

STRATEGIC PLANNING PRACTICES AND ORGANIZATIONAL PERFORMANCE OF AIR CARGO HANDLING COMPANIES IN KENYA: A CASE STUDY OF NAS SIGINON AVIATION LTD

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Abstract: This study investigated the effect of strategic planning practices on the organizational performance of air cargo handling companies in Kenya, focusing on NAS Siginon Aviation Ltd in Nairobi. The specific objectives included examining the effect of environmental scanning and strategy formulation. The research was motivated by the evolving global environment, characterized by unpredictability, globalization, intense competition, changing customer needs, and technological advancements. It was anticipated that the results of this research would provide insightful advice to scholars working in the fields of company efficiency and airfreight, serving as a foundation for further investigation and evaluation. The study was underpinned by the theory of planned behavior, complemented by the Resource-Based View and contingency theory. The investigation targeted a population of 122, and the researcher used a census to select the sample since the population was manageable. Data collection involved questionnaires, with a pilot study of 6 randomly chosen employees of Swissport Kenya Ltd. Quantitative data analysis employed basic statistics, presenting results through tables and charts, while inferential statistics were applied to determine the correlations between the variables. Throughout the research process, ethical guidelines were strictly adhered to. The study found that strategic planning procedures under study notably impacted the organizational productivity of Kenyan air cargo handling enterprises, particularly NAS Siginon Aviation Ltd., with environmental scanning leading to a 36.7% improvement. The report suggests cargo handling organizations regularly train staff on environmental variables to improve performance and reduce environmental instability by detecting risks and opportunities and adjusting to changing market conditions. Research suggests cargo handling businesses should involve all stakeholders in strategy development to align with their vision and purpose, enhancing performance by defining objectives and policies. The study suggests that freight handling organizations should establish a strategic planning office, align staff competencies with strategic goals, encourage collaborative planning, and ensure effective communication for improved performance. Lastly, the researcher recommends future studies on scenario planning to prepare for uncertainties, strategic alliances to explore partnership impacts, and change management to improve handling of organizational transitions.

Keywords: air cargo handling companies, NAS Siginon Aviation Ltd, evolving global environment, improve handling, organizational transitions.

1. INTRODUCTION

1.1 Background of the Study

The air cargo handling business is a vibrant sector that facilitates comprehensive commerce and economic development. Air cargo handling companies provide fast, reliable, and secure transportation of goods across borders and continents (Wensveen, 2023). However, air cargo handling companies face various challenges and uncertainties in a dynamic and

competitive environment. These include fluctuating demand and supply, rising fuel costs, environmental regulations, security threats, technological innovations, customer expectations, and global competition (Vasigh et al., 2018). Therefore, air cargo handling companies must adopt effective strategic planning practices to cope with these challenges and uncertainties and achieve their goals and objectives.

Strategic planning is the process of defining an organization's long-term direction and goals and developing the strategies and actions to achieve them (Anwar & Abdullah, 2021). It helps a company to match its competencies and finances with the opportunities and threats in its surroundings outside of it and to create value for its stakeholders. Tactical planning involves several components and processes, including vision, mission, values, goals, strategies, actions, and evaluation (Asewe, 2022).

Organizational performance is the concept of measuring how well a business achieves its goals and purposes. It involves comparing an organization's actual outputs or results with the expected or intended ones. Organizational performance can help organizations evaluate their effectiveness, efficiency, and quality and identify improvement and innovation areas (Anwar & Abdullah, 2021). The correlation between company performance and strategy development is worth exploring. In the context of the air cargo handling industry, strategic planning is considered a key factor that influences the performance of air cargo handling companies in terms of their financial, customer, internal process, and learning and growth outcomes (Vasigh et al., 2018). However, the nature and extent of this relationship is not clear-cut or straightforward (Sinnaiah et al., 2023).

Globally, strategic planning is crucial for improving air cargo handling performance in industrialized countries like the United States, Canada, Europe, and Asia. Techniques include technological integration, resource allocation, and data-driven decision-making (Wensveen, 2023). Companies like FedEx and UPS have implemented automation and real-time tracking strategies, leading to increased operational efficiency. North America's air cargo volumes climbed by 13.7%, driven by advances in handling and logistics capacities. Europe's companies are focusing on sustainability and digitization, with air freight volumes in the European Union increasing by 7.4% in 2022 (Aldemir, Şengür & Ulukan, 2021). Asia's e-commerce and industrial industries have fueled air cargo growth, with China and Japan investing in capacity expansion and infrastructure improvement. Digital technologies like artificial intelligence and blockchain have also contributed to improved performance, making these countries global leaders in air cargo handling (Wensveen, 2023).

Regionally, to improve performance, the air freight sector in Africa is progressively implementing strategic planning techniques. To stay up with international standards, nations including South Africa, Nigeria, Ghana, and Djibouti have made investments to update their air cargo infrastructure. Strategic planning in South Africa, Nigeria, Ghana, and Djibouti has led to significant growth in air cargo volumes (Biondi & Russo, 2022). South Africa's focus on modernizing cargo handling machinery and enhancing productivity at airports like OR Tambo International has resulted in a 4.2% growth in 2022 air cargo volumes. Nigeria's focus on agricultural and oil exports has also driven strategic planning, with enhanced security measures and infrastructure development contributing to a 6% increase in air freight in 2022 (Farzaneh et al., 2021).

Locally, Kenya's economy depends heavily on the air freight handling industry, of which Jomo Kenyatta International Airport (JKIA) is a key center. The majority of the more than 330,000 metric tons of cargo handled by JKIA in 2023 came from agricultural exports, including as vegetables and flowers. The development of infrastructure, including the expansion of cargo terminals and the improvement of cold chain facilities, is the main emphasis of strategic planning techniques in Kenya's air cargo sector. Cargo clearance times have decreased by 20% in recent years due to increased efficiency brought about by process automation and technological integration. By strengthening partnerships with international logistics companies and refining regulatory frameworks to improve overall performance, Kenya's air cargo business is expected to grow by 10% yearly (Farzaneh et al., 2021).

1.1.1 Strategic Planning Practices

Strategic planning is a deliberate, systematic procedure that equips groups with a framework to define their long-term objectives and strategies to achieve them (Asewe, 2022). This process is vital in aligning internal resources with external opportunities and threats, thereby creating value for stakeholders. In the air cargo handling industry, strategic planning is particularly crucial due to its dynamic nature, which demands fast, reliable, and secure transportation of goods globally (David, 2018). Lee and Poh (2023) and Kuteyi and Winkler (2022) have conducted strategic planning studies in the air

cargo handling sector, highlighting the positive market outlook in Malaysia and the challenges faced in sub-Saharan Africa. They highlighted the need for improved infrastructure, human capital training, and digitalization to overcome issues like inadequate policy frameworks and trade barriers.

1.1.2 Environmental Scanning

Environmental scanning is gathering, analyzing, and interpreting information about the external and internal factors affecting an organization's performance and survival (Jin, Wang & Zhu, 2024). An organization can identify your outside environment's possibilities and hazards. by conducting environmental scanning. Environmental scanning also helps an organization assess its internal environment's strengths and weaknesses, such as resources, capabilities, culture, structure, systems, and processes. It enables an organization to formulate and implement effective strategies that match its internal and external environments and achieve its goals and objectives (George et al., 2019).

1.1.3 Strategy formulation

Strategy formulation entails developing and selecting the best strategies for an organization to achieve its vision, mission, values, and goals (Grant, 2024). It involves conducting a situational analysis, identifying the strategic issues, generating and evaluating the strategic alternatives, and choosing and implementing the best strategy. Strategy formulation is crucial for air cargo handling companies in a competitive industry. British Airways used a balanced scorecard model to align its vision, mission, values, and goals with its strategies. This approach improved efficiency, profitability, and communication, fostering a competitive advantage and fostering learning and innovation (Thairu, 2020).

Statement of the Problem

The air cargo handling industry plays a pivotal role in the global economy by facilitating international trade and significantly contributing to economic growth (Kaburu & Simba, 2020). However, this sector faces numerous challenges that threaten its performance, such as fluctuating demand, regulatory changes, and stiff competition (Bryson, 2018). Strategic planning has become essential for air cargo handling companies to address these challenges and improve operational efficiency and profitability. Despite the importance of strategic planning, there is a striking lack of empirical research on its impact on the performance of air cargo handling companies, particularly in developing countries like Kenya, which has a rapidly expanding air cargo market. Statistics show that Kenya's air cargo market grew by 13% in 2019, highlighting the need for strategic planning to ensure sustained growth (George et al., 2019).

Numerous investigations have been carried out to investigate the connection between strategic planning practices and company productivity. George et al. (2019) conducted A systematic review of the effect of strategic thinking on the profitability of organizations, finding that it generally improves performance. Bryson (2018) emphasized that strategic planning is crucial for public and nonprofit organizations to achieve sustainable success. Kang'ethe (2018) studied Kenyan SMEs, revealing that strategic planning positively influences their performance. Hassan (2018) focused on the hotel industry in Kenya, finding that strategic organizational practices significantly enhance performance. Otieno (2019) examined strategic planning in professional service SMEs in Kenya, concluding that it positively affects financial performance. Collectively, these studies underscore the critical role of strategic planning in improving the company outcomes across various sectors in Kenya.

The connection between strategic thinking practices and corporate productivity has been the subject of much previous study (Button, 2020). But there's still a lot of unanswered questions about the air cargo handling companies in Kenya. This study aimed to close this disparity by carrying out an in-depth case study of NAS Siginon Aviation Ltd, a leading air cargo handling company in Kenya. The investigation will look at the impact of strategic planning on various performance dimensions of NAS Siginon Aviation Ltd, including environmental scanning and strategy formulation. The goal was to uncover the particular difficulties and chances the company faces in executing its strategic plans and to offer actionable recommendations for enhancing its strategic planning practices and overall performance. By doing so, the study added insightful information to the scholarly literature on strategic planning and performance in the air cargo handling industry and provide practical guidance for industry managers and policymakers to foster sustained success in this complex sector.

Objectives of the Study

The investigation's main goal was to examine the relationship between strategic planning practices and organizational performance of air cargo handling companies in Kenya: A case study of NAS Siginon Aviation Ltd.

Specific Objectives

- i. To find out the extent to which environmental scanning influence organizational performance of air cargo handling companies.
- ii. To examine the effect of strategy formulation on organizational performance in the air cargo handling industry.

Significance of the Study

The research aims to enhance strategic planning approaches in air cargo handling, particularly for Kenyan firm NAS Siginon Aviation Ltd. It will contribute to the literature and practice of air cargo handling management by providing a comprehensive analysis of strategic planning approaches in Kenya and other regions. The study will identify opportunities, obstacles, and best practices for enhancing strategic planning in the sector. The research will examine the influence of tactical planning techniques on the efficiency of establishments from multiple perspectives, such as financial, operational, customer, employee, and social. It will assess the potency and efficacy of different strategic planning models, methods, tools, and techniques in achieving company goals and objectives.

The study will benefit various parties involved in the air cargo handling business, including managers, employees, clients, lawmakers, and legislators. Managers and employees will gain knowledge on designing and implementing successful strategic strategies, while clients will benefit from better quality and timely services. Regulations and policymakers will benefit from understanding the challenges and opportunities faced by air cargo handling companies and how to support them with appropriate policies and regulations. The research will have theoretical, practical, methodological, and personal significance. It will investigate how the development of plans affects Kenyan air cargo handling businesses' efficiency, especially with a case scenario approach. Practically, the study will provide useful information and suggestions for enhancing strategic planning procedures and the effectiveness of NAS Siginon Aviation Ltd and other air cargo handling companies.

2. LITERATURE REVIEW

Theoretical Literature Review

Resource-Based View of the Firm

Birger Wernerfelt presented the Resource-Based View (RBV) for the corporation in 1984. According to the notion, a company's sustained edge in the marketplace is derived from its capacity to assemble and influence the right combination of resources. These resources must be valuable, scarce, unique, and non-replaceable (Miller, 2019). The resource-based view (RBV) is a prominent perspective in strategic management that focuses on an organization's internal resources and capabilities as the sources of its competitive advantage and performance (Lubis, 2022). According to this perspective, an organization can achieve superior performance if it possesses and exploits valuable, rare, inimitable, and non-substitutable (VRIN) resources and capabilities that enable it to create value for its customers and differentiate itself from its competitors (Madhani, 2010; Talaja, 2012). The RBV implies the tactical planning is a critical procedure that enables a company to identify and leverage its VRIN resources and capabilities. By comprehensively analyzing its internal strengths and weaknesses and external opportunities and threats (SWOT), an organization can formulate and implement strategies that match its distinctive competencies with the environmental demands and expectations (Sarbah & Otu-Nyarko, 2014). For example, an organization can adopt a cost leadership strategy if it has efficient and low-cost resources and capabilities to offer lower prices than its competitors. Similarly, it can adopt a differentiation strategy if it has unique and superior resources and capabilities to offer higher quality or value than its competitors (Gerhart & Feng, 2021).

This framework is relevant and applicable to the current investigation since it suggests a theoretical background for comprehension of how tactical organizing influences the organizational performance of air cargo handling companies. Air cargo handling companies operate in a dynamic and competitive industry that requires them to constantly adapt to changing customer needs, technological innovations, environmental regulations, and global competition (Azadian & Vasigh, 2019). Therefore, air cargo handling companies need to recognize and take advantage of their VRIN assets and capacities in order to maximize their market position, earnings, cost effectiveness, and excellent service. Past studies have used the RBV to examine the correlation between strategic planning and the performance of organizations across various industries and geographical areas (Gerhart & Feng, 2021). Hamann et al. (2023) examined 88 studies on strategic planning-performance relationships across various industries and countries. They found that companies are performing

well overall, moderately, and significantly influenced by strategic planning, measured by financial indicators like share of the market, sales growth, profit from assets in addition to the profit on equity. The study also established that comprehensive planning's effect on the business's efficiency is mediated by VRIN resources such as human capital, social capital, organizational culture, and innovation capability (Miller, 2019).

Similarly, Rizan et al. (2019) investigated the relationship between strategic planning and organizational profitability in Indonesia's SMEs. They used a survey method to gather statistics from 120 SMEs in various sectors, such as manufacturing, trading, and services. They measured strategic planning by four dimensions: formalization, comprehensiveness, participation, and implementation. Additionally, the authors used four criteria to assess corporate effectiveness: economic performance, client satisfaction, employee satisfaction, and social responsibility. It established that strategic planning positively and significantly affects organizational performance, especially customer satisfaction and social responsibility. The researchers also found that VRIN resources such as human capital, social capital, and innovation capability mediate the organizational planning's impact on the company's performance (Gerhart & Feng, 2021).

These studies support the RBV perspective the strategic planning enables an organization to identify and make use of its VRIN assets and potential that enhance its competitive benefit and performance. However, they also indicate that strategic planning's effect on the company's effectiveness may vary depending on the measurement of both constructs, the sector and context of the organization, and the factors that mediate and moderate the connection. Consequently, it's critical to look at the specific conditions and instruments that enable tactical organizing to improve organizational performance in the air cargo handling industry (Rizan et al. 2019).

The Resource-Based View (RBV) links to environmental scanning, strategy formulation, and strategy implementation in air cargo handling companies by emphasizing the role of internal resources in achieving superior performance. Environmental scanning identifies valuable internal resources; strategy formulation aligns these resources with business goals; and strategy implementation focuses on effectively using these resources to gain a competitive edge. RBV underscores that leveraging unique assets, like skilled labor or specialized equipment, can improve organizational performance in the air cargo handling sector.

Contingency Theory

Fred Fiedler largely created Contingency Theory in the 1960s. Contingency Theory states that there isn't a single best way to set up an organization, run a business, or make choices. As an alternative, the ideal path of action is determined by the core and outside circumstances. Contingency theory is another perspective in strategic management that emphasizes the importance of adapting an organization's structure, strategy, and behavior to its environment (Abba et al., 2018). According to this perspective, there is no best way to organize or manage an organization; rather, the effectiveness and suitability of an organization's design and actions depend on various contextual factors that influence its performance outcomes (Sila, 2007; Kim et al., 2014). Contingency theory suggests that strategic planning is not a universal or standardized practice that pertains to all institutions in the same way; instead, it is a contingent or situational practice that varies according to different factors that affect its relevance and appropriateness for an organization. These factors include environmental uncertainty, organizational size, structure, culture, leadership, and strategy type (Kim et al., 2014; Sousa & Voss, 2008). By adjusting its strategic planning process and content to fit these factors, an organization can enhance its alignment and responsiveness to its environment and improve its performance outcomes (Beer et al., 2015).

This study applies the contingency theory in providing a theoretical framework for understanding how strategic planning adapts to the specific conditions and challenges of the air cargo handling industry (Pang, et al., 2021). Air cargo handling companies face various environmental uncertainties and complexities that require them to adjust their strategic planning practices accordingly. Such companies may need to adopt more flexible and participative strategic planning processes in response to high environmental uncertainty or turbulence. Alternatively, they may need to adopt more formalized and centralized strategic planning processes in response to large organizational sizes or complex structures (Beer et al., 2015). Various studies have used contingency theory to examine the connection between company efficiency and strategy planning across many industries and geographical areas. Nwachukwu et al. (2018) explored the relationship between strategic planning and organizational performance in SMEs in Zimbabwe. They used a survey technique to gather information from 151 SMEs in various sectors, such as manufacturing, retailing, and services. The investigation shown the effectiveness of strategic planning and favorable and substantial influence on the achievement of the corporation, especially customer satisfaction and innovation. They also found that environmental uncertainty moderates Strategic

planning's impact on the company's performance, such that the effect is stronger when environmental uncertainty is low than when it is high (Maletič et al., 2018).

Similarly, Biondi and Russo (2022) investigated the relationship between strategic planning and organizational performance in public sector organizations in the UK. The scholars used a case study method to collect data from four public sector organizations like local universities. They then measured Efficiency in the organization and strategic thinking through the lenses of quality and innovation to reveal that strategic planning influences organizational performance (Maletič et al., 2018). Organizational structure, culture, leadership, and strategy effect the design and execution of the government sector planning strategies organizations. Although this literature supports the contingency theory perspective that strategic planning depends on various contextual factors that influence its effectiveness and suitability for an organization, such impacts may vary depending on the measurement of both constructs, the sector and context of the organization, and the moderating variables that affect the relationship (Pang et al., 2021).

Contingency Theory is pertinent to this research since it emphasizes that the efficacy of strategic planning procedures in Kenyan air cargo handling enterprises is dependent on a variety of situational elements, including market conditions, regulatory environment, and organizational resources. Understanding these uncertainties allows organizations to modify their strategic planning techniques to improve organizational performance, matching their goals with the particular demands and dynamics of Kenya's air cargo industry. This alignment can result in enhanced resource use, operational efficiency, and competitiveness.

Organizational Learning Theory

In 1978, Donald Schön and Chris Argyris created the hypothesis. According to the theory of corporate learning, organisations learn and adjust via the process of identifying and fixing errors. Learning takes place on various levels (individual, group, and organizational) and can be either single-loop (enhancing current processes) or double-loop (changing fundamental assumptions and policies) (Basten & Haamann, 2018). Organizational learning theory is a third perspective in strategic management that highlights the role of learning and innovation in enhancing an organization's performance and competitiveness (Farzaneh et al., 2021). According to this perspective, an organization can improve its performance by acquiring, creating, disseminating, and applying new knowledge and skills that enhance its capabilities and value proposition (Gold et al., 2001). Organizational learning involves individual and collective processes of cognition, experimentation, feedback, and adaptation that enable an organization to learn from its experience and environment (Farzaneh et al., 2021). The theory implies that strategic planning facilitates organizational learning and innovation by creating a shared vision, fostering a culture of inquiry and experimentation, and promoting feedback and evaluation mechanisms (Makabila, 2018). An organization can develop a common understanding of its goals and strategies, encourage a climate of openness and creativity, and monitor and measure its results and impacts by engaging in strategic planning. These processes can help an organization generate and implement new ideas and solutions that improve its performance and competitiveness (Khalid et al., 2023).

Organizational learning concept offers a theoretical structure for comprehending how strategic planning enhances air cargo handling companies' organizational learning and innovation. Air cargo handling companies operate in a dynamic industry that requires improving their services and processes to meet customer expectations and gain competitive advantage (Azadian & Vasigh, 2019). Therefore, air cargo handling companies need to use strategic planning as a tool for learning and innovation that can help them achieve operational excellence, market growth, and profitability. Jayawarna and Dissanayake (2019) explored the relationship between strategic planning and organizational performance in 200 business units of a large US corporation. They gathered information from the company executives through a survey. The investigators found that factors of company efficiency related to new merchandise popularity and consumer satisfaction are influenced by strategic planning. Additionally, the study discovered that corporate learning acts as a mediator between strategic planning and company success, with the effect being greater at low institutional learning levels than at high ones (Basten & Haamann, 2018).

Motwani (2003) also looked into the link between strategic planning and business success in eight US companies recognized as industry leaders. He gathered information via surveys, documents, interviews, field trips, and case studies. The multidimensional study found that tactical planning significantly affects administrative success, especially in quality and innovation. It facilitates organizational learning by establishing a common goal, encouraging a climate of inquiry and experimentation, and promoting feedback and evaluation mechanisms. Therefore, organizational learning theory presumes

that strategic planning facilitates organizational learning and innovation by establishing a common goal, encouraging a climate of inquiry and experimentation, and promoting feedback and evaluation mechanisms. The studies mentioned above does, however, also suggest that strategic thought has an effect on company efficiency may vary depending on the mediating variables that affect the relationship (Park & Kim, 2018).

Organizational Learning Theory is extremely useful for studying the connection between tactical planning procedures and the effectiveness of the company in Kenyan air cargo handling enterprises. By using good strategic planning techniques, these businesses may engage in both one- and two-loop education, allowing them to react to changes, increase operational efficiency, and improve overall performance. Learning from past experiences and constantly updating strategic plans guarantees that enterprises can adapt to the changing demands of the air freight market, consequently improving performance and competitiveness.

3. EMPIRICAL LITERATURE REVIEW

Environmental Scanning and Organizational Performance

Olayo's 2018 study explored the relationship between perceived human resource management practices and strategic planning in various contexts and sectors. The study had a target population of 9600 participants, most of whom were workers in Nairobi County's economic government agencies. It found that environmental scanning positively influences organizational performance, as measured by financial, operational, and customer outcomes (Olayo, 2018). The study also found that environmental scanning helps an organization cope with external environmental forces and improve its strategic planning and implementation. Olayo (2018) recommended that organizations involve all parties involved in the environmental surveying procedure and take note of the environmental opportunities and threats.

Another study that investigated the impact of environmental scanning on organizational performance was carried out by Babatunde and Adebisi (2012), who compared two leading companies in Nigeria's food and beverage industry, namely Nestle Nigeria Plc and Cadbury Nigeria Plc. 100 respondents completed a standardized questionnaire that was utilized in the study to gather data as well as regression application and correlation investigation to verify the assertions. The results showed that environmental scanning and company efficiency were significantly correlated, as evidenced by the coefficient of determination, or R^2 , around 0.297. The investigators also demonstrated how scanning the surroundings may assist a business take advantage of possibilities avert environmental hazards, and increase profitability. Consequently, it recommended that companies do environmental scanning tactically, on a regular basis, and continually. This would be a strategic planning best practice as it is the best way to monitor environmental changes.

Fadzli-Ahmad and Zumberi (2013) also investigated the impacts of environmental scanning on the organizational performance of Malaysian local authorities, citing success. The researchers gathered information from 150 people who responded via a survey, and then they analyzed the information using statistical methods that were both descriptive and inferential. It was discovered that the scanning surroundings had a favorable and significant influence on the local authorities' performance as organizations that were examined. Indicators like customer satisfaction and profitability were used to establish this position. These findings are also supported by Gray (2022), who found that environmental scanning enables an organization to identify the key success factors and the critical issues in the environment. In doing so, such organizations can formulate and implement effective strategies. The study advised that organizations should adopt a proactive and comprehensive approach to environmental scanning and involve all the relevant stakeholders in the process (Fadzli-Ahmad & Zumberi, 2013).

Strategy Formulation and Organizational Performance

Nnamani et al. (2015) surveyed 185 workers of a vehicle manufacturing firm in Enugu, Nigeria, to determine how strategy development affects the functioning of a company. This research used a questionnaire and descriptive analysis to gather data. Statistical tests like T-test and chi-square were used to analyze the collected data. The findings revealed that well-formulated strategies significantly increase productivity and organizational achievement, as demonstrated by operational metrics like productivity and team morale. The development of a plan also synchronizes organizational resources and skills with ecological risks and possibilities. To achieve success, organizations should adopt a participatory and inclusive approach to strategic planning, involving all stakeholders. Failure to comply can be detrimental to organizations. To counter this, business leaders must create a receptive environment for strategy development, where top management takes personal responsibility for reducing uncertainties and enforcing strategy formulation as a performance-boosting approach.

Another study that investigated the impact of strategy formulation on organizational performance was carried out by Monday et al. (2015). The scholars administered a organized survey to fifty respondents that were specifically chosen from 5 firms across Nigeria. Focusing on the manufacturing industry, the study provides a nuanced insight from a different perspective. The authors also used secondary information from various sources, including business news, industry statistics, and financial databases. They then applied regression and correlation studies to evaluate the hypotheses. The research showed that strategy formulation helps an organization create value and differentiation while enhancing its profitability and market share. As a result, it suggested that organizations adopt a dynamic and adaptable technique to developing strategies and the environment's constant shifts. Strategic management was attributed to the manufacturing companies that were chosen based on their operational efficiency and financial viability. These results stemmed from the various strategic planning phases, including strategy formulation.

Mukhezakule and Tefera (2019) examined the relationship between strategic leadership and management and sustainable organizational performance. The scholars focused on the aviation industry in South Africa, looking into various elements of strategic planning. 370 respondents completed a survey as part of the investigation, and descriptive as well as inferential statistics were used to examine the information. The findings aligned with other existing studies that found that strategy formulation positively and significantly affects organizational performance. This success is measured by market share, customer satisfaction, and profitability. Also, strategy formulation enables an organization to identify the key success factors and the competitive strategies. In doing so, They succeed in reaching their aims and objectives. As an action, organizations should embrace a proactive and comprehensive method for formulating strategies.

Conceptual Framework

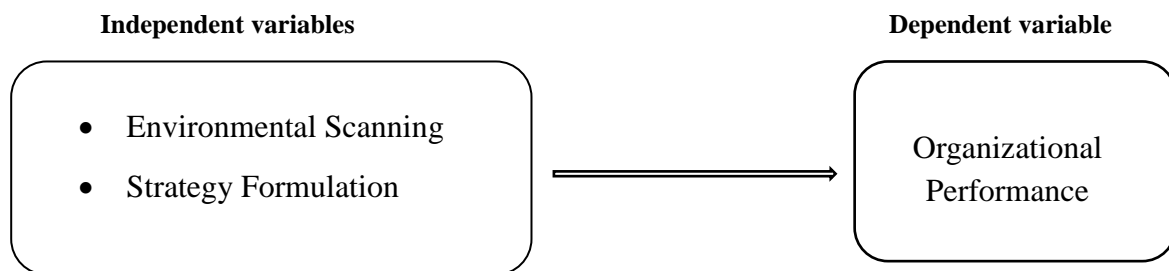


Figure 1: Conceptual Framework

4. RESEARCH DESIGN AND METHODOLOGY

Research Design

According to Orodho (2018), a research design is a framework, blueprint, or strategy utilized to provide solutions for research challenges. The investigation used a descriptive research approach with the goal of determining how Kenyan air cargo handling businesses' organizational performance and their use of strategic planning methods relate to one another.

Target Population

Pole and Lampard (2017) define a target population as all members of a specific group to whom the inquiry is connected, whereas the population that is reachable refers to those components in the target population that are within the study's reach. The target population consisted of 122 personnel from NAS Siginon Aviation Ltd.

Table 1: Target Population

Category	Total Number
Top Level Management	10
Middle Level Management	16
Supervisors	20
Support staff	76
Total	122

Sample and Sampling Technique

Sampling is the practice of selecting a specific number of individuals from a given population to act as a reliable representative sample (Singh, & Masuku, 2014). The sampling technique describes the population units from which the sample is drawn. To ensure a complete representation of the population, a census sampling approach was used, including all 122 NAS Siginon Aviation workers as respondents. This method eliminated sampling prejudice and provided a comprehensive representation of all demographic groups within the organization, including supervisors, support workers, middle management, and senior management.

Instruments

A data collecting instrument is a tool that collects, measures, and analyzes information from respondents for study. The study used a semi-structured questionnaire to gather primary data, using closed-ended questions to save time and money. The respondents were competent and could fill out the form at their convenience. The questionnaire minimized respondent bias and ensured confidentiality. It had two categories: fundamental information and specific objectives. Questions were structured using five-point Likert scales, with 1 indicating "very low extent" to 5 indicating "very great extent."

Pilot Study

Wisner (2007) suggests pilot research refines questions by eliminating unnecessary ones and incorporating more interesting ones. A pilot study with 12 Swissport Kenya Ltd. personnel was conducted, following Creswell's (2013) recommendation of using 10% of the sample for pilot testing. The study successfully refined the questionnaire.

Validity

Validity is the effectiveness of an instrument in measuring a specific construct. There are three main types: concept, criteria, and content validity. Content validity is assessed through subject matter experts and literature references. Concept validity determine if a variable is a suitable description of a concept, while criterion validity relates to the predictive character of the study's tool. Validity was achieved through discussions with supervisors and specialists, and by testing research tools in advance to ensure clarity and unambiguity.

Reliability

Reliability is the consistency and stability of an instrument in producing measurements. Cronbach's Alpha was used to assess reliability, with a higher value indicating more reliability. The study's cutoff threshold was set at 0.7.

Data Collection Procedure

The Management University of Africa administration granted permission for an investigation and invited NAS Siginon Aviation Ltd. to participate in a study. The study adhered to ethical requirements and was approved by the National Commission for Science, Technology, and Innovation. Participants were informed in advance, and surveys were administered in person. Secondary data was sourced from the company's financial reports.

Data Analysis and Presentation

According to Cooper and Schindler (2011), data analysis is the act of editing and reducing large amounts of data to manageable sizes, creating summaries, looking for patterns, and applying statistical tools. Prior to being run in SPSS, the main data was coded, processed, and recorded onto a data sheet. The study used callbacks to address insufficient responses and ensured accurate data collection. The data was systematically organized using statistical techniques or qualitative methods. Descriptive and inferential statistics were used to assess the quantitative data. The statistical package for social sciences version 26.0 was used to handle large amounts of data. The model's significance was tested using ANOVA at the 95% significance level.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where:

$$Y = \text{Organizational Performance}$$

$$B_0 = \text{Constant (Coefficient of Intercept)}$$

X_1 = Environmental Scanning

X_2 = Strategy Formulation

ϵ = Error Term

Ethical Considerations

Consent, anonymity, and confidentiality are crucial aspects of research ethics. Informed consent involves obtaining consent from participants, while voluntary participation allows them to choose their participation. Confidentiality is essential for maintaining the privacy of data and thoughts. Research codes and ethics protect researcher privacy by ensuring respondent anonymity is not revealed. All respondents were coded to maintain anonymity, ensuring they were not obligated to respond to surveys using their names. Voluntary participation ensures that the research's purpose is clearly communicated to participants, ensuring a safe and ethical research environment.

5. RESEARCH FINDINGS AND DISCUSSION

Response Rate

Initially, 122 employees of NAS Sigionon Aviation Ltd. were part of the sample used in this research. The results show that 95 respondents, or 78% of the population under investigation, provided data for the study. A respectable response rate, according to Baruch and Holtom (2008), is greater than 70%. The investigator's approach, which involved advising potential responders in advance and using independently administered questionnaires, contributed to the reported response rate. Additionally, continuation calls were made to answer questions and encourage respondents to complete the surveys.

Table 2: Response Rate

Category	Frequency	Percentage
Actual Response	95	78%
No Response	27	22%
Total	122	100%

Gender of the Respondents

Male responders made up the majority (58%), while female respondents made up 42% of the sample, according to data in Figure 2. This suggests that there are more women than males working for Kenyan freight handling firms. The results corroborate those of Muia (2018), who found that men were looking for work in Kenya at a rate greater than women—79.2% against 75.6%.

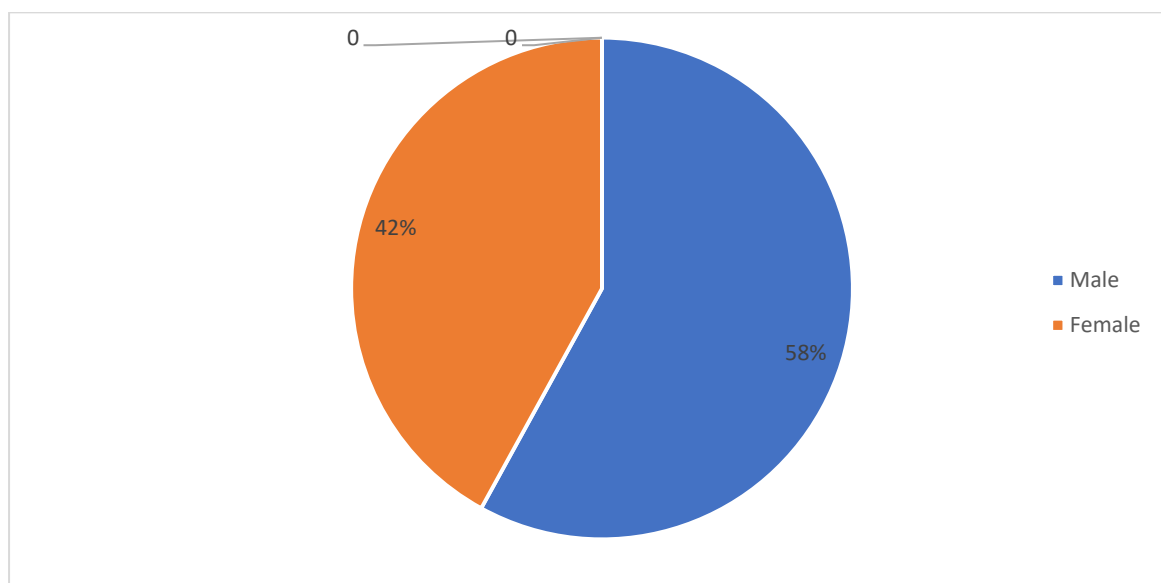


Figure 2: Gender of the Respondents

Environmental Scanning Descriptive Analysis

The findings in Table 3 reveal that the majority of those who responded feel environmental scanning has a substantial influence on the performance of air cargo handling organizations. The majority of individuals polled believed that their organizations perform appropriate scan the environment operations manage risks and seize advantages, with a mean of 4.11 and a standard deviation (SD) of 1.074. Effective environmental scanning was also evaluated as providing precise market insights, with a mean of 3.96 and a standard deviation of 1.147. Executives also guarantee that their objectives are in accordance with parameters of the market for rivalry (mean 4.03, SD 0.783) and that market pursuits are based on competitive advantages (mean 3.94, SD 0.954). Furthermore, environmental scanning was found to assist organizations forecast future changes (mean 3.58, SD 0.984). The overall mean score was 3.924.

The study findings on environmental scanning align with those of several previous studies, emphasizing its positive impact on organizational performance and strategic planning. Olayo's 2018 study demonstrated that environmental scanning helps organizations cope with external forces, leading to improved performance. Similarly, Fadzli-Ahmad and Zumberi (2013) found that environmental scanning positively influenced the performance of Malaysian local authorities, particularly in customer satisfaction and profitability. They advocated for a proactive approach and stakeholder involvement in the process.

Table 3: Environmental Scanning

	N	Mean	SD
In our company, we carry out efficient environmental scanning operations to address risks, seize opportunities, and ultimately gain a lasting competitive edge.	95	4.11	1.074
Effective environmental scanning enables our company to get more precise market and industry insights, increasing the likelihood that it will please present clients and gain new market.	95	3.96	1.147
Managers in our company make sure the plan aligns with the competitive environment's conditions.	95	4.03	.783
Managers at our company make sure that the business's efforts to pursue market opportunities are based on advantages in competition obtained from its essential resources.	95	3.94	.954
Within our firm, environmental scanning offers industry insight and the chance to anticipate future developments ahead of rivals, so securing a dominant position in the market.	95	3.58	.984
Over-All Mean		3.924	

Strategy Formulation Descriptive Analysis

Table 4's results demonstrate that the vast majority of those surveyed feel strategy creation has a substantial influence on organizational performance in the air freight handling business. The majority of individuals polled believed that their organization's mission serves as a criterion for determining organizational performance, with a mean of 4.13 and a standard deviation (SD) of 0.947. The mission was also perceived as giving external organizations with a unique perspective on the company's beliefs and direction (mean 3.63, SD 0.909). The vision statement was judged to assist clients foresee their future demands (mean 4.41, SD 0.998). Workers also engage in goal formulation and policy formation, with a mean of 3.80 and a standard deviation of 0.994. The organization's goals were seen as offering clarity on what the corporation intends to achieve.

In terms of strategy formulation, the study findings resonate with those of Nnamani et al. (2015), who discovered that well-formulated strategies lead to increased productivity and enhanced team morale. Their research suggests that adopting a participatory and inclusive approach to strategy formulation is key to success. Similarly, Monday et al. (2015) found that strategy formulation significantly enhances organizational performance, profitability, and market share in Nigeria's manufacturing sector.

Table 4: Strategy Formulation

	N	Mean	SD
Our organization's mission serves as a standard by which managers assess organizational effectiveness.	95	4.13	.947
Our company's mission assists in giving outside groups a distinctive perspective on the ideals and future course of an organization.	95	3.63	.909
Our company uses its vision statement to ascertain what our clients' future needs are.	95	4.41	.998
Workers participate while formulating the business's strategies, goals, and guidelines.	95	3.80	.994
Our organization's goals give a indistinct picture of what a company is attempting to achieve for its clients.	95	3.69	.850
Over-all Mean	3.932		

Correlation**Table 5: Correlation Analysis**

		Organizational Performance	Environmental Scanning	Strategy Formulation
Organizational Performance	Pearson Correlation	1		
	Sig. (2-tailed)	.000		
Environmental Scanning	Pearson Correlation	.733	1	
	Sig. (2-tailed)	.002	.000	
Strategy Formulation	Pearson Correlation	.656	.690	1
	Sig. (2-tailed)	.001	.004	.000
	Sig. (2-tailed)	.007	.003	.007

Significant correlations between organizational performance and the independent variables were found using the Pearson correlation analysis. Both strategy formulation and environmental scanning demonstrated a significant positive association ($r = 0.656$, $p = 0.001$) and high positive correlations with organizational performance ($r = 0.733$, $p = 0.002$). According to these results, organizational performance is positively impacted by all strategic planning activities, with strategy implementation having the greatest effect.

Multiple Regression Analysis**Table 6: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.693 ^a	.480.	.470	.4430
a.	Predictors: (Constant) Environmental Scanning, Strategy Formulation			

The correlation coefficient (r) and coefficient of determination (R Squared) indicate the strength of the relationship between the independent variables and performance. R Squared, which measures the coefficient of determinant, indicates that 48.0% of the factors impacting performance can be explained by the four independent variables under investigation. 52% of the factors impacting performance are contributed by other factors not covered in this study. The model's prediction accuracy is demonstrated by the standard error of estimate, which is at 0.4430.

4.6.2 ANOVA

Table 7: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	8.045	2	4.023	373.83	.000 ^a
	Residual	1.011	94	0.01076		
	Total	9.056	96			

a. Organizational performance
b. Predictors: (Constant) Environmental Scanning

Table 7 illustrates how the significance of the regression model was determined in this study using ANOVA, leading to the establishment of an f-serial value of $p < 0.05$. An f-value of 373.83, which was significant at $p < 0.05$, was obtained from the ANOVA test. At a 95% confidence level, this shows that the regression model was significant. That means, there is less than a 5% possibility of misstatement in the model. The model has a 95% confidence level and is statistically significant in predicting how organizational performance is affected by environmental scanning, strategy creation, strategy execution, and strategy assessment.

4.6.3 Regression Coefficients

Table 8: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	4.344	.461	3.545	.000 ^a
	Environmental Scanning	.367	.313	.466	.005
	Strategy Formulation	.339	.045	.419	.003

a. Dependent Variable: Organizational Performance

$$Y = 4.344 + 0.367 + 0.339$$

The Beta value of 4.344 is a constant value of organization performance when all determinants are equal to zero as indicated on Table 8. The model indicates that environmental scanning has a significant effect on organization performance; a unit change in environmental scanning will result in 0.367-unit or 36.7% change in organizational performance, $\text{sig} = .005 < .05$, when other variables are held constant. The model indicates that strategy formulation has a significant effect on organization performance; a unit change in strategy formulation will result in 0.339-unit or 33.9% change in organizational performance, $\text{sig} = .003 < .05$, when other variables are held constant. The regression findings are consistent with the studies by Kirianki (2021) and Babatunde & Adebisi (2012), both of which identified a positive correlation between strategic planning practices and organizational performance.

6. SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

Conclusion

The study came to the conclusion that organizational performance of air cargo handling enterprises in Kenya, especially at NAS Signon Aviation Ltd., was significantly impacted by strategic planning techniques, which include environmental scanning and strategy formulation. It was shown that environmental scanning significantly contributed to a 36.7% improvement in organizational performance by assisting businesses in anticipating market developments and matching their operations with competitive advantages. With a focus on mission and vision statements, the research concludes that strategy design has a major impact on organisational performance. These components help managers define the organization's objectives and evaluate employee performance. Clear goals and employee participation help to match business aims with customer demands. Stakeholder participation and purpose clarity were key components of the strategy formulation that led to a 33.9% performance increase.

Recommendations

The study gave the following recommendations; In order to provide a favorable working environment, the report recommends cargo handling organizations to regularly train and retrain their staff on environmental variables. It has been demonstrated that by detecting risks and opportunities, internal and external environmental scanning greatly influences performance, and management should give it top priority. Businesses may improve overall organizational performance and reduce environmental instability by planning ahead and adjusting to changing market conditions. To ensure compatibility their strategies considering the company's vision and purpose, the research recommends cargo handling businesses to include all pertinent stakeholders in the strategy building process. The results demonstrate how well-thought-out strategy development, which includes defining objectives and developing policies, significantly affects how well a company performs. Companies may better anticipate customer demands and give a clear direction by encouraging involvement and clarity, this enhances the functioning of the company.

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