices such as having a well-established knowledge management structures in the firm, having human resource management practices which are well developed and practiced, having a continuous employee training to enhance the human resources of the firm, and managing financial resources well to enhance efficiency, positively and significantly drive performance of petroleum marketing firms in Nairobi County, Kenya. Remarkably, continuously investing in the quality control systems to improve the physical resources, providing avenues for employee development and capitalizing on resources at a firm's disposal to boost performance positively and significantly drive performance of petroleum marketing firms in Nairobi County, Kenya.

The findings of the study finally led to conclusions that strategic customer relationship management positively and significantly drive performance of petroleum marketing firms in Nairobi County, Kenya in that a unit change in strategic customer relationship management practices results to an increase of 0.238 units on performance of the firms. The study further established that practices such as practicing customer orientation by the firm, conducting occasional customer satisfaction surveys to assess customers' satisfaction and having many channels of communication through which the firm collects feedback from its customers, e.g. e-mails, SMS, social media, positively and significantly drive performance of petroleum marketing firms in Nairobi County, Kenya. Additionally, using customer focus strategy to enhance customer satisfaction and practicing customer retention strategy as part of a CRM strategy positively and significantly drive performance of petroleum marketing firms in Nairobi County, Kenya.

RECOMMENDATIONS

The petroleum marketing firms are recommended to focus on enhancing strategic organizational leadership since the practice has a positive and significant drive on performance of the firms. This is also due to the fact that a unit change in strategic organizational leadership practices results to an increase of 0.543 units on performance of the firms. The petroleum marketing firms can achieve this by ensuring there is employee involvement by the firm's top-level team in making key organizational decisions, offering directions by the top management, and having a top leadership with a timely and coherent in decision making. Additionally, involving employees in the development of the key organizational structures and processes, involving employees at all levels of the organization before key decisions are made and basing organizational principles on the development of key competences further contributes to performances.

The petroleum-marketing firms are further recommended to ensure the firm strategically plans its activities since the practice has a positive and significant drive on performance of the firms. This is also associated to the fact that a unit change in strategic planning practices results to an increase of 0.366 units on performance of the firms. This can be achieved by ensuring the firm strategically plans and sets objectives to be achieved, the firm strategically plans and sets goals to be achieved, and establishing core values that guides a firm's operation. Furthermore, having a well-planned and formulated vision and mission statement in the firm and having a full involvement of parties in the planning of actions plans of the firm influence performance.

The petroleum-marketing firms are also recommended to ensure there is strategic resource management within the firm since the practice has a positive and significant drive on performance of the firms. This is also because a unit change in strategic resource management practices results to an increase of 0.421 units on performance of the firms. The firms can achieve this by having a well-established knowledge management structures in the firm, having human resource management practices which are well developed and practiced, and having a continuous employee training to enhance the human resources of the firm. Moreover, managing financial resources well to enhance efficiency, continuously investing in the quality control systems to improve the physical resources, providing avenues for employee development and capitalizing on resources at a firm's disposal to boost performance further influences performances. The petroleum-marketing firms are finally recommended to ensure there is strategic customer relationship management within the firm since the practice has a positive and significant drive on performance of the firms. This is supported by the fact that a unit change in strategic customer relationship management practices results to an increase of 0.238 units on performance of the firms. The firms can achieve this by practicing customer orientation by the firm, conducting occasional customer satisfaction surveys to assess customers' satisfaction, having many channels of communication through which the firm collects feedback from its customers, e.g. e-mails, SMS, social media, using customer focus strategy to enhance customer satisfaction and practicing customer retention strategy as part of a CRM strategy

CONFLICT OF INTEREST

No potential conflict of interest was recorded by the authors.

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