THE EFFECT OF BUSINESS STRATEGY IMPLEMENTATION ON COMPETITIVE ADVANTAGE OF PAYMENT SERVICE PROVIDERS IN KENYA

BY

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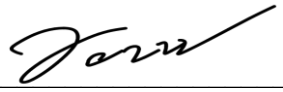
A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF A DEGREE OF MASTER OF BUSINESS ADMINISTRATION IN THE DEPARTMENT OF BUSINESS ADMINISTRATION OF AFRICA NAZARENE UNIVERSITY

APRIL, 2025

DECLARATION

I declare that this research project is my original work that has not been presented in any other University for academic work

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This research was conducted under my supervision and it is submitted with my approval as the University supervisor

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DEDICATION

This project is dedicated with deep gratitude to my late father, Philip Kayago, my mother Leah Kemunto and my lovely daughters Imani and Neema. Their unwavering support and encouragement made this achievement possible.

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ABBREVIATIONS

CAGR	Compounded Annual Growth Rate
SDGs	Sustainable Development Goals
CAK	Communication Authority of Kenya
CBK	Central Bank of Kenya
CEOs	Chief Executive Officers
SMEs	Small and Medium Enterprises
GE	General Electric
SPSS	Statistical Package for Social Sciences
SLC	Strategic Leadership Capability
SCA	Strategic Competitive Advantage
VRIN	Valuable, Rare, Low Inimitable Non- substitute
UK	United Kingdom
PSPs	Payment Service Providers
RBV	Resource Based View
RDT	Resource Dependency Theory
ISO	International Standards Organization
QM	Quality Management
SEM	Structural Equation Modelling
GSCM	Green Supply Chain Management
SHRM	Strategic Human Resource Management
NCR	National Region Capital
FINTECH	Financial Technology

OPERATIONAL DEFINITION OF TERMS

Business strategy: It includes organizational structure, strategic leadership, resource allocation and strategy monitoring and control

Competitive advantage: it is an edge gained by the firm in terms of its market share, customer base, profits and position advantage

Organizational structure: it helps in promoting centralization formalization, span of control and flexibility in an organization

Resource allocation: effective implementation of strategies requires an organization to deploy adequate human, financial, technological and material resources

Strategic leadership: it includes shared vision, human capital development, individualized consideration and leadership trains in an organization

Strategy monitoring and control: this is a deliberate and ongoing process that entails information gathering, variance analysis, feedback mechanisms and seeking of corrective interventions

ABSTRACT

In developing countries like Kenya, the competitive advantage of Authorized Payment Service Providers such as Safaricom is being threatened by rival firms, leading to instability. Recent data from the Communication Authority of Kenya (CAK) reveals a significant loss of market share for Safaricom and Equitel, with Airtel Kenya's presence growing steadily. Kenya relies on a vibrant and competitive payment service provider sector to foster economic growth, underscoring the importance of conducting the present study. Thus, the purpose of the study was to establish the effect of business strategy implementation on competitive advantage of payment service providers in Kenya (PSPs). The specific objectives of the study were: to determine the effect of organizational structure on competitive advantage of payment service providers in Kenya, establish the effect of strategic leadership on competitive advantage of payment service providers in Kenya, analyze the effect of resource allocation on competitive advantage of payment service providers in Kenya and assess the effect of strategy monitoring and control on competitive advantage of payment service providers in Kenya. The study was guided by the resource-based view theory and the resource dependence theory. Descriptive correlational survey design was adopted targeting the authorized payment service providers in Kenya as the unit of analysis and census was adopted. Information in its primary form was gathered with the aid of the questionnaire which shall have standardized items designed on a 5-point Likert scale. The analysis of the obtained information was aided by SPSS version 25 and presentation was done by tables and graphs. The findings of the study were expected to shed more light on how sound and effective implementation of business strategies can enhance competitive advantage of the firm. The study established that organizational structure (β=0.571, p=0.017), strategic leadership (β=0.427, p=0.001), resource allocation (β=0.520, p=0.011) and strategy monitoring and control (β=0.142, p=0.030) had positive and significant effect on competitive advantage. It was concluded that strategy implementation is a driver of competitive advantage. The study recommended that managers working with the authorized payment service providers in Kenya should strengthen their existing structures and systems by increasing the degree of formalization, decentralization so as to promote free flow of information and ideas between employees. The management team working with the authorized payment service providers in Kenya should enroll in short term courses to acquire more skills and knowledge in regard to strategic leadership. The finance managers working with authorized payment service providers in Kenya should allocate adequate financial resources in supporting the financing of viable investment projects. The monitoring and evaluation team working with the authorized payment service providers in Kenya should play an active and central role in guiding the regular monitoring, review and control of the formulated strategies.

CHAPTER ONE
INTRODUCTION

1.1 Introduction

An overview of the study covering background details, problem statement, purpose and objectives. Research questions, hypotheses significance scope, delimitations and limitations and theoretical as well as conceptual framework are also covered.

1.2 Background to the Study

Payments service providers play a critical role in the development of economies across the world. These firms facilitate movement of trillions of monies between people and enterprises thus contributing towards financial inclusion (Fan, Zhang, Rai & Du, 2021). The global payment service provider market is projected to grow significantly in the coming decade. According to Aysan, Ozturk and Selim (2025), the market size is expected to surpass USD 142.6 billion by 2033, up from USD 47.6 billion in 2023, representing a strong compound annual growth rate (CAGR) of 11.6% over the forecast period from 2024 to 2033. In developing countries in Africa like Kenya recent surveys have indicated that payment service providers are slowly losing their competitive edges (Zhang & Mao, 2020). To address the competitive challenges faced by authorized payment service providers in Kenya, effective strategy implementation is crucial. This study aimed to investigate this critical aspect.

1.1.1 Competitive Advantage

Competitive advantage refers to a lasting edge attained by a firm with a focus on the long term. It encompasses assets, attributes, or capabilities that competitors find challenging to copy, imitate, or duplicate within a particular industry (Feng, Sun, Chen & Gao, 2020). This advantage enables a firm to meet or surpass customer expectations more effectively than its rivals (Nasifoglu-Elidemir, Ozturen & Bayighomog, 2020). Rooted in the resource-based view, competitive advantage requires firms to possess valuable and rare capabilities and resources, effectively utilized to maintain competitiveness (Bhandari, Ranta & Salo, 2022).

Competitive advantage has been measured differently by a number of scholars. For instance, Mwendwa (2023) operationalized competitive advantage through sales turnover, market share and profits. Mila, (2018) adopted return on investment, market share and profitability as proxies of competitive advantage. According to Muindu (2018), competitive advantage of the firm can be represented by customer base, quality of services, market share

and asset quality. In the conducted study, competitive advantage was measured through market share, new product development, profits and positional advantage as supported by Farida and Setiawan (2022).

1.1.2 Business Strategy Implementation

Strategy implementation is a critical step in the strategic management process and endeavors of the firm. Different scholars have conceptualized strategy implementation through diverse proxies like the allocation of resources, communication of strategies, strategic leadership and monitoring and control (Donna & Wanjira, 2018); strategic resources, organizational structure and operating procedures (Ogalo, 2019) and structure, technology, strategic direction and leadership styles (Amobi, 2022). Wabulasa and Kihara (2023) adopted organizational culture, structure, leadership and resource allocation as measures of strategy implementation. In the present study, business strategy implementation was therefore proxied by organizational structure, strategic leadership, resource allocation and strategy monitoring and control.

Organizational structure determines the flow of information and coordination of a number of activities undertaken to ensure successful strategy implementation in an organization (Wagner & Hollenbeck, 2020). Organizational structure also facilitates change management in an organization which is key in the strategy implementation endeavors of the firm. The degree of centralization in decision making in an organization can be influenced by the type of organizational structure in place. According to Musheke and Phiri (2021), organizational structure determines the degree of formalization that can permit the flow of information. White (2023) argues that span of control in an organization helps to promote efficiency and effectiveness in the realization of the established goals. According to Yao, Yan, Tsinopoulos and Bai (2024), survival in a highly competitive environment requires managers to embrace flexible structure that accommodate change.

Strategic leadership entails sharing of vision and mission of the organization with the staff for effective strategy implementation (Samimi, Cortes, Anderson & Herrmann, 2022). Thus, strategic leadership results into shared sense of direction that is critical in enhancing strategy implementation process (Rashid, 2021). According to Ali and Anwar (2021), the role of a strategic leader is to communicate the vision of the firm and established balanced organizational controls. Individualized consideration allows leaders to listen to the needs and concerns of followers to meet the established goals. In order to motivate and inspire followers

to achieve goals, Willis, Willis, Kinyua and Muchemi (2022) argue that leaders should have unique traits.

Allocation of adequate resources is critical in the strategy implementation process and endeavors of the firm (Collins, 2021). These resources include finances, people, physical facilities, machineries and relevant technologies as well as time (Zahra, 2021). According to Azizi, Atlasi, Ziapour, Abbas and Naemi (2021), employees are the most important resources that contribute towards realization of goals and objectives of an organization. To be effective, human resources of the firm should be trained and motivated to achieve the goals set in place (Stone, Cox, Gavin & Carpini, 2024). Management of organizations should always set aside adequate financial budget to support strategy implementation activities. There is also need to adopt modern state of the art technologies to simply operations and increase operational efficiency during business strategy implementation (Saura, Skare & Riberio-Navarrete, 2022). Staff should be provided with adequate materials to perform their duties optimally.

Monitoring and control provide checks and balances in the strategy implementation process of an organization (Simons, 2019). Tracking the progress achieved in the implementation of business strategy in an organization require continuous data collection. According to Madzimure and Mashishi (2021), an organization survives by gathering relevant information on competitor intelligence to determine the level of competition in the market so as to formulate required response strategies. Karki (2021) indicates that an important role of monitoring and control is to provide information that report variance between planned and actual goals. Provision of clear feedback during strategy monitoring and controls helps to establish areas that require constant improvement. According to Visman, Vincent, Steynor, Karanib and Mwangi (2022), deviations in the goals of an organization require effective corrective mechanisms. Thus, a sum of organizational structure, strategic leadership, resource allocation and strategy monitoring and control would contribute towards successful strategy implementation process in an organization.

1.1.3 Business Strategy Implementation and Competitive Advantage

Achieving competitive advantage at the firm level relies heavily on various factors, with strategy implementation playing a crucial role (Amobi, 2022). In developed nations like the United Kingdom, numerous blue-chip companies, including Enron Corporation, faltered in sustaining their competitive edge due to factors such as inadequate strategy implementation processes. Similarly, global blue-chip giants like WorldCom, Kodak, and General Motors

faced challenges in maintaining their competitive advantage (Useem, 2021). These cases highlight the significant role of strategy implementation on a global scale concerning the firm's competitive advantage. Consequently, poor strategy implementation can detrimentally impact a firm's ability to enhance its competitive edge, potentially leading to corporate failure (Davis, 2024).

In Africa, a variety of factors such as poor strategic leadership, insufficient allocation of resources, rigid organizational structures, and inadequate strategy monitoring and control have been identified as critical contributors to the low competitive advantages of most corporation leading to corporate failures (Fabrizio, Kaczam, de-Moura, da-Silva, da-Silva& da-Veiga (2022). Examples of firms that collapsed due to concerns related to competitive advantage in Africa include Intermarket Bank in Zambia, Twiga Bancorp in Tanzania, Crane Bank in Uganda and Chase bank in Kenya (Adeyemo, 2021). These cases reinforce the notion that effective strategy implementation is pivotal in driving competitive advantage for firms.

1.1.4 Payment Service Providers (PSPs) in Kenya

Kenya, a rapidly growing country in Africa, has been designated as a regional hub and gateway to East Africa. While numerous sectors and industries contribute to Kenya's economic growth, financial technology (Fintech) stand out with PSPs emerging as key players (Aurazo & Gasmi, 2024). The thirty-five payment service providers are authorized and regulated by the Central Bank of Kenya (CBK) to facilitate bill settlements both domestically and internationally. Recognized as crucial drivers of financial inclusion, they enable people in urban and rural areas to send and receive money instantly in order to settle bills (Mugo, Kilonzo & Mariga, 2021). Enhancing the competitive advantage of these firms is essential, as it has the potential to drive the country's economy forward. Borrowing from existing empirical studies that effective strategy implementation can aid these firms to gain an edge (Chironga, Mugo & Tallam, 2021), it is hoped that replication of the same to the payment service providers would solve their current challenges and concerns about their competitive, edge hence the need for the study. The recommend practical strategies, when implemented, will bolster the competitive advantage of the payment service providers in Kenya.

1.3 Statement of Problem

In developing countries like Kenya, the competitive advantage of payment service providers such as Safaricom is being threatened by rival firms, leading to instability. Recent

data from the Communication Authority of Kenya (CAK) reveals a significant loss of market share for Safaricom and Equitel, with Airtel Kenya's presence growing steadily. Kenya relies on a vibrant and competitive payment service provider sector to foster economic growth (Obura, 2023), underscoring the importance of conducting the present study. In 2023 and 2024 for instance, the overall market share of the payment service providers in Kenya dropped from 44.6% to 30.3% (CBK, 2025) indicating that maintaining their competitive advantage has remained a key problem. With this trend in competitive advantage of the payment service providers, it may be unattainable for Kenya to achieve Vision 2030 since they are one of the pillars of this important national goal.

The existing studies include Vasanji (2015) who determined the effect of strategy implementation on competitive advantage of small and medium businesses in Nairobi. After analysis, it emerged that strategic allocation of resources and operating procedures positively affects competitive advantage. Kariithi and Ragui (2018) did a study focusing on strategy implementation and its effect on performance of Huduma centers in Nairobi County where significant relationship was noted between the variables. In a study that was done by Kinadoso and Makokha (2020), the essence was to determine how strategy implementation factors affected performance of Agriculture Finance Corporation and the analysis noted existence of significant relationship in the variables.

However, the aforementioned studies create gaps since some like Kariithi and Ragui (2018) related strategy implementation with performance and not competitive advantage. Other studies like Kinadoso and Makokha (2020) adopted case approach where only one firm being Agriculture Finance Corporation was used hence the need for the study that will cover different units of analysis. In response to the said gaps, the present study sought to fill them by examining the effect of business strategy implementation on competitive advantage of the authorized payment service providers in Kenya.

1.4 Purpose of the Study

The purpose of the study was to establish the effect of business strategy implementation on competitive advantage of payment service providers in Kenya

1.5 Objectives of the Study

The study was guided by the following specific objectives:

i. To determine the effect of organizational structure on competitive advantage of payment service providers in Kenya
ii. To establish the effect of strategic leadership on competitive advantage of payment service providers in Kenya
iii. To analyze the effect of resource allocation on competitive advantage of payment service providers in Kenya
iv. To assess the effect of strategy monitoring and control on competitive advantage of payment service providers in Kenya

1.6 Research Hypothesis

The study was guided by the following null hypotheses:

H_{01} organizational structure has no statistically significant effect on competitive advantage of the payment service providers in Kenya

H_{02} strategic leadership has no statistically significant effect on competitive advantage of payment service providers in Kenya

H_{03} resource allocation has no statistically significant effect on competitive advantage of the payment service providers in Kenya

H_{04} strategy monitoring and control has no statistically significant effect on competitive advantage of payment service providers in Kenya

1.7 Significance of the Study

The study would help the thirty-five authorized payment service providers in Kenya to have in place right strategies for promoting competitive advantage. Through this study, the management team working with these payment service providers would be in a position to develop sound strategies for allowing their firms to sustain their competitive edges. Policy makers working at CBK would borrow literature from this study to recommend relevant policies aimed at facilitating the payment service providers in Kenya to gain competitive advantage. The study would contribute to the existing literature and information on strategy implementation and competitive advantage. Thus, future scholars carrying out related studies would be able to review literature of this study and thus expounding on the level of knowledge and information available on strategy implementation and competitive advantage.

1.8 Scope of the Study

This study sought to establish the effect of business strategy implementation on competitive advantage. More specifically, the study determined the effect of organizational structure, strategic leadership, resource allocation and strategy monitoring and control in relation to competitive advantage. The study was conducted among thirty-five authorized payment service providers in Kenya (CBK, 2023) as the unit of analysis while CEOs or their equivalents each from these institutions formed the unit of observation. The study was conducted through primary data. The study was conducted in the head offices of the authorized payment service providers in Kenya (all of which are based in Nairobi). So, the study was conducted in Nairobi County in the headquarters of the thirty-five authorized payment service providers in Kenya.

1.9 Delimitation(s) of the Study

The study covered thirty-five payment service providers in Kenya that have been authorized to offer payment services by Central Bank of Kenya (CBK). Strategy implementation and competitive advantage were independent and dependent variables respectively. Chief Executive Officers (CEOs) or their equivalents drawn from each of these institutions took part in the study.

1.11 Limitations of the Study

Compelling respondents to provide information within a limited time period against their busy schedule was likely to compromise the quality of information they will have shared. Thus, a drop and pick later method was adopted in the distribution of the questionnaire to respondents, so that adequate time is set aside for them to provide their relevant information as required by the study.

1.10 Assumptions of the Study

The study assumed that respondents would have relevant information to share in regard to strategy implementation and competitive advantage. It was also assumed that respondents would have worked in their respective firm for a significant period of time to provide them with in-depth understanding of strategy implementation and competitive advantage of their firm. Relationship was assumed to exist between organizational structure and competitive advantage. The researcher assumed that respondents would provide accurate information that depict business strategy implementation and competitive advantage of payment service provides in Kenya.

1.11 Theoretical Framework

This study was guided by the resource-based view theory and resource dependency theory.

1.11.1 Resource Based View Theory

This theory was proposed by Barney (1991) and its main argument is that firms can gain and sustain their competitive edges by leveraging the resources bundles and capabilities that are in place. In this theory, a key premise made is that firms operate in a static environment that has no kind of turbulences. Its proponents argue that possession of specialized kind of resources provide competitive edge to the firm. The focus of the theory is on internal resource bundles that firms possess and which are under the control of the firm as opposed to external ones where the firm may have limited control over them. A firm can thus gain its competitive advantage through effective utilization of the bundle of resources and capabilities which are in place (Lubis, 2022).

The competitive advantage and position of a firm are influenced by its distinctive resources and relationships. Variations between firms arise from differences in their resource base and capabilities. These resources can be categorized as tangible or intangible, external or internal to the firm (Zahra, 2021). Firms utilize these resources to build competencies, and their effective utilization provides a competitive edge to the organization.

According to this theory, effective combination of the resource bundles of the firm can provide a competitive edge resulting into superior value creation. When staff in an organization is regarded as key resources, the firm can leverage them to optimize their knowledge and capabilities hence better performance (Gerhart & Feng, 2021). The theory argues that firms can gain and sustain their competitive edge by development of rare and valuable resources that cannot be copied by rivals easily. Under this theory therefore, capabilities and resources are important sources of competitive advantage for the firm. Having in place highly talented employees can allow an organization to utilize opportunities and avert future risks. It also helps in implementing strategies for improving operational effectiveness and efficiency (Barney, Ketchen & Wright, 2021).

This theory was particularly relevant in the present study, as it forms the basis for the dependent variable, competitive advantage, as well as the predictor variable, resource allocation. The theory is useful in exploring the long-term competitive edge of the firm.

1.11.2 Resource Dependency Theory

Pfeffer and Salancik (1978) is the proponent of this theory and it provides an explanation of how a firm's behavior is affected by the external environment of the firm. The theory argues that firms undergo change and enter into negotiations with their external environments so as to secure resources that are needed for survival. The theory therefore implicitly describes how strategy implementation process of the firm is affected by its external access to resource bundles. Firms are compelled to change their external environment for securing access to resources which are required for survival. The implication of this theory is that the competitive landscape of the firm is determined by the way they relate with external resources.

This theory is used in this study to complement the weaknesses of the resource-based view that applies to firms seeking to gain competitive advantage through internal as opposed to external resources. A key premise of this theory is that the most critical resource in an organization will have an influence on actions and decisions at the firm level. It has been established that effective strategy implementation requires firms to allocate adequate resources irrespective of whether they are external or internal. Thus, while the resource-based view will underpin how allocation of internal resources like employees, the allocation of external resources beyond the control of the firm was underpinned by this resource dependence theory hence its relevance to the proposed study.

This theory is premised on the notion that firms should be involved in transactions with others so as to access the needed resources from the environment to run operations. There are times where resources required by the firm are scarce. Some other resources may be controlled by uncooperative organizations. This may create variation in authority and power. In order to minimize such dependencies, firms come up with strategies to boost their ability to bargain. These strategies can range from diversification, strengthening linkages with other organizations and raising the scale of production of the firm.

This theory indicates that it is important for members in the firm to collaborate with each other in order to realize greater performance. Firms strongly rely on resources that are offered by others to achieve sustained growth (Pfeffer and Salancik, 1978). One of the greatest premises of this theory is that enterprises may not be self-sufficient as far as access and ownership of strategic resources is concerned. Thus, they are required to rely on resources from other parties outside for survival (Heide, 1994) and make sure that this dependency is well managed to achieve sustainable progress (Ulrich & Barney, 1984).

The main concern of this theory is on how external resources shape and determine organizational behavior of the firm. The importance of this theory stems from the fact that the ability of the firm to collect change and exploit resources for attaining competitive advantage. Firms should regard customers as important resources that can drive success and long-term survival. Having access and influence on a bundle of resources results into power.

1.12 Conceptual Framework

Conceptual framework is a diagram that is used to illustrate variables and the relationship that exists between them. It is a diagrammatic illustration of the independent and dependent variables and its sub-components together with the interplay between them. Figure 1.1 below is the conceptual framework that was used to guide the study. In this Figure, the main independent variable is strategy implementation that is proxied by organizational structure, strategic leadership, resource allocation as well as monitoring & control. The dependent variable on the other hand is competitive advantage that is represented by market share, customer base, profits and positional advantage.

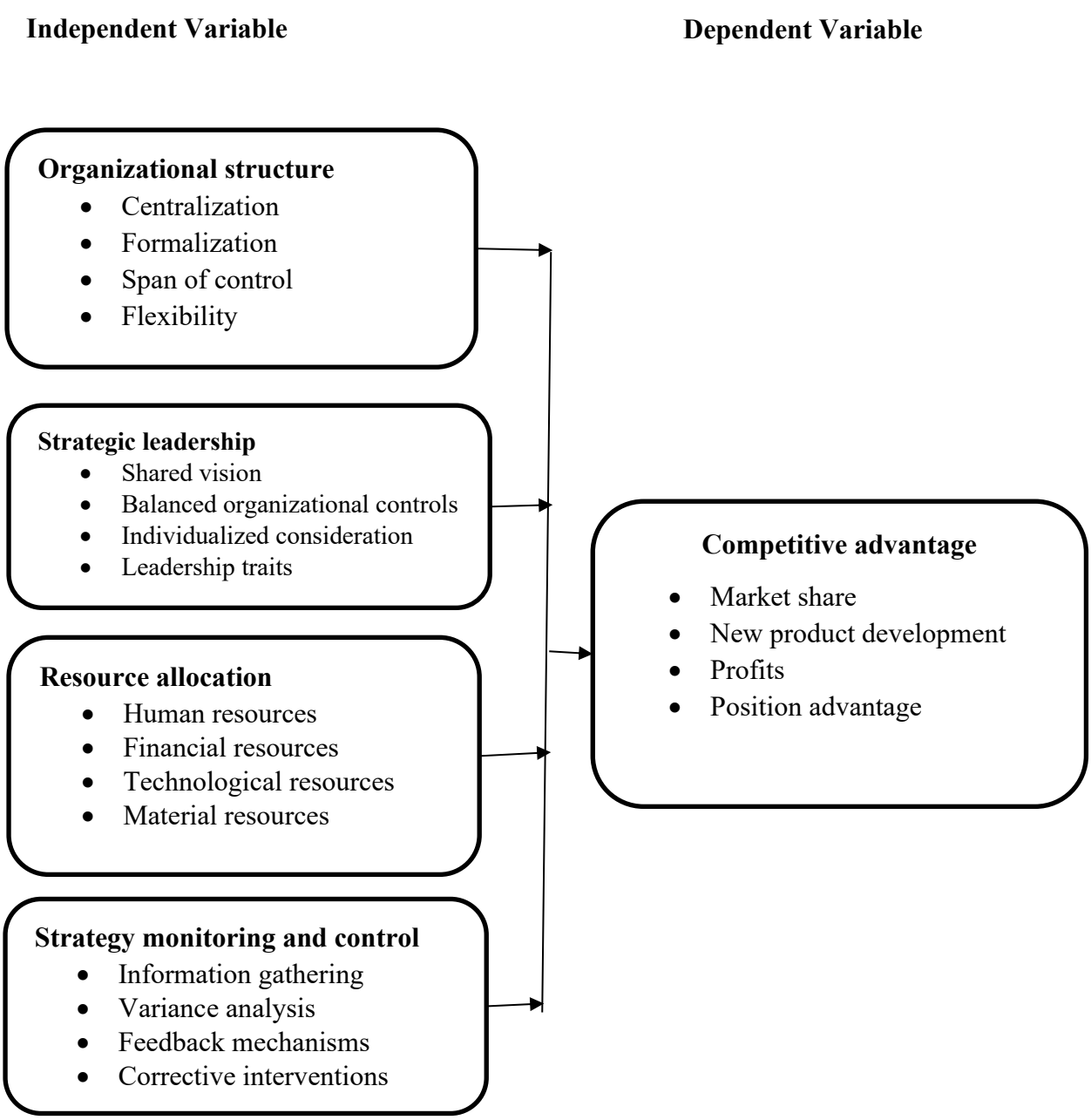


Figure 1.1: Conceptual Framework

Source: Author (2025)

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The main focus of this chapter is to review the relevant literature that is linked to the study of objectives. Gaps identified from the reviewed studies are also indicated.

2.2 Review of the Literature

The subsequent sections detail the review of empirical studies based on the objectives that guided the study.

2.2.1 Competitive Advantage

The factors determining the ability of the firm to attain competitive advantage were determined by Kivala (2021) within the context of developing institutes both in Mombasa and Nakuru Counties in general. While adopting case study design with gathering of primary data guided by questionnaire, it was apparent during the analysis that the dynamic nature of the environment force firms to focus more on the need of achieving competitive edge. Kazemi, Kazemi, Heshmat, Nazarian-Jashnabadi and Tomášková (2024) rethought about the key issues that affect sustainable competitive edge with the adoption of content analysis during the methodology. Ideally, the essence of the study was to provide ranking on key issues that can shape and determine competitive edge of the firm. It emerged after data analysis that remaining competitive at firm level requires consideration of the key issues that affect effective implementation of strategies like leadership and allocation of all the required resources. In another study that was conducted by Dagnino, Picone and Ferrigno (2021), the main focus and emphasis was on determining how the entity can attain and sustain its competitive edge with the adoption of content analysis as the methodology. It was determined after analysis that the need to gain sustainable competitive edge has forced firms to ensure they effectively manage their strategy formulation and implementation landscapes.

2.2.2 Strategy Implementation

Onyegbula, Nwoye and Daniel (2023) conducted an investigation into effective implementation of strategy. The study was done in Nigeria and it emerged after analysis that successful implementation of strategies requires an organization to have in place adequate resources with a buy-in from strategic leaders. The emphasis of the study conducted by Njenga (2018) was on strategy implementation and performance borrowing evidence from Broadcast Solutions International Limited. It emerged from analysis that strategy implementation is the

foundation of stable performance of the firm. Vasanji (2015) determined how strategy implementation determined competitive edge of the firm with key emphasis on small and medium enterprise in Nairobi, Kenya. A total of eighty-five firms were targeted and covered in this study. It was evident after the analysis of the gathered data that sound and effective implementation of strategies is the foundation of competitive advantage at firm level.

Mugure (2021) conducted a review of the effect of strategy implementation on service delivery quality with key emphasis on Meru County in Kenya. The emphasis of the study was on how managerial structures, financial capability and human resources shaped and determined the quality-of-service delivery. It was clear after analysis that in deed, effective service delivery at firm level is shaped and determined by successful implementation of strategies. The analysis pointed out existence of positive nexus between successful implementation of strategies and delivery of quality services. The study conducted by Okwemba and Njuguna (2021) was a determination of strategy implementation and its nexus with performance using Chemilil Sugar as the point of reference. While adopting correlation analysis, the analysis was in position to point out that effective implementation of strategies is the foundational basis of better performance at firm level.

2.2.3 Organizational Structure and Competitive Advantage

Gün (2023) did a study with emphasis on the structure of the organization and its implication on the team performance within the context of Turkey. The degree of formalization and centralization were used as aspects of organization. Farida and Setiawan, (2022) sought to determine if organizational structure was a key driver to competitive advantage. The specific context where this inquiry was done was in India in the hotel sector. Findings demonstrated the essence and position occupied by structures of an organization in allowing entities to gain competitive advantage. It was also pointed out that strategic human resource is instrumental in allowing an organization to design relevant structures.

Abdelhakim (2020) focused on dynamic capabilities and the nexus with competitive advantage with emphasis on small and medium entities. The context of the inquiry was United Kingdom with special attention on manufacturing entities. Survey approach was embraced and it was quantitative in nature. It was clear after analysis that within the SME context, the existing structures are mechanistic in nature ad they contribute towards competitive edge of the firm.

Onono (2018) adopted General Electric as the point of reference and evaluated the implication of organizational structure on its performance. The organizational structure aspects that were covered include velocity in decision making, organizational complexities as well as bureaucracy and exchange of information. The views for processing to establish results were gathered from 290 staff of General Electric in Nairobi. The analysis was that the structure of the firm and performance are significantly linked with each other. The study noted that firms can adopted different structures in order to enhance their performance, these include horizontal, hierarchical and matrix structures. However, the study creates knowledge gap by adopting case study methodology while the present study covered 35 payment service providers in Kenya.

Dagnino, Picone and Ferrigno (2021) assessed how the structure of the enterprise acted as a driver of competitive advantage. The structure of the firm is viewed as a framework that guides actualization of the established strategies and objectives in the firm. There exists a structure for every organization on the basis of the strategic goals in place. Dynamic markets have been established from globalization resulting into an increase in the level of competition. The structure of the firm entails belief systems regarding an organization, organizational plan and interactions between functional areas in the firm. For realization of strategic goals established in the firm, the structure plays an instrumental role. Poor design of the structures of the firm can slow down information sharing and communication and this may negatively affect competitive positioning. Well established organizational structures speed up the decision-making processes.

Musiello-Neto, Rua, Arias-Oliva and Silva (2021) did an empirical investigation of design of an organization, management of quality and competitive advantage within hospitality sector in Spain. The analytical tool that was employed was partial least square and a total of 350 hotels were covered and included in the inquiry. The processed data gave an indication that quality managed was linked with formalization and specialization. Similarly, a significant nexus was reported between quality management and differentiation as well as cost advantage of the firm. This study however was conducted in Spain that is more developed compared to the present study that covered Kenya. Oracha, Ogutu and K'obonyo (2021) analyzed the link existing between the structure of an organization, strategic leadership and performance of an enterprise. The views were obtained from 227 participants with aid of semi-structured questionnaire. After data processing, it was apparent that the structure of the firm has significant moderating implication on the nexus between performance and strategic leadership.

2.2.4 Strategic Leadership and Competitive Advantage

Fatyandri, Siagian, Santosa and Setyawan (2023) analyzed the effect of strategic leadership and its implication on competitive advantage with emphasis on manufacturing entities in Indonesia. Diversification strategy was regarded as a mediator variable and the methodology adopted was quantitative in nature. Formulated hypotheses were tested through Structural Equation Modeling (SEM). Close to 210 participants were recruited and involved in information collection process purposively. It was apparent after data processing that diversification as a strategy had direct mediating implication on strategic leadership to allow the firm competes effectively.

Mahdi, Nassar and Almsafirc (2021) focused on strategic leadership and its implication on competitive advantage within academic setting. More focus of the inquiry was on private institutions of higher learning. Survey was the strategy that was adopted in this inquiry with information being gathered aided by questionnaire. It emerged that strategic leadership significantly enhanced competitive advantage of the entity. Mahdi, Nassar and Almsafirc (2021) conducted a review of how strategic leadership affects competitive private institutions of higher learning in Iraq. The adopted methodology was quantitative survey and SEM guided data analysis. The number of institutions that were covered added up to 44 in total from which 525 participants were drawn. It was clear after data processing that strategic leadership had significant interplay with sustainable competitive advantage of an entity. More specifically, the need for private universities to leverage social and human capital was raised in this inquiry.

Anggraeni, Ismail, Lestari and Ramdhani (2023) determined the implication of strategic leadership, competitive edge and intellectual capital with specific reference to Indonesian hotels. The sample covered in this study was drawn from hotels in question. Data processing in this inquiry was aided by partial least square. From the processed information, a significant interplay was registered between intellectual capital, strategic leadership and competitive edge of the organization. In fact, this nexus was direct and significant in the hotel sector.

Hunitie (2018) studied the implication of strategic leadership on competitive advantage. Gathering of information was aided by questionnaire whose design was guided by the literature that had been reviewed. The contextual setting of this inquiry was on hospitals and 52.1% was the registered response rate. The processed views from participants gave indication that strategic leadership was a significant enabler of strategic thinking and competitive edge of the organization. Strategic thinking and planning were established to have significant and direct

nexus with competitive advantage. Thus, both strategic planning and thinking occupy a central role in light of strategic leadership in the firm.

Banmore, Adebayo and Lasisi et. al. (2019) covered Nigerian context and determined how strategic leadership affected competitive advantage. Survey was the adopted design in this inquiry and 20 firms were involved in information gathering. Participants from these entities added to 420 and inferential statistics guided processing of the obtained information. The aspects of strategic leadership that were covered in this inquiry included strategic intent, control, ethical practices, strategic vision and direction. The processed results were that the components of strategic leadership had direct and significant nexus with competitive advantage of the firm. The need for sponsoring continuous staff development and training by insurance entities was raised in this study as a recommendation. This was expected to expose staff to new knowledge and skills that can allow them attain competitive advantage.

Geke (2021) evaluated the implication of strategic leadership on competitive advantage of Kenya's commercial banks. In design, descriptive approach was adopted and forty-three banks were covered. Information gathering was through questionnaire and processing of the obtained information was done descriptively and inferentially. It was noted that while there is high level of competition in the banking sector, most institutions have competitive edge. It was further clear that strategic leadership contribute towards reduction of operating costs. The study noted that sound and effective strategic leadership is the cornerstone of realization of competitive advantage of the firm. However, this study covered commercial banks in Kenya while the present study was covered the payment service providers.

2.2.5 Resource Allocation and Competitive Advantage

Ma, Sun, Gao and Gao (2019) did a review of how integration and reconfiguration of resources affect competitive edge. Evidence for the purpose of data processing was obtained from traditional and emerging industries. The analyzed results were that reconfiguration and integration of resources contributing to organizational learning. For traditional industries, the implication of reconfiguration and integration of resources on competitive edge. On the other hand, for the emerging industries, integration of resources was noted to have direct implication on competitive edge of the firm. Gitau, Abayo and Kibuine (2020) determined how allocation of resources affected ability of identified supermarkets to perform in Nairobi County. In total, 25 entities were covered and the design adopted was descriptive survey. Participants were

drawn from managerial level. It emerged after data processing that strategy monitoring and control exerted greatest implication on performance of the entity followed by communication, allocation of the resources and support from the top managerial team.

Nyakure and Kavale (2022) analyzed how allocation of resources was linked with performance of public referral hospitals within the County of Mombasa. Resource dependence theory underpinned the inquiry. In total, five institutions were selected and included in the analysis. It emerged that strategic human, financial, technological and medical resources all significantly influenced performance of the covered entities in this study. Ridwan and Bakri (2017) determined how strategic resources and competitive edge were connected with each other. It was shown that entities can have either internal or external resources which shape its competitive landscape. Effective management and utilization of the resources in place can provide to an enterprise. Poor management of internal resources can create challenges and weaknesses to the firm and may threaten its competitive edge. Competitive edge can accrue to the firm through effective utilization of the resources that are in place. Such resources should be rare besides being hard for other rival entities to imitate.

Jatmiko, Udin, Raharti, Laras and Ardhi (2021) determined how allocation of resources has an implication on competitive advantage of an entity. The emphasis of the inquiry was on provision of a definition and evaluation of competitive edge and its advancement within housing context. In this inquiry, key areas that can allow managers to execute decisions quickly were highlighted. It was clear that allocation of resource goes through constant changes especially during periods of crisis. This contributes to nonexistence of a clearly identified strategy to guide the operations of the firm which threaten the long-term edge of the enterprise. Leiblein, Chen and Posen (2017) studied the allocation of resources in strategically established factor markets. The study contributed towards development of a theory for allocation of resources in an organization. It emerged that market failures threaten competitive edge of firms in factor markets. This market failure may stem from uncertainties as far as the value of the asset is concerned. The theory that was developed in this inquiry shed more insights within the literature of strategic factor markets. It was argued that competitive advantage may arise limited access to assets and inability to have a learning culture from an organizational point of view.

Ugboko and Ehugbo (2021) covered techniques for allocation of resources and their effect on competitive advantage of telecommunication entities in Nigerian context. Resource

based view guided this inquiry in realization of the objective besides adoption of survey design. Hypotheses were formulated and tested through regression. It was apparent that resource planning is a significant enabler of competitive advantage. However, the nexus between allocation of resources and competitiveness was inverse. Resource utilization was identified as a technique that can effectively help to organize and assign staff and equipment required to achieve competitive edge. It was recommended that an improvement in the degree of allocation requirement those in management to adopt work breakdown structures for all the employees. This can help in the identification of the areas of specialization and competence.

2.2.6 Strategy Monitoring & Control and Competitive Advantage

Singh, Senik, Hanafiah and Hamid (2021) evaluated the effect of the practices involved in the evaluation and control of strategies with key emphasis on Malaysia. It emerged that performance appraisal had widely been adopted to evaluate and control strategies at functional level. The strategic were evaluated and controlled on a regular basis. In some departments, these were conducted on a quarterly basis while some did on annual basis. Evaluation guided monitoring of performance of key and relevant undertakings in the institution in line with the established targets. Evaluation of strategies allowed the institution to remain on track in realization of its established objectives and goals. Through this, possible deviations were avoided by those in managerial positions in the institution. This also had improved on accountability to all the concerned stakeholders in place. Best performing functions in the institution were determined through performance appraisal.

Sylvia (2021) did an analysis of strategic evaluation and control and its nexus with monetary performance of SMEs in South Sudan, Juba. Descriptive design was embraced in this inquiry with data being obtained from first hand sources. It was clear from analysis that the practices undertaken during evaluation of strategies significantly enhanced monetary performance of the studied entities. Daka and Masonde (2023) did an analysis of how effective monitoring and control of strategies affected performance of entities in the wildlife sector. Cross sectional survey was the adopted design and gathering of data was from first hand sources aided by questionnaire. It was noted that strategic plans were in place in majority of the studied organization varying from a year to five years. These plans contributed towards realization of superior performance. Various constraints were identified impairing successful monitoring and evaluation of strategies by the studied entities. These challenges varied from limited skills from training, influences from external forces and resistance to change by staff.

Gandrita (2023) analyzed how control of strategies and social performance from an organizational point of view were linked with each other. This approach adopted in this inquiry was conceptual review. The key emphasis of the inquiry was on exploration of literature linking strategic control and social performance from an organizational view. This was to guide in determination of gaps and come up with a relevant conceptual framework. Control theory guided this inquiry followed by detailed library search. This entailed exploration, synthesis and critiquing of the literature on the area of interest as far as the two variables were concerned. At end of this review, a conceptual framework was developed. Murunga and Deya (2022) assessed how strategic control impacted performance of Kenya's commercial banks. The variables covered premise, strategic surveillance, special alert and implementation controls. The inquiry was executed among forty-two banks in Kenya and 123 participants were selected and covered. The data gathering tools were semi-structured in nature and overall reliability statistic was 0.7. It was determined that premise controls had been adopted by Kenyan banks to a high degree. These were also followed by operational and special alert controls.

Yeboah, Diaba, Mohammed and Boateng (2023) assessed how strategic system of control affected realization of strategic goals. There was detailed review of literature in this study to come up with relevant themes. It was shown that strategic control systems played a key role in realization of strategic objectives of the entity. Sound implementation of a control system should be guided by clear strategy. Strategic planning gives a comprehensive comprehension of the surrounding of the firm, its strategic objectives that guide in formulation of strategic plans. Feedback mechanism and measurement of performance play a crucial role in allowing the enterprise to monitor its progress in realization of the stated strategic goals.

2.3 Summary of Review of Literature and Research Gap(s)

This chapter has reviewed literature that creates knowledge gaps which will be filled by the proposed study. Abdelhakim (2020) carried out a study in UK and not in Kenya while Onono (2018) adopted a case study approach of General Electric unlike the present study that focus on thirty-five payment service providers in Kenya. The study by Oracha et al (2021) used firm performance as the dependent variable unlike competitive advantage that was explored in the present study. Mahdi et al (2021) covered private universities away from the payment service providers (PSPs) that were covered in this present study. Gitau et al (2020) and Nyakure and Kavale (2022) used organizational performance and not competitive advantage as the dependent variable. Ridwan and Bakri (2017) had a conceptual review where relevant

literature was reviewed to provide findings and conclusions without the point of going to the field. Sylvia (2021) focused on South Sudan and not Kenya.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter details the methodology in terms of research design, site of the study, target population, study sample and data collection. It also details information on data processing and the ethical issues of concern to the study.

3.2 Research Design

Research design is a guide and plan that determine how data is to be gathered and processed so as to generate findings for drawing of inferences. This study adopted descriptive survey design (Pandey & Pandey, 2021). It involved gathering of quantitative information from thirty-five payment service providers in Kenya to help test the hypotheses on whether strategy implementation significantly influences competitive advantage. This design provided an accurate account and description of things the way they were in their original state with manipulation of variables of the study.

3.3 Research Site

Research site is the geographical area where the proposed study is to be conducted. The present study was conducted at the headquarters of the said payment service providers in Kenya, which is in Nairobi County. The rationale of selecting Nairobi County as the suitable site for the study was because all the payment service providers in Kenya have their CEOs and senior management team offices in Nairobi

3.4 Target Population

Target population is a gathering of individuals whose attributes are common and of key interest to the researcher (Kumari, Lavanya, Vidhya, Premila & Lawrence, 2023). The target population (unit of analysis) was thirty-five payment service providers in Kenya, (CBK, 2023).

3.5 Study Sample

In the present study, since the target population was small and could easily be accessed, census was adopted and thus all the authorized payment service providers were covered. According to Nayak and Singh (2021), where population has fewer than 200 elements, census is an ideal approach. The respondents were the chief executive officers (CEOs) working with the authorized payment service providers in Kenya. The choice of these respondents was informed

by their in-depth knowledge and experience in strategic management arena of their respective organizations.

3.6 Data Collection

The section details the instrument that supported data collection, pilot testing, and determination of reliability and validity of the research questionnaire:

3.6.1 Data Collection Instrument

Primary data was collected with aid of the questionnaire that was structured on a 5-point Likert scale where 1-strongly disagree and 5-strongly agree. A questionnaire is defined by Dubey and Kothari (2022) as a document with a list of questions which are asked to respondents to solicit some desired responses. The questionnaire was divided into six sections to cover general information, competitive advantage while the remaining four sections addressed the four research questions.

3.6.2 Pilot Testing of Research Instruments

A pilot study is a min-inquiry that is conducted with the aim of testing for consistency of the study questionnaire. In this study, the questionnaire used in the study was pilot tested using three respondents from branches of the payment service providers in Kenya being 10% of the study sample size as recommended by Thomas (2021).

3.6.3 Instrument Reliability

Reliability measures the degree of consistency of the research instrument in measuring a given underlying item after being repeated in successive trials. In this study, the dully filed questionnaire from the pilot study was used to compute the values of Cronbach Alpha Coefficients for determining reliability. As pointed out by Dzwigol (2022), in the event that the reported values of Cronbach Alpha are far beyond 0.7, an inference drawn is that test tools are reliable. Table 3.1 is a breakdown of the findings of reliability analysis on the variables of the study:

Table 3.1:Instrument Reliability

Variable	Cronbach's Alpha	No. of Items	Inference
Organizational structure	.907	4	Accepted
Strategic leadership	.721	4	Accepted
Resource allocation	.707	4	Accepted

Strategy monitoring and control	.819	4	Accepted
Competitive advantage	.922	4	Accepted

From Table 3.1, organizational structure had Cronbach Alpha Coefficient value of 0.907, strategic leadership had 0.721, resource allocation had 0.707, and strategy monitoring and control had 0.819 while competitive advantage had 0.922. Clearly, all these variables had Cronbach Alpha values above 0.7. As pointed out by Dzwigol (2022), Cronbach Alpha values above 0.7 indicate that the study tool has been designed through a reliable scale. It therefore implies that a reliable scale was adopted in the design of the items covered on the questionnaire that was used to gather information from the respondents.

3.6.4 Instrument Validity

Validity is the level of accuracy of the study tool in measuring an item which it is designed to indicate. Valid tools measure items that they are designed to measure (Singh, 2022). Content and construct validities were embraced in this inquiry with aid of strategic management experts and supervisor. The items on the study tool were critically reviewed and suggestions for improvement were raised. At the end of these reviews, all suggestions and concerns raised by respondents to the questionnaire were taken into consideration before finally proceeding to field work. The study used factor analysis to determine validity of the research items on the questionnaire. The findings were established as communalities, the total variance explained and factor loading. Table 3.2 is a breakdown of the communalities:

Table 3.2: Communalities

	Initial	**Extraction**
The operations of this organization are centralized	1.000	.727
We have formalized most of our operations	1.000	.845
There is clear span of control in this organization	1.000	.869
All our employees are flexible in their operations	1.000	.914
Departmental managers are ready to share the vision this organization with us	1.000	.961
A significantbudget is spent to train employees in this organization	1.000	.789
Departmental managers are free to communicate to me if at all a need arises	1.000	.938
All departmental managers of this organizations possess the required leadership traits	1.000	.693
Each department is staffed with an adequate number of employees	1.000	.935

This firm has set aside adequate finances for the realization of its objectives	1.000	.741
Automation as a technological capability has been adopted to run operations of this firm	1.000	.949
Adequate material resources have been allocated across various departments in this firm	1.000	.959
All decisions made by the top management are guided by the information that had been gathered	1.000	.714
Variance analysis is done to inform the budgeting process of this firm	1.000	.791
Supervisors provide timely feedback for all the undertakings of this organization	1.000	.890
All deviations from the expectations are timely responded to in this firm	1.000	.542

The findings on communalities across the items on the variables of the study are presented in Table 3.2. From the results, the fact that the operations of the organization were centralized had communality of .727; most of the operations had been formalized .845 and that there was clear span of control in the organization .869. Respondents shared that all employees were flexible in their operations .914, departmental managers were ready to share the vision of the organization with them .961 and that a significant amount budget that was spent to train employees in the organization 0.789. It was also clear from analysis that departmental managers were free to communicate to them when need arose .938, all departmental managers possessed the required leadership traits by their organizations.693 and that each department was staffed with an adequate number of employees .935. It was also clear that the firm had set aside adequate finances for the realization of its objectives .741, automation as a technological capability had been adopted to run operations of the firm .949 and that adequate material resource had been allocated across various departments in the firm.959. It was established that all decisions made by the top management were informed by the information that had been gathered .714, variance analysis was done to inform the budgeting process of this firm .791, supervisors provided timely feedback for all the undertakings of their organization .890 and that all deviations from the expectations were timely responded to in this firm.542.

The findings on total variance explained were determined and summarized as shown in Table 3.3.

Table 3. 3: Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.364	27.272	27.272	4.364	27.272	27.272
2	2.765	17.279	44.551	2.765	17.279	44.551
3	2.289	14.304	58.856	2.289	14.304	58.856
4	1.469	9.184	68.039	1.469	9.184	68.039
5	1.314	8.211	76.251	1.314	8.211	76.251
6	1.058	6.612	82.863	1.058	6.612	82.863
7	.934	5.840	88.703			
8	.724	4.524	93.228			
9	.572	3.573	96.801			
10	.183	1.143	97.943			
11	.152	.953	98.896			
12	.096	.599	99.495			
13	.051	.321	99.816			
14	.024	.152	99.968			
15	.004	.025	99.994			
16	.001	.006	100.000			

The findings in Table 3.2 show that the 19 items designed on business strategy implementation were reduced into 6 items that cumulatively explained 82.863% of variation in competitive advantage of the authorized payment service providers (PSPs) in Kenya. The findings on Component matrix were determined and summarized in Table 1.4.

3.6.5 Data Collection Procedures

Data collection procedures are steps that are undertaken by the researcher to obtain information from respondents. A letter of introduction was obtained in advance from the University which was followed by a research permit from the National Commission of Science, Technology and Innovation (NACOSTI). The questionnaire was administered to respondents on a drop and pick later method, to provide an opportunity for respondents to give their relevant responses without interfering with their daily schedules.

3.7 Data Processing and Analysis

The analysis was done through SPSS version 26 guided by means and standard deviations and regression analysis. The regression model that was used to guide the analysis of the finding is as set out below:

$$Y= \beta_0+ \beta_1X_1+\beta_2X_2+\beta_3X_3 +\beta_4X_4 + \varepsilon$$

Y= Competitive advantage

X_1= Organizational structure

X_2= Strategic leadership

X_3= Resource allocation

X_4= Strategy monitoring and control

B_0 = Constant

β_1, β_2, β_3 and β_4 are the beta coefficients

ε = error term

The findings were presented through tables and figures

3.7.1 Diagnostic Tests

The study performed multicollinearity test, heteroscedasticity and autocorrelation test to validate the assumptions of regression analysis before analysis. This helped to establish if the model is fit and that the independent variables are not highly correlated with each other.

3.8 Legal and Ethical Considerations

An introduction letter from the university was sought in advance before heading to the field for data collection. Information shared by participants was safeguarded against confidentiality. None of the participant was compelled to attach his/her name on the study tool thus anonymity. Participants in the inquiry did not receive any monetary compensation. Information reviewed in this study was acknowledged through citations using APA style of referencing.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION

4.1 Introduction

Details on information processing are indicated in this chapter. These include the response rate, processing of bio data, descriptive as well as inferential statistics information.

4.2 Response Rate

A total of 35 questionnaires were distributed to the CEOs of payment service providers in Kenya, where 33 were fully completed. This was equivalent to a response rate of 94.3% which was adequate and consistent with Holtom, Baruch, Aguinis and Ballinger (2022) who noted that an above 80% response rate is excellent for ensuring a robust survey analysis.

4.3 Reliability Analysis

Reliability of the study questionnaire was determined through pilot testing after computation of values of Cronbach Alpha Coefficients, and Table 4.1 gives a breakdown of the findings after analysis.

Table 4.1: Reliability Analysis

Variable	No of items	Cronbach Alpha Coefficients
Organizational Structure	4	.876
Strategic Leadership	4	.781
Resource Allocation	4	.873
Strategy Monitoring and Control	4	.987
Competitive Advantage	4	.778
Overall		**.859**

Indicated in Table 4.1 is the fact that the value of Cronbach Alpha Coefficients for the variables that were covered in this study are all above 0.7 and the aggregate value stood at 0.859. According to Dzwigol (2022), such Cronbach Alpha Coefficient value above 0.7 provides an indication that the study tool has a reliable scale. It therefore implies that the questionnaire and its items as adopted in this study were reliable.

4.4 Analysis of General Information

Analysis of bio-data of participants is as presented below:

4.4.1 Distribution of Respondents by Gender

Figure 4.1 is an overview of the findings of the distribution of gender that participated in the present study.

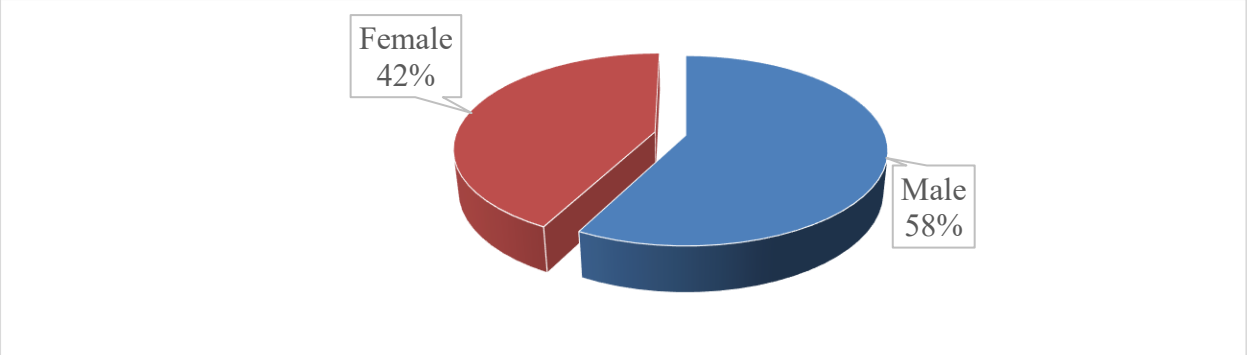


Figure 4.1: Gender

While 58% of the respondents being the majority were male, 42% were female. Thus, diversity in the views that were shared by respondent who took part in this study on the basis of the gender categories was evident.

4.4.2 Level of Education

Consider Table 4.2.

Table 4.2: Level of Education of Respondents

	Frequency	Percentage
Diploma	2	6.1%
Undergraduate	10	30.3%
Post graduate	21	63.6%
Total	**33**	**100.0**

The findings in Table 4.2 show that while 63.6% of the respondents had postgraduate degrees, 30.3% said they had undergraduate degrees and 6.1% had diplomas. This mean that respondents who took part in this study were generally learnt and thus perhaps they had general understanding of the subject sunder consideration.

4.4.3 Years of Experience

Consider Table 4.3. **Table 4.3: Years of Experience of Respondents**

	Frequency	Percentage
Less than 5 years	8	24.2%
6-9 years	10	30.3%
10-15 years	12	36.4%
Over 16 years	5	15.2%
Total	**33**	**100.0**

The findings in Table 4.3 indicate that while 36.4% of the respondents had worked for a period of 10-15 years, 15.2% had over 16 years of experience. This implies that respondents

who participated in this study in deed had worked for a significant period of time which perhaps enabled them to gain more relevant experience and knowledge as it was sought in this study.

4.4 Descriptive Statistics

Data processing in descriptive terms is as demonstrated below:

4.4.1 Organization Structure

Table 4.4 is a summary of the descriptive statistics on organization structure

Table 4.4: Organization Structure

	Mean	Std. Dev
The operations of this organization are centralized	3.69	.769
We have formalized most of our operations	3.60	.739
There is clear span of control in this organization	3.63	.822
All our employees are flexible in their operations	3.66	.777
Average	**3.65**	**.777**

The findings in Table 4.4 indicate that in overall there was agreement among respondents that there existed relevant structures in their respective firms (M=3.65). More specifically and with means of 3.69, 3.66 and 3.63 as well as 3.60, respondents who participated in this study were in agreement that operations of their organization were centralized; they were flexible in their operations, there was clear span of control in their organization and that they had formalized most of their operations respectively. According to

Kalay and Lynn (2016), the degree of formalization and centralization were used as aspects of organization. Mathur and Nair (2016) demonstrated the essence and position occupied by structures of an organization in allowing entities to gain competitive advantage. It was also pointed out that strategic human resource is instrumental in allowing an organization to design relevant structures. Abdelhakim (2020) noted that within the SME context, the existing structures are mechanistic in nature and they contribute towards competitive edge of the firm. Onono (2018) adopted General Electric as the point of reference and evaluated the implication of organizational structure on its performance. The analysis was that the structure of the firm and performance are significantly linked with each other.

Oracha et al (2021) analyzed the link existing between the structure of an organization, strategic leadership and performance of an enterprise. After data processing, it was apparent that the structure of the firm has significant moderating implication on the nexus between performance and strategic leadership. Mathur and Nair (2016) assessed how the structure of the enterprise acted as a driver of competitive advantage. The structure of the firm is viewed

as a framework that guides actualization of the established strategies and objectives in the firm. There exists a structure for every organization on the basis of the strategic goals in place. Dynamic markets have been established from globalization resulting into an increase in the level of competition. The structure of the firm entails belief systems regarding an organization, organizational plan and interactions between functional areas in the firm. For realization of strategic goals established in the firm, the structure plays an instrumental role. Poor design of the structures of the firm can slow down information sharing and communication and this may negatively affect competitive positioning. Well established organizational structures speed up the decision-making processes. Pereira-Moliner et al (2016) did an empirical investigation of design of an organization, management of quality and competitive advantage within hospitality sector in Spain. The processed data gave an indication that quality managed was linked with formalization and specialization. Similarly, a significant nexus was reported between quality management and differentiation as well as cost advantage of the firm.

4.4.2 Strategic Leadership

Strategic leadership was another independent objective variable that was captured in this study and Table 4.5 is a breakdown of the findings.

Table 4.5: Strategic Leadership

	Mean	Std. Dev
Departmental managers are ready to share the vision of this organization with us	3.81	.726
A significant amount budget is spent to train employees in this organization	3.84	.565
Departmental managers are free to communicate to me if at all a need arises	3.87	.927
All departmental managers possess the required leadership traits by this organizations	3.63	.859
Average	**3.78**	**0.769**

The results in Table 4.5 indicate that in general, respondents were in agreement that their departmental managers were free to communicate to them if at all a need arose, a significant amount budget was spent to train employees in this organization, departmental managers were ready to share the vision of this organization with them and that all departmental managers possessed the required leadership traits by their organization as evidenced by means of 3.87, 3.84, 3.81 and 3.63 respectively. With an average mean score of 3.78, it can be implied that strategic leadership was practiced in the respective organizations of the respondents. Fatyandri et al (2023) analyzed the effect of strategic leadership and its implication on competitive advantage with emphasis on manufacturing entities in Indonesia. It was apparent after data

processing that diversification as a strategy had direct mediating implication on strategic leadership to allow the firm competes effectively. Mahdi and Almsafir (2014) focused on strategic leadership and its implication on competitive advantage within academic setting. It emerged that strategic leadership significantly enhanced competitive advantage of the entity. Kiragu (2015) evaluated the implication of strategic leadership on competitive advantage of Kenya's commercial banks. It was noted that while there is high level of competition in the banking sector, most institutions have competitive edge. It was further clear that strategic leadership contribute towards reduction of operating costs. Mahdi et al (2021) conducted a review of how strategic leadership affects competitive private institutions of higher learning in Iraq. It was clear after data processing that strategic leadership had significant interplay with sustainable competitive advantage of an entity. More specifically, the need for private universities to leverage social and human capital was raised in this inquiry.

Anggraeni et al (2023) determined the implication of strategic leadership, competitive edge and intellectual capital with specific reference to Indonesian hotels. The sample covered in this study was drawn from hotels in question. From the processed information, a significant interplay was registered between intellectual capital, strategic leadership and competitive edge of the organization. In fact, this nexus was direct and significant in the hotel sector. Hunitie (2018) studied the implication of strategic leadership on competitive advantage. Gathering of information was aided by questionnaire whose design was guided by the literature that had been reviewed. rate. The processed views from participants gave indication that strategic leadership was a significant enabler of strategic thinking and competitive edge of the organization. Strategic thinking and planning were established to have significant and direct nexus with competitive advantage. Thus, both strategic planning and thinking occupy a central role in light of strategic leadership in the firm. Banmore et al (2019) covered Nigerian context and determined how strategic leadership affected competitive advantage. The processed results were that the components of strategic leadership had direct and significant nexus with competitive advantage of the firm. The need for sponsoring continuous staff development and training by insurance entities was raised in this study as a recommendation. This was expected to expose staff to new knowledge and skills that can allow them attain competitive advantage.

4.4.3 Resource Allocation

Table 4.6 is an overview of the findings on resource allocation as another independent objective variable that were captured in the present study:

Table 4.6: Resource Allocation

	Mean	Std. Dev
Each department is staffed with an adequate number of employees	3.93	.555
This firm has set aside adequate finances for the realization of its objectives	3.63	.699
Automation as a technological capability has been adopted to run operations of this firm	3.78	.807
Adequate material resources have been allocated across various departments in this firm	3.87	.857
Average	**3.80**	**0.730**

The findings in Table 4.6 indicate that on overall, there was agreement among respondents who took part in this study that each department was staffed with an adequate number of employees, adequate material resource had been allocated across various departments in the firm, automation as a technological capability had been adopted to run operations and that the firm had set aside adequate finances for the realization of its objectives as supported by means of 3.93, 3.87, 3.78 and 3.63 respectively. With the average mean score reported as 3.80, it follows that resource allocation was evident in the studied firms. Ma et al (2019) did a review of how integration and reconfiguration of resources affect competitive edge. The analyzed results were that reconfiguration and integration of resources contributing to organizational learning. For traditional industries, the implication of reconfiguration and integration of resources on competitive edge. On the other hand, for the emerging industries, integration of resources was noted to have direct implication on competitive edge of the firm. Gitau et al (2020) determined how allocation of resources affected ability of identified supermarkets to perform in Nairobi County. It emerged after data processing that strategy monitoring and control exerted greatest implication on performance of the entity followed by communication, allocation of the resources and support from the top managerial team.

Nyakure and Kavale (2022) analyzed how allocation of resources was linked with performance of public referral hospitals within the County of Mombasa. It emerged that strategic human, financial, technological and medical resources all significantly influenced performance of the covered entities in this study. Ridwan and Bakri (2017) determined how strategic resources and competitive edge were connected with each other. It was shown that entities can have either internal or external resources which shape its competitive landscape. Effective management and utilization of the resources in place can provide to an enterprise. Poor management of internal resources can create challenges and weaknesses to the firm and may threaten its competitive edge. Competitive edge can accrue to the firm through effective

utilization of the resources that are in place. Such resources should be rare besides being hard for other rival entities to imitate.

Takala et al (2013) determined how allocation of resources has an implication on competitive advantage of an entity. It was clear that allocation of resource goes through constant changes especially during periods of crisis. This contributes to nonexistence of a clearly identified strategy to guide the operations of the firm which threaten the long-term edge of the enterprise. Leiblein et al (2017) studied the allocation of resources in strategically established factor markets. It emerged that market failures threaten competitive edge of firms in factor markets. This market failure may stem from uncertainties as far as the value of the asset is concerned.

Ugboko and Ehugbo (2021) covered techniques for allocation of resources and their effect on competitive advantage of telecommunication entities in Nigerian context. It was apparent that resource planning is a significant enabler of competitive advantage. However, the nexus between allocation of resources and competitiveness was inverse. Resource utilization was identified as a technique that can effectively help to organize and assign staff and equipment required to achieve competitive edge. It was recommended that an improvement in the degree of allocation requirement those in management to adopt work breakdown structures for all the employees. This can help in the identification of the areas of specialization and competence. Takala et al (2013) determined the implication of allocation of resources on sustainable competitive edge. The findings of the study were that adequate allocation of resources allows an organization to gain a competitive edge. There exists a variation in allocation of resources especially in times when there is a crisis in an organization. This leads to non clear definition of the strategy of the firm thus threatening the sustainable edge.

4.4.4 Strategy Monitoring and Control

The findings on strategy monitoring and control in the studied firms were determined and summarized as indicated in Table 4.7.

Table 4.7: Strategy Monitoring and Control

	Mean	Std. Dev
All decisions made by the top management are informed by the information that had been gathered	3.81	.635
Variance analysis is done to inform the budgeting process of this firm	3.69	.683
Supervisors provide timely feedback for all the undertakings of this organization	3.79	.810

All deviations from the expectations are timely responded to in this firm	3.51	864
Average	**3.67**	**0.748**

The findings in Table 4.7 are that respondents generally were in agreement that all decisions made by the top management were informed by the information that had been gathered, supervisors provided timely feedback for all the undertakings, variance analysis was done to inform the budgeting process and that all deviations from the expectations were timely responded to with values of means standing at 3.81, 3.79, 3.69 and 3.51 respectively. The study reported the value of average score as 3.67, this means that on overall, strategy monitoring and control was in place in the studied organizations. Muiruri (2014) evaluated the effect of the practices involved in the evaluation and control of strategies with key emphasis on Nairobi University. Evaluation guided monitoring of performance of key and relevant undertakings in the institution in line with the established targets. Evaluation of strategies allowed the institution to remain on track in realization of its established objectives and goals. Through this, possible deviations were avoided by those in managerial positions in the institution. This also had improved on accountability to all the concerned stakeholders in place. Best performing functions in the institution were determined through performance appraisal. Sylvia (2021) did an analysis of strategic evaluation and control and its nexus with monetary performance of SMEs in South Sudan, Juba. It was clear from analysis that the practices undertaken during evaluation of strategies significantly enhanced monetary performance of the studied entities.

Mungumi (2013) did an analysis of how effective monitoring and control of strategies affected performance of entities in the wildlife sector. It was noted that strategic plans were in place in majority of the studied organization varying from a year to five years. These plans contributed towards realization of superior performance. Various constraints were identified impairing successful monitoring and evaluation of strategies by the studied entities. These challenges varied from limited skills from training, influences from external forces and resistance to change by staff. Murunga and Deya (2022) assessed how strategic control impacted performance of Kenya's commercial banks. It was determined that premise controls had been adopted by Kenyan banks to a high degree. These were also followed by operational and special alert controls. Yeboah et al (2023) assessed how strategic system of control affected realization of strategic goals. Sound implementation of a control system should be guided by clear strategy. Strategic planning gives a comprehensive comprehension of the surrounding of the firm, its strategic objectives that guide in formulation of strategic plans. Feedback

mechanism and measurement of performance play a crucial role in allowing the enterprise to monitor its progress in realization of the stated strategic goals.

4.4.5 Competitive Advantage

The dependent variable that was captured in this study was competitive advantage and Table 4.8 is an overview of the analyzed findings.

Table 4.8: Competitive Advantage

	Mean	Std. Dev
This firm has retained its market share	3.78	.686
More new products have been developed in this firm	3.51	.642
The firm has realized an increase in profit generation potential	3.54	.848
The firm has gained a positional advantage over its competitors	3.69	.983
Average	**3.63**	**.790**

As reported in Table 4.8, it can be shown that respondents generally agreed that their firm had retained its market share (M=3.78), the firm had gained a positional advantage over its competitors (M=3.69), the firm had realized an increase in profit generation potential (M=3.54) and that new products had been developed (M=3.51) respectively. The value of average mean standing at 3.63 implies that on overall, respondents were in agreement that competitive advantage of their respective firms had been enhanced. The factors determining the ability of the firm to attain competitive advantage were determined by Ngetiie (2010) within the context of developing institutes both in Mombasa and Nakuru Counties in general. While adopting case study design with gathering of primary data guided by questionnaire, it was apparent during the analysis that the dynamic nature of the environment force firms to focus more on the need of achieving competitive edge. Kazemi et al (2024) rethought about the key issues that affect sustainable competitive edge with the adoption of content analysis during the methodology. Ideally, the essence of the study was to provide ranking on key issues that can shape and determine competitive edge of the firm. It emerged after data analysis that remaining competitive at firm level requires consideration of the key issues that affect effective implementation of strategies like leadership and allocation of all the required resources. In another study that was conducted by O'Shannassy (2008), the main focus and emphasis was on determining how the entity can attain and sustain its competitive edge with the adoption of content analysis as the methodology. It was determined after analysis that the need to gain sustainable competitive edge has forced firms to ensure they effectively manage their strategy formulation and implementation landscapes.

4.5 Regression Results and Hypotheses Testing

The subsequent sections provide a summary of the regression results as well as the testing of the established hypotheses that guided this study:

4.5.1 Regression Results

The findings of regression model summary were established and summarized as indicated in Table 4.9.

Table 4.9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.772[a]	.596	.538	.74326

As indicated in Table 4.9, it can be asserted that 53.8% change in competitive advantage of the authorized payment service providers in Kenya can be explained by business strategy implementation. This means that there exist other factors aside from business strategy implementation that have an effect on competitive advantage of these firms and future studies should focus more on establishing them out. The existing studies include Vasanji (2015) who determined the effect of strategy implementation on competitive advantage of small and medium businesses in Nairobi. After analysis, it emerged that strategic allocation of resources and operating procedures positively affects competitive advantage. Kariithi and Ragui (2018) did a study focusing on strategy implementation and its effect on performance of Huduma centers in Nairobi County where significant relationship was noted between the variables. In a study that was done by Kinadoso and Makokha (2020), the essence was to determine how strategy implementation factors affected performance of Agriculture Finance Corporation and the analysis noted existence of significant relationship in the variables.

Table 4.10: ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	22.774	4	5.694	10.306	.000[b]
Residual	15.468	28	.552		
Total	**38.242**	**32**			

The findings in Table 4.10 show that on average, the model summary adopted in this study was significant ($F=10.306$, $P<0.05$). Being significant, it then follows that it was okay and suitable for running the analysis with findings as presented in this report.

Table 4.11: Coefficients and Significance

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	14.204	7.398		1.920	.065

Organizational structure	.571	.124	.204	4.605	.017
Strategic leadership	.427	180	.459	2.372	.001
Resource allocation	.520	.256	.414	2.031	.011
Strategy Monitoring and Control	.442	.177	.127	2.497	.030

From the findings in Table 4.11 the following equation is predated and fitted between business strategy implementation and competitive advantage:

$$\mathbf{Y = 14.204+0.571X_1+0.427X_2+0.520X_3+0.442X_4}$$

Where:

Y= competitive advantage

X1= Organizational structure

X2= Strategic leadership

X3= Resource allocation

X4= Strategy Monitoring and Control

From the findings in Table 4.11, it can be asserted that other factors kept constant, a unit change in organizational structure would enhance competitive advantage of the authorized payment service providers in Kenya by 0.571. An improvement strategic leadership by a unit would lead to 0.427-unit increase in competitive advantage of the authorized payment service providers in Kenya. A unit increase in resource allocation with other factors kept constant would lead to 0.520-unit increase in competitive advantage of the authorized payment service providers in Kenya.

4.5.2 Hypotheses Testing

The first hypothesis of the study was **H_{01}** organizational structure has no statistically significant effect on competitive advantage of the authorized payment service providers in Kenya. From the results in Table 4.11, organizational structure was established to have a p-value as 0.017 which is less than 0.05. This implies that the variable was significant. It can therefore be inferred that organizational structure was a significant predictor of competitive advantage of authorized payment service providers in Kenya. This finding is consistent with Kalay and Lynn (2016) who did a study with emphasis on the structure of the organization and its implication on the management of innovation within the context of Turkey. The degree of formalization and centralization were used as aspects of organization. Mathur and Nair (2016) sought to determine if organizational structure was a key driver to competitive advantage. Findings demonstrated the essence and position occupied by structures of an

organization in allowing entities to gain competitive advantage. It was also pointed out that strategic human resource is instrumental in allowing an organization to design relevant structures. Abdelhakim (2020) focused on dynamic capabilities and the nexus with competitive advantage with emphasis on small and medium entities. It was clear after analysis that within the SME context, the existing structures are mechanistic in nature and they contribute towards competitive edge of the firm. Onono (2018) adopted General Electric as the point of reference and evaluated the implication of organizational structure on its performance. The analysis was that the structure of the firm and performance are significantly linked with each other. Oracha et al (2021) analyzed the link existing between the structure of an organization, strategic leadership and performance of an enterprise. After data processing, it was apparent that the structure of the firm has significant moderating implication on the nexus between performance and strategic leadership.

Mathur and Nair (2016) assessed how the structure of the enterprise acted as a driver of competitive advantage. Poor design of the structures of the firm can slow down information sharing and communication and this may negatively affect competitive positioning. Well established organizational structures speed up the decision-making processes. Pereira-Moliner et al (2016) did an empirical investigation of design of an organization, management of quality and competitive advantage within hospitality sector in Spain. The processed data gave an indication that quality managed was linked with formalization and specialization. Similarly, a significant nexus was reported between quality management and differentiation as well as cost advantage of the firm.

The second hypothesis in this study was $\mathbf{H_{02}}$ strategic leadership has no statistically significant effect on competitive advantage of the authorized payment service providers in Kenya. From the results, it emerged that strategic leadership had p-value of 0.001, which is lower than 0.05. This implies that strategic leadership was a significant variable affecting competitive advantage of the authorized payment service providers in Kenya. The study findings agree with Fatyandri et al (2023) who analyzed the effect of strategic leadership and its implication on competitive advantage with emphasis on manufacturing entities in Indonesia. It was apparent after data processing that diversification as a strategy had direct mediating implication on strategic leadership to allow the firm competes effectively.

Mahdi and Almsafir (2014) focused on strategic leadership and its implication on competitive advantage within academic setting. It emerged that strategic leadership

significantly enhanced competitive advantage of the entity. Kiragu (2015) evaluated the implication of strategic leadership on competitive advantage of Kenya's commercial banks. It was noted that while there is high level of competition in the banking sector, most institutions have competitive edge. It was further clear that strategic leadership contribute towards reduction of operating costs. Mahdi et al (2021) conducted a review of how strategic leadership affects competitive private institutions of higher learning in Iraq. It was clear after data processing that strategic leadership had significant interplay with sustainable competitive advantage of an entity. More specifically, the need for private universities to leverage social and human capital was raised in this inquiry.

Anggraeni et al (2023) determined the implication of strategic leadership, competitive edge and intellectual capital with specific reference to Indonesian hotels. From the processed information, a significant interplay was registered between intellectual capital, strategic leadership and competitive edge of the organization. In fact, this nexus was direct and significant in the hotel sector. Hunitie (2018) studied the implication of strategic leadership on competitive advantage. The processed views from participants gave indication that strategic leadership was a significant enabler of strategic thinking and competitive edge of the organization. Strategic thinking and planning were established to have significant and direct nexus with competitive advantage. Thus, both strategic planning and thinking occupy a central role in light of strategic leadership in the firm. Banmore et al (2019) covered Nigerian context and determined how strategic leadership affected competitive advantage. The processed results were that the components of strategic leadership had direct and significant nexus with competitive advantage of the firm. The need for sponsoring continuous staff development and training by insurance entities was raised in this study as a recommendation. This was expected to expose staff to new knowledge and skills that can allow them attain competitive advantage.

The third hypothesis of the study was **H_{03}** resource allocation has no statistically significant effect on competitive advantage of the authorized payment service providers in Kenya. Based on the findings, resource allocation had p-value as p=0.011, which is less than 0.05. This means that resource allocation was a significant predictor variable affecting competitive advantage of authorized payment service providers in Kenya. The finding agrees with Ma et al (2019) who did a review of how integration and reconfiguration of resources affect competitive edge. Evidence for the purpose of data processing was obtained from traditional and emerging industries. The analyzed results were that reconfiguration and

integration of resources contributing to organizational learning. For traditional industries, the implication of reconfiguration and integration of resources on competitive edge. On the other hand, for the emerging industries, integration of resources was noted to have direct implication on competitive edge of the firm.

Gitau et al (2020) determined how allocation of resources affected ability of identified supermarkets to perform in Nairobi County. In total, 25 entities were covered and the design adopted was descriptive survey. Participants were drawn from managerial level. It emerged after data processing that strategy monitoring and control exerted greatest implication on performance of the entity followed by communication, allocation of the resources and support from the top managerial team. Nyakure and Kavale (2022) analyzed how allocation of resources was linked with performance of public referral hospitals within the County of Mombasa. Resource dependence theory underpinned the inquiry. In total, five institutions were selected and included in the analysis. It emerged that strategic human, financial, technological and medical resources all significantly influenced performance of the covered entities in this study.

Ridwan and Bakri (2017) determined how strategic resources and competitive edge were connected with each other. It was shown that entities can have either internal or external resources which shape its competitive landscape. Effective management and utilization of the resources in place can provide to an enterprise. Poor management of internal resources can create challenges and weaknesses to the firm and may threaten its competitive edge. Competitive edge can accrue to the firm through effective utilization of the resources that are in place. Such resources should be rare besides being hard for other rival entities to imitate. Takala et al. (2013) determined how allocation of resources has an implication on competitive advantage of an entity. The emphasis of the inquiry was on provision of a definition and evaluation of competitive edge and its advancement within housing context. In this inquiry, key areas that can allow managers to execute decisions quickly were highlighted. It was clear that allocation of resource goes through constant changes especially during periods of crisis. This contributes to nonexistence of a clearly identified strategy to guide the operations of the firm which threaten the long-term edge of the enterprise.

Leiblein et al. (2017) studied the allocation of resources in strategically established factor markets. The study contributed towards development of a theory for allocation of resources in an organization. It emerged that market failures threaten competitive edge of firms in factor

markets. This market failure may stem from uncertainties as far as the value of the asset is concerned. The theory that was developed in this inquiry shed more insights within the literature of strategic factor markets. It was argued that competitive advantage may arise limited access to assets and inability to have a learning culture from an organizational point of view. Ugboko and Ehugbo (2021) covered techniques for allocation of resources and their effect on competitive advantage of telecommunication entities in Nigerian context. Resource based view guided this inquiry in realization of the objective besides adoption of survey design. Hypotheses were formulated and tested through regression. It was apparent that resource planning is a significant enabler of competitive advantage. However, the nexus between allocation of resources and competitiveness was inverse. Resource utilization was identified as a technique that can effectively help to organize and assign staff and equipment required to achieve competitive edge. It was recommended that an improvement in the degree of allocation requirement those in management to adopt work breakdown structures for all the employees. This can help in the identification of the areas of specialization and competence. Takala et al (2013) determined the implication of allocation of resources on sustainable competitive edge. It was hypothesized that competitive edge allows firms to adapt to the changing business surrounding. The study was executed in the housing context. The findings of the study were that adequate allocation of resources allows an organization to gain a competitive edge. There exists a variation in allocation of resources especially in times when there is a crisis in an organization. This leads to non clear definition of the strategy of the firm thus threatening the sustainable edge

The last hypothesis of the study was **H_{04}** strategy monitoring and control has no statistically significant effect on competitive advantage of the authorized payment service providers in Kenya. From the results, it emerged that strategy monitoring and control had a p-value equal to 0.030, which is less than 0.05. This means that strategy monitoring and control had significant effect on competitive advantage of authorized payment service providers in Kenya. The findings concur with Muiruri (2014) who evaluated the effect of the practices involved in the evaluation and control of strategies with key emphasis on Nairobi University. Interview guides were deployed to obtain evidence from the participants. It emerged that performance appraisal had widely been adopted to evaluate and control strategies at functional level. The strategic were evaluated and controlled on a regular basis. In some departments, these were conducted on a quarterly basis while some did on annual basis. Evaluation guided monitoring of performance of key and relevant undertakings in the institution in line with the

established targets. Evaluation of strategies allowed the institution to remain on track in realization of its established objectives and goals. Through this, possible deviations were avoided by those in managerial positions in the institution. This also had improved on accountability to all the concerned stakeholders in place. Best performing functions in the institution were determined through performance appraisal.

Sylvia (2021) did an analysis of strategic evaluation and control and its nexus with monetary performance of SMEs in South Sudan, Juba. Descriptive design was embraced in this inquiry with data being obtained from first hand sources. It was clear from analysis that the practices undertaken during evaluation of strategies significantly enhanced monetary performance of the studied entities. Mungumi (2013) did an analysis of how effective monitoring and control of strategies affected performance of entities in the wildlife sector. Cross sectional survey was the adopted design and gathering of data was from first hand sources aided by questionnaire. It was noted that strategic plans were in place in majority of the studied organization varying from a year to five years. These plans contributed towards realization of superior performance. Various constraints were identified impairing successful monitoring and evaluation of strategies by the studied entities. These challenges varied from limited skills from training, influences from external forces and resistance to change by staff.

Ondoro (2016) analyzed how control of strategies and social performance from an organizational point of view were linked with each other. This approach adopted in this inquiry was conceptual review. The key emphasis of the inquiry was on exploration of literature linking strategic control and social performance from an organizational view. This was to guide in determination of gaps and come up with a relevant conceptual framework. Control theory guided this inquiry followed by detailed library search. This entailed exploration, synthesis and critiquing of the literature on the area of interest as far as the two variables were concerned. At end of this review, a conceptual framework was developed. Murunga and Deya (2022) assessed how strategic control impacted performance of Kenya's commercial banks. The variables covered premise, strategic surveillance, special alert and implementation controls. The inquiry was executed among forty-two banks in Kenya and 123 participants were selected and covered. The data gathering tools were semi-structured in nature and overall reliability statistic was 0.7. It was determined that premise controls had been adopted by Kenyan banks to a high degree. These were also followed by operational and special alert controls. Yeboah et al. (2023) assessed how strategic system of control affected realization of strategic goals.

There was detailed review of literature in this study to come up with relevant themes. It was shown that strategic control systems played a key role in realization of strategic objectives of the entity. Sound implementation of a control system should be guided by clear strategy. Strategic planning gives a comprehensive comprehension of the surrounding of the firm, its strategic objectives that guide in formulation of strategic plans. Feedback mechanism and measurement of performance play a crucial role in allowing the enterprise to monitor its progress in realization of the stated strategic goals.

CHAPTER FIVE

SUMAMRY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter focuses on the summary, conclusion and recommendations. The areas that require further studies and research are also indicated. The chapter also details key areas that will require further research.

5.2 Summary of Findings

The subsequent sections provide summary of the analyzed findings as per the specific objectives of the study:

5.2.1 Organization Structure

The findings indicate that on overall, there was agreement among respondents that there existed relevant structures in their respective firms. Respondents who participated in this study were in agreement that operations of their organization were centralized, they were flexible in their operations, there was clear span of control in their organization and that they had formalized most of their operations respectively. The implication of these finding is that managers working with payment service providers should design effective structures to align with competitive advantage goals in place.

5.2.2 Strategic Leadership

The results indicate that in general, respondents were in agreement that their departmental managers were free to communicate to them if at all a need arose, a significant amount of budget was spent to train employees in this organizations, departmental managers were ready to share the vision of this organizations with them and that all departmental managers possessed the required leadership traits by their organizations. It can be implied that strategic leadership was practiced in the respective organizations of the respondents. These findings imply that embracing strategic leadership by managers working with payment service providers can support competitive advantage.

5.2.3 Resource Allocation

In overall from the findings, there was agreement among respondents who took part in this study that each department was staffed with an adequate number of employees, adequate

material resources had been allocated across various departments in the firm, automation as a technological capability had been adopted to run operations and that the firm had set aside adequate finances for the realization of its objectives. It follows that resource allocation was evident in the studied firms. The finding implies that managers working with payment service providers should demonstrate their commitment towards business strategy implementation through adequate allocation of resources.

5.2.4 Strategy Monitoring and Control

The study noted that respondents generally were in agreement that all decisions made by the top management were informed by the information that had been gathered, supervisors provided timely feedback for all the undertakings, variance analysis was done to inform the budgeting process and that all deviations from the expectations were timely responded to. Therefore, strategy monitoring and control was in place in the studied organizations. The implication drawn from these findings is that managers working with payment service providers in Kenya can leverage strategy monitoring and control to gather data that can support relevant insights for gaining of competitive advantage.

5.3 Conclusion

The first hypothesis of the study was **H_{01}** organizational structure has no statistically significant effect on competitive advantage of the authorized payment service providers in Kenya. From the results, organizational structure was established to have a p-value as 0.017 which is less than 0.05. Based on this finding, this study therefore concludes that organizational structure was a significant predictor of competitive advantage of authorized payment service providers in Kenya.

The second hypothesis in this study was **H_{02}: strategic leadership has no statistically** significant effect on competitive advantage of the authorized payment service providers in Kenya. From the results, it emerged that strategic leadership had p-value of 0.001, which is lower than 0.05. Thus, this study concludes that strategic leadership was a significant variable affecting competitive advantage of the authorized payment service providers in Kenya.

The third hypothesis of the study was **H_{03}** resource allocation has no statistically significant effect on competitive advantage of the authorized payment service providers in Kenya. Based on the findings, resource allocation had p-value as p=0.011, which is less than

0.05, it is therefore concluded that resource allocation was a significant predictor variable affecting competitive advantage of authorized payment service providers in Kenya

The last hypothesis of the study was **H_{04}** strategy monitoring and control has no statistically significant effect on competitive advantage of the authorized payment service providers in Kenya. From the results, it emerged that strategy monitoring and control had p-value as p=0.030, which is less than 0.05. This study therefore concludes that strategy monitoring and control had significant effect on competitive advantage of authorized payment service providers in Kenya.

5.4 Theoretical Contribution of the Study

This study has contributed towards appreciation and understanding that resources are critical in allowing the firm to gain and sustain its competitive edge. This assertion is well established in the resource-based view (RBV). In this theory, a key premise made is that firms operate in a static environment that has no kind of turbulences. Its proponents argue that possession of specialized kind of resources provide competitive edge to the firm. The focus of the theory is on internal resource bundles that firms possess and which are under the control of the firm as opposed to external ones where the firm may have limited control over them. A firm can thus gain its competitive advantage through effective utilization of the bundle of resources and capabilities which are in place. The competitive advantage and position of a firm are influenced by its distinctive resources and relationships. Variations between firms arise from differences in their resource base and capabilities. These resources can be categorized as tangible or intangible, external or internal to the firm. Firms utilize these resources to build competencies, and their effective utilization provides a competitive edge to the organization. This theory was particularly relevant in the present study, as it forms the basis for the dependent variable, competitive advantage, as well as the predictor variable, resource allocation. According to this theory, effective combination of the resource bundles of the firm can provide a competitive edge resulting into superior value creation.

5.5 Recommendations of the Study

The study noted existence of significant interplay between organizational structure and competitive advantage. Based on this finding, it is recommended that managers working with the authorized payment service providers in Kenya should strengthen their existing structures and systems by increasing the degree of formalization, decentralization so as to promote free flow of information and ideas between employees.

The results after analysis indicated that strategic leadership was a powerful predictor of competitive advantage. Hence, this study recommends that the management team working with the authorized payment service providers in Kenya should enroll in short term courses to acquire more skills and knowledge in regard to strategic leadership.

The findings from analysis indicated existence of significant nexus between resource allocation and competitive advantage. Thus, based on the findings, this study recommends that finance managers working with authorized payment service providers in Kenya should allocate adequate financial resources in supporting the financing of viable investment projects.

The findings of the study pointed out existence of a relationship between strategy monitoring and control and competitive advantage. Thus, this study recommends that the monitoring and evaluation team working with the authorized payment service providers in Kenya should play an active and central role in guiding the regular monitoring, review and control of the formulated strategies.

5.5 Areas for Further Research

The present study focuses on the authorized payment service providers in Kenya. These are firms whose operations are licensed and controlled by the Central Bank of Kenya. It is therefore recommended that future studies should be done with emphasis on other non-CBK regulated firms like the deposit taking savings and credit organizations (SACCOs) away from the firms that were covered in the present study.

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APPENDICES

Appendix I: Questionnaire

SECTION A: GENERAL INFORMATION

1. Kindly indicate your gender

Male ( ) Female ( )

2. Kindly indicate your highest level of education

Certificate and below ( ) Diploma ( ) Undergraduate degree ( ) Post graduate degree ( )

3. Kindly indicate the number of years which you have been working with this organization:

Less than 5 years () 6-9 years ( ) 10-15 years ( ) Over 16 years ( )

SECTION B: ORGANIZATIONAL STRUCTURE

4. Given below are a number of statements on organizational structure. Kindly indicate the extent of your agreement with each of them using as 5-point Likert scale where 1-strongly disagree, 2-disagree, 3-undecided, 4-agree and 5-strongly agree.

Statements on organization structure	**1**	**2**	**3**	**4**	**5**
The operations of this organization are centralized					
We have formalized most of our operations					
There is clear span of control in this organization					
All our employees are flexible in their operations					

SECTION C: STRATEGIC LEADERSHIP

5. Given below are a number of statements on strategic leadership. Kindly indicate the extent of your agreement with each of them using as 5-point Likert scale where 1-strongly disagree, 2-disagree, 3-undecided, 4-agree and 5-strongly agree.

Statements on organization structure	**1**	**2**	**3**	**4**	**5**
Departmental managers are ready to share the vision of this organization with us					
A significant amount budget is spent to train employees in this organization					
Departmental managers are free to communicate to me if at all a need arises					

All Departmental managers possess the required leadership traits by this organizations					

SECTION D: RESOURCE ALLOCATION

6. Given below are a number of statements on resource allocation. Kindly indicate the extent of your agreement with each of them using as 5-point Likert scale where 1-strongly disagree, 2-disagree, 3-undecided, 4-agree and 5-strongly agree.

Statements on resource allocation	**1**	**2**	**3**	**4**	**5**
Each department is staffed with an adequate number of employees					
This firm has set aside adequate finances for the realization of its objectives					
Automation as a technological capability has been adopted to run operations of this firm					
Adequate material resource has been allocated across various departments in this firm					

SECTION D: STRATEGY MONITORING AND CONTROL

5. Given below are a number of statements on strategic strategy motivation and control. Kindly indicate the extent of your agreement with each of them using as 5-point Likert scale where 1-strongly disagree, 2-disagree, 3-undecided, 4-agree and 5-strongly agree.

Statements on strategy monitoring and control	**1**	**2**	**3**	**4**	**5**
All decisions made by the top management are informed by the information that had been gathered					
Variance analysis is done to inform the budgeting process of this firm					
Supervisors provide timely feedback for all the undertakings of this organization					
All deviations from the expectations ae timely responded to in this firm					

SECTION E: COMPETITIVE ADVANTAGE

7. Given below are a number of statements on competitive advantage Kindly indicate the extent of your agreement with each of them using as 5-point Likert scale where 1-strongly disagree, 2-disagree, 3-undecided, 4-agree and 5-strongly agree.

Statements on competitive advantage	**1**	**2**	**3**	**4**	**5**
This firm has retained its market share					
The firm has developed more new products					
The firm has realized an increase in profit generation potential					
The firm has gained a positional advantage over its competitors					

Appendix II: List of Authorized Payment Service Providers

1.Safaricom PLC

2. Airtel Money Kenya Limited

3. Telkom Kenya Limited

4. Viewtech Limited

5. Finserve Africa Limited

6. Web Tribe Limited

7. Tanda Agent Limited

8. Cellulant Kenya Limited

9. Pesapal Limited

10. Loop Payco Limited

11. Jumia Payment Services Kenya Limited

12. Umsuka Capital Limited

13. Kashia Services Limited

14. Fivespot Kenya Limited

15. Craft Silicon Limited

16. Virtual Pay International Limited

17. Direct Pay Limited

18. Pesawise Services Limited

19. Paystack Payments Kenya Limited

20. Wakandi Kenya Limited

21. DLocal Payments Kenya Limited

22. Pesaflow Limited

23. PayU Kenya Limited

24. Unlimint Kenya Limited

25. Gladys Technologies Limited

26. Dolcepay Kenya Limited

27. Mamlaka Hub and Spoke Limited

28. Eclectics International Limited

29. Sky World Limited

30. Data Integrated Limited

31. Interswitch East Africa (Kenya) Limited

32. Kenswitch Limited

33. Integrated Payment Services Limited

34. Kenya Airports Parking Services (KAPS) Limited

35. Kenya Commerce Exchange Service Bureau (KENEX)

Source: CBK (2024)

Appendix III: Raw Data

Gender	What is your highest level of education?	How long have you been a resident of Narok North?	The operations of this organization are centralized	We have formalized most of our operations	There is clear span of control in this organization	All our employees are flexible in their operations	Departmental managers are ready to share their vision of this organ	Assignificant amount budget is spent to train employees in this or	Departmental managers are free to communicate to me if at all an e	All Departmental managers possess the required leadership traits by this organizations	Each department is staffed with adequate number of employ	This firm has set aside adequate funds for their realization of it	Automation as at technological capability has been adopted to run	Adequate material resource have been allocated across various departments in this firm	All decisions made by the top management are informed by the informath	Variance analysis is done to inform the budgeting process of	Supervisors provide timely feedback for all the underta kings of t	All deviations from the expectations ae timely responded to in this firm	This firm has retained its market share	The customer base of this firm has remained stable	The firm has realized an increase in profitgeneration	The firm has gained positional advantage over its compeeti

								nization with us	**ganiza tion**	**edaris es**		**yees**	**sobjec tives**	**operations of this firm**			**adbeen gathered**	**this firm**	**hisorganization**				**ial**	**tors**
1	3	3		2	2	3	2	4	4	4	3	4	2	5	4	4	4	3	3	4	4	4	2
2	2	4		4	3	2	3	3	4	3	4	3	4	2	2	4	4	4	4	4	4	4	4
1	3	3		4	4	4	4	5	2	5	4	4	3	4	4	2	4	3	3	4	3	5	4
1	1	2		4	5	4	3	4	5	3	4	5	5	5	5	5	2	5	4	2	5	4	5
2	4	1		3	2	4	4	2	2	4	2	4	3	3	4	4	4	4	2	4	4	4	4
1	2	3		4	4	4	4	4	4	4	4	4	4	5	4	2	2	2	4	4	5	4	2
2	3	2		4	5	3	5	5	3	4	4	3	4	2	2	4	5	4	5	3	4	4	4
2	2	3		5	3	4	3	4	4	4	4	4	4	5	4	1	5	5	4	5	4	2	4
1	3	4		4	4	2	4	5	4	4	2	3	4	2	2	4	4	4	3	4	3	2	4
1	4	3		4	4	4	4	4	4	4	4	4	4	4	4	4	4	5	3	4	4	4	4
1	2	2		4	4	4	4	5	4	5	4	5	4	5	5	4	3	3	4	4	3	2	4
1	3	3		2	5	4	3	4	4	4	3	4	4	3	4	4	5	5	4	3	5	4	4
1	3	3		3	2	4	4	3	2	4	4	4	4	5	4	3	3	4	5	4	4	4	4
2	3	2		4	4	4	4	4	4	4	4	3	3	2	2	4	4	5	2	4	5	4	4
2	2	1		4	5	5	5	4	4	4	4	4	4	5	4	2	2	3	5	3	4	4	4
1	4	3		4	3	4	3	2	4	3	4	3	3	2	2	5	4	4	3	4	3	5	4
2	3	4		4	1	2	3	4	4	4	4	4	4	4	4	5	4	2	3	2	5	4	4
1	3	3		2	2	3	2	4	4	4	3	4	2	5	4	4	4	3	3	4	4	4	2
1	2	4		4	3	2	3	3	4	3	4	3	4	2	2	4	4	4	4	4	4	4	4
2	3	3		4	4	4	4	5	2	5	4	4	3	4	4	2	4	3	3	4	3	5	4
1	1	2		4	5	4	3	4	5	3	4	5	5	5	5	5	2	5	4	2	5	4	5
2	4	1		3	2	4	4	2	2	4	2	4	3	3	4	4	4	4	2	4	4	4	4
2	2	3		4	4	4	4	4	4	4	4	4	4	5	4	2	2	2	4	4	5	4	2
1	3	2		4	5	3	5	5	3	4	4	3	4	2	2	4	5	4	5	3	4	4	4
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2	3	3		2	5	4	3	4	4	4	3	4	4	3	4	4	5	5	4	3	5	4	4
2	3	3		3	2	4	4	3	2	4	4	4	4	5	4	3	3	4	5	4	4	4	4

1	3	2		4	4	4	4		4	4	4	4		3	3	2	2		4	4	5	2		4	5	4	4
2	2	1		4	5	5	5		4	4	4	4		4	4	5	4		2	2	3	5		3	4	4	4
2	4	3		4	3	4	3		2	4	3	4		3	3	2	2		5	4	4	3		4	3	5	4

Appendix IV: Letter of Introduction

***18th**, June 2024*

E-mail: researchwriting.mba.anu@gmail.com

Tel. 0202711213

*Our Ref:*13J06EMBA006
The Director.
National Commission for Science,
Technology and Innovation (NACOSTI),
P. O. Box 30623, 00100
Nairobi. Kenya

Dear Sir/Madam:

RE: RESEARCH AUTHORIZATION FOR: JEREMIAH MORONGE KAYAGO

Mr. Jeremiah is a postgraduate student at Africa Nazarene University in the Master of Business Administration (MBA) program. In order to complete his program, Mr. Jeremiahis conducting research entitled: "**The Effect of Business Strategy Implementation on Competitive Advantage of Thirty-Five Authorized Payment Service Providers in Kenya"**

Any assistance offered to him will be highly appreciated.

Yours Faithfully,

DR. Kimani Gichuhi,

MBA, Coordinator,

School of Business,

Africa Nazarene University

Appendix V: NACOSTI

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **898848**

Date of Issue: **10/May/2025**

RESEARCH LICENSE



This is to Certify that Mr.. JEREMIAH KAYAGO of Africa Nazarene University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: EFFECT OF BUSINESS STRATEGY IMPLEMENTATION ON COMPETITIVE ADVANTAGE OF THE AUTHORIZED PAYMENT SERVICE PROVIDERS IN KENYA for the period ending : 10/May/2026.

License No: **NACOSTI/P/25/4172895**

898848

Applicant Identification Number

Deputy Director
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

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See overleaf for conditions

THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013 (Rev. 2014)

Legal Notice No. 108: The Science, Technology and Innovation (Research Licensing) Regulations, 2014

The National Commission for Science, Technology and Innovation, hereafter referred to as the Commission, was the established under the Science, Technology and Innovation Act 2013 (Revised 2014) herein after referred to as the Act. The objective of the Commission shall be to regulate and assure quality in the science, technology and innovation sector and advise the Government in matters related thereto.

CONDITIONS OF THE RESEARCH LICENSE

1. The License is granted subject to provisions of the Constitution of Kenya, the Science, Technology and Innovation Act, and other relevant laws, policies and regulations. Accordingly, the licensee shall adhere to such procedures, standards, code of ethics and guidelines as may be prescribed by regulations made under the Act, or prescribed by provisions of International treaties of which Kenya is a signatory to.
2. The research and its related activities as well as outcomes shall be beneficial to the country and shall not in any way;
    i. Endanger national security
    ii. Adversely affect the lives of Kenyans
    iii. Be in contravention of Kenya's international obligations including Biological Weapons Convention (BWC), Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO), Chemical, Biological, Radiological and Nuclear (CBRN).
    iv. Result in exploitation of intellectual property rights of communities in Kenya
    v. Adversely affect the environment
    vi. Adversely affect the rights of communities
    vii. Endanger public safety and national cohesion
    viii. Plagiarize someone else's work
3. The License is valid for the proposed research, location and specified period.
4. Neither the license nor any rights thereunder are transferable.
5. The Commission reserves the right to cancel the research at any time during the research period if in the opinion of the Commission the research is not implemented in conformity with the provisions of the Act or any other written law.
6. The Licensee shall inform the relevant County Director of Education, County Commissioner and County Governor before commencement of the research.
7. Excavation, filming, movement, and collection of specimens are subject to further necessary clearance from relevant Government Agencies.
8. The License does not give authority to transfer research materials.
9. The Commission may monitor and evaluate the licensed research project for the purpose of assessing and evaluating compliance with the conditions of the License.
10. The Licensee shall submit one hard copy, and upload a soft copy of their final report (thesis) onto a platform designated by the Commission within one year of completion of the research.
11. The Commission reserves the right to modify the conditions of the License including cancellation without prior notice.
12. Research, findings and information regarding research systems shall be stored or disseminated, utilized or applied in such a manner as may be prescribed by the Commission from time to time.
13. The Licensee shall disclose to the Commission, the relevant Institutional Scientific and Ethical Review Committee, and the relevant national agencies any inventions and discoveries that are of National strategic importance.
14. The Commission shall have powers to acquire from any person the right in, or to, any scientific innovation, invention or patent of strategic importance to the country.
15. Relevant Institutional Scientific and Ethical Review Committee shall monitor and evaluate the research periodically, and make a report of its findings to the Commission for necessary action.

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Appendix VI: Map of Research Area

