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STRATEGIC MANAGEMENT PRACTICES AND ORGANIZATIONAL PERFORMANCE OF HOUSING CONSTRUCTION COMPANIES IN KENYA: A CASE OF - KASARANI SUB-COUNTY, NAIROBI

HABEL OKOKO

ST. PAUL'S UNIVERSITY

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OCTOBER, 2026

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DECLARATION

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Declaration by the Supervisors

I have supervised this dissertation and approve its submission for examination.

Signature Date.19/10/2026

Dr. John Muhoho

First Supervisor

Signature: Date.19/10/2026

Mr. Robert Abayo

Second Supervisor

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DEDICATION

I dedicate this dissertation to my family, friends, and colleagues, whose support and encouragement made it possible.

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OPERATIONAL DEFINITION OF TERMS

I. **Organizational Performance:**

The performance of a construction business is the ability of a corporation to meet its objectives by delivering quality projects on schedule, within budget, while sustaining efficiency, profitability and customer satisfaction.

II. **Government Policy**:

Government policy in construction involves the rules, regulations, and laws that oversee the planning, execution, and completion of construction projects to maintain safety, quality, accountability, and adherence to legal standards.

III. **Strategic Management Practices**:

Strategic management practices are the activities that organizations engage in to design, implement and review strategies that will allow them to accomplish long-term objectives and improve their overall performance.

IV. **Technology Advancement:**

Technology advancement refers to the utilization of modern technology, processes and materials to improve efficiency, reduce costs, improve quality and encourage sustainable construction.

V. **Financial Management:**

Financial management is the efficient planning, directing and controlling of financial resources to achieve the objectives of the organization.

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ABSTRACT

This study examined the effect of strategic management practices on the organizational performance of housing construction companies in Kasarani Sub-County, Nairobi County. The study investigated the effect of financial management practices, technology adoption, and government policy on organizational performance. There is limited empirical evidence on the combined effect of these strategic management practices or organizational performance of housing construction companies within the local context. The study was anchored on the Resource-Based View (RBV), Stakeholder Theory, and the Technology Acceptance Model (TAM). A descriptive research design was adopted, targeting managerial staff from housing construction companies operating within Kasarani Sub-County. Using Yamane's formula, a sample size of 166 respondents was selected. Primary data were collected using structured questionnaires, while data analysis was conducted using descriptive and inferential statistical techniques, including correlation and multiple regression analysis. Out of the 166 questionnaires distributed, 148 were successfully completed and returned, resulting in a response rate of 89.16%, which was considered adequate for analysis. The reliability test confirmed that all study variables achieved Cronbach's Alpha values above the recommended threshold of 0.70, indicating that the research instrument was reliable. Descriptive analysis showed that financial management was the most highly adopted strategic management practice among the firms ($M = 4.12$, $SD = 0.62$), followed by organizational performance ($M = 4.08$, $SD = 0.60$), technology adoption ($M = 4.05$, $SD = 0.58$), and government policy ($M = 3.89$, $SD = 0.66$). These findings suggest that most housing construction companies place considerable emphasis on sound financial management while progressively embracing technology and complying with government regulations. Correlation analysis revealed that all the independent variables had positive relationships with organizational performance. Financial management recorded the strongest relationship ($r = 0.68$), followed by technology adoption ($r = 0.60$), while government policy showed a moderate positive relationship ($r = 0.52$). Regression analysis further established that the overall model was statistically significant, with $R = 0.74$ and $R^2 = 0.55$, indicating that 55% of the variation in organizational performance could be explained by the combined effect of financial management, technology adoption, and government policy. The ANOVA results also confirmed that the regression model was significant ($F = 102.6$, $p < 0.001$). Among the predictor variables, financial management had the greatest influence on organizational performance ($\beta = 0.41$, $p < 0.001$), followed by technology adoption ($\beta = 0.33$, $p < 0.001$) and government policy ($\beta = 0.25$, $p = 0.001$). The study concludes that strategic management practices play a significant role in enhancing the performance of housing construction companies in Kasarani Sub-County. Effective financial management, increased adoption of technology, and compliance with government policies contribute positively to organizational performance by improving operational efficiency, decision-making, and competitiveness. The study recommends that construction firms strengthen financial planning and internal control systems, invest in modern construction technologies, and enhance compliance with regulatory requirements. Additionally, government agencies should simplify regulatory procedures to create a more conducive business environment for the construction industry. Future studies should examine other determinants of organizational performance, including leadership style, organizational culture, innovation capability, and supply chain management, across different geographical regions to broaden the understanding of strategic management practices in the construction sector.

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LIST OF ABBREVIATIONS AND ACRONYMS

BIM Building Information Modelling

CSR Corporate Social Responsibility

DFI Development Finance Institution

DF Dependent Variable

ERS Economic Recovery Strategy

EIA Environmental Impact Assessment

EMCA Environment Management and Coordination Act

FM Financial Management

GDP Gross Domestic Product

GP Government Policy

HFC Housing Finance Corporation

KGBS Kenya Green Building Society

KNBS Kenya National Bureau of Statistics

ICT Information and Communication Technology

MFI Microfinance institution

OECD Organization for Economic Co-operation and Development

OP Organizational Performance

PPE Personal Protective Equipment

SME Small and Medium Enterprises

SPSS Statistical Package for the Social Sciences

SSR Regression Sum of Squares

SST Total Sum of Squares

TA Technological Advancement

VIF Variance Inflation Factor

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CHAPTER ONE

INTRODUCTION OF THE STUDY

1.1 Background of the Study

Housing construction is a major part of the global economy, representing almost 13% of the total gross domestic product of the world which contributed to employment of over millions of people in different parts of the world (McKinsey Global Institute, 2023). The sustained growth of the industry is primarily underpinned by rapid population growth and increasing urbanization leading to the increased need for suitable housing, supporting infrastructure and related services to maintain the growing urban settlements. The construction industry contributes significantly to job creation, investment, productivity improvement and the ongoing growth of the regional economies, as well as the direct provision of residential housing. It also enables the creation of critical physical infrastructure that supports economic and social activity. Hence, residential homes continue to be a major engine of economic growth in industrialized and developing countries, especially as governments and private entities respond to rising housing needs and growing urban populations.

Construction is considered as one of the fundamental pillars of economic development as it contributes to infrastructure, employment generation, investment and overall economic growth. However, the operation of many construction firms is limited by poor management practices that constrain operational efficiency and reduce their ability to meet project and organizational objectives. Such examples include poor financial management, increased prices of workers and materials, opposition to new technology such as Building Information Modelling (BIM) and frequent changes in regulatory standards, (KPMG, 2022). Poor management of changes to the scope of projects, poor resource allocation and cost overruns and delays on projects can also hinder organizational performance and lead to higher operational costs and less successful projects. Moreover, new government regulations add to the compliance and administrative restraints that construction companies continually have to face so that they may continue to operate and compete. There is a need to solve these difficulties in the face of increasing local and worldwide construction market competitiveness to increase organizational efficiency, enhance competitiveness and promote long-term sustainability and survival of construction enterprises.

Kasarani Sub-County plays a key role in the construction industry particularly the construction of residential houses and related infrastructure. These efforts generate jobs, bring in investment,

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spur local economic activity and enhance property prices in the area. However, the achievement of these benefits depends largely on the performance of construction firms operating within the Sub-County. Organizational performance in the construction industry refers to the ability of a corporation to deliver planned schedule, approved budget and specified scope with acceptable standards. It is also about satisfying customer expectations, maintaining quality standards, making good use of the existing resources and improving the long-term sustainability and competitiveness of the organization, (Adabre et al., 2021).

Fast urbanization, a steady growth in population and the growing need for residential accommodation and associated infrastructure have continued to benefit global building and construction companies. Bailey (2020), points out that in 2020 over 56.2% of the world's population resided in urban areas, a proportion that is expected to increase to some 70% by 2050, continuing to put pressure on housing supply, infrastructure and vital urban services. The United Nations predicts that the world population will expand to around 10.3 billion people by the mid-2080s and that this will likely raise demand for appropriate and residential housing and related infrastructure. While investment in construction has grown, the gap between housing demand and supply continues to widen, with more than 1.6 billion people still living in inadequate housing. The residential housing market was valued at approximately $54.26 billion in 2023 and is predicted to reach $71.13 billion by 2028 (Deloitte, 2023). These trends show that the construction companies need to strengthen their management systems and efficiency of operation and to implement more responsive approaches to meet the growing demand. Furthermore, firms have to adjust regularly to changing market conditions, technology, customer expectations and regulatory requirements to be competitive, productive and sustainable in the evolving global construction sector.

Financial management is one of the important essential for successful and sustainable operations of any organization. This is much more relevant for the construction industry, as construction companies are required to cover the simultaneous requirements of technological developments and regulatory compliance. Construction organizations in North America and Europe have adopted strategic management practices such as sound financial planning, lean construction, technology innovation and sustainable building practices to improve project and organizational performance (KPMG, 2022; McKinsey Global Institute, 2023). These tools allow organizations to effectively allocate and manage resources, enhance the accuracy of project forecasts, reduce operational and financial risks, control costs and deliver better overall project results. The importance of efficient strategic management has increased, yet many

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African countries' construction sector still face serious challenges such as inaccessibility of housing finance, shortage of skilled staff, poor uptake of technology, and poor institutional frameworks (Fredan, Cosina & Mardon, 2024). In the East African region, Kenya has tried to address the persistent housing shortfall by improving investment in residential housing programs while encouraging public-private partnerships to increase housing supply and enhance the building sector (World Bank, 2023). Although the adoption of advanced construction technologies is still low, Kenyan construction companies are increasingly implementing digital project management systems, quality assurance procedures and innovative construction methods to improve efficiency, quality and overall organizational performance (African Development Bank, 2023).

The demand for houses in Kenya's urban areas continues to be high, and the construction sector of housing is one of the major contributors to the socio-economic progress of the country. Since independence, the Government of Kenya has taken several initiatives to boost the supply of residential and acceptable housing, commencing with Sessional Paper No. 5 of 1966/67 and subsequent housing policies and programs. The efforts undertaken have been insufficient to meet the mounting demand for official housing, particularly in large urban areas, where informal settlements have emerged as a dominant feature of the urban landscape. Official housing accounts for only a minor percentage of the overall housing stock of Nairobi, where much of the residential construction is self-built and poorly supervised, (NCA, 2020). The proliferation of such housing complexes raises the demand for existing construction companies to continue providing safe, compliant, durable and sustainable housing in the urban environment.

Kasarani Sub-County captures many of the wider issues that are faced within the housing building sector of Kenya especially those related to the rapid population increase, growing infrastructure and the rising housing needs of middle-income people. These pressures have led to the proliferation of informal settlements, self-built homes and new housing projects by local and foreign construction companies. The area has experienced increasing construction activities but many of the firms still face operational and managerial challenges due to poor planning, weak financial controls, limited technological capabilities and a lack of clear strategic direction which may ultimately affect their organizational performance and long-term sustainability.

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It is envisaged that the housing construction enterprises will adopt strategic management approaches to increase the efficiency, effectiveness and overall performance of their projects. These practices include adherence to environmental and zoning restrictions, effective budgeting and cost control, solid financial planning, the use of project management systems and digital technology, and adherence to established construction standards and regulatory requirements. If followed appropriately, these techniques can help enterprises avoid project delays, cost overruns, improve construction quality, increase competitiveness and ensure timely completion of housing projects.

The performance of the enterprises in the housing building industry depends on a number of factors such as a favourable market environment, availability and effective use of resources and the strategic management choices made by individual firms. It is against this background that the study intended to establish the effect of strategic management techniques on the organizational performance of house building enterprises in Kasarani Sub-County with specific attention on financial management, technology adoption and government laws and regulations. The study was meant to give helpful information that can form the basis for improvements in organizational and project performance and contribute to the sustainable growth of the house construction industry in Kenya.

Improving the performance of the construction industry has important implications not only for individual firms but also for the wider economy. Effective strategic management can help to increase the supply of housing, create jobs, improve living standards and make progress toward national housing objectives. Housing remains a major component of Kenya's national development plan, therefore, construction firms must embrace proper and effective strategic management methods. Therefore, the study intended to establish the relationship between financial management, technology adoption, government laws and regulations and the organizational performance of house construction enterprises in Kasarani Sub-County.

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1.2 Financial Management Strategies

Financial management strategies such as budgeting, cost control, cash flow management, and capital investment planning are of great importance for the effective completion of construction projects and long-term survival of construction firms (Zorlu, 2018). According to resource-based view theory, if there are resources and capabilities in an organization such as financial competence, good planning processes, when managed properly, these resources can serve as a competitive advantage to a firm. Effective financial management helps construction

organizations to make informed investment decisions, manage project costs, control financial risks and react to market changes. However, most small and medium construction companies in Kasarani Sub-County lack effective financial management processes, limiting their ability to meet financial commitments and successfully execute projects. The study consequently sought to establish the effect of financial management strategies as organizational resources and skills on the performance of house building enterprises in Kasarani Sub-County.

1.3 Adoption of Technological Advancements

A global revolution is underway in the construction industry because of new technologies like building information modelling (BIM), prefabrication and 3D concrete printing. These technologies resulted in higher accuracy, decreased building cost and project completion time (Rekhi and Stern, 2022). However, the uptake is not so great in semi-urban areas such as Kasarani Sub-County. The small and medium construction businesses typically do not employ these technologies because of lack of technical knowhow. Also, the adoption of enterprises' owners is delayed because of expensive initial expenditures and not knowing what advantages they might provide for the creation of initiatives. The Technology Acceptance Model (TAM) is a formal decision-making process for the acceptance of new technologies. The more easily the technology can be embedded in the existing process, and the more beneficial the technology is seen, the more likely the firm is to adopt the technology. The construction sector is no exception. The companies are increasingly interested in the use of technologies that allow them to decrease the costs, raise the quality of their constructions and speed up the completion of projects without disturbing the routine work operations. The construction industry is getting more technological yet there has been relatively little research into the impact of technology on the performance of local housing block firms. However, the prior research also did not include information about the impact of technology on cost control, quality management and timely completion of projects. Also, the real problems created by the use of present technology on building sites, the real challenges stemming from the usage of present technology on building sites have not yet been investigated in depth. The study thus sought to establish the effect of technology adoption on performance of house building firms in Kasarani Sub-County.

1.4 Compliance with Government Policies and Regulations

Development programs are the basis of all government rules and regulations on land use, construction standards, taxation and environmental protection (NCA, 2022). Companies that implement this advice enjoy less legal challenges, less delays in their initiatives and less unplanned costs. The construction companies have to follow the industry regulations and

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execute the projects in an effective manner. Stakeholder theory emphasizes the significance of the rule of law. This idea argues that firms should consider the interests of government agencies, customers, local communities and other important stakeholders in their decision-making processes. Good government guidelines can be a beneficial tool for construction companies to build public trust, protect their brand and reduce project risks.

However, little is known about the effect of complex rules on project costs, timeframes of completion and the general performance of the construction industry. There is little research on how firms in the housing industry adjust to evolving regulatory demands. There has been minimal research on the combined effect of financial management, technology adoption and regulatory compliance on enterprises in Kasarani Sub- County. The objective of the study was to examine the effect of compliance with government laws and regulations on the performance of housing construction companies in the area.

1.5 Performance

Performance in housing construction involves several related factors, including efficiency, safety, cost management, sustainability, quality, and stakeholder satisfaction. Studies by Rui et al. (2021) and Maruti et al. (2024) show that digital technologies, particularly Building Information Modelling (BIM), can improve project performance by strengthening design coordination, reducing errors, and supporting better teamwork. These benefits are especially important in rapidly growing urban areas such as Nairobi, where rising housing demand calls for faster, more efficient, and environmentally responsible construction methods. Zhuo and Hu (2020) further explain that effective performance assessment should include strong safety and quality management systems, especially in complex construction projects. Lagat et al. (2024) also note that building performance depends greatly on the quality of materials used and the effectiveness of maintenance over time. This highlights the importance of complying with construction standards and properly managing buildings throughout their useful life.

1.6 Overview of the Construction Industry in Kenya

The construction sector is a major contributor to Kenya's economy through employment creation, infrastructure building and national growth. The sector provided 7.2% of Kenya's gross domestic product (GDP) in 2022, with investment from the public and private sector (Kenya National Bureau of Statistics [KNBS], 2023). Government programs such as the residential Housing Program under the Big Four Agenda, rising demand for houses, increased urbanization and the emergence of the middle class have stimulated growth in housing building

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(Government of Kenya, 2023). Despite the development, the firm still confronts several challenges such as project delays, cost overruns, inefficiencies, and uneven quality of construction (Muigua, 2019). These problems are aggravated by disjointed legislation, poor access to funds and a shortage of educated professionals. Therefore, there is a need to study the effect of strategic management practices on the performance of house construction firms, particularly in fast increasing locations such as Kasarani Sub-County.

1.7 Statement of the Problem

There is diverse performance in the Kenyan housing building sector with some companies growing and developing continuously while others continue facing persistent issues such as project delays, financial restrictions and operational inefficiencies. This situation is most visible in Kasarani Sub-County, Nairobi, where fast urban growth and increased demand for homes have attracted both legal small and medium-sized building enterprises and informal developers. The increasing number of market participants has created a highly competitive and complex business environment in which construction firms need to enhance their strategic, financial, technological, and operational capabilities to remain competitive and achieve sustainable organizational performance.

Kasarani's formal home construction firms are battling with project funding, land acquisition and coping with the growing cost of workers and construction material. Uneven application of rules also implies that the playing field is not level and certain informal developers are not being held to the requirements of construction standards and planning criteria. Conversely, companies that conform may not have control of their finances, get things done within deadlines or realize long -term goals. Such problems can threaten the long-term future of the housing block industry through diminished competition and profitability.

One study has established a relationship between the strategies of strategic management and the performance of the Kenyan construction industry. Marube and Ombui (2021) and the (National Construction Authority, NCA, (2021), they reported that information technology, strategic alliances, customer experience management and team leadership have a positive influence on project success in the commercial building development projects recorded in Nairobi City County. But the investigation was limited to commercial building projects. They differ from housing projects in terms of sources of finance, market conditions and regulatory constraints. It also focused on strategic management in general and did not place much emphasis on specific approaches such as financial management, use of technology and

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compliance with regulatory norms. Also, Marube and Ombui (2021), in their analysis of registered projects in Nairobi City County did not include the emergence of small-scale house construction firms at the sub-county level. The Kasarani Sub-County has a variety of informal and semi-formal housing estates. These procedures are usually performed within particular budgetary, administrative and legal structures. Thus, the operators of huge commercial projects in central Nairobi may not be aware of the impact of small residential building operations in Kasarani.

Muriithi and Wanyoike (2020) studied the influence of financial management methods on the performance of construction companies in Nairobi County. Good planning, cash flow management and cost control were associated with improved organizational success. However, the research focused only on financial management and did not take into account other aspects that determine success such as the use of technology and adherence to regulatory rules. Also, there were few studies performed on how variations in government rules and regulations affect the link between financial management practices and corporate success. For example, a firm may have solid financial controls, but approval processes and regulatory requirements can change and lead to delays and additional costs.

Not only house construction companies, but many types of construction companies in Nairobi County were the subject of the survey. Residential construction companies have various challenges compared to commercial, industrial and infrastructure projects, including home financing agreements, residential building requirements and diverse project deadlines. The descriptive analysis also provided limited information on the link between financial management and technological adoption and government policies on performance.

Such limitations leave a large void in the extant literature as there is limited empirical study on the effect of different strategic management techniques on the performance of house construction enterprises at the organizational level especially in rapidly growing areas such as Kasarani Sub-County. The current study is consequently intended to establish the effect of financial management practices, adoption of technological innovations and compliance to government laws and regulations on performance of house construction firms in Kasarani Sub-County.

The study offers practical and region-specific insights into firms in this local context. It analyses how the interplay of internal management policies and external regulatory issues impacts the operation of a corporation. The data helps firms building houses to plan better,

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manage resources and implement projects. It also provides critical information to policy makers and industry stakeholders to drive growth and sustainability of the house building sector in Kenya.

1.8 Objectives of the Study

1.8.1General Objectives

This study sought to investigate how strategic management practices influence the performance of residential construction firms operating in Kasarani Sub-County, Nairobi, Kenya.

1.8.2 Specific Objectives

1. Examine the effect of financial management strategies on the performance of housing construction companies in Kasarani Sub-County.

2. Assess the effect of technological advancements on the performance of housing construction companies in Kasarani Sub-County.

3. To assess the effect of government policies and regulations on the performance of housing construction companies in Kasarani.

1.9 Research Questions

1. How do financial management strategies affect the performance of housing construction companies in Kasarani Sub-County?

2. What effect do technological advancements have on the performance of housing construction companies in Kasarani Sub-County?

3. How do government policies and regulations affect the performance of housing construction companies in Kasarani Sub-County?

1.10 Significance of the Study

This study contributes to the literature by illuminating the particular constraints and prospects confronting residential construction enterprises in Kenya, with empirical attention directed toward Kasarani Sub-County. The results are anticipated to inform policy and practice, equipping stakeholders with evidence-based insights to enhance firm-level performance and expand capacity for meeting rising housing demand across Nairobi and comparable growing urban areas. Through empirical identification of the strategic management practices most consequential for organizational outcomes, the research generates recommendations intended to advance operational efficiency, curtail project postponement, and enlarge the supply of

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affordable dwellings. These implications are directed particularly toward the Department of Lands, Urban Planning, Housing and Building Services within the Nairobi City County Government.

The findings equip policymakers in the housing and construction sector with empirical grounding to address prevailing operational deficiencies. As the construction industry plays a critical role in economic development, improving the performance of housing construction companies is not only to enhance the availability of affordable housing but also to stimulate job creation and economic growth in the long term.

The study also matters for policy. The evidence it produces can help policymakers design rules that make life easier for housing construction companies. For example, the findings could point to specific ways to encourage firms to adopt new technology, cut through bureaucratic red tape in the permitting process, and open up financing options that smaller firms can actually afford rather than watching them rely on informal lenders charging interest rates they cannot sustain. If policymakers act on these issues, housing construction firms would operate in a less hostile environment. Growth becomes more feasible. Performance improves because firms spend less time navigating obstacles and more time building.

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The study also contributes to academic knowledge. Much of the existing research on strategic management in the construction sector has been either industry-wide or has concentrated on large commercial projects registered with the national authorities. This study focused especially on residential construction enterprises operating at the sub-county level and investigates the interaction of financial management, technology adoption and government policy in shaping compared level outcomes. That's a terrific gap-filler. This paper provides a foundation for future researchers to explore additional variables, compare findings across different urban regions, and generate evidence-based strategies for improving the performance and competitiveness of housing construction companies in developing countries.

The value is clear to scholars. This study provides new data on an under-researched part of the construction sector dominated by informal and semi-formal enterprises. It investigates precise correlations between management practices and business performance. Instead of seeing strategy as a broad category or a black box. Future researchers can replicate the study in other sub-counties of Nairobi to test whether the same patterns emerge in rural contexts, or to include other variables such as business age or owner education. The theoretical framework and empirical evidence presented in this paper provide a basis for further academic research in numerous fields**.**

1.11 Scope of the Study

This study looked at housing construction companies in Kasarani Sub-County, Nairobi County. Kasarani is one of the urban areas in Kenya where development has picked up speed in recent years. The study investigated the influence of three strategic management strategies on the performance of construction companies. These include financial management approaches, technological innovation and government legislation and regulations. The focus was on what these practices signify for project delivery, cost effectiveness and if firms can remain competitive. The research was confined to residential building firms. Companies that work on commercial buildings, industrial plants, roads, bridges and other infrastructure projects were not included. Data collection, analysis and interpretation were completed for study objectives in April-May 2026.

There has been a great increase in population and urban expansion in Kasarani Sub-County which has led to a high demand for residential houses. The expansion meant that more of the construction work is being done by the private sector. But companies working in the area still face a number of problems, including limited access to project financing, delays in

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construction, poor penetration of contemporary building technology, and arduous processes to meet national and county regulatory requirements.

The study sought to find the extent to which house building enterprises were able to adopt effective strategic management approaches to overcome these constraints and enhance performance. It also evaluated the role of the Nairobi City County Department of Lands, Urban Planning, Housing and Building Services which is responsible for approving development projects, enforcing building standards and executing housing regulations. Additionally, the study aimed to determine the main elements affecting the success of residential building enterprises, by examining internal management practices and external regulatory requirements.

1.12 Limitation of the study

This was especially true of small privately owned construction enterprises whose owners were afraid that disclosure of certain financial data may jeopardize competitive position or bargaining power with suppliers and creditors. To ease these worries, the researcher provided assurances to the participants that all financial data would be treated with the strictest confidentiality and would be utilized solely for the present academic study, and that no individual firm information would be available to anybody outside the immediate research team.

Some of the answers were influenced by a self-serving bias, with revenues boosted or project delays played down. For example, an owner who had just lost a contract may have been more sensitive to regulatory pressure than an owner whose projects were rolling forward without a hitch. To meet this challenge, the researcher assured respondents of anonymity and confidentiality, thereby encouraging them to provide accurate and honest information without fear of identification or negative consequences. The questionnaire was structured using clear, neutral, and standardised questions to reduce the possibility of leading respondents toward a particular answer.

Government policies and building restrictions are subject to change. For example, a new county permitting charge implemented in May 2026 would have changed the cost structure for enterprises that completed questionnaires in April, and national building code changes during the data gathering period might have changed compliance requirements. The researcher therefore tracked all policy and regulatory changes throughout the two-month data collection window, and incorporated them into the interpretation of results, avoiding the mistake of

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treating temporary regulatory adjustments as permanent characteristics of the operating environment.

The extent of technology adoption by enterprises varies greatly with firm size. Larger organizations often use project management software, computerized cost prediction tools, and digital inventory monitoring. Smaller firms commonly use paper records, manual scheduling, and informal communication with subcontractors. This variation implied that all enterprises could not be treated as a homogeneous group. Hence, the enterprises were categorized according to size and extent of use of technology, and separate analysis was made for each category where suitable. This strategy enabled researchers to explore whether the benefits of technology were limited to companies with deep pockets, or whether even a little take-up may boost the performance and competitiveness of smaller organizations.

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CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The present chapter synthesizes scholarly literature concerning the strategic management practices that shape outcomes in residential construction enterprises, with empirical attention directed toward the Kenyan context and, more specifically, Kasarani Sub-County. The review is structured around several interconnected themes: organizational performance in construction firms, financial management processes, technological advancement, regulatory compliance and policy frameworks, project planning and execution, capital accessibility, and market competition dynamics. The purpose is to present the existing knowledge, pinpoint research gaps, and establish a basis for conducting the study.

2.2 Theoretical Review

The present study is grounded in three conceptual frameworks: the Resource-Based View (RBV) Theory, Stakeholder Theory, and the Technology Acceptance Model (TAM). Each of these is elaborated upon in the discussion that follows.

2.2.1 Resource-Based View (RBV) Theory

The Resource-Based View was introduced by Jay Barney in 1991. His point was simple: what a firm owns and knows matters more than the industry it is in. Resources that are valuable, scarce, difficult to imitate, and difficult to substitute constitute a sustainable advantage for companies. For instance, a construction company that has maintained connections with trusted concrete suppliers over fifteen years spends less on delays and quality complaints than a competitor who switches suppliers for every project. A firm with a competent quantity surveyor who can estimate costs within five; percent of the final amount, avoids the budget overruns that kill margins. They're not the kind of assets you see neatly listed on a balance sheet, but they determine who survives and who folds.

Resource-Based Viewpoints to a few internal capabilities for housing construction firms in Kasarani that differentiate performing organizations from struggling ones. Professional site supervisors who keep subcontractors on time. Monetary reserves that allow a company to purchase supplies in bulk when prices fall. Built ties with county planning officers who knows the firm's documents and process permits faster. Project management systems that record expenditures weekly, rather than monthly. A company that has grown these capabilities over time is able to complete projects faster, handle costs more effectively, keep clients delighted, and generate repeat business. In a market as competitive as Kasarani, with new enterprises opening their doors every year and informal developers competing on price, internal competencies are sometimes the only sustainable defense.

The reason this theory is beneficial for our study is that financial management strategies are themselves a resource within the RBV framework. A company that accurately budgets, tracks cash flow weekly, manages costs on a task-by-task basis, and organizes its finances across numerous projects is deploying a skill that many of its competitors do not have. This capacity allows the firm to purchase better equipment, to acquire innovations that competitors cannot afford, to absorb cost shocks without interruption, and to finish projects on time and within budget. Thus, RBV presents a strong theoretical foundation for the expectation that financial management measures have an impact on performance in housing construction companies.

The theory looks within and doesn't give much thought to what happens outside the firm. Kasarani could have construction firms that may have managers with similar skills, equipment and accounting processes. If one encounters a county planning department that processes permits in six weeks and the other faces the same department after a new director has imposed

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a twelve-week review period, their performance will diverge for reasons that have nothing to do with internal resources. RBV also treats resources as reasonably stable. It does not explain effectively how a firm that currently lacks good financial management systems can develop them. Nor does it explain how a firm adapts when a technology that was formerly rare becomes standard throughout the industry. Finally, the theory does not offer any practical means of determining which resources are most important. A company can be well managed yet not have good ties with suppliers, or it can have good technology but not have skilled labour. RBV does not tell us which gap to address first. Nevertheless, the hypothesis is a valuable beginning point for understanding why certain housing construction companies outperform others.

2.2.2 Stakeholder Theory.

In 1984 R. Edward Freeman published his stakeholder method. His main point: Companies succeed because they have relationships with all those who influence or are influenced by what the company does. Not just shareholders. The actions made by the firm affect its employees, customers, suppliers, banks, government agencies, regulators and the community in which it operates. "Ignore them," Freeman said. It causes conflicts that eventually weaken the firm's functioning. Get people involved and the firm develops the trust and collaboration it needs to operate over the long run.

In the housing construction sector in Kasarani, it means a company is only as good as its interactions with the people and institutions surrounding it. A developer that views the Nairobi City County building inspector as a hurdle to be avoided will face delays, penalties and ultimately stop-work orders. Those who stay in regular communication, have all their paperwork in order and answer questions swiftly progress faster through the approval process. A company that pays suppliers late finds material delivery slows down or stops, leaving workers idle on site. The one who negotiates fair payment terms and sticks to them establishes a supplier network that can deliver at short notice when a project is behind schedule. Groups in the Kasarani community have resisted projects they feel will overburden local infrastructure or displace existing residents. Early resident consultation and design adaptation, when possible, allow firms to avoid the protests and legal wrangling that add months to projects' schedules.

Stakeholder Theory provides a useful lens for this study because government policies and regulations constitute stakeholder relationships in their own right. The Department of Lands, Urban Planning, Housing and Building Services is not an abstract institutional force, but a group of officials who interpret rules, process applications and enforce standards. How the

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building company handles this link is a huge factor in whether its permissions go through easily, or are rejected again and again. Companies that understand legal requirements, maintain good records and communicate well with the county are more likely to reduce the risk of non-compliance in their operations." Therefore, Stakeholder Theory is a relevant conceptual framework to measure the impact of government policy on corporate performance. The theory is applicable but has certain disadvantages. First, it provides scant direction to firms on how to reconcile competing stakeholder interests. For example, a county government could require a developer to have structures at a set distance from the road, limiting the amount of housing units that can be developed on a particular land. At the same time, financiers may encourage the firm to maximize the number of units according to the assumptions employed when funding the project, and local inhabitants may prefer greater green areas. However, while Freeman's paradigm acknowledges the need to consider the interests of all legitimate stakeholders, it does not provide a clear mechanism to prioritize or balance these competing demands.

Second, the theory does not provide a good explanation of the relationship between excellent stakeholder management and quantitative organizational performance. An example is a construction company that might have good relations with local communities and regulatory organizations, but might be experiencing bad financial conditions due to external factors such as the increase in building materials prices or market fluctuations. Third, the Stakeholder Theory does not include the internal dynamics of the organizations including managerial capacity, resource allocation, organizational structure and decision-making procedures that may have a significant effect on performance.

Even a company that has close links with the community and outstanding regulatory links might underperform or even fail if its internal financial management is insufficient. Nevertheless, the idea is still useful in understanding how external contacts influence what happens to construction firms in a controlled environment.

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2.2.3 Technology Acceptance Model

Technology Acceptance Model (TAM) was proposed by Fred D. Davis in 1986 and enhanced in 1989. He wanted to understand why some people within organizations adopt new technologies and others reject them. He distilled it down to two beliefs: First, does the person believe the technology will help them execute their job better? Davis referred to this as perceived utility. Second, does the person find the technology easy enough to understand and use without much effort? This, he called the perceived ease of usage. If both beliefs are strong, adoption occurs. The weak will tend to excuse themselves from making the change.

In Kasarani's housing construction firms, this model explains why some technologies spread quickly while others sit unused. A site manager who sees that project management software lets him track subcontractor progress in real time, spot delays before they cascade, and produce accurate progress reports for clients without spending evenings on paperwork will adopt the tool if he also finds the interface intuitive. A quantity surveyor who believes that automated estimating software produces more accurate bills of quantities but cannot figure out how to input data correctly will abandon it after a few frustrated attempts and return to manual spreadsheets. The technology itself does not determine adoption. The user's beliefs about its usefulness and usability do.

The model matters for this study because technological advancement is one of the independent variables being tested. TAM explains why the mere presence of technology in a firm does not guarantee performance improvement. A housing construction company might purchase Building Information Modeling software, automated procurement platforms, or drone surveying equipment. If the employees who are supposed to use these tools do not see the benefit, or if the training is inadequate and the tools feel impossibly complex, the investment yields no returns. Firms that integrate technology acquisition with practical training, sustained technical support, and organizational incentives conducive to adoption are more likely to realize the operational efficiencies, cost reductions, enhanced decision-making capabilities, and timely project completion that advanced technologies are expected to deliver. TAM therefore gives the study a theoretical basis for examining how technology adoption relates to housing construction performance.

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The model is also limited. It centers on individual beliefs and largely ignores organizational and external realities. A junior engineer might find project management software both useful and easy to use, but if the firm cannot afford the license renewal or if the county's internet infrastructure is too unreliable for cloud-based tools, adoption will stall regardless of individual attitudes. TAM also assumes that adoption is an individual choice. In many small construction firms in Kasarani, the owner decides what technology to buy and employees must use it whether they perceive it as useful or not. The model does not explain what happens in that power dynamic. It also says little about the long-term competitive effects of technology adoption or about the resistance to change that accompanies attempts to integrate new systems into firms that have operated the same way for years. Even so, TAM remains the most widely used framework for understanding why construction firms adopt or reject technologies that could improve their performance.

2.3 Performance of Housing Construction Companies

Performance in construction is measured by what actually happens on the ground. Did the project finish on time? Did it cost what was budgeted? Was the quality acceptable or did defects require expensive rework? Did the client feel they got what they paid for? These are the questions that matter to contractors, clients, and regulators.

In Kenya's housing construction sector, performance often remains below expectations. Ngugi and Muturi (2018) traced underperformance to poor project management, which produces delays and cost overruns. Adan (2020) pointed to the slow adoption of modern construction techniques and limited use of advanced technologies as sources of inefficiency. These are not abstract management failures; they show up as foundations poured out of sequence, materials ordered too late, cash shortages that halt work for weeks, and buildings that require extensive repairs within months of completion.

The operations of the house construction industry are vital to the overall economic goals of Kenya. Residential housing is a catalyst for social and economic growth in the building sector, a pillar of Kenya's Vision 2030 and the Big Four Agenda. A number of inter-related aspects can be used to assess the success of individual construction firms, such as financial stability, operational efficiency, market competitiveness, client satisfaction and regulatory compliance. In practice, these traits tend to be complementary. Companies can manage costs so that they have cash flow to bid competitively. They can generate customer confidence by delivering excellent projects on schedule, which results in referrals and reduces marketing costs. Adhering

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to building laws also protects enterprises from fines, work stoppages and demolition orders that can hurt revenue. The scope of performance in the building business is so broad and tough. Contractors are generally rated on such factors as controlling costs, schedule adherence, quality of work, safety compliance, productivity and customer satisfaction. Research and practice have largely been directed at cost and schedule performance, but other critical variables, e.g., worker productivity, workplace safety and stakeholder satisfaction, are generally not well monitored, and/or assessed.

Recently, research in Kenya has demonstrated that the performance of construction firms is controlled by internal and external factors. Typically, cost overruns, project delays and rework are internally blamed on weak procurement processes, poor site monitoring, terrible cash flow management, poor project planning and poor supply chain coordination. However, it is expected that enterprises who have formalized procurement methods, enhanced financial controls, and the use of electronic tools for project operations will deliver superior outcomes (Mpora et al., 2025).

The external economic conditions have also substantial effect on the firm performance. Higher interest rates, inflation, limited access to private finance and changes in the pricing of building supplies are pushing up operational expenses and squeezing profit margins. The economic issues could impact the demand for housing and the availability of inexpensive credit for developers and builders (Mtana et al., 2023). Other functions of county government, such as planning and building clearances can have a major impact on the cost and timeline of development projects.

The Nairobi City County Integrated Development Plan 2023-2027 once again demonstrates investment in housing and infrastructure development. But it also considers the administrative burden for entrepreneurs in the building sector. In places like Kasarani, the approval of development plans may be delayed or left ambiguous, leading to higher project costs and longer project completion dates.

The variation in the monitoring of the performance of the building sector in Kenya is still considerable. Recent research, however, has highlighted the need for standardizing of key performance parameters for building projects. These include cost volatility, schedule variation, rework rates, lost time injury frequency, labour productivity, liquidity ratios, and customer satisfaction levels. Monthly performance reports against contract milestones allow businesses to monitor their work on a regular basis, and help them to identify problems early, manage

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overruns and improve the quality of project delivery. The practical ways to improve business performance are therefore the use of these metrics, investment in project control systems and good supplier agreements (Ackon et al., 2025).

Organizational and institutional advancements influence the performance of home building enterprises in Kasarani. They need to improve procurement and cash flow management, site supervision and performance monitoring in the organization. They also have some external challenges including changeable material cost, delays in permit clearances and limited access to funds. Supportive actions by county and national governments such as fast-tracking approval processes, contractor capacity building programs and financial mechanisms targeted at the construction sector can further boost the potential of enterprises to improve their performance.

2.3.1 Key Indicators of Performance

There is a need for a broader strategy to evaluate housing building enterprises, one that goes beyond financial results alone. Profitability is vital but performance of the firm is also demonstrated in the efficient utilization of resources, ability to serve clients, compliance with regulatory standards, and the ability to maintain or increase market presence within Kenya's dynamic housing sector.

Financial stability is one of the most obvious markers of a successful firm. Profitability, liquidity and solvency are measures that reveal whether a corporation can create appropriate profits, meet its financial obligations and stay viable over time. By and large, companies with good financial controls are better equipped to manage project spending, ensure a consistent flow of cash and secure profit margins. Construction projects are very capital intensive, and revenues are usually paid in stages, therefore; access to finance and good cash flow management are crucial for the continuity of operation.

And then there is also operational efficiency. The management of personnel, materials, equipment and project schedules by a firm directly influences cost and time to completion. Companies that practice lean construction and use proper project management tools are frequently more able to reduce waste, avoid delays and control costs. Increased efficiency also builds client confidence and strengthens the firm's professional reputation.

Quality of the work: Housing developments must meet technical specifications, statutory requirements for building and customer expectations. Well-designed quality assurance and control methods lower the chances of faults, repairs, maintenance claims and legal issues. They

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also make the buildings safer, more durable and more reliable, and so increase the confidence of the client and the credibility of the organization.

Customer happiness is very important because it affects the long-term survival of the business. What makes a good client experience? Important factors are: the project is completed on time; the plans are followed; communication is effective; and workmanship is adequate. Happy clients are more inclined to work with the firm on future projects and refer its services to others, which helps the business grow and gain market reputation.

Other helpful indices of corporate performance are market position and competitiveness. The ability of a corporation to win tenders and execute them successfully in a competitive environment is a measure of its strategic capability and operational strength. In general, companies that employ appropriate technology, foster innovation and control the costs of projects are better able to respond to changes in the market and capture a larger proportion of the available opportunities.

Performance is also intrinsically linked to regulatory compliance. Compliance with government rules, building codes, and professional standards enables enterprises to avoid fines, project suspension, legal challenges, and reputational harm. In Kenya, adherence to regulatory organization's such as National Construction Authority, is important for legal functioning, professionalism credibility and public trust.

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2.3.2 Performance of Housing Construction Companies in Kenya

The performance of house building firms in Kenya relies on a variety of interrelated variables which are in line with the primary themes of this study: financial management; use of technology; policy and regulation; market dynamics; labour capabilities; and environmental practices.

Good financial management is essential to the success of a firm. Disciplined budgeting, cost control, financial planning, availability to affordable financing and good revenue handling methods all have a direct impact on project performance. Poor financial monitoring can cause cash flow problems, delayed projects, broken contracts and sometimes, corporate failure. So financial management is not just a back-office function but a strategic function that is critical for stability, growth and competitive advantage.

Technology plays an important role in improving the efficiency and productivity of the construction sector. Tools like Building Information Modelling (BIM), automated machinery

and prefab techniques have been shown to increase accuracy, decrease material waste, improve coordination and cut building deadlines. Research shows that companies that adopt these technologies are more likely to win over companies that stick to old ways.

Construction companies are operating in a government policy and regulation environment. Initiatives like affordable housing, construction rules, tax frameworks and approval processes can have a beneficial or negative effect on business growth. Supportive regulations stimulate investment and industry development, whereas slow approvals, red tape and uneven enforcement increase costs and slow projects.

The quickly rising metropolitan regions such as Kasarani Sub-County are an opportunity and a challenge in the market situation. Growth is assisted by good conditions, such as expanding populations, the spread of cities, greater need for places to reside and better access to house loans. But intense competition, fluctuations in property prices and wider economic uncertainties can affect profitability and threaten the viability of projects.

One large remaining obstacle is the size of the work force. The availability of skilled personnel is of great importance for the quality, productivity and timeliness of the construction. Training and professional development initiatives improve performance standards. In contrast, delays and worse quality outcomes are caused by lack of competent individuals, dependence on unskilled labour and labour conflicts.

Environmental variables are becoming increasingly important in the assessment of corporate performance. As interest in energy-efficient buildings and sustainable materials grows, the trend is shifting toward greener construction approaches. A firm's reputation and market position can be improved by adherence to environmental standards and the adoption of green practices.

But there are still major problems ahead for the firm. Small and medium-sized firms are disproportionately affected by high construction costs, volatile material and labour prices, and limited access to capital. Regulatory barriers, such as slow approvals and inconsistent enforcement, add to the cost and time to implement projects. Moreover, efficiency and competitiveness are limited by poor acceptance of existing technologies due to their high initial prices and lack of technical know-how.

We need a concerted approach to boost performance. Fiscal control is improved via tight budgeting, value engineering and increased cost tracking. Digital resources, BIM, automation

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and real-time project monitoring can help reduce waste and increase efficiency." Partnerships with government bodies, financial institutions and other industry players can mobilize resources, stimulate creativity and improve performance. Continued investment in skills development and compliance with legislation is required to sustain quality, productivity and confidence between stakeholders.

To put it simply, the success or failure of a company in the house construction business of Kenya will also depend on the ability of the company to synchronize the strategic goals with financial planning, technological evolution, regulatory compliance, market response, and upskilling of personnel. It is crucial to coordinate these elements well to enhance operational performance, competitiveness and long-term viability**.**

2.4 Financial Management and Performance

In the construction sector financial management is seen as a crucial factor of performance. However, there is little empirical research on housing construction firms in Kenya. A study of Nairobi and other such urban places has indicated that businesses who have better financial management practices likely to receive more success in their projects. For example, Otieno (2021) found that firms that employed formal budgeting approaches and stringent cost control measures saw lower cost overruns and higher profitability compared to their counterparts that used informal financial procedures. Organizations that perform regular financial audits, variance analysis and comprehensive expenditure monitoring can identify potential financial problems and take corrective action before they become more troublesome.

Cash flow management also is important to the good operation of construction enterprises. Adan (2020) found that construction firms in Nairobi that often prepared cash flow forecasts and checked their financial position were more likely to have sufficient liquidity, meet supplier's obligations in a timely manner and avoid project disruptions caused by temporary funding gaps. This is in line with Muigua (2019) who indicated that poor cash flow planning is one of the major causes of stalled and failed development projects in Kenya.

Capital access also affects the ability of construction businesses to successfully start and complete projects. High interest rates, stringent lending conditions, and poor credit histories make it hard for many Kenyan businesses to get sufficient financing (Kimani & Mungai, 2020; Lagat et al., 2024). Ochieng (2019) noted that organizations with several sources of funding and good relations with financial institutions were in a better position to raise cash, complete projects on time and meet their profit targets.

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But there are several gaps in the existing literature. First of all, most of the existing studies have focused on the building sector in general or on commercial construction, with comparatively little attention paid to firms engaged in residential construction. The home building businesses face diverse financial problems. Clients pay in phases; the cost of materials is variable, and demand trends are less predictable than for commercial projects.

Secondly, financial management is seldom seen in a broader strategic management framework. Therefore, there is limited evidence of the relationship between financial decisions and other strategic decisions such as technical investment, market positioning, personnel development and regulatory compliance. Third, financial literacy and competency of managers were not paid as much attention to, in comparison to construction firms, as opposed to other organizations in previous studies especially in relation to making strategic choices and operational performance. The study attempts to address these deficiencies by examination of housing construction firms in Kasarani Sub-County experiencing rapid urban growth, increased demand for housing, variable construction costs and complex regulatory requirements. The study investigates, in particular, the effect of budgeting and cost control, cash flow management, and access to finance on business performance. In this way, the research makes an empirical contribution to a significant but relatively under-researched part of Kenya's residential construction market.

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2.4.1 Indicators of Financial Management

This study uses three composite indicators for financial management consistency as the conceptual foundation.

The first indicator is budgeting and cost control which measures the degree to which organizations have formal budgeting procedures, often budget variance analysis, complete projects within approved financial limits, and use financial monitoring tools to monitor spending (Njuguna, 2021; Otieno, 2021).

A second indicator is cash flow control. This is linked to the extent to which enterprises employ cash flow planning and monitoring procedures, liquidity levels, the frequency of supplier payment delays and the ability to meet short-term financial obligations (Wambugu & Otieno, 2019; Muigua, 2019).

The third indicator is access to finance which measures the extent of availability of credit, use of alternative financing arrangements, such as joint ventures and public private partnerships, adequacy of capital to start up new projects and the average cost of borrowing (Lagat et al., 2024; Kimani & Mungai, 2020; Ochieng, 2019).

They jointly measure the internal financial practices of housing building enterprises and the external funding environment in which they mobilize and manage their resources. The study, thus, contributes to the theme of the effect of financial management on performance and explores the processes by which such an effect is accomplished.

2.5 Technological Advancement and Performance

Currently, technical innovation is the main impetus for the performance of the international construction sector. Innovations such as Building Information Modelling (BIM), drones, prefabrication, 3D printing and advanced project management systems have transformed the method in which design, planning, execution and monitoring of building projects are carried out. These technologies improve coordination of the participants in the project, reduce errors in design and execution, increase the information flows and allow for quick decision-making (Maruti et al., 2024; Rui et al., 2021).

Technology use can improve building performance, research has found. As mentioned by Nasila and Cloete (2018), the adoption of BIM and digital monitoring systems by firms resulted in improved communication among project participants, improved project scheduling, and

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reduced material loss and rework. There are a number of benefits to modern construction processes. The application of modern construction methods is somewhat limited, especially in small and medium sized housing construction enterprises in Kenya. The low acceptability has been attributed to costs of execution, lack of technical skills and paucity of experienced individuals (Mwaniki & Mungai, 2020). As per Ngugi and Muturi (2018), there is no automation and robotics in the Kenyan construction business. The technology can improve workers' productivity, maintain the site's safety and reduce operating costs.

The relevance of technological development has been underlined in previous studies, although some boundaries still exist. "Previous research has focused on major infrastructure and commercial development projects. Residential building enterprises are scarcely researched. The problems of small and medium-sized firms, such as lack of resources, lack of technical skills and intolerance to organizational change, have not been properly addressed either. Moreover, there is scant study on the interacting impacts of technology use on other variables of strategic management, including financial management and regulatory compliance in influencing corporate success.

Therefore, the research intended to examine the nature of technological innovation in connection with broader strategic management practices of house construction firms in Kasarani Sub-County. The purpose of this study is to explore the influence of the use of electronic devices and advanced building technologies on the cost effectiveness, project completion time and quality of residential projects.

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2.5.1 Indicators of Technological Advancement

Technological advancement is operationalized in terms of usage of digital technologies in terms of frequency of Building Information Modelling (BIM) application, deployment of construction management software systems and digital documentation practice (Nasila & Cloete, 2018). Automation and Robotics reduces the dependence on manual work by using mechanized processes, 3D printing, prefabrication techniques and automated equipment (Ngiri & Njagi, 2022; Ngugi & Muturi, 2018). Project management software involves the use of digital tools such as Primavera, MS project to facilitate scheduling, resource allocation, tracking of progress and management of budget (Rui et al., 2021). These criteria provide a sound and operational framework for analyzing the effect of technical developments on performance gains.

2.6 Government Policies, Regulatory Framework, and Performance

Government rules and regulations determine the operating circumstances of housing building firms, specifying the criteria to be met, the procedures to be followed and the compliance duties to be satisfied. In Kenya, regulation of land use and zoning, building safety, environmental protection, occupational health and safety, and construction license acquisition is in place (Odundo & K'Akumu, 2018; Mwangi & Kamau, 2021).

What do the projects pay for the complexity of the regulation, and the administrative delays? Wambugu and Otieno (2019) found that companies that adhered to the land use regulations and zoning authority managed to avoid expensive lawsuits and minimize project delays. Muigua (2019) affirms that the obligation to comply with environmental legislation, especially the requirement to create EIAs, raises the initial price of the projects. Also, it creates the need for specialized workers in the enterprises. The limits are supposed to safeguard the environment and promote sustainable growth, but they also add to the financial burden for building enterprises. Likewise, Ochieng and Muthoni (2020) have claimed that the long permit procedures and high compliance costs may delay the start and implementation of construction projects. Such challenges are especially apparent for tiny enterprises which lack both administrative skills and financial resources.

However, there has been little research on the relationship of government regulation and strategic management tactics of enterprises. In particular, little is known about the effect of the link between regulatory requirements and financial planning, technology adoption and other internal strategies on corporate success. In previous studies, regulation has been perceived as

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an external limitation, not as a dynamic feature that could contribute to or detract from the efficiency of organizational strategies. This gap is addressed by conceptualizing regulatory compliance as a contextual issue and a variable factor that affects the way business level activities translate into performance outcomes.

2.6.1 Indicators of Government Policies and Regulations

The effect of the government is measured by the following parameters:

Land Use and Zoning Codes, Zoning and planning restrictions influence project design, approval processes and land use intensity (Odundo & K'Akumu, 2018; Kimani & Mungai, 2020). Environmental Regulations and Sustainability: compliance with Environmental Impact Assessments (EIAs), adoption of sustainable construction standards and enforcement of environmental protections (Muigua, 2019; Mwangi & Kamau, 2021).

Licensing and permit acquisition; average time to acquire planning, construction and occupancy permits; administrative fees incurred and frequency of regulatory inspections (Ochieng & Muthoni, 2020).

The measures quantify the regulatory pressure and its effect on project costs, deadlines and operational efficiency.

2.7 Summary of Research Gaps

Using empirical studies that assessed development strategies and organizational performance, the researcher attempted to fill the research gaps indicated in the table below.

Table 1 Overview of Identified Gaps

Author(s)	Focus of Study	Key Findings	Identified Gaps	How the Researcher Will Fill the Gap
Adan (2020)	Cash-flow management and performance of construction firms	Firms that regularly forecast and monitor cash flow were more likely to maintain liquidity, meet supplier obligations and avoid project disruptions.	The study emphasized cash-flow management, leaving limited evidence on its contribution to performance when combined with technological and regulatory	The researcher incorporated cash-flow management as part of financial management and assess its contribution to organizational performance alongside

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			factors.	technology and government policy.
Marube & Ombui (2021)	Strategic management practices and organizational performance of construction projects in Nairobi County	Information technology, strategic alliances, customer experience management and team leadership positively influenced project success.	Focused mainly on commercial projects and broad strategic practices rather than specific factors affecting residential construction firms.	Examine the combined influence of financial management, technological advancement and government policy on organizational performance of residential construction firms in Kasarani.
Maruti et al. (2024); Rui et al. (2021)	Digital technology and organizational/project performance in construction	Digital technologies improved coordination, reduced errors, enhanced information flow and supported faster decision-making.	Existing studies largely emphasized project-level performance rather than broader firm-level organizational performance among residential construction firms.	Assess technological advancement in relation to organizational performance, including operational efficiency, quality of workmanship and customer satisfaction.
Muigua (2019)	Financial and regulatory factors influencing construction performance	Poor cash-flow planning contributed to stalled projects, while environmental compliance increased	Limited evidence exists on how regulatory and financial factors jointly affect organizational	Examine financial management and government regulation together with technological

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		project costs and administrative requirements.	performance.	advancement to establish their influence on organizational performance.
Muriithi & Wanyoike (2020)	Financial management practices and organizational performance of construction firms in Nairobi County	Financial planning, cash-flow management and cost control were associated with improved organizational performance.	. Focused mainly on financial management and different categories of construction firms without adequately considering technology and government regulation.	. Focus specifically on residential housing construction firms and integrate financial management with technology and government policy.
Mwaniki & Mungai (2020)	Technology adoption and performance of construction enterprises	Technology adoption was constrained by high implementation costs, inadequate technical skills and shortages of experienced personnel.	Limited evidence on how technology-adoption challenges affect overall organizational performance of small and medium residential construction firms.	Determine how technology adoption influences operational efficiency, quality and organizational performance of housing construction firms in Kasarani.
Nasila & Cloete (2018)	BIM, digital technologies and construction performance	BIM and digital monitoring improved communication, scheduling and coordination while reducing material waste	Research largely concentrated on major infrastructure and commercial developments	Assess the contribution of BIM, digital technologies and project-management systems to organizational

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		and rework.	rather than residential construction firms.	performance of housing construction firms.
Ngugi & Muturi (2018)	Automation, robotics and performance in the Kenyan construction industry	Automation and robotics can improve productivity and safety while reducing operational costs.	Limited empirical research has examined advanced technologies and their contribution to organizational performance of residential construction firms.	Examine automation and other technological advancements and establish their effect on organizational performance in Kasarani.
Ochieng & Muthoni (2020)	Licensing, permit procedures and performance of construction enterprises	Lengthy permit procedures and high compliance costs delayed commencement and implementation of construction projects, particularly among smaller firms.	Limited evidence on how licensing and permit requirements interact with internal strategic management practices to influence organizational performance.	Examine licensing and permit acquisition as dimensions of government policy and determine their influence on organizational performance.

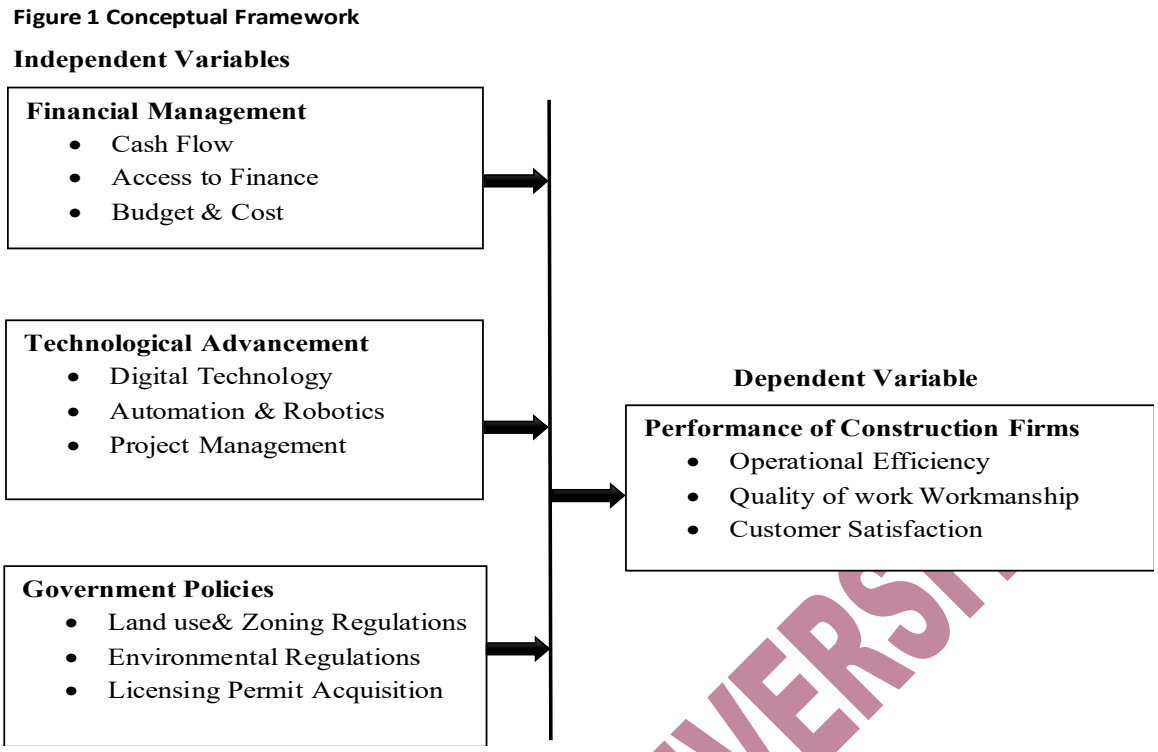
Source: Researcher 2026

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2.8 Conceptual Framework

The conceptual model underpinning this research outlines the interconnections between the predictor and outcome variables, specifically examining the strategic determinants that shape the performance of residential construction firms operating in Kasarani Sub-County, Nairobi, Kenya.

Figure 2.1 Conceptual Framework



Source: Author 2026

The conceptual model of this study shows the relationship between strategic management practices and operational performance of residential construction companies in Kasarani Sub-County, Nairobi. The framework includes three predictor constructs: methods of fiscal administration, integration of technological breakthroughs, and alignment with statutory and governmental objectives. It further examines the specific impact of each of the aspects on the overall efficiency of the organization.

By ensuring judicious management and control of monetary resources, disciplined expenditure control and reduced exposure to fiscal uncertainties, the application of strong financial management methods strengthens institutional effectiveness. Construction firms that use strong financial planning, budgeting and control systems are better positioned to complete their projects within the anticipated time and cost, protect profitability and maintain operational continuity (Zorlu, 2018; Marube & Ombui, 2021).

Technology is also affecting construction performance with increased efficiency, productivity, coordination and quality of project results. Research has indicated that the application of Building Information Modelling (BIM), prefabrication and 3D printing may lead to a reduction in construction errors, cost reduction, better coordination among project participants, and a reduction in project delivery time (Rekhi & Stern, 2022; Maruti et al., 2024). However, Davis (1989) Technology Acceptance Model states that the success of a adoption depends to a large

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amount on the impression of a technology as advantageous and easy to run. These perspectives have ramifications on the use of technology tools and their integration into typical organizational activities.

Compliance with rules is another key and closely linked factor of organizational performance. Companies who follow the legislation, occupational safety, environmental requirements and professional standards are less likely to face penalties, decrease project delays and maintain the firm image (National Construction Authority [NCA], 2022). Regulatory compliance goes beyond just the obligation to meet statutory responsibilities, and is based on Freeman's (1984) Stakeholder Theory. It also helps build trust and positive relations with regulators, clients, local communities and other stakeholders whose support can influence the success of the project.

Thus, the study considers financial management, technical innovation, and regulatory compliance as interrelated aspects of performance in housing block firms. Firm's performance is measured on the basis of the time to finish projects, cost efficiency, construction quality and profitability.

2.7.1 Implications for the Study

The framework provides a basis for the investigation of the effect of strategic management approaches on the performance of housing block enterprises. It argues that tighter alignment of organizational goals with key operational activities including financial management, technological adoption and regulatory compliance, can lead to higher operational efficiency and competitive performance. These concerns are particularly relevant in the growing field of housing construction where companies have to be able to react fast to increases in demand, new technology, and financial difficulties and to changing regulatory limitations.

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CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research methods of the study. The chapter begins with the research design and the sampling methodology, then describes the instruments and procedures used for data gathering. The chapter closes with a description of the process of data analysis.

3.2 Research Design

As defined by Akhtar (2016), the research design is a framework for the study, it describes the approach for conducting the investigation, presents details of the data collection and analysis methods, and ensures the consistency of all the research stages. The aim of this study was to describe the features of the target population and to examine the relationships between variables within the framework of their real world. For this purpose, a descriptive survey design was used in this study.

The research employed a correlational design to gauge the associations between three predictors financial management (FM), technology adoption (TA), and government policy (GP), and the outcome variable, organizational performance (OP). To evaluate the data and derive valid insights into these variable relationships, the study utilized descriptive statistics, correlation analysis, and multiple regression techniques.

3.3 Target Population

The research was on construction enterprises in Kasarani Sub-County of Nairobi County. Specifically, the respondents were chief executive officers and project managers of these organizations. A target population is a sufficiently broad group of interest from whom researchers can derive significant and valid findings (Majid, 2018). The units of analysis are summarized in Table 2. The units of study consisted of 285 building and construction entities comprising large-scale, medium-scale, small-scale and specialized construction enterprises.

The following two key criteria were used to choose these building companies: The sample comprises of companies of different sizes and geographical locations within Kasarani Sub-County. This distribution allows for a direct comparison across the respondents. By using Yamane's formula.

$$n = \frac{N}{1 + Ne^2}$$

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N=285 and e =+-5

$$n = \frac{285}{1+285(0.005)2}$$

n=166; Therefore, the sample size will be 166.

The units of observation for this study were managerial staff drawn from the 166 selected construction companies by the use of Yamane's formula, Specifically, the study targets a total of 166 managers drawn from a population of 285 companies. Using a simple random sampling technique, 166 respondents were selected from the target population to participate in the study. The construction of companies constituted the unit of analysis, while the individual respondents drawn from these companies formed the unit of observation.

Table 2 Unit of Analysis (Population)

Category	**Type of Company**	**Number of Companies**	**Percentage**
Large Construction Companies	Large Companies Handling Huge Projects	43	15%
Medium Construction Companies	Companies Handling Medium-Scale Projects	94	33%
Small Construction Companies	Companies Handling Small Projects	120	42%
Specialized Construction Companies	Companies Focusing on Plumbing, Electricals, Roofing etc.	28	10%
Total		**285**	**100%**

Source: NCA (2026)

Table 3 Target Population by Category

Category	**Type of Company**	**Number of Companies**	**Percentage**
Large Construction	Large companies handling huge	25	15%

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Companies	projects		
Medium Construction Companies	Companies handling medium scale projects	55	33%
Small Construction Companies	Companies handling small projects	70	42%
Specialized Construction Companies	Companies focusing on plumbing, electricals, roofing etc.	16	10%
Total		**166**	**100%**

Source: NCA (2026)

3.4 Sample Size and Sampling Procedure

The sampling approach was conducted in three steps: definition of the units of analysis; compilation of a sampling frame and determination of the sample size. Sampling procedures are the strategies for selecting participants from a target group (Parveen et al., 2017). Respondents were selected using a probability approach from the study population which was made up of the registration records of construction enterprises. The resulting sample size is the total number of participants whose feedback was used to infer about the total population.

3.4.1 Sampling Frame

The data were thoroughly examined and utilized to ensure the selected sample aligned with the study's intended aims. Participants were drawn from construction firms situated in Kasarani Sub-County, Nairobi County, Kenya. The final number of respondents was derived using Yamane (1967) approach to sample-size determination.

$$n = \frac{N}{1 + Ne^2}$$

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In this formula, N stands for the total population, n for the sample size, and e for the margin of error fixed in this study at ±5%.

3.5 Data Collection Instruments

The major instrument utilized in the study was structured questionnaire. A questionnaire is a research tool used to collect information systematically from respondents to meet particular study aims and queries. It allows the researcher to gather standardized data from a relatively large number of subjects in an acceptable time. The questionnaire was prepared on the basis of the objectives and variables of the study, and comprised largely of closed-ended questions for consistency of replies and ease of quantitative analysis. The questionnaires were self-administered to the selected respondents, and enough time was given to them to respond to the questionnaires on their own. This technique permitted the researcher to gather firsthand information directly from the study participants, while at the same time preserving confidentiality and decreasing the interviewer's influence on the responses.

3.6 Validity and Reliability

An instrument demonstrates validity when it measures its intended construct with fidelity; it shows reliability when repeated use yields consistent outcomes under comparable conditions.

3.6.1 Validity of Research Instrument

Validity is the most crucial factor in any investigation since it displays the degree to which a research tool is measuring the precise concepts it is supposed to measure (Sururu, 2020). It is how well the information helps the inquiry to achieve its goals. Validity is the extent to which a research tool delivers relevant and meaningful data that is appropriate to the objective of the investigation (Whiston, 2016). This ensures that the survey items are congruent with the constructs under inquiry, and accurate interpretive inferences can be made.

The draft questionnaire was forwarded to the academic supervisor and a group of experienced practitioners in the built environment to establish content validity for the present study. The expert panel comprised of representatives from the National Construction Authority and experienced project managers who evaluated the items for clarity, relevance and right mapping to the study goals. Feedback from this panel was then used to amend and strengthen the instrument before field administration.

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3.6.2 Reliability of the Instruments

The reliability of a research instrument is the extent to which the instrument yields the same results in the same context (Sururu, 2020). It indicates the degree to which a questionnaire or measurement tool produces the same results when it is presented multiple times to the same people. A research instrument is considered reliable when it is stable and trustworthy in measuring the variables of the study. Reliability of the survey instrument for this inquiry was tested by the consistency among the items used to measure each construct. For each idea, several relevant items were used to ensure consistency of replies from participants. Internal consistency of the instrument was measured using Cronbach's alpha coefficient. The threshold of 0.7 and above was considered sufficient to state that the instrument had sufficient stability and was fit for data collection for this particular investigation.

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3.6.3 Pilot of Study

A pilot study is a small, preliminary study that is done before the main study to check the usefulness of the research tools and methodologies. The preliminary experiment for this initiative was conducted in Roysambu Sub-County, bordering Kasarani in Nairobi County. Data collected in this phase were removed from the final data set. The major goal of this preparatory exercise was to validate the consistency and accuracy of the instruments prior to full deployment. The pilot study used random sampling, meaning that each member of the target population had an equal chance of being picked. A pilot was also carried out to test the instruments, and this revealed ambiguities in the questions, weaknesses in the planned analytical method and structural problems with the tools and these were all resolved before the major data collecting commenced (Doody & Doody, 2015).

3.7 Data Collection Procedure

The researcher secured a research permission from the National Commission for Science, Technology and Innovation (NACOSTI) before data collection. Ethical clearance was obtained before questionnaires were sent to the selected firms. Adequate literacy to comprehend the items was required for participation, thus minimizing response errors. Questionnaires were hand-delivered and collected after two weeks, allowing respondents sufficient opportunity to check details before replying. The researcher also conducted face-to-face interviews with important informants using a standardized questionnaire. The interviews ranged from twenty minutes to an hour depending upon how much the informant knew. Then, the filled questionnaires and interview transcripts were collected and analyzed to test the propositions of the study.

3.8 Data Analysis Techniques

This study adopted a quantitative research approach, with questionnaires used as the primary instrument for data collection. The questionnaires were completed, reviewed for accuracy and completeness, coded, and entered into SPSS version 26 for statistical analysis.

Descriptive data such as frequencies, percentages, means and standard deviations were used to start the analysis. These measurements were used to define the characteristics of the respondents and provide an overview of the trends discovered across the study variables.

In addition, Pearson's correlation analysis was performed to examine the strength and direction of the association between organizational performance and the three independent variables of

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financial management, technological adoption, and conformity with government policies. Financial management included budgeting, cost control and financial planning while technical adoption related to the use of current construction methods and tools.

Finally, multiple regression analysis was used to estimate the cumulative contribution of the three independent variables on organizational performance. The analysis also identified the unique contribution of each predictor in explaining the variances in the performance of housing building enterprises.

The regression model for the study was specified as:

$$OP=\beta 0+\beta 1FM+\beta 2TA+\beta 3GP+\epsilon$$

Where:

OP = Organizational Performance

$\beta 0$ = Constant term

$\beta 1$, $\beta 2$, $\beta 3$ = Regression coefficients

FM = Financial Management

TA = Technology Adoption

GP = Government Policy

ε = Error term representing unexplained variation and measurement error

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3.8.1 Diagnostic Tests

Prior to the regression analysis, the data were tested against the appropriate statistical assumptions to ensure the reliability, validity and interpretability of the results. The following diagnostic workups were performed:

Normality test: The aim of this test is to check whether the distribution of the data is similar to a normal distribution or not. This is a very important assumption for the regression analysis to produce good results. Normality was assessed using the Kolmogorov-Smirnov test. The test was applied to the regression residuals to determine whether the error terms approximated a normal distribution. A significance value greater than 0.05 was interpreted as indicating that the normality assumption had been satisfied.

Multicollinearity: Regression estimates are wrong when predictor variables move too close together. To avoid this, the Variance Inflation Factor (VIF) and tolerance were analyzed. VIF values less than 10 and tolerance value greater than 0.1 would indicate that the collinearity among the independent variables was not strong enough to distort the coefficients. Heteroscedasticity Non-constant variance in the error terms decreases the precision of ordinary least squares estimates. A Breusch-Pagan test was then performed to test for systematic fluctuation of the residual spread with the fitted values. The results with p-value above the 0.05 level showed no heteroscedasticity, thus confirming that the assumption of uniform variance of error was satisfied.

3.9 Ethical Considerations

Ethics is an integral part of study design and implementation in research and not an afterthought or obligation (Gakuu & Kidombo, 2013). This dissertation was submitted to St. Paul's University Institutional Scientific and Ethics Assessment Committee (SPU-ISERC) for assessment and approval before data collection. A formal introduction letter from St. Paul's University describing the aims of the study was used to enable access to the target institutions and participants and to aid the researcher in acquiring the appropriate approvals. A research authorization was received from the National Commission for Science, Technology and Innovation (NACOSTI) in addition. All participants were fully debriefed on the purpose of the study prior to their participation. The participation voluntary, and the respondents provided informed consent by signing a consent form. Any fraudulent acts or invasions of privacy were strictly banned in the study. All the sources that were cited were appropriately referenced, and a plagiarism check was performed to prevent plagiarism. Respondents were informed about

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the right to refuse to answer any questions and the anonymity and confidentiality of the study procedure were scrupulously preserved. The research was performed with integrity, with no modification of data or distortion. Academic honesty has been observed, and the assistance received has been duly acknowledged. Conclusions were derived only from the information collected and all findings were reported in an objective manner. Confidentiality and ethical norms were maintained throughout the study.

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CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, INTERPRETATION

4.1 Introduction

This section describes the analysis and interpretation of the information collected from the respondents. The analytical process was designed around the study objectives which were to investigate how financial management, technology adoption and government policy influence

organizational performance. The data were analyzed using descriptive and inferential statistical techniques through IBM SPSS Statistics. The results are presented in a table and discussed in the light of the study's aims and the current scholarly literature.

4.2 Reliability Analysis

Cronbach's Alpha was calculated to check the consistency of the measuring tool before the main data analysis. This coefficient was used to measure the degree of interrelationship between the questions of the questionnaire. Nunnally (1978) stated that if the values of the instrument are 0.70 and above, the instrument is reliable and appropriate for collecting data.

Table 4 Reliability Test

Variable	Number of Items	Cronbach's Alpha	Interpretation
Financial Management	3	0.81	Reliable
Technology Adoption	3	0.78	Reliable
Government Policy	3	0.76	Reliable
Organizational Performance	2	0.73	Reliable

Source: Survey data 2026

As illustrated in Table 4, every construct under investigation surpassed the minimum Cronbach's Alpha benchmark of 0.70. This finding demonstrates that the respective questionnaire items possessed adequate coherence in assessing their designated concepts, thereby justifying their continued use in subsequent statistical procedures.

The Cronbach's alpha for the financial management scale was .81, demonstrating strong internal consistency of the three items. The questions on budgeting practices, financial planning and expenditure control all hang together well, indicating that they consistently tap into the same core construct of financial management.

The coefficient of the technology adoption variable was 0.78, substantially higher than an acceptable criterion. The conclusion showed that the three variables measuring the integration of digital platforms, automated processes and technical innovation into construction operations were a valid composite measure.

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There was enough consistency among the components of government policy, with an alpha score of 0.76. Although this conclusion is significantly lower than the coefficients of the other variables, it nevertheless supports the items on statutory requirements, adherence methods, permitting procedures and policy impact as being a unidimensional measure of a similar theme.

The coefficient of organizational performance was 0.73. The value was calculated on the basis of only two indicators, but nonetheless is in an acceptable range. The limited item set was able to build reasonably aligned metrics of overall institutional efficacy.

4.3 Questionnaire Response Rate

The research aimed to reach 166 participants, of whom 148 duly filled out and submitted their questionnaires, yielding a response rate of 89.16%. The remaining 18 instruments were not retrieved, constituting 10.84% of the intended sample.

Table 5 presents the response rate achieved during data collection.

Table 5 Questionnaire Return Rate

Response Rate	Frequency	Percentage
Responded	148	89.16
Not Responded	18	10.84
Total	**166**	**100**

Source: Survey Data (2026)

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An 89.16% response rate was deemed very satisfactory. Mugenda and Mugenda (2003) consider rates surpassing 70% adequate for analysis and reporting purposes, so the present figure comfortably met that threshold. Such robust participation strengthened the credibility of the findings and ensured an ample dataset for substantive analysis and meaningful generalization.

4.4 Demographic Characteristics of Respondents

Background information was gathered to shed light on the profile of the individuals who took part in the investigation. The attributes examined encompassed sex, age bracket, academic attainment, and duration of professional engagement.

4.4.1 Gender Distribution

Table 6 Gender Distribution

Gender	**Frequency**	**Percentage**
Male	82	55.4
Female	66	44.6
Total	**148**	**100**

Source: Survey Data (2026)

The findings indicate that male respondents constituted 55.4% of the sample, while female respondents accounted for 44.6%. The relatively balanced representation of both genders enhanced the diversity of views captured during the study and reduced the likelihood of gender-related bias in the findings.

Table 7 Age Distribution

Age Group	**Frequency**	**Percentage**
18-25	20	13.5
26-35	58	39.2
36-45	46	31.1
46+	24	16.2

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Source: Survey Data (2026)

The data suggest that the bulk of respondents were between 26 and 45 years old, accounting for more than 70% of the sample. This group is often thought to be the most economically active part of the workforce and is often linked to lots of professional expertise. Respondents in this age group were thus anticipated to have educated judgements about organizational procedures and performance.

Table 8 Educational Level

Level	**Frequency**	**Percentage**
Diploma	52	35.1
Degree	74	50
Postgraduate	22	14.9

Source: Survey Data (2026)

The statistics show that 50% of the respondents had a bachelor's degree, 35.1% had diploma qualifications and 14.9% had postgraduate education. The respondents had relatively high education levels, which meant they were well positioned to understand the questionnaire items and deliver consistent, reliable answers. This, in turn, increased the overall integrity of the collected data even more.

Table 9 Work Experience

Experience	**Frequency**	**Percentage**
0-5 years	40	27
6-10 years	62	41.9
11+ years	46	31.1

Source: Survey Data (2026)

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The findings showed that a larger number of participants had more than five years of professional experience. Specifically, 41.9% reported serving between six and ten years and 31.1% reported serving more than a decade. This pattern suggests that participants brought significant hands-on expertise and were sufficiently prepared to provide reliable viewpoints on the study's focus constructs.

4.5 Descriptive Statistics

Descriptive statistics were used to summarize respondents' perceptions regarding financial management, technology adoption, government policy, and organizational performance.

Table 10 Descriptive statistics

Variable	Mean	Std Deviation	Interpretation
Financial Management	4.12	0.62	Highly adopted
Technology Adoption	4.05	0.58	Moderately high
Government Policy	3.89	0.66	Moderately
Organizational Performance	4.08	0.60	High

Source: Survey Data (2026)

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Results revealed that financial management was the most critical feature with mean score of 4.12. This shows that the organization is concerned about effective financial planning, accurate budgeting and strict controls. Similarly, the organizational performance was also high at 4.08 which suggests that generally the respondents usually thought that their organizations performed well. The mean for technology adoption was quite robust at 4.05. It reflects a growing adoption of digital instruments and technical solutions, but also that there is still room for further digital transformation in these companies. By contrast, government policy was rated lowest, at 3.89. To summarize, rules and policy interventions are a minor force in the day-to-day operations and overall performance.

Overall, these figures demonstrate that financial management is the most deeply rooted activity in our study. It is extremely high performing and has the potential to significantly enhance future organizational performance improvements.

Normality Test Results Using Kolmogorov–Smirnov

The study sought to establish whether the collected data were normally distributed. A normality test was therefore conducted, and the results are presented in Table 11.

Table 11 Normality Test Results Using Kolmogorov-Smirnov

Variable	Kolmogorov-Smirnov	Sig.
Financial Management	0.301	0.884
Technological Advancement	0.182	1.000
Government Policy	0.296	0.897
Organizational Performance	0.385	0.637

Source: Survey Data (2026)

Normality tests findings suggest that data for all variables in the study were normally distributed. The Financial Management, $p = 0.884 > 0.05$, Technological Advancement, $p = 1.000 > 0.05$, Government Policy The null hypothesis of normality was not rejected since all the significance values were greater than 0.05, a customary value. Therefore, the results showed that the data were not statistically different from a normal distribution. Thus, the normality assumption was met, allowing the use of parametric inferential techniques such as Pearson

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correlation and multiple regression analysis as p = 0.897 > 0.05, whereas Organizational Performance showed p = 0.637 > 0.05.

Multicollinearity Test Results

Table 12 Multicollinearity Test Results

Variable	**Tolerance**	**VIF**
Financial Management	0.996	1.004
Technological Advancement	0.995	1.005
Government Policy	0.993	1.007

Source: Survey Data (2026)

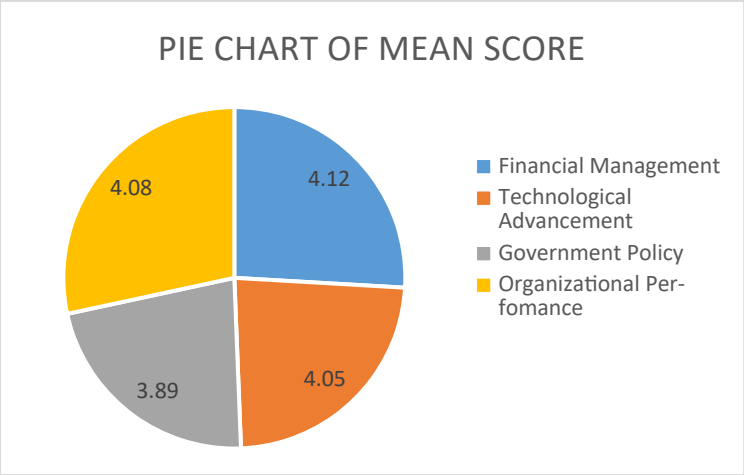
The results of the multicollinearity test show that there is no multicollinearity concern between independent variables. The tolerance value for Financial Management was 0.996 and the VIF was 1.004. The tolerance value for Technological Advancement was 0.995 and the VIF was 1.005. The tolerance value for Government Policy was 0.993 and the VIF was 1.007.

All the tolerance values were larger than 0.10 and the VIF values were much below the threshold level of 10 as described in the study methodology. Thus, the independent variables were not highly correlated with each other, verifying that the assumption of multicollinearity was met. Therefore, Financial Management, Technological Advancement and Government Policy could be included in the multiple regression model simultaneously without the regression coefficients being adversely influenced by multicollinearity.

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4.6 Graphical Presentation of Data

Figure 1 Pie Chart (Conceptual Description)



Source: Survey Data (2026)

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The graphic summary allows to clearly compare the performance of the factors evaluated. The highest average score was in financial management, showing that most organizations have rather good financial processes. Budgeting and financial planning and monitoring of expenditure seem often to be interwoven into organizational activities. Respondents therefore viewed these activities as important enablers in boosting organizational effectiveness.

Technology use was graded moderate. The findings show that many businesses have attempted to utilize electronic gadgets to boost efficiency but need to go further. The main drawbacks are minimal investments in automation, advanced digital platforms and new technologies that might increase operational efficiency and competitiveness.

Government policy earned the lowest mean score of the three independent factors. There was consensus among the respondents on the relevance of the laws and regulations in determining organizational activities and the operating conditions of firms. However, they saw these as less directly impacting than internal factors such as financial management and technology adoption. Thus, internal organizational talents were seen as having greater direct impact on performance.

Organizational performance was overall graded positively reflecting a good evaluation of the respondents' firms' achievements. This was achieved by combining prudent financial management, incremental technology improvement and regulatory adherence.

The results generally indicate that financial management is key to sustaining organizational performance, but technology adoption and government policy play complimentary roles in the effectiveness and sustainability of the firm's operations. And at the same time, construction companies need to keep their technology agendas moving and be conscious of the regulatory environment, ensuring compliance doesn't get lost in the race for expansion.

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4.7 Correlation Analysis

A correlation analysis was run to unpack how the independent variables relate to organizational performance, both in terms of direction and strength. The findings are set out in Table 11.

Table 13 Correlation Analysis

Variable	Financial Mgt	Technology	Government Policy	Performance
Financial Management	1	-	-	-

Technology	0.62	1	-	-
Gov Policy	0.55	0.48	1	-
Performance	0.68	0.60	0.52	1

Source: Survey Data (2026)

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All independent criteria were positively related to the company's performance. However, certain correlations were substantially larger than others. The strongest was financial management (r=0.68). Companies that keep their finances under control by means of disciplined planning, cautious cash-flow management or tight cost control seem to have a clear performance edge. The intensity of this link suggests that financial management is not a back-office function, but a real engine of corporate performance.

Performance was correlated positively with technology use (r = 0.60). Companies that have integrated technology into the fabric of their operations tend to be more efficient, productive and give superior service. It is not as strong as we see with financial management, but it is not trivial at all. And money management is still king, but it certainly makes a difference with digital advancements and process automation.

The correlation with government policies was less positive (r=0.52). Supportive regulation and diligent compliance definitely drive organizations to improve outcomes. "They are like the guard rails to ensure operations are consistent and predictable." But evidence also suggests that external policy levers don't have the same pull as internal practices. Policy is more in the playing field than in the playbook of the day-to-day financial and technological decisions taken within the firm.

The correlations show that housing construction companies are likely to perform better if they are good at managing money, leverage technology in big ways and keep current on regulatory needs. Practically, this means that strategic management is more than planning. When successful, it leads to real improvements in the day to day running.

4.8 Regression Analysis

Regression analysis was employed to assess how strongly the independent variables predict organizational performance. The results comprise the model summary, ANOVA table, and regression coefficients.

Table 14 Model Summary

R	**R^2**	**Adjusted R^2**	**Std Error**
0.74	0.55	0.53	0.41

Source: Survey Data (2026)

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The regression model suggests that the three strategic levers are strongly related to the performance of these construction enterprises. When financial management, technology adoption and government policy move in tandem, organizational performance tends to follow suit, a correlation coefficient being 0.74 which is obviously strong. Furthermore, the R^2 value of 0.55 suggests that these three characteristics alone explain more than half of the variance in performance found across the organizations evaluated. That is a big share, especially in a sector as complicated as housing construction.

But what about the other 45 per cent? That part of the riddle is beyond the scope of this study, and likely distributed across factors such as quality of leadership, organizational culture, worker skills, changing market conditions and broader economic forces. These unmeasured forces obviously matter, and they serve as a reminder that no one framework contains the whole picture.

However, the message emerging from the data cannot be overlooked, that is: the strategic management methods applied in this study, financial discipline, technical advancement, and policy compliance are really significant predictors of organizational performance in this business. They might not explain everything, but they explain enough to matter.

Table 15 ANOVA Table

Source	SS	df	MS	F	Sig
Regression	52.34	3	17.45	102.6	0.000
Residual	42.89	144	0.30		
Total	95.23	147			

Source: Survey Data (2026)

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An ANOVA was conducted to evaluate whether the overall regression model was significant. More specifically, it examined the extent to which financial management, technology adoption and government policy collectively explained the diversity in organizational performance across the enterprises studied. SSR=52.34 SSE=42.89 SST=95.23 The breakdown was:

The three independent factors combined explain a good deal of what drives performance variances between these organizations, in simple terms. The regression slice captures the explanatory power of financial management, technological adoption, and government policy working in conjunction, while the leftover residual fraction picks up everything else – market forces, leadership styles, and other factors lying beyond the model's reach.

In terms of statistical significance, the ANOVA provides a clear green light: the model is robust and suitable for purpose in explaining changes in organizational performance. Financial management, technological adoption and government policy are not just abstract terms. They happen to be real aggregate determinants of the performance of housing building enterprises in this environment. These data also confirm the study's conceptual framework, revealing that strategic management techniques are indeed influential in moulding the day-to-day results of enterprises in Kasarani Sub-County.

Table 16 Regression Coefficient Table

Variable	**Beta(β)**	**t-value**	**Sig**
Financial Management	0.41	6.80	0.000
Technology	0.33	5.42	0.000
Government Policy	0.25	4.10	0.001

Source: Survey Data (2026)

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The regression output reveals that all independent variables have a positive and statistically significant pull on organizational performance.

The strongest predictor was financial management ($\beta = 0.41$, $p < 0.05$). Results occur when businesses are serious about budgeting, forward-looking financial planning, prudent resource allocation and rigorous control systems. The stricter the financial management practices of a corporation, the higher the chances of being able to boost efficiency, stabilize operations and improve overall performance.

The second is technology adoption ($\beta = 0.33$, $p < 0.05$). Investments in digital platforms, automation and solid information management systems bring huge returns. When firms implement the correct technologies inside their operation, the benefits are frequently a more fluid process, better decision- making, and better project completion.

Government policy also has a positive and significant effect ($\beta = 0.25$, $p < 0.05$). It's not as dramatic as financial management or technological adoption, but it's still part of the mix. Regulations and policy environment are the conditions under which firm function. Effective compliance keeps things moving without disturbance. You are essentially reducing regulatory exposure by complying with the government regulations. Quietly improves better performance.

4.9 Regression Model

Based on the regression results, the study model can be expressed as follows:

$$Y = \beta_0 + 0.41X_1 + 0.33X_2 + 0.25X_3 + \varepsilon$$

Where:

Y = Organizational Performance

X_1 = Financial Management

X_2 = Technology Adoption

X_3 = Government Policy

ε = Error Term

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The equation indicates that a positive change in any of the independent variables is associated with an improvement in organizational performance, assuming other factors remain constant.

4.10 Discussion of Findings

4.10.1 Financial Management and Organizational Performance

Unlike house construction enterprises, the research demonstrated that financial management has a beneficial and significant influence on the success of the organization. The correlation analysis found a positive value of 0.68, suggesting that the higher the financial management competencies the better the firms' success. The regression study further supported the association with financial management as a significant predictor of organizational success ($\beta = 0.41$, $t = 6.80$, $p = 0.000$). Among the independent aspects tested, financial management was the biggest contributor to the variance of organizational performance.

Descriptive statistics complement the quantitative relationships. Financial management ($M = 4.12$, $SD = 0.62$) was ranked the highest suggesting that the respondent organizations have to a great extent institutionalized processes such as budgeting, financial planning and cost control. Organizational performance also scored well, with a mean score of ($M=4.08$, $SD=0.60$) indicating respondents generally have a favourable self-appraisal of their companies' overall efficacy. The results show a basic assumption that efficient financial management helps construction businesses to simplify operations, improve the use of resources and comply with the strategic objectives more accurately.

The results are in line with Gitman's (2012) teaching approach, which states that effective financial management is a key pillar of organizational growth and long-term survival. Companies can have careful control of their finances, budget often and keep rigorous watch on their expenditure so that they can make informed choices, allocate cash effectively and maintain their fiscal discipline at every level. The findings show that good financial management approaches are expected to have a positive influence on house construction firms in Kasarani Sub-County in terms of improved project planning, tighter cost control, increased financial stability and generally improved organizational performance. If the sector is prone to cost and cashflow problems, it is appropriate to see financial management not only as a bureaucratic need, but as a strategic tool for competitive advantage and for the maintenance of operations.

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4.10.2 Technology Adoption and Organizational Performance

The findings suggest that technology adoption has a significant and positive impact on the organizational performance of house building firms. The correlation analysis showed a moderately high positive relationship ($r = 0.60$). This suggests that companies that are using current technology in their daily work will be better than the organizations that are using conventional ways. This pattern was further supported in the regression investigation where technology use was a significant predictor of organizational success ($\beta = 0.33$, $t = 5.42$, $p = 0.000$). Financial management was the second most important independent factor after financial management, which had a significant but much lower impact on the success of the organization.

The inferential results are supported by the descriptive statistics. The mean score for technology adoption was 4.05 (SD = 0.58), meaning that, overall, respondents thought that digital project management systems, automation tools and wider information technology applications were being more widely employed in their organizations. The high mean for organizational performance (M = 4.08, SD = 0.60) further suggests that technological innovation is not just occurring but is being converted into practical advantages. The digital companies appear to have achieved better internal communication, faster, better-informed decision-making, more efficient project execution, and improved operational efficiency overall – all advantages that are particularly useful in an industry characterized by tight deadlines and costly coordination failures.

In intellectual discourse, this is consistent. For example, Porter (2008) states that technical innovation enables businesses to achieve competitive advantage through process improvements, reduction of operational costs and adaptation to changing market dynamics. Another approach to explore is Davis's (1986) Technology Acceptance Model (TAM). That is, from his point of view, the real usage of new tools by employees and management depends on the utility and convenience of using these technologies. Thus, adoption is more a question of people's perspective than the technology itself. The evidence suggests that consistent investment in modern construction technologies, combined with deliberate staff training and reliable technical support, can significantly increase productivity, speed up project completion and enhance overall organizational performance, especially for housing construction companies in Kasarani Sub-County. Technology adoption should be viewed as a strategic goal, not as a peripheral operational improvement, necessitating continued managerial attention and financial investment.

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4.10.3 Government Policy and Organizational Performance

The studied enterprises engaged in-house development had tangible positive effects of government policy on organizational performance. The correlation coefficient of r = 0.52 showed a moderate but relevant relationship: enterprises that operate in more conducive regulatory environments are likely to have better performance numbers than firms that had mixed or heavy regulatory loads. Regression analysis confirmed this link where government policy was a statistically significant predictor (β = 0.25, t = 4.10, p= 0.001). The correlation was not as strong as those for financial management and technology adoption, but was nevertheless strong enough to suggest that regulatory conditions actually have a real role in shaping firm-level outcomes, and are not just background noise.

Government policy was on average 3.89 (SD = 0.66) lower than the other factors but still a good indication that respondents regard regulations as a real force in their day-to-day job. Licensing, taxes, environmental regulations, procurement restrictions, and building codes were cited repeatedly as variables that influenced day-to-day decisions. The ones who can answer such demands with alacrity tend to avoid legal complications, bureaucratic slowdowns and operational hiccups. They can play regularly because of that stability.

This is consistent with Institutional Theory that organizations are affected by the wider formal and informal institutions in which they are embedded, institutions that restrict their action but also provide opportunities. Previous research indicates that clear and predictable regulations encourage investment, simplify long-term organizational planning and increase the competitive position of enterprises. In Kasarani Sub-County, the findings offer a simple lesson. Firms in the house construction sector are less hampered by uncertainty and administrative friction when policy is explicit, consistently applied and fairly implemented. They are more streamlined and better placed to continue to perform. It is policy stability that determines performance, not an external nuisance to be put up with.

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CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This concluding chapter summarizes the study's principal findings, states the conclusions reached, and puts forward recommendations linked to the research objectives. It further examines the implications for policymakers and managers, flags the limitations encountered, and proposes avenues for future research. These conclusions and recommendations rest on the analysis and interpretation of data set out in Chapter Four.

5.2 Summary of Findings

The study sought to determine the summary of key major findings of the study. The summary was categorized in terms of specific objectives.

5.2.1 Financial Management and Organizational Performance

Among the three indicators studied, financial management was found to be the most important predictor of organizational performance. The correlation of $r = 0.68$ shows a strong positive link between the variables, while its standardized regression coefficient ($\beta = 0.41$, $p < 0.001$) was the greatest in the sample, indicating that changes in financial practices explain a major proportion of the variance in performance among these construction firms. Such an outcome is not surprising in an industry where each phase of activity from site acquisition to final handover is capital demanding and cash flow sensitive.

Financial management was also seen as central by the respondents themselves, who rated it highest on average ($M = 4.12$, $SD = 0.62$). Their responses showed they were aware of budgeting cycles, future planning, cost control and the judicious use of few resources. This institutionalization of financial discipline enables enterprises to more effectively stay within project budgets, absorb unforeseen costs and avoid the liquidity squeezes that often wreck small and medium-sized contractors. Good cash management will also lead to better decision-

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making. If management know the true financial position of the company, they can purchase materials and recruit subcontractors without taking undue risks.

Empirical evidence strongly supports Gitman's (2012) long-standing emphasis on financial management as the backbone of sustainable operations. The Resource-Based View (Barney, 1991) also provides a powerful theoretical rationale, stating that financial capital is not just an input but also a resource to be strategically deployed (as in Gitman). Sophisticated firms use what may be a basic administrative activity to create a real competitive edge. This competence appears to differentiate enterprises that barely survive from those who routinely execute lucrative, timely projects in Kasarani Sub-County, where the rivalry among home developers is fierce and margins can be razor-thin. So, it's time to give budgeting rules a boost, to rein in costs and sharpen the focus of financial forecasting, not as back-office worries but as the strategic priorities that determine whether a corporation is thriving or stalling.

5.2.2 Technology Adoption and Organizational Performance

The second most important factor for performance was technology adoption, although it had a different effect on results than financial management. The results show that organizations that use current electronic instruments in their operations do better than companies that use manual or traditional methods ($r = 0.60$, $\beta = 0.33$, $p < 0.001$). The standardized coefficients difference between financial management and technology adoption also indicates that technology is partly an enabler in this case and not a stand-alone driver, it improves efficiency, but it is still a good resource management at the core of it.

Descriptive data support this interpretation. Technology use was judged high by the respondents ($M = 4.05$, $SD = 0.58$) and included the uptake of digital project-management platforms, automated scheduling, and planning tools. These solutions appear to be solving real pain points in an industry where coordination failures between architects, engineers, vendors and ground teams may escalate rapidly into delays. Better flow of information means faster decisions, less rework, and closer adherence to deadlines.

But the data also sends a strong warning. The companies' progress has been mixed. However, several organizational barriers such as high initial investment costs, insufficient technical skills and resistance to change in old work patterns still impede the use of digital technologies. A firm can employ technology to gain competitive advantage by minimizing expenses and maximizing responsiveness (Porter, 2008). But these benefits are only possible if the technology is properly incorporated into everyday operations.

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Davis (1986) also proposes that the adoption of new technology is mainly dependent on the perceived usefulness and convenience of use of the personnel. This can lead to the construction of expensive and complex technologies that people don't use because they find them difficult to operate or not useful for their jobs.

Therefore, technological investment alone is not enough for house building enterprises in Kasarani Sub-County. To make lasting improvements, you need to invest as much in educating people as you do on-going technical assistance and good change management practices. The efficiency and productivity of the workflow in the business are increased by the technology and improvement of the preparedness of the organization. Without it, digital technology can be an operational burden rather than a source of competitive advantage.

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5.2.3 Government Policy and Organizational Performance

The government policy had a moderate but statistically significant effect on corporate performances. The results indicated a correlation coefficient of (r = 0.52) and regression coefficient of (\beta = 0.25) ((p = 0.001)). Government policy was a key predictor of performance while its effect was less than that of financial management and technological adoption. The standardized beta coefficient shows that regulatory conditions continue to influence organizational outcomes even after controlling for the effects of financial capacity and technological capabilities. The mean score of government policy was 3.89 (SD = 0.66). Thus, regulation was perceived more as a constant operational concern rather than a major determinant of organizational strategy. Interviewees often mentioned licensing requirements, taxation, environmental rules, procurement procedures, and enforcement of construction codes as tasks that draw a lot of managerial attention. Companies that manage these obligations well are less likely to endure legal wrangles, project stoppages, penalties and reputational risks. Regulatory compliance is therefore primarily a defensive mechanism, which maintains performance by limiting the likelihood of costly interruptions.

Yet the protective effect of regulation is not perfect. The interview results further indicated that regulatory restrictions could lead to increased operating costs and delays in project approvals, especially when administrative procedures are not well defined or are applied inconsistently. The link can be explained through the Institutional Theory that explains that organizations follow formal regulations and recognized social expectations in an effort to maintain legitimacy in their operating environment. This means companies with a strong compliance record may be better placed to win public contracts, get finance and retain the confidence of clients, regulators and other stakeholders.

The effect of government policy on construction housing enterprises in Kasarani Sub-County is determined not only by the substance of regulations but also the way it is implemented. "Clear, consistent and stable policies give firms the confidence to plan, allocate funds, and invest. Unpredictable regulatory changes and administrative delays may dissuade badly run enterprises from investing and disrupt the planning of projects.

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Government policy should thus be seen as a support to company performance in an institutional sense rather than a direct engine of rapid expansion. Policy makers and regulatory agencies can improve the performance of the house construction sector by streamlining the approval processes, minimizing bureaucratic delays, and providing more clarity and consistency in the application of regulations.

5.3 Conclusions

Based on the findings of the study, several conclusions can be drawn.

5.3.1 Financial Management

Financial management was found to be the most important predictor of organizational performance. Companies that make financial planning part of their strategy processes, that have strong internal controls, and that utilize budgets as active tools for decision-making are more likely to be good performers than those that see finance as just a record-keeping role. The benefits are more than just compliance with the requirements, as the timely use of financial information enables management to make more informed decisions regarding procurement, staffing and project scheduling. This is especially true in the case of housing construction, which requires heavy capital outlays, is subject to volatile costs for materials, and relies for its cash flow on meeting contractual milestones. In such an atmosphere, embedding financial oversight into the day-to-day activities is not optional; it is critical.

The findings from Kasarani Sub-County show that this approach also builds accountability within project teams, cuts down on waste, and helps firms survive the cash crunches that frequently derail small and medium-sized contractors. Financial management, then, is not just a back-office safety net. It is a core strategic strength that supports lasting growth and keeps firms competitive.

5.3.2 Technology Adoption

Technology adoption provides a key lever for performance improvement in house building enterprises, but is currently underused. Firms that have woven digital project-management platforms, automated scheduling and real-time communication tools into their everyday operations said they saw much better coordination between workers on the site and those in the office. They also saw less delay due to lack of information and had tighter control over procurement and inventory. These efficiency benefits are not by accident. In an industry where rework and idle labour often cut into profit margins, they are the difference between projects that pay and those that drain resources.

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Evidence of unequal take-up throughout the sector is also available. Many companies are still bogged down in manual tracking, paper approvals and siloed information systems, hamstrung by the high upfront cost of digital infrastructure, poor tech support and an unprepared workforce that cannot realize the value of new tools. The gap between early adopters and laggards is a large pool of unrealized potential. I understand that it's not merely about getting software packages. Companies also have to train people, maintain reliable connectivity and technical support, and develop a management culture that views change in technology as an operational priority, not an administrative afterthought. At the junctions of these organizational aspects, technology is no longer a peripheral cost but a real strategic asset that helps deliver the project and improves the competitive posture.

5.3.3 Government Policy

Government policy largely affects the performance of housing construction companies, yet it is often restricted. Kasarani Sub-County has formal boundaries that range from taxation and procurement, construction permits to environmental requirements, which firms must plan and execute projects within. These frameworks, when transparent and applied uniformly, have a certain predictability that is valuable in and of itself: contractors can estimate compliance costs, project timelines can be planned with greater certainty, and public work bids can be made without fear of arbitrary rule changes mid-project. Regulation in this sense is less a direct engine of performance than a stabilizer of the ground on which competitive strategy is played.

But the same architecture might become a choke point when authorizations become stalled, fiscal obligations grow faster than administrative guidance or environmental compliance requirements outstrip the technological capacities of smaller enterprises. Several respondents clearly cited regulatory requirements as a cost driver, particularly where vague standards resulted in repeated inspections or enterprises had to get unneeded approvals. The responsibility of management is thus more apparent than the customary exhortation to "find a balance." It's about developing in-house skills such as dedicated liaison staff, strong documentation processes, and front-end planning of compliance that considers regulatory needs without hampering project development. Firms that viewed compliance as an input to front-end planning rather than as a back-end administrative burden had fewer stop-work orders and stronger status with public-sector clients. The findings suggest a related conclusion for policymakers: enhancing approval workflows and clarifying ambiguous rules is likely to increase sector-wide performance without losing needed oversight.

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5.3.4 Overall Conclusion

The findings indicate that financial management has the highest impact on organizational success, followed by technology adoption and government policy among other variables. All three variables are important, but the research finds the most direct link to performance gains is the quality of financial governance specifically, how resources are distributed, monitored and regulated. Technology and regulatory compliance are big factors, but these effects seem to be countered by the company's fundamental fiscal ability. The lesson for practitioners is: first get the monetary systems correct. And if the fundamentals of financial management are inadequate, better technology and regulatory tinkering will do nothing to help. Sound financial governance is the foundation for technological investments and regulatory compliance to genuinely produce better results. These three areas are linked together in such a way that it is hard to separate them. Without that base, the other endeavors are doomed.

5.4 Recommendations

5.4.1 Financial Management

The results suggest a clear goal for housing building firms: tighten up financial management. That involves excellent budgeting methods, ongoing rather than simply month-end financial monitoring, and robust internal controls. Companies should also assess if existing financial management systems are capable of providing timely reports and presenting decision-makers with the right information. Simultaneously, frequent financial audits should be the norm, to ensure openness, accountability and the efficient use of resources.

5.4.2 Technology Adoption

"Rather than trying to digitize everything all at once, companies should be making strategic investments into information technology. The main difficulty is frequently not that there are no systems, but that the workforce doesn't know how to use what is currently there. Training programs most often fail because they are run as one-off workshops rather than being built into day-to-day work. Basic duties such as payroll, procurement and stock management tracking are often more quickly paid off than large-scale digital transformation efforts. Data analysis tools are only worth having if they directly contribute to planning; otherwise, they are just more paperwork. It is about liberating managers to escape the routine admin stuff so they can focus on decisions that really matter".

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5.4.3 Government Policy

Most companies view regulatory compliance as damage management, but the ones who take the lead in working with legislators tend to do better. It's not only a matter of ticking boxes to meet legal obligations. Companies must participate in industry bodies and consultation forums where the rules are actually drafted and changed. The regulatory environment for construction companies is always changing and without systems to keep track of those changes, they are left to scramble to keep up, which costs money. That's where industry associations come in. It is therefore practical for an industry to represent itself collectively through industry associations. A single firm generally does not have the time, money or influence to study policy developments or fight for change on its own.

5.5 Policy Implications

Policymakers need to understand that regulation can either enable or hinder company performance, depending on how it is designed. We still need to be accountable. But too much bureaucracy just wastes time and money that could be put to good use. Streamlining is not deregulation; it implies eliminating redundancy and needless stages, not reducing standards. The building sector will not likely digitize itself. Concrete incentives, such as tax incentives for the purchase of technology, subsidized training programs or public-private partnerships for digital infrastructure, are significantly more likely to deliver outcomes than general policy expressions of support.

5.6 Managerial Implications

Housing firms' construction managers need to cease treating financial management and technology as secondary support functions. Financial discipline is not only about cutting expenses, but about directing resources to what the organization actually needs to get done. Regarding technology, companies should buy solutions that solve genuine operational challenges, not systems that seem good on paper. One area that is sometimes ignored is following changes in policy. Many companies ignore the regulations until something changes and it puts them into crisis mode. "Having someone dedicated to tracking policy developments would help firms get ahead of these changes, rather than always have to catch up. Sustainable performance is not lurching to survive change, but foreseeing it.

5.7 Limitations of the Study

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There are various constraints that should temper the interpretation of the data. Firstly, the study was based on 148 responses. The sample was sufficient for the local environment but the results may not be generalizable to other places, industries or organizational structures.

Secondly, the study was mainly based on financial management, technological adoption and government policy. The study does not take into account other aspects that may have an impact on the performance of firms such as quality of leadership, organizational culture, market conditions and the competency of the staff. So, the results should be evaluated in the light of the factors used in this study.

The study also included self-report data from surveys that are prone to respondents' subjective views, response habits and differences in the interpretation of questionnaire items. These factors can have altered the accuracy and reproducibility of the responses.

5.8 Suggestions for Further Research

Future research can consider additional factors affecting organizational success such as leadership styles, employee motivation, organizational culture and other strategic management approaches to expand on this study. In addition, comparative cross-industry research, as well as research across geography and organizational context may help to determine whether the connections found in this study are similar under other conditions. There is a need for further longitudinal research over a longer length of time with the same organizations to give more robust evidence as to whether these management practices lead to lasting increases in performance or are merely a snapshot in time.

5.9 Final Conclusion Statement

The outcomes of this research suggest that financial management, technology acceptance and government policy have considerable impact on the organizational success. The more a firm uses its financial resources, the better it embraces the right technologies and operates within the needed regulations, the higher the chances of success. Of the three criteria assessed, financial management was the strongest predictor of organizational performance. This is particularly so in the house building industry, where managing cash flow and controlling costs well are critical to the success of project completion. Sound financial discipline, efficient resource management, and forward-looking planning therefore remain important foundations for maintaining competitiveness and supporting long-term organizational sustainability.

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APPENDICES

APPENDIX I: QUESTIONNAIRE FOR THE RESPONDENTS

The information collected by the questionnaire was kept confidential and was used only for research purposes. All of the answers were used in the study.

INSTRUCTIONS:

1. Kindly fill/tick in the relevant brackets and blank spaces.

Section A: Demographic Information

1. **Name of the Housing Construction Company (Optional):**

Please tick (✓) or fill in the appropriate response.

a). Gender:

☐ Male ☐ Female

b). Age:

☐ 18–25 years ☐ 26–35 years☐ 36–45 years ☐ 46 years and above

c). Highest Level of Education:

☐ Diploma ☐ Bachelor's Degree ☐ Master's Degree ☐ PhD

d). Years of Experience in the Construction Industry:

☐ Less than 2 years ☐ 2–5 years ☐ 6–10 years ☐ Over 10 years

e). Position/Role in the Company:

☐ CEO/Managing Director ☐ Finance Manager ☐ Project Manager ☐ Construction Manager

☐ Other (Please specify): _____

f). How long has your company been in operation?

☐ Less than 5 years ☐ 5–10 years ☐ Over 10 years

g). What is the approximate size of your company?

☐ Small (1–50 employees ☐ Medium (51–200 employees) ☐ Large (Over 200 employees)

Section B: Financial Management Strategies

1. **How often does your company review its financial strategies?**
   - Quarterly
   - Annually
   - Occasionally

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- Never

2. **To what extent does your company allocate resources for effective financial management (for example budgeting, financial forecasting, cost control)?**
   - Very High
   - High
   - Moderate
   - Low
   - Very Low
3. **Does your company utilize any of the following financial management tools? (Please select all that apply)**
   - Financial Forecasting
   - Cost-Benefit Analysis
   - Budgeting Systems
   - Risk Management Plans
   - None of the above
4. **How would you rate the impact of financial management strategies on the performance of your company?**
   - Very Positive
   - Positive
   - Neutral
   - Negative
   - Very Negative
5. **What challenges do you face in managing finances effectively in your company?**
   - Limited financial resources

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- ☐ Poor cash flow management
- ☐ Inadequate financial planning
- ☐ Other (Please specify): _____

Section C: Technological Advancements

1. **To what extent has your company adopted modern construction technologies (e.g., Building Information Modeling (BIM), 3D printing, drones)?**
   - ☐ Fully Adopted
   - ☐ Partially Adopted
   - ☐ Not Adopted
2. **What impact has the use of technology had on the efficiency and effectiveness of your company's construction projects?**
   - ☐ Very High Impact
   - ☐ High Impact
   - ☐ Moderate Impact
   - ☐ Low Impact
   - ☐ No Impact
3. **Which of the following technological advancements have been implemented in your company? (Select all that apply)**
   - ☐ Automated Project Management Tools
   - ☐ 3D Modeling and Design Software
   - ☐ Mobile Applications for On-Site Management
   - ☐ Drones for Site Surveying
   - ☐ Robotics for Construction Tasks

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- ☐ Other (Please specify): _____

4. **How do technological advancements influence the performance of your company?**
   - ☐ Significantly Improve Performance
   - ☐ Improve Performance
   - ☐ Have No Effect on Performance
   - ☐ Decrease Performance
5. **What barriers to technology adoption does your company face?**
   - ☐ High cost of technology
   - ☐ Lack of skilled workforce
   - ☐ Resistance to change
   - ☐ Other (Please specify): _____

Section D: Government Policies and Regulations

1. **To what extent do government policies (e.g., building codes, taxation, and licensing requirements) affect your company's operations?**
   - ☐ Strongly Affects
   - ☐ Moderately Affects
   - ☐ Slightly Affects
   - ☐ Does Not Affect
2. **Does your company comply with all relevant government regulations and standards?**
   - ☐ Always
   - ☐ Often

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- ☐ Occasionally
- ☐ Never

3. **Have government policies (such as VAT exemptions, construction permits, etc.) had a positive or negative impact on your company's performance?**
   - ☐ Positive Impact
   - ☐ Negative Impact
   - ☐ No Impact
4. **How would you rate the level of government support for the housing construction industry in Kasarani Constituency?**
   - ☐ Very High
   - ☐ High
   - ☐ Moderate
   - ☐ Low
   - ☐ None
5. **What challenges do you encounter due to government policies and regulations?**
   - ☐ Lengthy approval processes
   - ☐ High taxes and levies
   - ☐ Strict regulations and compliance requirements
   - ☐ Lack of support for small-scale construction companies
   - ☐ Other (Please specify): _____

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Section E: General Effect on Company Performance

1. **How would you rate the overall performance of your company in the past 3 years?**
   - ☐ Very Successful
   - ☐ Successful
   - ☐ Neutral
   - ☐ Unsuccessful
   - ☐ Very Unsuccessful
2. **Which of the following strategic management practices have contributed the most to your company's performance?**
   - ☐ Financial Management
   - ☐ Technology Adoption
   - ☐ Government Policies and Regulations
   - ☐ Employee Training and Development
   - ☐ Market Expansion Strategies
   - ☐ Other (Please specify): _____
3. **What suggestions would you offer to improve the strategic management practices in the housing construction sector in Kasarani Constituency?**

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Section F: Strategic Management Practices Indicators

Indicate your level of agreement with the following statements using the scale below:

1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree

Part I: Financial Management Strategies Indicators

Statement	1	2	3	4	5
The company effectively manages cash flow to support ongoing projects.	☐	☐	☐	☐	☐
The company has easy access to finance when needed.	☐	☐	☐	☐	☐
Budgeting and cost control measures are effectively implemented.	☐	☐	☐	☐	☐

Part II: Technological Advancement

To what extent has technology improved your company's performance? 1= Not at all 2= To a small extent 3= Moderate extent 4= Great extent 5=Very great extent

Statement	1	2	3	4	5
The company adopts modern digital technologies in project management.	☐	☐	☐	☐	☐
Automation and robotics are applied in construction	☐	☐	☐	☐	☐

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processes.					
The company uses software to enhance project planning and control.	☐	☐	☐	☐	☐

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Part III: Government Policies and Regulations Indicators

Please indicate your level of agreement with the following statements regarding the impact of government policies on your company's performance, using the scale: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree.

Statement	1	2	3	4	5
The process of acquiring construction permits and Licenses is efficient and timely	☐	☐	☐	☐	☐
The company complies with Land use and zoning regulations	☐	☐	☐	☐	☐
Changes in Environmental regulations are communicated	☐	☐	☐	☐	☐

clearly and are manageable for the company					

Part IV: Organizational Performance (construction companies) Indicators

Please indicate your level of agreement with the following statements regarding your company's performance, using the scale: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree.

Statement	1	2	3	4	5
The company achieves its project target within set timelines	☐	☐	☐	☐	☐
The company has seen a consistent increase in profitability over the last three years	☐	☐	☐	☐	☐
Customer satisfaction has increased due to improved services	☐	☐	☐	☐	☐
The company consistently meets high-quality workmanship standards	☐	☐	☐	☐	☐

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Thank you for participating in this survey. Your responses are valuable for our research.

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APPENDIX II: NACOSTI LICENSE

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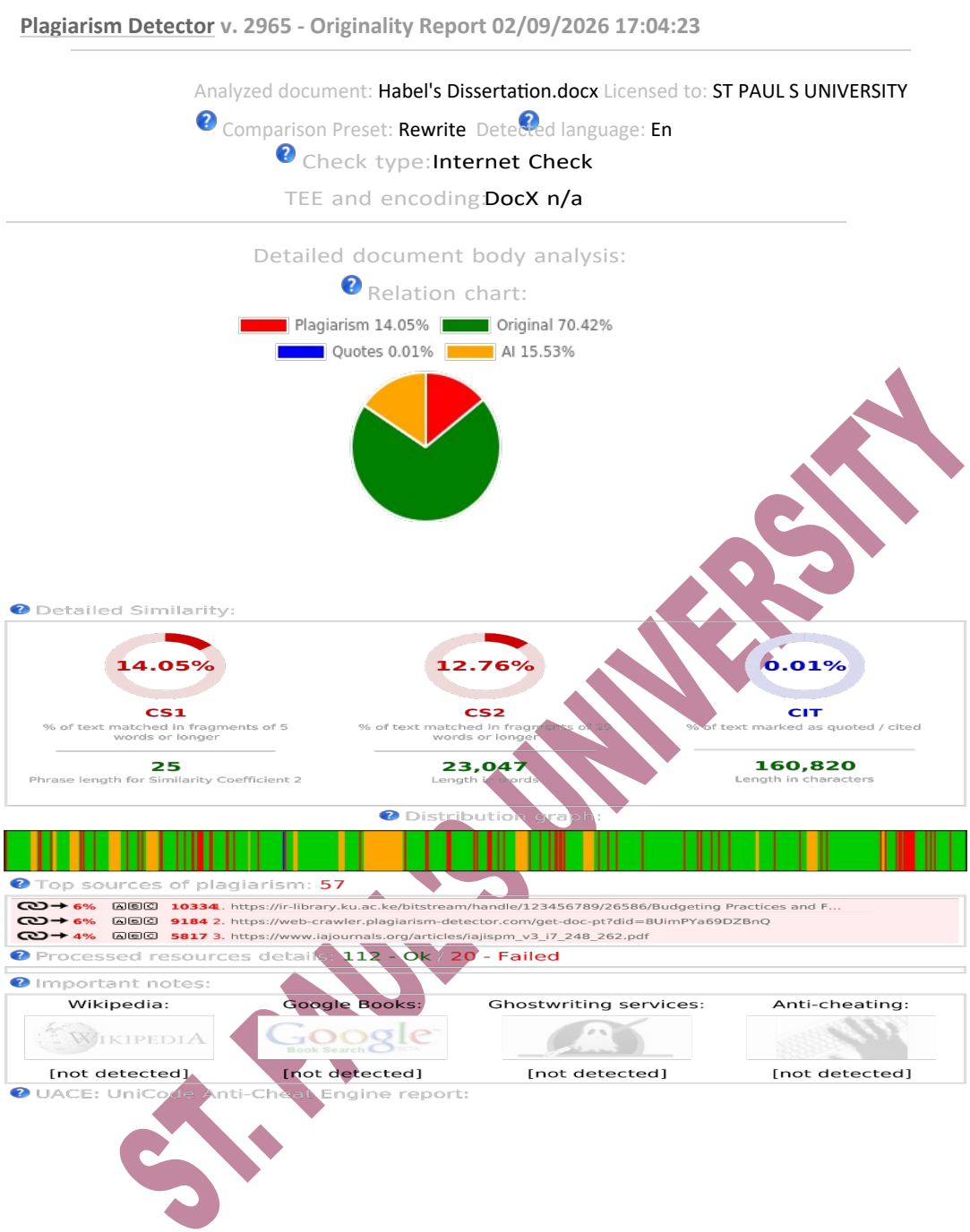
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APPENDIX III: PLAGIARISM REPORT



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