

STRATEGY IMPLEMENTATION AND GROWTH OF REGISTERED SMALL AND MEDIUM ENTERPRISES (SMEs) IN MOMBASA COUNTY, KENYA

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ABSTRACT

Purpose of Study: The study analyzed the effect of strategy implementation on growth of registered Small and Medium Enterprises (SMEs) in Mombasa County, Kenya.

Problem Statement: Many SMEs in Mombasa County continue to experience weak and uneven growth despite operating in a commercially strategic environment supported by port trade, tourism, logistics, retail activity and service-based commerce.

Methodology: The study employed a descriptive survey design targeting 49,500 registered and actively operating SMEs in Mombasa County. A sample size of 437 SME proprietors and managers was drawn using Yamane's formula and proportionate stratified random sampling, of whom 401 responded, giving a response rate of 91.8%. Data was collected using a structured questionnaire and analyzed using descriptive statistics, Pearson correlation analysis and simple linear regression analysis.

Result: Strategy implementation recorded a strong, positive and statistically significant correlation with business growth ($r = 0.702$, $p < .01$) and accounted for significant proportion of the variation in business growth of registered SMEs in Mombasa County ($\beta = 0.702$, $t = 19.690$, $p = .000$), such that a unit improvement in strategy implementation produced a corresponding increase in business growth.

Recommendation: SME owners and managers in Mombasa County should institutionalize structured implementation monitoring systems, including simple tracking dashboards, regular implementation review meetings, and clearly assigned responsibilities and timelines, to strengthen the translation of strategic plans into measurable business growth.

Keywords: *Strategy implementation, Action planning, Budget alignment, Implementation monitoring, Business growth.*

INTRODUCTION

Small and Medium Enterprises (SMEs) form an integral pillar of economic growth, employment creation, innovation, poverty reduction and household income generation across the world (World Bank, 2024). Globally, SMEs represent about 90% of all businesses and account for more than half of employment, confirming their central role in sustaining private sector-led development (World Bank, 2024). It is further estimated that MSMEs account for over 90% of firms, about 70% of total employment and nearly 50% of GDP worldwide, although their growth remains constrained by a substantial financing gap in emerging markets and developing economies (International Finance Corporation, 2024). In OECD economies, SMEs make up around 99% of all firms and generate between 50% and 60% of value added, underlining their importance for competitiveness, local development and economic transformation (Organisation for Economic Co-operation and Development, 2025). SMEs are similarly important in developing economies because they support economic diversification, reduce dependence on a few large firms or sectors, and create opportunities for local production and service delivery (United Nations Conference on Trade and Development, 2024).

Business growth is an important indicator of an enterprise's capacity to expand its operations, strengthen profitability, increase market presence and sustain long-term competitiveness (Purushothaman, Alamelu & Sudha, 2025). It shows that a business is not merely surviving but is improving its ability to create value, respond to customer needs, invest in new opportunities and withstand market pressures (Hamzat, 2025). At the macro level, growth-oriented enterprises contribute to stronger private sector development because growing firms generate more employment, expand supply chains, increase tax contributions and stimulate wider economic activity (World Bank, 2024). Business growth, however, is rarely automatic. Enterprises operate in environments characterised by financial limitations, rising costs, intense competition, shifting consumer preferences and uncertain regulatory conditions, meaning that growth requires deliberate direction rather than accidental expansion. Strategic planning helps enterprises define long-term goals and assess opportunities and threats, but a plan alone does not create growth; growth follows only when the plan is executed.

Strategy implementation describes the process through which strategic plans are translated into practical actions through assigned responsibilities, budgets, timelines, communication, coordination, monitoring and evaluation (Chukwuka & Imide, 2022). Kaplan and Norton (2008) observe that even well-formulated strategies fail to produce results unless they are operationalised through disciplined execution systems, arguing that the greatest value available to firms lies not in strategy formulation but in the execution premium created by effective implementation. Among Small and Medium Enterprises, where resources are limited, management structures are informal and competitive pressure is intense, the ability to convert plans into coordinated action, monitor progress and adjust course when circumstances change is often what separates enterprises that grow from those that stagnate or fail (Storey, 1994).

Empirical evidence increasingly points to implementation, rather than formulation, as the binding constraint on SME growth. In Gauteng Province, South Africa, Mudara and Mafini (2022) found that the manner in which women-owned SMEs implemented their business, corporate and operational strategies significantly predicted both financial performance and firm survival. Similarly, a systematic review of critical success factors among small and medium sized businesses found that structured execution practices, including monitoring, feedback and corrective action, were consistently associated with stronger enterprise performance across

contexts (Malesu & Syrovátka, 2025). These findings suggest that many SMEs invest considerable effort in preparing plans, budgets and targets, yet a substantial proportion of these plans are never fully executed, monitored or adjusted, undermining the growth benefits that strategic planning is intended to deliver.

In Kenya, SMEs remain a central contributor to employment, income generation and economic output, yet a large proportion of enterprises continue to record weak or inconsistent growth despite operating within a generally supportive commercial environment (World Bank, 2024). Enterprise development literature suggests that this weak growth performance is linked not only to external constraints such as limited access to finance, but also to internal execution weaknesses, including delayed implementation of planned activities, unclear assignment of responsibilities, weak budget-activity alignment and inconsistent monitoring of implementation progress (Purushothaman, Alamelu & Sudha, 2025).

A recurring theme in the literature on small business survival is that formulation-heavy approaches to strategic management, in which owners and managers invest considerable time preparing plans but comparatively little in following through on them, tend to leave growth opportunities unrealised (Malesu & Syrovátka, 2025). This pattern is particularly consequential for enterprises operating in fast-moving commercial environments, where delays in executing planned actions, whether in stocking, marketing, staffing or customer engagement, can mean that a window of opportunity closes before the enterprise is able to respond. Strengthening the study of strategy implementation as a distinct practice, separate from the broader question of whether SMEs plan at all, is therefore important for identifying the specific execution behaviours that most strongly influence business growth.

The distinction between strategy formulation and strategy implementation is therefore not merely academic. A firm may possess a technically sound strategic plan, informed by accurate market analysis and realistic goals, and still fail to grow if that plan is not translated into assigned tasks, funded activities, monitored timelines and corrective adjustments. This distinction is what justifies treating strategy implementation as a variable worthy of dedicated empirical attention rather than folding it into a general assessment of whether SMEs “plan” or not.

The consequences of weak implementation are visible in the wider financing and support landscape for SMEs. Development institutions have repeatedly noted that enterprises able to demonstrate structured execution of their business plans, including clear budgets, timelines and monitoring records, find it easier to access credit, technical support and market linkages than those that operate reactively (International Finance Corporation, 2024). This suggests that strategy implementation is not only a growth driver in its own right, but also a gateway that determines whether SMEs can access the external resources that further reinforce growth. Where implementation is weak, SMEs risk a self-reinforcing cycle in which poor execution limits access to finance and support, which in turn further constrains the resources available for future implementation.

Mombasa County, as Kenya's primary coastal economic hub and the gateway for East African trade through the Port of Mombasa, presents a unique context for examining how strategy implementation influences SME growth. The county hosts a substantial base of registered Small and Medium Enterprises operating across trade, tourism, logistics, manufacturing and service sectors, with the Mombasa County Integrated Development Plan 2023–2027 identifying 49,500 registered SMEs alongside challenges such as inadequate entrepreneurial skills, limited market

information and a high cost of doing business (County Government of Mombasa, 2023). The strategic location of Mombasa creates opportunities for access to regional markets, tourism revenue and port-related commerce, but also exposes SMEs to intense competition, fluctuating economic conditions tied to global trade volumes, and coastal seasonality affecting business operations. This study therefore sought to examine the effect of strategy implementation on growth of registered SMEs in Mombasa County.

STATEMENT OF THE PROBLEM

In Kenya, Small and Medium Enterprises remain central to employment, income generation and national economic growth, yet many enterprises fail to convert available strategic and market opportunities into sustained business growth. A recurring explanation offered in enterprise development literature is not the absence of strategic plans, but weak execution of the plans that are prepared. Owners and managers frequently draft action plans, budgets and targets that are never fully implemented, monitored or adjusted in response to changing conditions, meaning that strategic intentions do not consistently translate into measurable improvements in sales, customer base, market reach or profitability (Chukwuka & Imide, 2022). This implementation gap is compounded by resource constraints, limited managerial capacity and the tendency of owner-managers to prioritise short-term operational concerns over the disciplined execution of longer-term strategic actions.

In Mombasa County, this problem is particularly important because the county has a sizeable enterprise base operating within a distinctive port, tourism, logistics and retail economy, yet many SMEs remain unable to exploit existing trade and market opportunities. The Mombasa County Integrated Development Plan 2023–2027 identifies 49,500 registered SMEs operating alongside inadequate entrepreneurial skills, limited market information, non-competitive products, reluctance to formalise and a high cost of doing business as key barriers to enterprise development (County Government of Mombasa, 2023). Existing empirical studies linking strategy implementation to enterprise performance have, however, been conducted largely outside Mombasa County's specific business environment: among women-owned SMEs in Gauteng Province, South Africa (Mudara & Mafini, 2022), SMEs in Abidjan, Ivory Coast (Wang, Adouko & Teye, 2025), SMEs in the Bangsamoro Autonomous Region, Philippines (Alim, 2025), and SMEs in Akwa Ibom State, Nigeria (Okon & Akpan, 2024). The single identified Kenyan study, Cheroni and Njeru (2024), examined top-ranked SMEs in Nairobi County, whose commercial, regulatory and competitive environment differs markedly from Mombasa's coastal, port-driven economy. These studies leave a contextual, empirical and geographical gap regarding how strategy implementation specifically affects business growth among registered SMEs operating within Mombasa County's distinctive business environment. This study therefore examined the effect of strategy implementation on growth of registered Small and Medium Enterprises (SMEs) in Mombasa County, Kenya.

OBJECTIVE OF THE STUDY

The objective of the study was to analyze the effect of strategy implementation on growth of registered Small and Medium Enterprises (SMEs) in Mombasa County, Kenya.

The study tested the following null hypothesis:

H0: Strategy implementation has no significant effect on growth of registered Small and Medium Enterprises in Mombasa County, Kenya.

LITERATURE REVIEW

This section reviews the theoretical and empirical literature relevant to strategy implementation and business growth among Small and Medium Enterprises. It first presents the theories underpinning the study before reviewing empirical studies that have examined the relationship between strategy implementation and enterprise growth or performance.

THEORETICAL REVIEW

The theoretical framework anchors the assessment of how strategy implementation affects business growth among SMEs in Mombasa County. This study was anchored on Contingency Theory and further informed by Balanced Scorecard Theory as a supporting theory.

Contingency Theory

Contingency Theory was developed by Fiedler (1964). The theory states that there is no single best way to manage, plan, lead or organise a firm because effective management depends on the situation facing the organisation (Burns & Stalker, 1961). The theory explains that firms operating in stable environments may rely on formal rules, clear structures and routine procedures, while firms operating in changing environments require flexibility, adaptation and responsive decision-making (Woodward, 1965). It further argues that performance improves when organisational practices are aligned with environmental demands, especially where markets, technology, customers and competition keep changing (Lawrence & Lorsch, 1967). The theory also emphasises that organisational effectiveness depends on matching internal arrangements with external uncertainty rather than applying universal management principles (Galbraith, 1973). In strategic management, the theory is useful because it explains why firms must design and execute strategies according to their operating environment, resource position, size and market conditions (Donaldson, 2001).

In the SME context, this theory is relevant because smaller firms often operate under uncertain market conditions, limited resources, informal structures and strong competition, requiring implementation approaches that fit their specific situations (Storey, 1994). Contingency Theory provides a strong foundation for understanding how strategy implementation can support business growth when execution activities, such as action planning, budget alignment, responsibility assignment and monitoring, are aligned with the internal and external conditions facing SMEs (Wheelen, Hunger, Hoffman & Bamford, 2018). The theory further supports strategy implementation directly, because even well-formulated strategies may fail when they are not aligned with available resources, employee capacity, customer demand and competitive pressures (Kaplan & Norton, 2008). SMEs differ in size, sector, financial capacity, managerial skills and exposure to competition, meaning that implementation approaches, including how action plans are executed, how budgets are aligned and how progress is monitored, must be adapted to these differences rather than copied uniformly across enterprises (Donaldson, 2001).

Empirical support for the contingent nature of implementation success can be seen in studies where the same broad category of strategy produced different outcomes depending on how well it was matched to the firm's operating conditions. Among women-owned SMEs in Gauteng Province, for example, corporate and business-level strategies that were implemented in ways suited to the firms' resource position and market conditions predicted financial performance and survival, while operational-level implementation, which is more sensitive to day-to-day resource and staffing constraints, did not show the same statistically significant effect (Mudara & Mafini, 2022). This

pattern is consistent with Contingency Theory's core claim that the value of an implementation practice cannot be assessed in isolation from the conditions under which it is carried out.

The theory has, however, been criticised for being broad because it does not provide one fixed formula that managers can apply in all business situations. The idea of “fit” has been considered difficult to measure because organisations may face several internal and external conditions at the same time, making it hard to determine which condition has the strongest effect on implementation success (Drazin & Van de Ven, 1985). Some critics argue that the theory may become too descriptive because it explains that firms should adapt their execution practices to their environments without always providing clear guidance on how this adaptation should be achieved (Donaldson, 2001). The theory has also been criticised for paying more attention to environmental adaptation than to the internal resources and capabilities that help firms translate plans into competitive advantage (Barney, 1991). It may also be less effective in explaining situations where firms deliberately shape markets through innovation, branding and technology adoption rather than merely adapting to them (Porter, 1985). Many enterprises may understand the need to adapt their implementation practices but still lack the financial resources, skilled personnel and managerial capacity required to execute suitable strategies (Storey, 1994). Despite these criticisms, the theory remains important because it recognises that implementation practices must be suited to the context in which the business operates (Morgan, 2007).

Contingency Theory serves as the anchoring theory in this study because it explains the relationship between strategy implementation and business growth among SMEs in Mombasa County. The theory guides the assessment of whether SMEs align their implementation activities, including action planning, budget allocation, responsibility assignment, timelines and monitoring, with the actual conditions facing their businesses, including competition, market opportunities, customer needs, financing limitations and regulatory requirements. It further helps explain why some SMEs achieve stronger sales growth, profitability, customer growth, market expansion, innovation and resilience than others despite operating within the same county, since successful execution depends on the fit between planned actions, available resources, employee capacity and market realities.

Balanced Scorecard Theory

The proponents of Balanced Scorecard Theory are Kaplan and Norton (1992). The theory states that organisational performance should not be measured using financial indicators alone, but should also include customer outcomes, internal business processes, and learning and growth dimensions (Kaplan & Norton, 1992). Organisations perform better when strategic objectives are translated into measurable targets, initiatives and performance indicators across different areas of the business (Kaplan & Norton, 1996). The theory emphasises that financial results are important, but they are often lagging indicators that should be supported by non-financial drivers such as customer satisfaction, process efficiency, innovation and organisational capability (Kaplan & Norton, 2001). In strategic management, the Balanced Scorecard provides a direct link between strategy formulation and strategy implementation by ensuring that strategic plans are converted into operational actions and measurable results (Kaplan & Norton, 2004). It also supports performance review because it enables organisations to track whether their implementation efforts are producing the intended outcomes (Kaplan & Norton, 2008).

The theory is useful in business growth studies because growth is not limited to profit but also includes customer growth, market expansion, internal efficiency, innovation and resilience

(Delmar, Davidsson & Gartner, 2003). It supports the idea that strategy implementation should be linked to performance indicators that show whether the business is progressing toward its growth objectives (Kaplan & Norton, 2001). In the SME context, performance measurement during implementation is important because smaller enterprises often operate with limited resources and need clear indicators to monitor progress and correct weaknesses early (Storey, 1994). The theory therefore helps explain how strategy implementation can support business growth when SMEs use clear performance measures to guide execution, monitoring and corrective action (Wheelen, Hunger, Hoffman & Bamford, 2018).

Balanced Scorecard Theory has, however, been criticised for requiring formal systems, reliable data and disciplined performance monitoring, which may be difficult for many SMEs to maintain. Some critics argue that the framework was initially developed for larger organisations and may require adaptation before being applied to small and medium enterprises with limited structures and fewer employees (Kaplan & Norton, 1996). It may also be difficult for SMEs to collect accurate implementation data across all performance perspectives because many small businesses have weak record-keeping practices (Storey, 1994). The theory has further been criticised for assuming that implementation activities can be clearly linked to outcomes in a straightforward cause-and-effect chain, even though business growth may be influenced by several unpredictable internal and external factors (Nørreklit, 2000). Some scholars argue that the Balanced Scorecard may become a reporting tool rather than an implementation management tool if firms focus on measurement without improving execution and decision-making (Nørreklit, 2003), and that it may encourage firms to track too many indicators, creating administrative burden for small businesses with limited managerial capacity (Marr & Schiuma, 2003).

Empirically, the value of linking implementation to measurable performance indicators has been demonstrated across a range of enterprise settings, where firms that established clear, monitored targets for execution activities consistently outperformed those that treated implementation informally (Delmar, Davidsson & Gartner, 2003). For SMEs, which typically lack the elaborate management information systems of larger firms, the Balanced Scorecard's emphasis on a small set of practical, trackable indicators, such as whether action plans are being followed, whether budgets are being adhered to and whether corrective action is being taken when results fall short, offers a realistic pathway for strengthening implementation discipline without requiring costly formal systems (Wheelen, Hunger, Hoffman & Bamford, 2018).

The theory helps the researcher assess growth using a broader set of indicators, including sales growth, profitability, customer growth, market expansion and business resilience, while linking strategy implementation to measurable outcomes rather than treating execution as an abstract managerial activity (Kaplan & Norton, 1996). It supports the analysis of strategy implementation by showing whether SMEs translate plans into performance targets, operational actions, monitoring systems and corrective measures (Kaplan & Norton, 2008). In the Mombasa County context, the theory helps the researcher examine whether SMEs are monitoring implementation progress in a structured way despite operating in a competitive environment shaped by trade, tourism, logistics and retail activity. Balanced Scorecard Theory is therefore applicable because it provides a practical framework for linking strategy implementation to measurable business growth outcomes among SMEs in Mombasa County.

EMPIRICAL REVIEW

Mudara and Mafini (2022) investigated how strategy implementation affected the financial performance and firm survival of women-owned SMEs in the South African province of Gauteng. The study adopted a quantitative research methodology and administered a structured six-section questionnaire to 347 female entrepreneurs selected through convenience sampling. Regression analysis, Pearson correlation, exploratory factor analysis and descriptive statistics were used to examine the data. The results showed that while operational strategy did not have a statistically significant impact on financial performance, the use of corporate and business strategies had a considerable favourable effect. The study further established that operational, business and corporate strategies significantly predicted SME survival, and that financial performance also predicted survival. The study recommended that interventions aimed at reducing the decline and failure of women-owned SMEs should focus on strengthening business management skills, particularly the ability to formulate and implement suitable strategies.

Wang, Adouko and Teye (2025) examined the impact of strategic management practices on the financial and non-financial performance of small and medium-sized firms in Abidjan, Ivory Coast, treating strategy implementation as one of the most important strategic management activities. The study adopted a descriptive cross-sectional research approach and collected data from 300 SMEs within the Abidjan Metropolitan Area. The findings showed that strategy implementation significantly influenced SME performance because firms that translated plans into clear actions, assigned responsibilities, aligned resources and monitored execution achieved better financial and non-financial outcomes. The study further established that weak implementation limited the ability of SMEs to convert strategic intentions into growth outcomes, and recommended that SMEs strengthen implementation capacity through staff training, resource alignment, communication of strategic priorities, regular monitoring and periodic strategy audits.

Alim (2025) assessed the role of strategy implementation in the organisational performance of SMEs in the Bangsamoro Autonomous Region in Muslim Mindanao, Philippines, adopting an empirical research approach with data collected from SMEs operating in the region. The findings showed that strategy implementation positively influenced SME performance by ensuring that planned strategies were converted into operational activities, budgets, responsibilities, timelines and measurable targets. The study further indicated that SMEs performed better when owners and managers demonstrated commitment to execution, coordinated employees, allocated resources and followed up on strategic activities. The study recommended that SME managers improve execution systems, communicate strategic plans clearly, align implementation activities with business objectives and monitor progress continuously to enhance business growth.

Okon and Akpan (2024) examined the impact of strategy implementation on the performance of small and medium-sized businesses in Akwa Ibom State, Nigeria, collecting primary data from SME operators using a survey research design. Regression analysis showed that strategy implementation accounted for 36.7% of the variation in organisational performance, indicating a considerable positive impact. The study established that SMEs which effectively executed planned strategies through clear task allocation, employee support, communication and monitoring were more likely to improve competitiveness and performance, and recommended that SME owners and managers strengthen implementation planning, assign responsibilities clearly, involve employees in execution, provide required resources and track implementation progress.

Cherono and Njeru (2024) assessed the effect of strategy implementation on the performance of SMEs in Nairobi County, Kenya, targeting 250 top-ranked SMEs and analysing data collected through structured questionnaires. The findings showed that strategy implementation had a positive and significant effect on SME performance, particularly where SMEs involved employees, communicated strategic priorities, allocated resources and evaluated progress during execution. The study further established that firms that implemented strategies consistently were more likely to improve performance than those that relied on plans without practical execution, and recommended that SME managers strengthen participatory implementation, improve communication, align resources with strategic activities and conduct continuous performance evaluation.

Across the reviewed studies, the magnitude of the effect of strategy implementation on enterprise performance varies by context but is consistently positive. Okon and Akpan (2024) found that strategy implementation alone accounted for 36.7% of the variation in organisational performance among SMEs in Akwa Ibom State, Nigeria, while Mudara and Mafini (2022) found that corporate and business-level implementation, though not operational-level implementation, significantly predicted financial performance and firm survival among women-owned SMEs in Gauteng Province. These variations suggest that the strength of the implementation-growth relationship may depend on how implementation is measured, the level of strategy being executed, and the specific business environment in which SMEs operate, reinforcing the need for context-specific evidence from Mombasa County rather than reliance on findings generated elsewhere.

Methodologically, the reviewed studies also demonstrate a consistent preference for quantitative, questionnaire-based designs analysed through regression and correlation techniques, whether applied to women-owned SMEs through convenience sampling (Mudara & Mafini, 2022), cross-sectional samples of SMEs in metropolitan trading areas (Wang, Adouko & Teye, 2025), or top-ranked enterprises identified through business registries (Cherono & Njeru, 2024). This methodological convergence supports the appropriateness of a descriptive survey design with regression-based analysis for examining strategy implementation and business growth among SMEs in Mombasa County, while the consistent finding of a positive and significant relationship across such varied samples and sectors strengthens confidence that the relationship is not an artefact of any single context or method.

RESEARCH METHODOLOGY

Research Design

This study adopted a descriptive survey research design to examine the effect of strategy implementation on growth of registered Small and Medium Enterprises (SMEs) in Mombasa County, Kenya. A research design offers the general framework that guides the procedures of data collection, measurement, analysis and interpretation (Kothari, 2024). The descriptive survey approach was appropriate because it allowed for the collection of quantitative data from a large number of SME owners and managers within their normal business environments without manipulating the study variables. The design was suitable for describing existing strategy implementation practices among SMEs and relating them to business growth outcomes such as sales revenue growth, customer base expansion and market reach expansion (Fowler, 2013). The study was non-experimental because the researcher did not manipulate strategy implementation practices or randomly assign SMEs to different conditions.

Study Area and Target Population

The study was conducted among registered and actively operating SMEs in Mombasa County, selected because it is a major commercial, port, logistics, tourism, retail and service hub, making it a suitable setting for examining how strategy implementation influences business growth. According to the Mombasa County Integrated Development Plan 2023–2027, the county has 49,500 registered SMEs (County Government of Mombasa, 2023). The units of analysis were SMEs, while the units of observation comprised business proprietors or managers because they are directly involved in strategic decision-making and implementation of business growth strategies. The target population was organised into six key SME categories reflecting the dominant enterprise activities in the county: retail and wholesale trade, hospitality and tourism-related enterprises, transport and logistics enterprises, manufacturing and processing enterprises, professional and personal service enterprises, and Jua Kali/artisan enterprises.

Sampling Procedure and Sample Size

The study adopted proportionate stratified random sampling because SMEs in Mombasa County operate across sectors with varied business models, resource needs and growth patterns. The population was first stratified into the six SME categories, and simple random sampling was then used to select participating SMEs within each stratum, giving each eligible enterprise an equal chance of inclusion. The study used Yamane's (1967) formula to determine the minimum sample size given the known and finite target population:

$$n = N / [1 + N(e)^2]$$

Where n is the sample size, N is the target population (49,500), and e is the margin of error (0.05). This yielded a minimum sample size of 397 SMEs. To cater for possible non-response, incomplete questionnaires and unavailable respondents, the sample was adjusted upward by 10%, giving a final adjusted sample size of 437 respondents. Proportionate allocation was then applied so that each SME category contributed to the final sample according to its share of the target population.

Instrumentation, Validity and Reliability

Data was collected using a structured questionnaire divided into sections covering background information, strategy implementation and business growth. The questionnaire mainly used a five-point Likert scale ranging from “Strongly Disagree” (1) to “Strongly Agree” (5), which was suitable because the study sought to measure respondents' perceptions and practices relating to strategy implementation and business growth (Fowler, 2013). Before the main data collection exercise, the study conducted pilot testing involving 44 respondents (10% of the sample size) drawn from SMEs in Kilifi County, which has a comparable coastal SME environment to Mombasa County while remaining outside the main study area to prevent respondent contamination (Mugenda & Mugenda, 2013). Content validity was established through expert review by the research supervisors and specialists in strategic management and research methodology (Creswell & Creswell, 2018). The strategy implementation section of the questionnaire comprised eight statements covering action plan preparation, timely execution of planned activities, budget alignment, responsibility assignment, implementation monitoring, addressing implementation challenges, reviewing results and adjusting plans when necessary, while the business growth section comprised eight statements covering sales growth, revenue improvement, customer base expansion, market reach expansion and overall competitiveness. A pilot sample of 10% was considered adequate because it is large enough to reveal weaknesses in

question wording, test the flow of items, estimate completion time and identify possible response challenges without exhausting the main study population (Mugenda & Mugenda, 2013).

Reliability was assessed using Cronbach's alpha, with a threshold of 0.70 adopted as the minimum acceptable level of internal consistency (Nunnally, 1978; George & Mallery, 2003). The pilot test results confirmed that both the strategy implementation scale ($\alpha = 0.893$) and the business growth scale ($\alpha = 0.871$) exceeded this threshold, indicating satisfactory internal consistency. Variable validity was further assessed using the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's Test of Sphericity, with strategy implementation recording a KMO value of 0.876 and business growth recording a KMO value of 0.849, both exceeding the recommended minimum of 0.50, with Bartlett's Test significant in both cases ($p = .000$).

Data collection followed a systematic process to ensure accuracy, ethical compliance and a high response rate. The researcher first obtained the necessary authorisation from the university and a research permit from relevant authorities, thereafter seeking permission from relevant county offices, SME associations and business groups. Questionnaires were administered using a drop-and-pick method and, where appropriate, through secure online forms, an approach considered suitable because SME proprietors and managers often operate under busy schedules and may prefer different modes of response. Trained research assistants supported questionnaire distribution and follow-up, particularly in areas with high concentrations of SMEs, and follow-up reminders were made to improve the response rate. All completed questionnaires were checked for completeness before coding and analysis, a process that helped ensure that the data collected on strategy implementation and business growth were relevant, reliable and suitable for the study.

Data Analysis

Data was coded and analysed using the Statistical Package for the Social Sciences (SPSS). Descriptive statistics, including frequencies, percentages, means and standard deviations, were used to summarise respondents' characteristics and their practice of strategy implementation. Inferential statistics were then used to establish the relationship between strategy implementation and business growth. Pearson correlation analysis was employed to assess the strength and direction of the relationship between strategy implementation and business growth, while simple linear regression analysis was performed to establish the extent to which strategy implementation influences business growth among registered SMEs in Mombasa County. The regression model estimated was:

$$Y = \beta_0 + \beta_1 X + \varepsilon$$

Where Y represents business growth, X represents strategy implementation, β_0 is the constant, β_1 is the regression coefficient, and ε is the error term. The hypothesis was tested at the 5% level of significance, where a p-value of less than 0.05 was considered statistically significant.

The study adhered to the ethical guidelines of Kenya Methodist University and the National Commission for Science, Technology and Innovation (NACOSTI). Ethical approval was obtained before data collection commenced, and formal authorisation was sought from relevant institutions and authorities to legitimise the research process. All respondents were asked for their informed consent prior to data collection, and participation in the study was entirely voluntary. Anonymity and confidentiality were maintained throughout, as respondents were not asked for personal identifying information and each response was assigned a numerical code. Data was reported in

aggregate form to protect respondent identities, and the researcher upheld integrity by reporting findings accurately without fabrication, falsification or misrepresentation.

DISCUSSION OF FINDINGS

Of the 437 questionnaires distributed, 401 were duly completed and returned, representing a response rate of 91.8%, which is considered excellent for the purposes of the study (Mugenda & Mugenda, 2013; Kothari, 2024). With respect to demographic characteristics, 52.9% of the respondents were male while 47.1% were female, reflecting a fairly balanced gender distribution within the SME sector in Mombasa County. Regarding age, the majority of respondents (39.2%) fell within the 36–45 years age bracket, followed by those aged 26–35 years (35.7%), suggesting that most respondents had sufficient business experience to offer informed assessments of strategy implementation practices. In terms of educational background, the largest proportion of respondents held certificates (33.7%), followed by diploma holders (21.4%) and postgraduates (17.2%), indicating an educational profile sufficient for respondents to meaningfully engage with the study instrument. With respect to duration of business operation, the largest proportion (47.4%) had operated their SMEs for 2–5 years, followed by those in operation for less than 2 years (25.9%), 6–10 years (14.5%), and more than 10 years (12.2%), suggesting that the sample captured relatively established enterprises with sufficient experience of strategy implementation while still including a meaningful share of newer enterprises for whom implementation practices may still be forming. Taken together, the demographic profile indicates that the respondents were well placed, in terms of business tenure, educational attainment and direct involvement in strategic decision-making, to provide informed and reliable assessments of strategy implementation practices and their SMEs' growth experience.

Descriptive Statistics

Strategy Implementation and Business Growth

Respondents were asked to rate their level of agreement with eight statements relating to action plan preparation, timely execution of planned activities, budget alignment, responsibility assignment, implementation monitoring, addressing implementation challenges, reviewing results and adjusting plans when necessary. The results are presented in Table 1.

Table 1: Descriptive Statistics on Strategy Implementation

Statement	SD	D	U	A	SA	Mean	SD.
I prepare action plans for business activities.	3.0%	6.2%	20.2%	27.5%	43.0%	4.01	1.07
I implement planned business activities on time.	4.0%	2.7%	26.7%	30.2%	36.4%	3.92	1.05
I align my budget with planned activities.	2.2%	6.5%	14.7%	37.7%	38.9%	4.04	1.00
I assign responsibilities for planned tasks.	4.5%	5.5%	20.6%	33.2%	36.2%	3.91	1.09
I monitor progress during strategy implementation.	2.8%	6.8%	15.6%	37.2%	37.7%	4.00	1.03
I address challenges that affect implementation.	3.0%	8.0%	19.2%	26.4%	43.4%	3.99	1.10
I review results after implementing strategies.	2.0%	6.2%	18.2%	29.4%	44.1%	4.07	1.02
I adjust implementation plans when necessary.	1.8%	6.3%	16.5%	33.6%	41.9%	4.08	0.99
Overall						4.00	1.04

SD = Strongly Disagree, D = Disagree, U = Undecided, A = Agree, SA = Strongly Agree

The variable recorded an overall mean of 4.00 and a standard deviation of 1.04, indicating strong and consistent endorsement of strategy implementation practices across the SME sample. The highest rated item was adjusting implementation plans when necessary, with a mean of 4.08 and a standard deviation of 0.99, and 75.5% of respondents in agreement, suggesting that adaptability in implementation is the most widely practised behaviour among SMEs operating in dynamic market environments. Reviewing results after implementing strategies followed closely, with a mean of 4.07, a standard deviation of 1.02, and 73.5% agreement, while aligning budgets with planned activities recorded a mean of 4.04, a standard deviation of 1.00, and the highest agreement rate in the variable at 76.6%.

Monitoring progress during implementation recorded a mean of 4.00 and a standard deviation of 1.03, with 74.9% agreement, while addressing challenges that affect implementation recorded a mean of 3.99 and 69.8% agreement. Preparing action plans for business activities recorded a mean of 4.01 and 70.5% agreement, and assigning responsibilities for planned tasks recorded a mean of 3.91 and 69.4% agreement. The lowest rated item was implementing planned business activities on time, with a mean of 3.92, a standard deviation of 1.05, and 66.6% agreement, pointing to timeliness of execution as the most challenging implementation dimension, consistent with the broader SME literature where resource constraints and competing operational demands frequently delay planned activities (Okon & Akpan, 2024). The overall mean of 4.00 confirms that strategy implementation is a well-practised strategic dimension among SMEs in Mombasa County, corroborating Cherono and Njeru (2024), who established that strategy implementation significantly improved SME performance when planning was translated into coordinated and monitored action.

Overall, the pattern of results across the eight items suggests that SMEs in Mombasa County are considerably more confident in the planning and review stages of implementation, namely preparing action plans, aligning budgets, monitoring progress and adjusting plans, than in the execution stage of ensuring that activities are actually carried out within agreed timelines. This

distinction is important because it indicates that the implementation weakness among SMEs in the county is less about the absence of structures for implementation and more about the discipline of following through on planned timelines, a finding that has direct implications for the kind of managerial support that would most effectively strengthen business growth.

Diagnostic Tests

Prior to inferential analysis, diagnostic tests were conducted to verify that the data met the key assumptions underlying linear regression analysis. Normality of the dependent variable, business growth, was assessed using both the Kolmogorov-Smirnov and Shapiro-Wilk tests. The Kolmogorov-Smirnov test statistic was 0.071 ($df = 401$, $p = .052$) and the Shapiro-Wilk statistic was 0.976 ($df = 401$, $p = .068$). Both tests returned p -values greater than the significance level of 0.05, confirming that the null hypothesis of normality could not be rejected and that the data distribution for business growth was approximately normal. Examination of skewness (-0.183) and kurtosis (0.241) values further confirmed that the distribution was approximately normal, with no significant departure from symmetry or excess peakedness. Homoscedasticity, assessed through inspection of the residual scatterplot, showed no systematic pattern in the spread of residuals across levels of strategy implementation, confirming that the assumption of constant error variance was reasonably satisfied. Because a single predictor variable was used, multicollinearity, which concerns the extent to which predictor variables in a model are intercorrelated, does not arise. The data was therefore deemed suitable for linear regression analysis without transformation.

Correlation Analysis

Pearson correlation analysis was carried out to examine the direction and strength of the relationship between strategy implementation and business growth. The analysis showed a strong, positive and statistically significant correlation between strategy implementation and business growth ($r = 0.702$, $p < .01$). This finding suggests that SMEs with more effective strategy implementation practices tend to achieve significantly better business growth. When strategic plans are translated into specific actions, responsibilities are assigned, budgets are aligned, implementation is monitored and corrective measures are applied promptly, SMEs are better positioned to achieve improvements in sales, market reach, customer base and competitiveness. This result is consistent with Cherono and Njeru (2024), who demonstrated that strategy implementation had a positive and significant effect on SME performance in Nairobi County, and with Alim (2025), who confirmed that coordinated execution and progress monitoring significantly improved SME performance in the Philippines.

The practical importance of these results is best appreciated in the context of Mombasa County's commercial character. Enterprises operating in port-related trade, tourism, logistics and retail commerce face fast-changing customer flows, seasonal demand patterns and intense competition, conditions under which a well-formulated but poorly executed strategy offers little advantage over having no strategy at all. Among the sample, SMEs in retail and wholesale trade and in hospitality and tourism-related activities formed the two largest categories, and it is precisely in these fast-moving, competitive segments that the disciplined translation of plans into timely action, monitored progress and prompt adjustment would be expected to matter most for capturing growth opportunities as they arise.

Regression Analysis

Simple linear regression analysis was conducted to determine the extent to which strategy implementation predicts business growth among registered SMEs in Mombasa County. Table 2 presents the model summary and analysis of variance (ANOVA) results. The ANOVA results showed that the overall regression model was statistically significant, $F(1, 399) = 387.678$, $p = .000$, confirming that strategy implementation significantly predicts business growth of registered SMEs and that the model fit is statistically sound. Table 3 presents the regression coefficient results.

Table 3: Regression Coefficients

Variable	B	Std. Error	Beta (β)	t	Sig.
(Constant)	0.932	0.162	—	5.770	.000
Strategy Implementation	0.769	0.039	0.702	19.690	.000

Dependent Variable: Business Growth.

Table 3 shows that strategy implementation has a statistically significant positive influence on business growth ($B = 0.769$, $\beta = 0.702$, $t = 19.690$, $p = .000$). This implies that a one-unit improvement in strategy implementation is associated with a 0.769-unit increase in business growth. This finding indicates that the practical translation of strategic plans into coordinated actions, with clear responsibilities, timelines, monitoring systems and corrective mechanisms, is a powerful driver of growth outcomes among SMEs in Mombasa County. The result is consistent with Cherono and Njeru (2024), who found that strategy implementation significantly improved SME performance in Kenya, and with Wang, Adouko and Teye (2025), who established that firms translating plans into clear actions achieved better financial and non-financial performance. The Balanced Scorecard framework of Kaplan and Norton (2008) similarly confirms that strategic plans only produce outcomes when effectively operationalised through structured implementation. On the basis of these findings, the null hypothesis that strategy implementation has no significant effect on growth of registered SMEs in Mombasa County, Kenya, was rejected.

Okon and Akpan (2024) found that strategy implementation alone explained 36.7% of the variation in organisational performance among SMEs in Akwa Ibom State, Nigeria, a smaller proportion than recorded among SMEs in Mombasa County. This difference may reflect the distinctive nature of Mombasa's SME environment, where the fast-moving, competitive and seasonally variable character of port trade, tourism and retail commerce may make the quality of implementation an unusually decisive factor in whether growth opportunities are captured or missed. From a practical standpoint, the standardised coefficient of 0.702 indicates that strategy implementation has a substantial, not merely statistically detectable, effect on business growth, reinforcing the case for treating implementation capacity as a priority area for enterprise development support in the county rather than a secondary consideration behind planning and strategy formulation.

These findings carry clear theoretical implications. They support Contingency Theory's central proposition that organisational outcomes depend on the fit between practice and context, since SMEs that align their implementation activities, action plans, budgets, responsibility assignments and monitoring systems, with the realities of their operating environment recorded stronger business growth than would be expected from formulation alone (Donaldson, 2001). The findings equally affirm the Balanced Scorecard framework's emphasis on operationalising strategy through

measurable actions and continuous performance review, since SMEs that translated plans into monitored, adjustable execution routines achieved the growth outcomes that the framework predicts follow from disciplined implementation (Kaplan & Norton, 2008).

CONCLUSION

This study sought to analyze the effect of strategy implementation on growth of registered Small and Medium Enterprises in Mombasa County, Kenya. The descriptive findings showed that strategy implementation is a well-practised strategic dimension among SMEs in the county, with SMEs generally preparing action plans, aligning budgets, assigning responsibilities, monitoring progress and adjusting plans when necessary, although timeliness of execution remains a comparatively weaker practice. The study concludes that the effective translation of strategic plans into coordinated actions, with clear role assignments, structured monitoring systems and prompt corrective mechanisms, is a critical driver of growth outcomes among SMEs in Mombasa County.

Enterprises that consistently execute, monitor and adjust their strategic plans are better positioned to achieve improvements in sales, customer base, market reach and overall competitiveness than those that treat strategic plans as documents rather than as living operational guides. The finding that timeliness of execution was the weakest implementation practice, despite generally strong performance on planning, budget alignment and monitoring, further suggests that the growth deficit among some SMEs in Mombasa County is driven less by an absence of implementation structures and more by inconsistent follow-through on planned actions. The null hypothesis that strategy implementation has no significant effect on growth of registered SMEs in Mombasa County, Kenya, is therefore rejected.

RECOMMENDATIONS

Given that strategy implementation is a significant and strong predictor of business growth, SME owners and managers in Mombasa County should invest in formalising their implementation monitoring practices by adopting simple but effective tracking tools such as business performance dashboards, sales tracking records and customer retention metrics. Regular implementation review meetings should be institutionalised to create accountability and shared ownership of strategic outcomes. Particular attention should be paid to strengthening the timeliness of execution, which emerged as the weakest implementation practice, by setting realistic timelines, allocating adequate personnel to planned activities and addressing bottlenecks that delay execution.

County government agencies and enterprise development institutions in Mombasa County should design targeted capacity-building programmes that equip SME owners and managers with practical skills in action planning, budget alignment, responsibility assignment and implementation monitoring. Policymakers and enterprise support institutions should also provide implementation coaching and mentorship programmes that pair SME owners with experienced business mentors who can guide the practical execution of strategic plans.

Training institutions, business consultants and researchers with an interest in SME growth should incorporate structured implementation modules, covering action planning, budget-activity alignment, responsibility assignment and progress monitoring, into enterprise development curricula and advisory programmes. Because this study found that SMEs in Mombasa County were already relatively strong in preparing plans and reviewing outcomes but comparatively weaker in timely execution, targeted interventions should place particular emphasis on execution discipline

and time management rather than repeating generic strategic planning training that many SME owners and managers may already have received.

Financial institutions and development partners supporting enterprise development in Mombasa County should fund strategy implementation training and affordable management information systems appropriate to the scale of small enterprises. Such interventions would help SMEs institutionalise structured execution practices, thereby strengthening the link between strategic planning and actual business growth outcomes in the county. Future research could build on these findings by employing longitudinal designs to track how changes in implementation practice translate into growth over time, and by examining whether the strength of the implementation-growth relationship observed in this study holds across other coastal and urban counties in Kenya.

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