

**PUBLIC RELATIONS MANAGEMENT AND STRATEGY
IMPLEMENTATION FOR FIRMS LISTED AT THE NAIROBI SECURITIES
EXCHANGE**

BY

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DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted for any academic award in any institution.

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SUPERVISOR'S APPROVAL

This research project has been submitted for examination with my approval as the university supervisor.

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DEDICATION

My research project is dedicated to all my family who encouraged and showed me support in the course of my study. Special dedication to my children Barbra, Maria Tessa and Maxwell for their patience and understanding.

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To God almighty for the life and good health I enjoyed which enabled me see this project through.

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TABLE OF CONTENTS

DECLARATION	i
DEDICATION	iii
ACKNOWLEDGEMENT	iv
LIST OF TABLES	viii
LIST OF FIGURES	ix
LIST OF ABBREVIATIONS	x
ABSTRACT	xi
CHAPTER ONE: INTRODUCTION	1
1.1 Background of the Study.....	1
1.1.1 Strategy Implementation.....	2
1.1.2 Public Relations Management	3
1.1.3 Firms Listed at the Nairobi Securities Exchange	5
1.2 Research Problem	6
1.3 Objective of the Study.....	8
1.4 Value of the Study.....	8
CHAPTER TWO: LITERATURE REVIEW	10
2.1 Introduction	10
2.2 Theoretical Foundation	10
2.2.1 Commitment-Trust Theory	10
2.2.2 Balanced Scorecard Theory.....	11
2.2.3 Resource Based View Theory.....	12
2.3 Public Relations Management	14
2.4 Strategic Management in Organizations	16

2.5 Public Relations Management and Strategy Implementation	18
2.6 Empirical Studies and Research Gaps	20
CHAPTER THREE: RESEARCH METHODOLOGY	22
3.1 Introduction	22
3.2 Research Design.....	22
3.3 Population of the Study.....	23
3.4 Data Collection	23
3.5 Data Analysis	24
CHAPTER FOUR: RESULTS AND DISCUSSIONS.....	26
4.0 Introduction	26
4.1 Response Rate	26
4.2 Reliability.....	26
4.3 Demographic Characteristics	27
4.3.1 Gender of the Respondents.....	27
4.3.2 Age of the Respondents	28
4.3.3 Level of Education.....	28
4.3.4 Years of Experience in the Industry.....	29
4.4 Descriptive Statistics.....	30
4.4.1 Public Relations Management	30
4.4.2 Strategy Implementation.....	31
4.5 Inferential Statistics.....	33
4.5.1 Correlation Analysis	33
4.5.1 Regression Analysis.....	33

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND	
RECOMMENDATIONS.....	38
5.1 Introduction.....	38
5.2 Summary of Major Findings	39
5.3 Conclusions.....	39
5.4 Recommendations.....	40
5.5 Suggestions for Further Research	40
REFERENCES.....	41
APPENDICES	i
Appendix I: Research Questionnaire	i

LIST OF TABLES

Table 4.1: Response Rate.....	26
Table 4.2: Reliability	27
Table 4.3: Descriptive Statistics for Public Relations Management.....	31
Table 4.4: Descriptive Statistics for Strategy Implementation	33
Table 4.5: Correlation Analysis	33
Table 4.6: Model of Fitness	34
Table 4.7: ANOVA Results	35
Table 4.8: Regression of Coefficients.....	35

LIST OF FIGURES

Figure 4.1: Gender of the Respondents.....	27
Figure 4.2: Age of the Respondents.....	28
Figure 4.3: Level of Education of Respondents.....	30
Figure 4.4: Years of experience in the industry.....	30

LIST OF ABBREVIATIONS

ATS	Automated Trading System
CDS	Central Depository System
CMA	Capital Markets Authority
GOK	Government of Kenya
NSE	Nairobi Securities Exchange
PR	Public Relations
RBV	Resource Based View
SPSS	Statistical Package for Social Sciences

ABSTRACT

The managements of companies lack the control over how their stakeholders perceive the organization but in managing their own behavior the organizations can influence the stakeholders' perceptions. Therefore, public relations management which is a component of reputation risk management should be considered a critical factor in strategy implementation as it may enhance a firm's gains or lead to great losses. This study sought to determine the effect of public relations management on strategy implementation for firms listed at the NSE. The study was based on the commitment-trust theory, the resource based view and the balanced scorecard theory. To address this research problem, the study used descriptive research design. The selected population target was the 66 firms enlisted at the NSE as at 31stDecember2017. The study focused particularly on senior level managers of all listed firms. The data used in this study was primary data collected using structured questionnaires using the Likert Scale. To analyze the data, the Statistical packages for social sciences (SPSS) were used. The research quantitative data was analyzed using regression analysis and data findings presented by the use of tables and diagrams. Multiple regressions analysis was used to analyze whether there is a relationship that exists between strategy implementation and components of public relations management. From the study findings, it emerged that public relations management and strategy implementation have a significant and positive correlation. The study also found that public relations management and strategy implementation are positively and significantly related. This study recommended firms' management to formulate policies that are in line with the legal framework set by the government, a combination of communication channels be used to communicate the public relations activities and the government together with its agents that formulate policies regarding public relations to come up with policies that are friendly and supportive to the firms.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

According to Jounghwa and Yoonhyeung (2009), public relations are an effective tool of management if conducted with focus and integrity. Organizations that are coherent and focus their resources on achieving specific goals achieve more effectiveness than those whose managements disseminate inconsistent messages. An organization that formulates consistent and sustainable public relations policies and agenda and ensures they are well managed, will achieve objectives which are beneficial to it in the long run. A public relations strategy is a tool for an organization to use to enable it exploit existing opportunities within the existing market. Consequently, organizational corporate reputation is determined by its effectiveness in formulating and executing public relations policies. Thus policy implementation is perceived as a key determinant to organizational reputation (Capri, 2010).

This study was based on the commitment-trust theory, the balanced scorecard theory and the resource based view theory. Commitment trust theory suggests that a relationship based on trust and commitment is the main determinant of a successful relationship that incorporates positive behaviors between parties and supports long-terms relationships through effective communication (Morgan & Hunt, 1994). The balanced scorecard theory generates performance measures from the organization's mission, vision and strategy. It provides a tool for comprehensively measuring the performance of the organization. Customer satisfaction level is one of the measures and it can be achieved through public relations. According to Hrebiniak, (2006), the Resource-based view considers a company's resources (tangible and intangible) and its competences as critical factors that create performance differences between

organizations thus forming the basis for strategy formulation and implementation in order to achieve competitive advantage.

1.1.1 Strategy Implementation

This is the process which enables the organization to develop action plans for the achievement of the strategies formulated in order to move the organization's performance to a new position from the current one. (Johnson & Scholes, 2008). As indicated by Aladwani (2003), strategy execution implies putting the outcomes of the plan into a real activity. This involves the coordination of activities within the organization to ensure that the implementation is effective to guarantee the organization's success. In order to align the operations of an organization to the changing operating environment, it is important that the organization adapts accordingly to remain competitive (Olson & Slater & Hult, 2005). Through strategic management, organizations are able to align their operations to push its competition above the industry peers.

To achieve success, organizations will need to both formulate a good strategy and effectively execute the strategy. Effective strategy implementation requires cooperation between the employees and management, coordination of activities and ensuring the right personnel with the right skills to drive the process. (Aladwani, 2003).

Globalization of the world has meant that organizations can sell to a wide market even from a local setting. Organizations need to rethink their strategies to drive the performance to a future desired position (Olson & Slater & Hult, 2005).

Several factors affect the process of implementing strategy and determine the effectiveness of organizational action. The implementation of strategy is very crucial

in the strategic management process and will ensure the success of achievement of the strategies formulated as it is in this stage where ideas are put into practice, thereby demanding that organizations go beyond strategy formulation. (Noble, 2009). Effective strategy implementation will ensure among other outcomes effective allocation of the requisite human and financial resources; the appropriate organizational design; coordination of activities; managing resistance to change; risk management; setting of SMART targets; ensuring activities are within timeframe to improve organizational performance (Cole, 2004). A well formulated strategy has little or no effect on organizational performance unless it is effectively implemented.

1.1.2 Public Relations Management

Thomas and Lane (1990) define Public Relations (PR) as a management tool for establishing support among organizations external and internal publics. Zeithaml, Bitner and Gremler (2009) define public relations as including activities that are built around an organizations' positive image through community events and publicity. These definitions indicate that PR involves creating and maintaining good relations with the firms' external and internal stakeholders – the government, private organizations, individuals and society in general (Rivero & Theodore, 2014). According to Cutlip et al., (1999) PR is a management role which is concerned with the identifying, establishing and maintaining relationships that are of mutual benefit between a firm and its stakeholders. Public relations management is a large umbrella profession encompassing many sub-functions. According to Paine (2007), those sub-functions are often separate units in the firm and report to PR and sometimes report to other firm units such as human resources, legal or marketing. These include marketing communications, community relations, issues management, government relations,

internal relations, financial and investor relations and corporate social responsibility (CSR).

In defining PR management, Bobbit and Sullivan (2005) define PR management as an arranged operation or activity which is designed to achieve a commercial, social or political objective (Bobbit & Sullivan, 2005). Kendall (1996) defines PR management as a firms' effort to create and maintain socially acceptable relations by applying evidence-based objectives through adoption of communication strategies and through measuring of these outcomes. Similarly, Rinrattanakorn (2016) agrees that PR management is often steered towards achieving certain firm purposes. In the same way, PR management is undertaken to improve the situation of the organization or to solve an issue in an organization.

Locally, the practice of Public Relations has grown rapidly within the last decade. As a result of the perception that organizations' management can use PR to establish and maintain mutually beneficial relationships and manage their image, both corporate and non-governmental organizations are increasingly seen to be embracing PR. (Tikolo, 2011). Despite this growth, the effectiveness and impact of public relations management has not been established. There are no international standards for measuring the impact of PR management. According to Johnson and Shehaan (2004), media coverage has been mistakenly perceived as a key measurement tool of performance of PR but unfortunately it does not capture all aspects of PR management. This means that PR consultancies and practitioners do not have information on the impact of their PR management.

1.1.3 Firms Listed at the Nairobi Securities Exchange

The NSE was constituted as a voluntary brokers' organization in 1954, it is registered under the Societies Act. It was not until 1988 that NSE was privatized. In 2006, the NSE implemented Automated Trading System (ATS) to enable live trading on the basis of first come first served. This system was also linked to the Central Depository System (CDS) and the Central Bank of Kenya to facilitate trading in Government bonds. Since then, it has undergone various changes and innovations, including the abolishment of the aggregate foreign ownership cap of the NSE listed companies in 2015. The state regulatory body Capital Markets Authority (CMA), is mandated with licensing and regulating the Nairobi Securities Exchange. Public listings and offers of securities issued and traded at the NSE are also approved by the CMA (NSE, 2017). There are presently 66 companies registered at the NSE in the various segments among them financial and services, commercial and services, manufacturing, telecommunications, agriculture among others.

Publicly quoted companies operate in a challenging business environment. Some of the challenges are: difficult economic conditions, enlightened and demanding customers, lack of competent experts in financial markets and cut throat competition (Massele, Jonathan, Darroux, & Fengju (2015). Just like any publicly quoted company, those quoted on the Nairobi Securities Exchange (NSE) are not an exception. Therefore, these organizations require to maintain extraordinary performance in their business transactions to be able to meet the expectations of their stakeholders which is critical for their survival. In addition, they have to abide by strict guidelines from Capital Market Authority and the Government, in all their dealings as they compete in a dynamic business environment that influences their

performance while meeting and exceeding their stakeholder's expectations. Therefore, these companies need to consider having a well development public relations management policy that is in line with a firm strategy (Masoud, 2013).

In order to achieve the Kenya Vision 2030, the Kenya Government intends to realize and continue a yearly development rate of 10% and thus the NSE just like all players in the economy is expected to play its part in contributing towards this realization (GOK, 2013). To achieve this, the NSE relies on its listed companies to accomplish success in their performance to always meet the expectations of their stakeholders through continuously improving their competitiveness and efficacy. Since the owners of these organizations have placed the running of their companies in the hands of directors and management, there is need for these companies to meet their expectations by developing competencies for their managers, aligning their firm-level institutions and appropriately bundling human resource practices. Developing good public relations practices and aligning them with their strategy will greatly improve the competitiveness of listed firms in various sectors of the economy.

1.2 Research Problem

Managements of organizations do not have control over how their stakeholders perceive the organization but in managing their own behavior the organizations can influence the stakeholders' perceptions. Any aggressive organization must consider reputation as a major risk issue by considering it alongside other major risks dimensions such as strategic, financial and operational risks. Therefore, organizations need to not only mitigate against the influence of reputation loss, but also look for alternative opportunities that improve their reputations (Wheelen & Hunger, 2004). Therefore, public relations management which is a component of reputation risk

management should be considered a critical factor in strategy implementation as it may enhance a firm's gains or lead to great losses.

The current study paid attention to the companies enlisted on the NSE because they represent crucial sectors of the economy and the shareholders, the Government and the Nairobi Securities Exchange expect them to perform. However, these companies face challenges which need to be addressed for them to meet the expectations of various stakeholders, some of which are lack of competent managers and cut throat competition (Mensah, 2003). In the recent past, some listed companies such as Kenya Airways, Mumias Sugar Company and Safaricom have had their reputations tarnished at one point in time. These challenges would perhaps be addressed by formulating and executing public relations management practices and aligning them with the firm's overall strategies.

Though there have been several studies on strategy implementation and still others on public relations management, most studies have not attempted to relate the two. Abok (2013) established that key factors in strategy implementation included: human and financial resources, organizational design, coordination and communication, organizational culture and stakeholders, all of which determine whether the implementation of strategic plans will be effective or not. Rajasekar (2014) established that the factors that affect strategy implementation include communication both within and outside of the organization, organizational structure, leadership style and internal control systems. Nkosi (2015) identified lack of adequate financial resources, inadequate structure, weak continuous professional development policies and resistance to change as key factors affecting strategy implementation.

Locally, research on strategy implementation has received significant attention but its association with public relations management is yet to be given attention. Karimi (2015) carried out a study to establish the effect on strategy execution of organizational culture. The study focused mainly on influence of behaviour norms on strategy implementation. It did not cover the critical success factors in the implementation phase. Nyaga (2012) on the other hand carried out a study with a focus on strategy implementation as a key success factor in mobile telecommunications in Kenya. The concept and context of this study are different from what the current study is concerned with. Muchai (2011) studied the impact of corporate culture in strategy implementation. His study mainly captured the extent to which East African Breweries culture influences their strategy and its implementation. Though the various studies have been highlighted, to the researcher's best knowledge, there have been no studies conducted locally on the effect of public relations management on strategy implementation of companies listed at the NSE. Thus, the current research sought to fill this gap by answering the research question: What is the effect of public relations management on strategy implementation among firms enlisted at the NSE?

1.3 Objective of the Study

The study sought to determine the impact of public relations management on strategy implementation of firms listed at the Nairobi Securities Exchange.

1.4 Value of the Study

This research provides an understanding on the usefulness of public relations management on strategy implementation of listed firms. The conclusions reached from this study are beneficial as they can be used as a guide in the formulation of

guidelines and policies to be used by both listed and non-listed firms in the various sectors in embracing channels that aimed at enhancing their strategy implementation for improved performance.

The results will be important to other students and researchers by providing a point of reference for those wishing to conduct studies on similar or related fields. These findings will also be helpful to the researchers and scholars who would use them to identify other areas of further research and also identify any research gaps.

The results may also be helpful to the government and other agencies tasked with policy making as they would assist in the formulation of policies and establishment of guidelines for adherence by the listed companies. It will be further beneficial to the government as it will provide insight and understanding on the impact of public relations management on the success of firms listed in Kenya.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This section entails the review of theoretical literature, public relations management and its relationship with strategy implementation. It also presents the empirical literature review which encompasses both local and international studies as well as research gaps.

2.2 Theoretical Foundation

The research was founded on three theories. These are; the commitment-trust theory, the resource based view and the balanced scorecard theory.

2.2.1 Commitment-Trust Theory

The commitment-trust theory is based on two important factors which are trust and commitment. The theory insists that these two factors are critical for any relationship to succeed. In business, relationship marketing is the process of creating bonds with an organization's customers with a view to ensuring their needs are met. Consequently, the company foregoes short term gains and builds relationships with customers with a view to ensuring the long-term goals of the organization are met. As a result, customers establish trust with the organization. The relationship is mutually beneficial. The theory was advanced by Morgan and Hunt (1994).

In this theory, it is suggested that an association based on commitment and trust is the main determinant of a successful relationship that incorporates positive behaviors between parties and supports long-term relationships through effective communication. They argued that such a relationship should focus on trust and commitment in order to allow acceptance of high-risk scenarios. This is critical to

ensuring that each party trusts that the other party will take the long-term best interests of the other while undertaking important business activities. Morgan and Hunt experimented on this theory on companies in the automobile industry and their suppliers. They used public relations and communications as the main strategies in the business relations. They concluded that the commitment-trust theory suggests that commitment and trust are important components that also act as mediating variables. Accordingly, they argued that trust is improved by partners sharing common values in addition to communication. On the other hand, trust is eroded when partners engaged less in communication.

Morgan and Hunt (1994) insisted that shared values are important not only for commitment but also trust. Additionally, perceptions of existence of shared values increased the ability of each partner to predict the other partner's behaviors and motives. On the other hand, communication refers to sharing of relevant and timely information between parties. Teachers who communicate with learners about what to expect on a course have a high likelihood of improving their trust with the students. Communication between teachers and learners can also eliminate misunderstanding and create an environment for resolving conflicts. Additionally, it is important to note that opportunistic behavior is often regarded as a violation of trust. In the Commitment/Trust Model, trust affects the output either directly or indirectly. Trust influences decision making, cooperation and functional conflicts.

2.2.2 Balanced Scorecard Theory

This theory was advanced by Kaplan and Norton (1996). The theory generates performance measures from the organization's mission, vision and strategy. It provides a tool for comprehensively measuring the performance of the organization. It

includes the financial aspect which determines the economic outcomes of the different decisions undertaken by the organization. Another important aspect measured is customer satisfaction levels. It focuses on the customer and market and measures critical success measures targeted at these segments. Another important measure is on internal processes. It identifies the business processes in which the organization performs well. Lastly, balanced scorecard focuses on learning and growth which are essential for long term growth of the business.

To create balanced scorecard, the management of an organization has to undertake the activity of changing its vision, mission and strategies into a scorecard. The scorecard should also indicate the measure before performance and highlight the main performance variables in order to guide future performance. The balanced scorecard clarifies the vision and enables managers to effectively communicate performance to employees of the organization. It also enhances learning and enables managers to set targets, plan and align strategic programs to the vision and mission of the organization. Kaplan and Norton emphasized the importance of balanced scorecard in strategy development and implementation. A balanced scorecard is a change management approach, implemented using a scorecard (Kaplan & Norton, 1996). This study has adopted three independent variables namely public relations policy, technology and public relations officers skills. All these variables are in tandem with the theory and have impact in the public relations.

2.2.3 Resource Based View Theory

This theory's school of thought advances the thinking that the resources owned by an organization are key in explaining how one firm can differentiate itself from others in the same market (Baumol, Litan & Schramm, 2009). These resources can either be

tangible or intangible and would include finances including assets, human resource (numbers, competence and skill) and internal and external networks among others (Bhide, 2000). As per Spanos and Lioukas (2001), the theory may be useful in explaining competitive advantages gained by the different firms within a market or industry. Organizations that possess unique and rare or exclusive resources and utilize them optimally, will outdo their competitors thereby emerging successful and at the top of the game. (Rumelt, 1984 and Barney, 1986).The theory is established on the principle that competition between firms is created by the differences in their capabilities and resources (Peteraf and Bergen, 2003). Some of the proponents of the RBV theory (Bhide, 2000; Peteraf and Barney, 2003; and Foss and Knudsen, 2003) argue that a firm's ability to implement its plans of action is affected greatly by the resources it owns and this further determines the overall performance of the organization.

In applying this view to strategy implementation, the focus is on identifying or developing unique competencies and resources and maximizing their use in the production process for improved outcomes. For as long as the firm can sustain the ownership of the extraordinary resources and capabilities, they can be utilized to build up an upper hand (Munge, 2014). Understanding the RBV means an understanding that the capabilities and resources of an organization are the crucial ingredients in strategy formulation. The resources and competences are the necessary success factors through which the organization differentiates itself and builds corporate image and identity, making them a source of the firm's success. The key to a resource based approach to strategy formulation is an understanding by the firm of the means by which it can sustain a competitive advantage once established. To achieve this, the firm's unique capabilities must be fully exploited through well designed strategies.

(Grant, 1991). This theory is of significance for the study to understand whether there exists unique resources and capabilities in the organizations that gives them an edge when implementing strategies in a manner that influences their performance positively.

2.3 Public Relations Management

This section described some measures of public relations that are likely to influence how efficient and effective a firm's public relations management is and how they are likely to impact on the overall strategy implementation. The measures discussed here are namely; public relations policy, technology and public relations officers skills.

2.3.1 Public Relations Policy

According to Mbue (2009), the government issues public relations policy which may not necessarily support the performance of public relations. Ouma (2011) argued that policy formulation in public organizations is very rigid and as a result the outcome was poor performance of public relations. Further, it was found that in their attempt to improve the performance of public relations, a large number of public organizations depend on the policies issued and cascaded down to them from the top authority for implementation.

Delays in formulating friendly and supportive policies will always make performance of public relations to fail. In his study, he recommended that the government should give authority to managers on the ground to formulate policies that they consider necessary to enhance performance of public relations. However, all these policies have to be in line with the legal framework set by the government and help in realizing the mandate of the organization as provided by the Act or by any other written law (Zarruk 2008).

2.3.2 Technology

An intelligent agent either is provided as part of a service on a search engine, portal or infrastructure with the purpose of adding value or encouraging usage. In some cases, it may be provided to the consumer directly. Some researchers have argued that intelligent software may lead to elimination of intermediaries between sellers and buyers such as brokers and agents (Benjamin & Wigand, 2010). Consequently, organizations such as eBay and Yahoo are increasingly offering intermediaries in the form of intelligence software for the purpose of facilitating B2B transactions.

Maes (2011) noted that while new forms of intermediaries were emerging, he suggested that they are likely to disappear in future. Sarkar et al., (2013) insisted that traditional PR intermediaries will promote growth for web-based software intelligent tools ('cybermediaries'). Sarkar et al., (2013) argued that intermediaries will eventually be bypassed by new forms of electronic communications. Consequently, various functions of PR intermediaries will eventually be involved in the electronic markets. They also highlighted various institutional and social factors that may cause elimination of PR technology in the marketplace.

Jin and Robey (2011) noted that public relations are enabled by information technology tools. They investigated public institutions that used electronic tools in public relations. Evidence showed an increasing role being played by online intermediaries who included supplying inter-organizational information, building trust and aggregating information. They insisted that there are numerous benefits of enlisting many providers using intermediaries. Their approach of analysis is theoretical and economics based.

2.3.3 Public Relations Officers' Skills

It has been widely acknowledged that employee's skill is a critical factor in effective performance of public relations especially where an organization lacks qualified manpower. Drucker (2009) argued that managerial skill required decision making skills which are necessary for prioritizing in public relations. Dandira (2011) insists that an executive committee is necessary to establish the vision and mission of the public relations. Additionally, manpower is necessary for efficient planning of communication strategies. Key skills noted include interpersonal skills, communication skills, and environmental analysis skills.

Dandira (2011) proposes a top to bottom approach in communication. This is essential for employees to understand public relations performance. Managers of public institutions should therefore be encouraged to share information for the purpose of enhancing public relations performance. Consequently, professional skills are key especially at the planning stage. Effective communication skills are important for managers to pass down to various employees. However, it is continuous learning that enables employees to obtain skills to scan the market environment.

2.4 Strategic Management in Organizations

Strategic Management describes the organization's game plan and involves managerial actions and decisions which are deployed to accomplish the stated goals and objectives. Strategic management outlines the strategies and measures to be implemented to achieve a business enterprise's long-term performance. It involves the formulation and implementation of strategies which will assist in matching the company with its environment so as to realize its set goals. It also gives a clear indication of direction to the firm (UK Essays, 2015). To achieve sustainable

strategic management, organizations must first understand both the internal and external environment to guide the strategy formulation process as well as execution and monitoring (Stead, Jean, & Mark, 2003). These business strategies have been associated with success, differentiating those strategies that are linked to high performance and those that are linked to low performance (M & Toshimitsu, 1989).

Strategic management greatly enhances the chance of success and hence meeting stakeholder's expectations by organizations. "Strategies that lead to organizational success and high performance are those that can be identified with the industry's key success factors. These actions that result in success in an industry are linked with a firm's competitive edge in the industry. Such edges by the firm could include insistence on quality of product, continuous improvements of products, up to date with emerging trends and technologies, robust customer care and support, huge advertising capability, meeting exclusive market needs (M & Toshimitsu, 1989). Organizations practice strategic management due to the changing forces within the external and internal environments of their businesses. There is intense competition amongst various players within the various industries and only those with competitive advantage succeed. Effective and successful strategic management is that which is done by firms that clearly have a sustainable competitive advantage over their competitors (Ravisi & Schultz, 2006).

A good strategy will enable an organization effectively match its capabilities with the environment i.e. matching the internal strengths plus weaknesses to the threats and opportunities in its external environment. According to Thompson and Strickerland (2007) argues that strategy is the game plan management has for selecting a desirable market to compete in, meeting the desires of the customers and succeeding in the industry with good business performance.

2.5 Public Relations Management and Strategy Implementation

Generally, public relations have a big role in building an organization's image and reputation. According to Sull, Hokes and Sull (2015), it gives the organization an opportunity to interact with major stakeholders within the organizational framework and effectively monitor the interactions and reactions of the parties. Therefore, it is described as the organizational sector that facilitates action and communication to support the establishment and maintenance of relationships that are of mutual benefit between the organization and the interdependent groups (Murray & White, 2005).

A public relations strategy is a tool for an organization to use so as to exploit existing opportunities in the market. Consequently, organizational corporate reputation is determined by its effectiveness in formulating and executing public relations policies. Thus policy implementation is perceived as a key determinant to organizational reputation. Capri (2010) defines public relations policies implementation as the process through which PR policies are executed using strategies, budgets and programs. This requires the introduction of changes to the organization for the purpose of administration of public relations. Changes often affect roles and functions of people, reporting procedures and evaluation and control methods.

Basically, public relations seek to uphold the company's reputation. Nearly all PR practitioners concur that a firm's reputation is a key prerequisite for organizational success. Organizational reputation should be preserved because it is very difficult to regain once it is tarnished (Murray & White, 2005). Maina (2011) stated that a company's image influences its capacity to attract investors, to improve its business, to exert influence in government circles and to hire talented staff. The reputation of the organization reflects the attitudes and beliefs of the employee, perceptions of the

customers, business partners and vendors as well as the entire community (Dozier & Lauzen, 2000). The mandate of PR is to publicize all those traits and attributes to the public and target market of the organization. Effective PR accords a company positive public relations.

Often, establishing associations with the stakeholders of the firm is important for implementation of firm strategy. Ideally, customers are considered as the most crucial stakeholders of the company. For an organization to realize and maintain competitive advantage, the value of products advanced to its customers must be more superior than those of its competitors. The firm must therefore build quality relationships with its customers which is quite involving. Furthermore, the firm must establish good associations with other stakeholders such as suppliers since they provide external resources that are required for development of capabilities and effective strategy implementation. Firms must therefore build relational capital to facilitate implementation of strategies (Hitt, Bierman, Uhlenbruck, & Shimizu, 2006).

Hickson, Miller and Wilson (2007), insists that good policies cannot be effective if they are not implemented. Consequently, it is much better to have a second class policy than to have a first class policy that is not effective. Hickson et al., (2003), argues that slightly less than 50 percent organizational policies get implemented. Additionally, failure in implementation of public relations policies is a pointer to failure in the formulation of the policy. The utility of any policy or tool lie in proper usage. Delays in formulating friendly and supportive policies will always make performance of public relations to fail.

2.6 Empirical Studies and Research Gaps

Rajasekar (2014) examined how different factors affect performance by addressing the role played by organizational communications in strategy implementation. Among key factors in strategy implementation included types of leadership, structure of the leadership positions and internal control mechanisms. In a highly competitive current environment, organizations need to adopt various strategies including human resource management and internal competencies.

Njagi and Kombo (2014) in their study on commercial banks in Kenya established that the level of performance reported was affected by strategy implementation. The study findings showed that banks developed strategies which defined the direction taken in increasing competitive advantage by offering distinctive financial services from their competitors. The outcomes demonstrated that commercial banks utilized distinctive programs in the implementation of strategy on various strategies with the aim of utilizing their operational productivity for increased profitability. They amassed diverse assets that they consolidated in various extents to accomplish competitiveness in the business. The research prescribed ceaseless demands for information, correspondence and innovation to enable the banks be more competitive and responsive to their customers' needs.

Mbaka and Mugambi (2014) examined on strategy implementation in the water sector. The research examined different secondary data recounts regarding how different water ventures were actualized. The discoveries demonstrate that strategy execution in the water sector was influenced to a huge degree by the dimension of management support, deficiency of assets and staff technical expertise. It was

revealed that strategy implementation was influenced by the kind of management leadership as well as communication effectiveness.

Ndegwah (2014) considered strategy implementation in school institutions. The informative factors encompassed: Managerial abilities, assets distribution, rewards and incentives and institutional approaches. The discoveries demonstrate that: Resources allotment, Managerial abilities, Institutional strategies and Rewards/Incentives significantly influenced strategy implementation.

Pamela (2010) did research on the challenges Mumias Sugar Company faced in implementation of strategic plans and identified opposition to change, inadequate stakeholders' support, political interference, non-involvement of employees in developing the strategy as well as inadequate training as some of the challenges in effecting Mumias Sugar Company's strategic plan. Ochanda (2005) researched on strategy implementation challenges in Kenyan private security companies and identified environmental uncertainty and poor communication as some of the challenges facing strategy implementation in that industry.

A number of empirical studies, both local and international, have been conducted on public relations management and strategy implementation and have been discussed in this section. The above literature review indicates that not much studies have been done on establishment of the relationship between PR management and strategy implementation thus more studies need to be done. This study seeks to clearly demonstrate the association between public relations management and strategy implementation among firms listed at the NSE after which the conclusions will be dispelled after obtaining empirical evidence from the research.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This section described methods of research used to objectively establish the effects of public relations management and strategy implementation among firms listed at the NSE. It also showed the research design, the study population, criteria for collection of data and analysis of data.

3.2 Research Design

Khumar (2005) described research design as that method that is procedurally acquired by the scholar and that which helps to answer questions accurately, validly, objectively, and economically. According to Wanyama and Olweny (2013), a research design aims at improving the ability of the research in conceptualizing an operational plan in order to be able to embark on the various techniques available and required tasks for the completion of the study while at the same time ensuring that the procedures used are sufficient enough to acquire valid, objective and precise responses to the research questions.

Descriptive cross sectional research design was adopted. A descriptive study aims at discovery of the exact state of affairs of a phenomenon (Cooper & Schindler, 2003). The appropriateness of this design is that it allowed the researcher to utilize both quantitative and qualitative data so as to discover the influence of public relations management on the strategy implementation of listed firms at the NSE.

Descriptive cross sectional design was used by the researcher to gather information, summarize, present and interpret it in order to obtain more clarification on issues. The researcher chose descriptive survey research design because his interest was primarily to get current real data rather than manipulating variables. Cross-sectional study

methods are done once and they represent summary at a given timeframe (Cooper and Schindler, 2008).

3.3 Population of the Study

This refers to individuals, groups, objects or events that exhibit similar traits (Mugenda & Mugenda, 2003). The selected population target was the firms enlisted at the NSE as at 31st December 2017. This target population provided data that gave answers to the research questions raised by the researcher on how public relations management affects the strategy implementation of firms listed at the NSE in Kenya.

Since there are 66 listed firms in Kenya, all the listed firms at the NSE were selected for this study's purpose. For primary data collection purpose, the study focused particularly on senior level managers of all listed firms. The researcher believes that these are the most informed on the various structures of public relations management and strategy implementation.

3.4 Data Collection

This research relied on the use of primary data which was obtained using structured questionnaires using the Likert Scale. The study targeted senior level managers and supervisors in the listed companies. This is because they are involved in the organizations' management and have a broad understanding of the affairs of the organizations.

One respondent from each organization was chosen upon which the questionnaire was administered. The structured questionnaire contained open as well as close-ended questions which further consisted of more controlled responses which brought out more tangible recommendations. The ratings on various attributes were tested using

the closed ended questions which helped in the reduction of responses that are related so as to obtain responses that are more varied.

Where there was need for additional information which was not captured using the close-ended questions, the same was captured using the open-ended questions to aid in gaining a further insight into the impact of public relations management on strategy implementation. The research instrument was administered personally by the researcher then kept a register of the questionnaires to ensure that all the questionnaires distributed to the respondents are returned.

3.5 Data Analysis

Descriptive data was analyzed by use of SPSS while qualitative data was analyzed by content analysis and visualized by Tableau Software version 10.0. Quantitative data was analyzed using regression analysis since it involved one dependent variable and many independent variables. The quantitative data findings was presented by the use of tables.

Multiple regressions analysis was used to analyze whether there exists a relationship between strategy implementation and components of public relations management. The dependent variable was strategy implementation while public relations policy, technology and public relations officers' skills were the independent variables. The multiple regression model used was as represented below.

$$P = \alpha + x_1 + \varepsilon$$

Where;

Y = Strategy implementation

α = Constant Term (Total Assets)

β_i = Beta Coefficient of variable i which measures whether there is responsiveness of Y to change in i

X_1 = Public relations management

ε =Error term

CHAPTER FOUR: RESULTS AND DISCUSSIONS

4.0 Introduction

This section summarised the results of the analysis of data, the findings of this analysis and interpreting those results. Results were displayed diagrammatically as well as in the form of tables. The analysed data was also arranged in groupings that were a reflection of the objectives of the research.

4.1 Response Rate

The study distributed 66 questionnaires. Fifty nine (59) questionnaires were returned having been properly filled by the respondents. Table 4.1 indicates the results and the return rate.

Table 4.1: Response Rate

Response	Frequency	Percent
Returned	59	89%
Unreturned	7	11%
Total	66	100%

This shows a response rate of 89%. As per Kothari (2004) a rate of return rate of more than 50% is sufficient to proceed with a study thus 89% rate is extremely good.

4.2 Reliability

The cronbach alpha was computed with the aim of measuring the reliability of the administered research instrument. The conclusion reached was that both variables in the instrument were reliable as their cronbach alpha achieved was above 0.7 that has been used as the cut point of reliability. Table 4.2 summarises the results.

Table 4.2: Reliability

Variable	No of items	Cronbach Alpha	Comment
Public relations management	6	0.7543	Reliable
Strategy implementation	9	0.7987	Reliable

4.3 Demographic Characteristics

This section consisted of basic characteristics information such as age, gender, experience in the industry and education level.

4.3.1 Gender of the Respondents

The gender of the respondents was required in the questionnaire. Figure 4.1 presents the gender information.

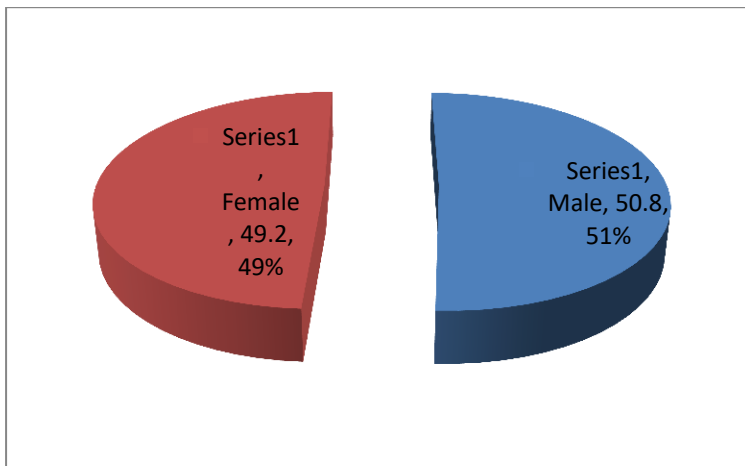


Figure 4.1: Respondents' Gender

Figure 4.1 depicts results which show that most (51%) respondents were male and 49% were female implying that most of the people working in firms listed at the

Nairobi Securities Exchange are male.

4.3.2 Age of the Respondents

Age of the respondents was requested the respondents indicated the age bracket they belonged to. Results are shown in figure 4.2.

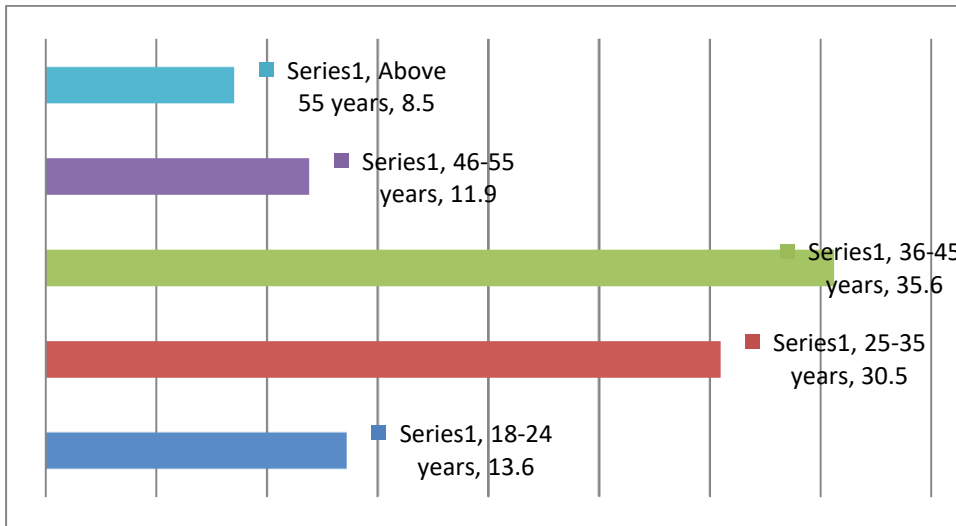


Figure 4.2: Respondents' Age

The results revealed that 35% were between ages 36 – 45 years, 30% were 25-35 years 14% were between 18-24 years, 12% were aged 46-55 years while only 9% were aged above 55 years.

4.3.3 Education Level

An indication of the highest education level attained by the respondents was also required. Results were presented in figure 4.3.

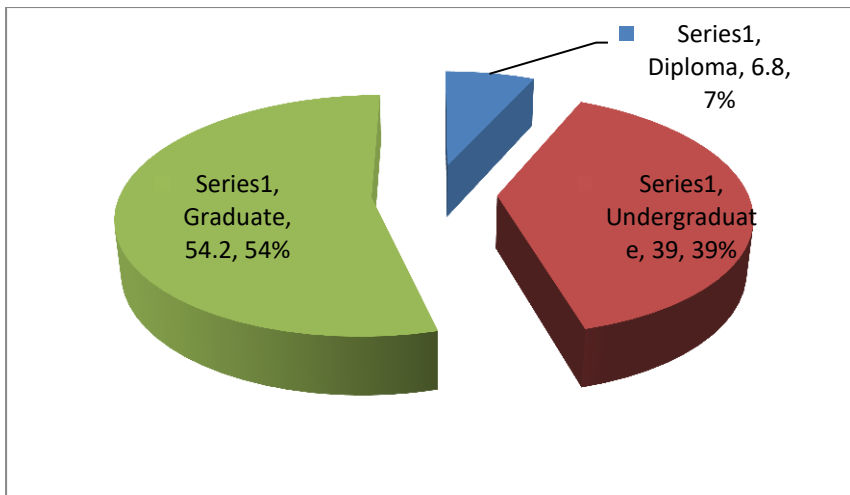


Figure 4.3: Education Level

54% were graduates, 39% had an undergraduate degree while 7% had a diploma level of education. The results imply that most of the respondents had the basic education to carry out firms' duties and that they gave valid responses in the questionnaire.

4.3.4 Experience in the Industry

Further, there was required for respondents to show the duration of time they had been in the industry. Results were as shown in figure 4.4.

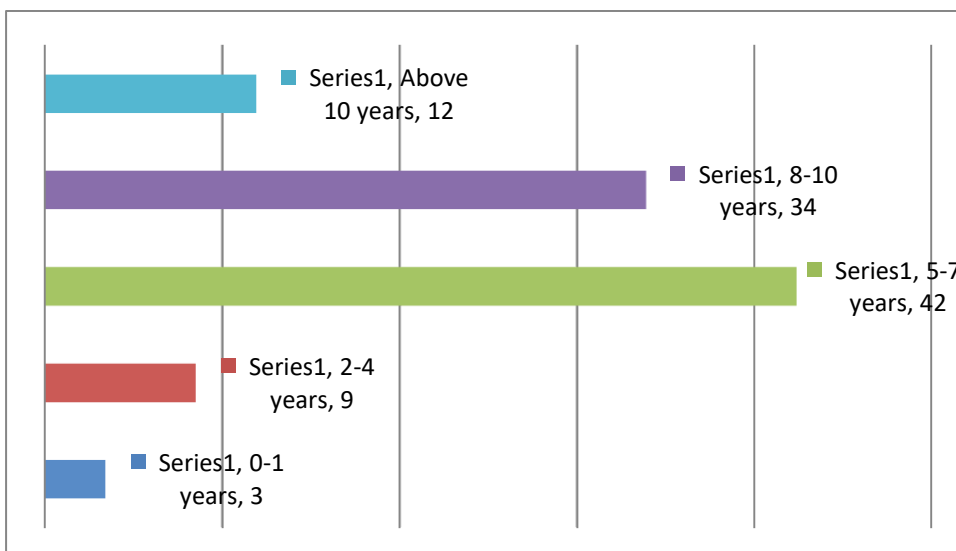


Figure 4.4: Experience in the industry

The Figure 4.4 showed 42% of the respondents having been in the industry for

between 5-7 years, 34% had been in the sector between 8-10 years, 12% had been in the industry for duration of above 10 years, 9% had been in the sector for 2-4 years while 3% had experience of 0-1 years in the sector. This implied that most of the respondents had been exposed to the working of the firms and therefore the responses given were deemed valid.

4.4 Descriptive Statistics

The section gives responses towards degree of agreement of the respondents to the statements.

4.4.1 Public Relations Management

This required giving responses indicating to what degree they were in agreement with statements on public relations management. The responses are displayed in Table 4.3.

Table 4.3: Descriptive Statistics for Public Relations Management

Statements	Mean	Std. Dev.
Building relationships with the firm's stakeholders is critical in your firm	3.81	1.29
My firm builds and maintains a quality relationship with its customers	3.58	1.40
My firm takes actions to cultivate a positive corporate image in the long term	3.76	1.32
There is joint problem solving between my firm and other parties	3.81	1.21
There is regular exchange of information between my firm and its stakeholders	3.85	1.19
Over time, my firm has cultivated trust in dealings with stakeholders	4.07	1.11
Average	3.81	1.25

Table 4.3 showed that many of them 71.20% (33.9%+37.3%) concurred with the statement that building relationships with the company's stakeholders is critical in their firm. It was showed that many of the respondents 67.80% were in agreement that their firm builds and maintains a quality relationship with its customers. Further,

results showed that most of the respondents 67.50% concurred with the statement that their firm takes actions to cultivate a positive corporate image in the long term. Results further showed that 74.6% of the respondents who comprised the majority agreed with the statement that there is joint problem solving between their firm and other parties. The results further revealed that 78% which represented many of the respondents agreed that there is regular exchange of information between their firm and its stakeholders. Finally, results indicated that 81.4% agreed that over time their firm has cultivated trust in dealings with stakeholders. The mean of the responses given was 3.81 which indicated that many of them were agreeing to majority of the statements on public relations management. The standard deviation was 1.25 implying that the responses were varying although the variation was low.

4.4.2 Strategy Implementation

This required giving responses indicating to what degree they were in agreement with statements regarding strategy implementation at their firms. Responses given are shown in Table 4.4.

Table 4.4: Descriptive Statistics for Strategy Implementation

Statements	Mean	Std. Dev.
Public relations policy in your firm influences timely strategy implementation	3.92	1.24
Public relations policy in your firm influences adherence to strategic plans	3.81	1.22
Public relations policy in your firm enhances consultation in strategy implementation	3.92	1.28
Technology in your firm influences timely strategy implementation	4.12	1.21
Technology in your firm influences adherence to strategic plans	4.05	1.18
Technology in your firm enhances consultation in strategy implementation	3.95	1.17
Public relations officers' skills in your firm influences timely strategy implementation	3.90	1.13
Public relations officers' skills in your firm influences adherence to strategic plans	3.80	1.31
Public relations officers' skills in your firm enhances consultation in strategy implementation	4.07	0.98
Average	3.95	1.19

From the table above, many of the respondents 67.8% (23.7%+44.1%) were in agreement with the statement that public relations policy in their firm influences timely strategy implementation. Many of them 79.6% concurred with the statement that public relations policy in their firm influences adherence to strategic plans. It was also indicated that many 76.3% agreed to the statement that public relations policy in their firm enhances consultation in strategy implementation. Furthermore, many were in agreement 83.1% that technology in their firm influences timely strategy implementation. Additionally, the results indicated that most of them 81.4% concur that technology influences adherence to strategic plans. In addition, results indicated that 76.3% contend that technology in firm enhances consultation in strategy implementation. Moreover, 76.3% agree that technology in their firm enhances consultation in strategy implementation. Further, 76.3% agreed that public relations officer' skills in their firm influences timely strategy implementation. In addition,

76.3% agreed those public relations officers' skills in their firm influences adherence to strategic plans. Finally, majority of the respondents 83.1% agreed that public relations officers' skills in their firm enhance consultation in strategy implementation. The mean of the responses was 3.95 indicating that most of them concurred with the statements on strategy implementation of the firms. The standard deviation was 1.19 implying varying responses but with a low variation.

4.5 Inferential Statistics

In order to produce results of correlation, fitness model, regression of coefficients and ANOVA, inferential analysis was conducted.

4.5.1 Correlation Analysis

This was conducted to establish the strength and direction of the connection between public relations management and strategy implementation. The outcomes are displayed below.

Table 4.5: Correlation Analysis

		Public Relations	Strategy Implementation
Public Relations	Pearson Correlation	1	.580**
	Sig. (2-tailed)		0.000
Strategy Implementation	Pearson Correlation	.580**	1
	Sig. (2-tailed)	0.000	

** Correlation is significant at the 0.01 level (2-tailed).

Results showed that public relations management and strategy implementation have a significant and positive correlation ($r=0.580$, $p=0.000$) which implied that a rise in public relations management causes increase in strategy implementation.

4.5.2 Regression Analysis

Table 4.6 displays the model of fitness of regression model applied to explain the research phenomena.

Table 4.6: Fitness Model

Model	1
R	.580a
R Square	0.337
Adjusted R Square	0.325
Std. Error of the Estimate	0.29317

The result showed that public relations management was a suitable variable in explaining strategy implementation, confirmed by R square of 33.7%. The result meant that public relations management explains 33.7 % of the variations in strategy implementation. Moreover, as per the results, the model used in linking the relationship of the variables was adequate.

To establish the level of relation of the independent variable to the dependent one, significance testing was done. The p-value also known as critical value which points to the level of relation of the control variable to the dependent one was statistically set at 0.05. The significance number found was then compared with the critical value to confirm if the model was significant in explaining the relationship or result in the conclusion that there existed no relation between the variables then its concluded that the model is non-significant. Table 4.7 gave the outcome on ANOVA.

Table 4.7: ANOVA Results

	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.485	1	2.485	28.913	0.000
Residual	4.899	57	0.086		
Total	7.384	58			

The results indicated that there existed a relationship hence the model was statistically significant. The results further implied that public relations management which was the independent variable is a suitable predictor of strategy implementation. It was confirmed by an F statistic of 28.913 and the reported p value (0.000) which was below the conventional probability of 0.05 significance level.

Regression of coefficients results are displayed in Table 4.8.

Table 4.8: Regression of Coefficients

	B	Std. Error	t	Sig.
(Constant)	1.708	0.434	3.937	0.000
Public Relations	0.577	0.107	5.377	0.000

Table 4.8 showed that public relations management and strategy implementation have a positive relation which is significant ($r=0.577$, $p=0.000$). The outcomes concurred with Ndegwah (2014) who found that proper management of such factors as managerial skills had a great influence on strategy implementation. The results are

also in agreement with Mbaka and Mugambi (2014) who found that the type of management leadership and the communication effectiveness of a firm affect the strategy implementation.

Hence, the optimal model is;

$$\text{Strategy implementation} = 1.708 + 0.577 \text{ public relations management}$$

Further, the study findings were in agreement with those of Sull, Hokes and Sull (2015) who stipulated that public relations have a big role in building an organization's image and reputation. Moreover, their study posited that public relations gives the organization an opportunity to successfully monitor, interact, and react with other major stakeholders within the organizational framework.

Moreover, the study findings agreed with those of Mbaka and Mugambi (2014) who in their study conducted in the Water Sector in Kenya found that the dimension of management support, deficiency of assets and staff technical expertise largely affected strategy implementation. In addition the findings of the study were in agreement with those of Maina (2011) who identified that a company's image influences its capacity to appeal to investors, to sell products and services, to exert influence in government circles and to hire talented staff.

The findings are also in agreement with the RBV school of thought that advances the thinking that the resources owned by an organization are key in explaining how one firm can differentiate itself from others in the same market (Baumol, Litan & Schramm, 2009). The theory stipulates that these resources can either be tangible or intangible and would include finances including assets, human resource (numbers, competence and skill) and internal and external networks among others. The findings of this study were in support of the stipulations of the balanced scorecard theory

advanced by Kaplan and Norton (1996). The theory generates performance measures from the company's strategy, vision and mission. Kaplan and Norton emphasized the importance of balanced scorecard in strategy development and implementation. A balanced scorecard is a change management approach, implemented using a scorecard (Kaplan & Norton, 1996).

This study adopted three independent variables namely public relations policy, technology and public relations officers skills. All these variables are in tandem with the theory and have impact in the public relations. Consequently, public relations management and strategy implementation were discovered to have a positive and significant relation.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This section presents the research findings, conclusions and recommendations as linked to the research objective.

5.2 Summary of Major Findings

The objective of this research was to determine the effect of public relations management on strategy implementation of firms listed at the NSE. It was found that public relations management and strategy implementation have a significant and positive correlation. The study also found that public relations management and strategy implementation are positively and significantly related. The study found that building a good relationship with NSEs firm's stakeholders is critical, the firms maintain a quality relationship with its customers and takes actions to cultivate a positive corporate image in the long term. Further, the study established that there is joint problem solving between NSE firms and other parties, regular exchange of information between the firms and stakeholders and puts emphasis on cultivating trust in dealings with stakeholders.

This was consistent with the results of Rajasekar (2014) who concluded that leadership, structure of the leadership positions and internal control mechanisms affected strategy implementation. The results further agreed with Mbaka and Mugambi (2014) who found that the dimension of management support, deficiency of assets and staff technical expertise largely affected strategy implementation. Results also agree with Shamsan and Otieno, (2015) who established a significant positive relationship between organizational performance and strategic public relations.

Further, Ni (2016) found out that public relations cultivation that corresponded with globalization strategies contributed to the implementation of these strategies;

5.3 Conclusions

On the basis of the study results above, it was concluded that public relations management positively affect strategy implementation of companies enlisted at the NSE. Firms which put emphasis on building a good relationship with the stakeholders find it easier to effectively implement strategies that have been put in place. A firm that focuses on building a good reputation and maintains quality relationship with its customers achieve the desired results of strategy implementation. Regular exchange of information, joint problem solving between the firm and its stakeholders are some of the methods used in building a good relationship as it cultivates trust in dealing with stakeholders.

For firms to achieve successful strategy implementation, public relations must be one of its valued component. Investing in public relations help run a firm smoothly and effectively. Effective public relations helps in attracting and motivating the public to a product or service. Good public relations help solve the problem of misunderstanding in the event of adverse publicity. Public relations are achieved through communicating policies to the employees and ensuring that they understand them. An organization achieves successful strategy implementation through public relations by building relationships with publics that it affects or is affected by.

5.4 Recommendations

As per the findings, a recommendation is given that firms' management should formulate policies that are in line with the legal framework set by the government and which enhance performance of public relations. The study also recommends that a combination of communication channels be used to communicate the public relations activities to all employees as well as stakeholders. A well trained public relations team should be recruited in the public relations department. The team should be well versed with the firm's operations and have good knowledge of the current technology. The management should also provide enough funds to cater for public relations operations.

The study also recommends the government together with its agents that formulate policies regarding public relations to come up with policies that are friendly and supportive to the firms. The government is also recommended to offer trainings on good public relations to all firms listed in NSE. This will ensure that the firms set their public relations policies that are in line with the government policies.

5.5 Suggestions for Further Research

The current study was undertaken to establish the influence of public relations management on strategy implementation of companies listed at the Nairobi Securities Exchange. Future studies could duplicate this study to firms that are not listed in NSE. Other studies could also be done that use other public relations factors such as communication, community relations and corporate social responsibility.

This study could also be duplicated in other organizations such as non-profit making organizations since the present study focused on profit making organizations. The study also recommends future researchers to examine the link between public relations and organizational performance other than strategy implementation.

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APPENDICES

Appendix I: Research Questionnaire

This questionnaire is intended to gather data on the effect of public relations management on strategy implementation for firms listed at the Nairobi Securities Exchange. You are requested to carefully read and answer the questions with honesty and sincerity. The information you give will be used solely for aiding of academic research and will not be divulged to any other party.

Instructions

1. Tick appropriately in the box or fill in the space provided.
2. You are welcome to provide any additional material you feel is relevant to the research.

Section One: General Information

Please tick the most appropriate

1. Gender

Male []

Female

2. Age

18-24 []

25-35 []

36-45 []

46-55 []

Above 55 []

3. Highest level of Education (tick one)

Diploma []

Undergraduate []

Graduate []

Others (Please specify) _____

4. Years of experience in the industry

- 0-1 year []
- 2 - 4 years []
- 5 – 7 years []
- 8 – 10 years []
- Above 10 years []

5. Designation/title _____

Section Two: Public Relations Management for Firms Listed at the NSE

On a scale of 1-5 for each statement, please tick the appropriate answer from the alternatives: **1- Strongly Disagree, 2-Dissagree, 3-Uncertain, 4-Agree, 5- Strongly Agree.**

STATEMENT	1	2	3	4	5
Building relationships with the firm's stakeholders is critical in your firm					
My firm builds and maintains a quality relationship with its customers					
My firm takes actions to cultivate a positive corporate image in the long term					
There is joint problem solving between my firm and other parties					
There is regular exchange of information between my firm and its stakeholders					
Over time, my firm has cultivated trust in dealings with stakeholders					

In your view, which are some of the other ways that your firm employs in public relations management?

.....

Section Three: Public Relations Management and Strategy Implementation for Listed Firms

Please indicate to what extent the three dimensions of public relations management (public relations policy, technology and public relations officers’ skills) influence strategy implementation in your firm. Please tick the appropriate answer from the alternatives, **1- Strongly Disagree, 2-Dissagree, 3-Uncertain, 4-Agree, 5- Strongly Agree.**

STATEMENT	1	2	3	4	5
Public relations policy in your firm influences timely strategy implementation					
Public relations policy in your firm influences adherence to strategic plans					
Public relations policy in your firm enhances consultation in strategy implementation					
Technology in your firm influences timely strategy implementation					
Technology in your firm influences adherence to strategic plans					
Technology in your firm enhances consultation in strategy implementation					

Public relations officers' skills in your firm influences timely strategy implementation					
Public relations officers' skills in your firm influences adherence to strategic plans					
Public relations officers' skills in your firm enhances consultation in strategy implementation					

Thank you very much