

# Journal of Economics and Business

**Wandiga, Eunice N., Kilika James M., and James, Rosemary. (2019), The Effect of Operations Strategy on Performance of Consultancy Firms? An Empirical Survey of Management Consultancy Firms in Nairobi, Kenya. In: *Journal of Economics and Business*, Vol.2, No.2, 469-488.**

ISSN 2615-3726

DOI: 10.31014/aior.1992.02.02.102

The online version of this article can be found at:  
<https://www.asianinstituteofresearch.org/>

Published by:  
The Asian Institute of Research

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# The Effect of Operations Strategy on Performance of Consultancy Firms? An Empirical Survey of Management Consultancy Firms in Nairobi, Kenya

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## Abstract

The purpose of this study was to establish the effect of operations strategy on the performance of management consultancy firms in Nairobi, Kenya. The objectives of the study were: to investigate the effect of resource management, value proposition, facility, and knowledge-based value chain strategies on performance of management consultancy firms in Nairobi, Kenya. The study was conducted among management consultancy firms in Nairobi. The target population for the study was all the 227 management consultancy firms which practice as marketing, human resource, accounting and finance, and operations management consultants in Nairobi out of which 144 were selected using stratified random sampling technique. The study found that resource management, value proposition, and knowledge-based value chain strategies have a significant positive effect on the performance of management consultancy firms while facility strategy has no significant effect on performance on management consultancy firms. The findings raise theoretical implications underpinning strategic management practice and theories. It also raises practical implications to management consultants who are in charge of developing and deploying the operations strategy. The study recommends further research be extended to other consultancy businesses, manufacturing, banking, and insurance sector.

**Keywords:** Facility Strategy, Management Consultancy Firms, Operations Strategy, Value Proposition Strategy

## 1. Introduction

Consulting firms are those business organizations that provide professional advice to an individual or an organization, often for a fee. They provide access to industry-specific specialists and subject-matter experts. Consultancy firms, according to Kipping and Clark (2012), are categorized depending on the sectors that they serve. They are part of the Knowledge-Based Intensive Sector and are deeply involved in knowledge exchange, and their core activity is to transfer information, design, experience or professional knowledge to client firms and assist in applying it (Bouncken & Kraus, 2013). They mainly fall under the following fields: financial and accounting, information technology, management, human resources, legal services, hotel, and hospitality industry.

Miles (2005) notes that the work of these firms entails collecting, generating, analysing, and distributing knowledge with the aim of providing competences and solutions that the clients cannot develop for themselves.

According to Walsman, Brandon-Jones, Lewis, and Verma (2015), management consulting business has grown rapidly over the past few years because of the expansion in economic activity globally that can be associated with the rise of management as a unique field of study. Even though management consulting has been in practice for long, little scholarly attention has been given to this context (Srinivasan, 2014). According to Fincham, Mohe and Seidl (2013) the reasons why this industry is under-researched is because it is highly fragmented with very many different management consultancy firms offering variety of services; it is non-regulated as opposed to other industries and firms in this industry adopt different strategies to differentiate themselves from others and to position themselves in the market. The pressure to respond to changes in customer demands, workforce preferences, and competition has led to these firms offering a variety of services in management (Mukkamala & Razmerita, 2014).

Modern business organizations are forced to employ strategies that will give them an upper hand above their competitors due to the level of competition in the business environment (Barney, 2011). This competition has led to businesses becoming aggressive and more dynamic in identifying and implementing strategies that guarantee survival through superior performance. Strategic management, therefore, becomes a key ingredient for all business organizations that want to survive in such a competitive business environment (Melby, 2015). According to Cameron, Bateman, and Snell (2014), strategic management involves specifying organizational objectives and defining the main direction of the business by formulating plans and necessary policies required for the accomplishment of these objectives as well as allocating required resources.

Managers adopt strategies at three levels: corporate level, business level, and functional level so as to achieve competitive advantage and superior performance for their organization (Johnson, Scholes & Whittington, 2008). Operations strategy is part of the firm's functional strategy that addresses key questions about how key organizational resources are acquired and configured so as to attain the set objectives (Slack, 2015). Operations strategy emanates from the operations function of an organization which is widely considered to be a critical function in the achievement of organization objectives (Duarte, Brito, Di Serio, & Martins, 2011). Organizations that design an operations system that is able to create, deliver and sustain value to the market are assured of continued revenue generation that leads to superior performance and organization survival (Wandiga, Kilika & James, 2017). Thus the development of an effective operations strategy ensures continuous value creation process and enables goal achievement in the organization.

A firm's operations strategy incorporates actions and strategic decisions which are essential in shaping the long-term capabilities of the operations and their role towards overall strategy through the reconciliation of market needs with operation resources (Slack, 2015). The way in which an organization secures, deploys, and utilizes its resources determines the extent to which it can successfully pursue specific performance objectives. According to Purce (2014), there are five operations performance objectives that are of strategic interest to management: cost, quality, speed, dependability, and flexibility. Hence operations strategy involves collective and concrete actions chosen by the firm and executed within the operations function to enable the firm to achieve the desired corporate performance objectives in response to the competitive priorities chosen by the firm (Melby, 2015). This plan enables the operation function to utilize firm resources best and therefore achieve high performance (Duarte, *et al.*, 2011).

Haider (2009) observed that an operations strategy involves the formulation of the entity's long-term plan for ensuring proper use of resources for a high level of firm's compatibility between these resources, overall corporate strategy, and performance. Operations strategy is viewed as a key contributor to firm's performance which is achieved through series of events organized in a logical flow right from acquisition and configuration of resources, developing capabilities, building competences and eventually resulting in a superior performance.

The concept of operations strategy has received a lot of attention from strategic management researchers with different authors operationalizing the construct in different ways. Oparanma (2010) divided operations strategy

into two major categories; those strategies focusing on structural elements consisting of the facility, capacity as well as the choice of processes and those focusing on infrastructure such as workforce, quality, procurement, and organization structure. Luz Martín-Peña and Díaz-Garrido (2008) identified three types of generic operations strategy from literature review: Strategies for minimizing cost whose purpose is to achieve greater efficiency; Strategies for ensuring high quality products which aim at identifying consumers' needs and responding to them rapidly through provision of quality products; Strategies that implant new technology and operations processes which aim at introducing new designs and products rapidly and incorporating customers' requirements through differentiation.

Wandiga, Kilika, and James (2017) identified four types of operations strategy applicable to Knowledge Based Intensive sector organizations from a theoretical review of literature: resource management strategy, knowledge-based value chain strategy, facility strategy, and value proposition strategy. Slack (2015) argues that there are four decision areas that are needed to manage the resources of the operations and these forms the types of operations strategy in firms; Capacity strategy which deals with configuration and organization of capacity and facilities; Supply network strategy that deals with how operations are integrated with other functions of organization and the role undertaken by each function in the firm; Process technology strategy which involves determining the choice and development of processes and systems that transform resources into final products and Development and improvement strategy that deals with decisions on how the operation system is run on a continuous basis.

Arising from the above discussion this study noted that there are different types of operations strategies adopted by different organizations depending on the environment in which the organizations are operating, the competitive priorities they intend to achieve and the products offered or services provided. For purpose of this study four types of operations strategy were adopted which are applicable to knowledge-based organizations: resource management strategy, knowledge-based value chain strategy, facility strategy and value proposition strategy (Khalili, Salimian, Nazemi & Alborzi, 2013; Luz Martín-Peña and Díaz-Garrido, 2008; Oparanma, 2010; Slack, 2015, Wandiga, Kilika & James, 2017).

Consultancy firms across the world are categorized depending on the sectors that they serve and mainly fall under financial and accounting, information technology, management, human resources, legal services, hotel, and hospitality industry as well as health care (Kipping & Clark 2012). In Kenya, there has been an exponential growth in the number of consultancy firms, especially in Nairobi City County, where many organizations and business firms have their offices. This is largely attributed to the modern trend of information research being relied upon in many undertakings of different institutions as well as expansionary policies adopted by the Government (Cheruiyot, 2011). Kenyan consultancy industry is dominated by foreign consultancy firms (Mungai, 2012). Majority of local consultancy firms constantly face financial uncertainty, low turnover levels, poor reputation, inadequate skills, and financial resources and often have little experience (Aaker, 2012). For this reason, the majority end up closing down their operations in their first few years of operation due to poor performance. Srinivasan (2014) notes that even though the use of management consultant firms has increased over time, little research attention has been given to this area.

Firm performance refers to the end result of activities or the outcomes of the organization operational processes (Wheelen & Hunger, 2010). Performance is achieved in a series of events organized in a logical flow starting from acquiring and configuring of resources, developing capabilities, and building competences hence resulting in superior performance. Rasula, Vuksic, and Stemberger (2012) viewed performance as the competency of an organization to transform the resources within the firm in an efficient and effective manner to achieve organizational goals. It is further viewed as the organization's ability to acquire and utilize its scarce resources as expeditiously as possible in the pursuit of its operational goals.

Traditionally firm performance was measured based on financial measurements only such as sales growth, profitability, market share growth and ROA which has been considered to be limited since they make a cross-sectional comparison of performance difficult, and they focus only on one aspect of the firm ignoring other non-quantifiable processes that contribute to firm performance (Spanos & Lioukas, 2001). New performance measurement dimensions accommodating both the financial and non-financial measurement indicators have been

introduced to include, the Performance Measurement Questionnaire (PMQ) (Dixon, Nanni & Vollmann, 1990), the Balanced Scorecard, the DuPONT model, which links accounting measures and financial ratios among others. Each of these models provides a unique and different lens through which to view an organization's performance (Richard, Devinney, Yip & Johnson, 2009).

Consultancy firms experience numerous challenges in trying to measure their performance owing to the lack of a standardised measure of their performance. Srinivasan (2014) noted that the services offered by these firms are complicated to study, measure, and quantify since different firms have different differentiation and positioning strategies and are not homogeneous in their business focus. Most of the consultancy firms focus on multiple areas of consultancy. It is also noted that these firms operate under secrets. In view of these challenges, the authors noted that there is little documented evidence on performance measures of management consultancy firms, the operations strategies developed and deployed by these firms and the link between the operations strategies deployed and performance of management consultancy firms hence the need for research on management consultancy firms based on their operations strategies.

### *1.1 Statement of the Problem*

It has been noted that consultancy firms worldwide face numerous challenges, touching on the uncertainty of returns, poor reputation, development of sustainable strategies, gaps between consultancy assignments and inadequate financial, technical and human resource base (Jacobs, Swink & Linderman, 2015; Aaker, 2012; Ling & Gui, 2009). According to Tanui (2015), these challenges pose a threat to the competitiveness and ultimate performance of management consultancy firms. Cheruiyot (2011) found that most management consultancy firms in Kenya report poor performance because of the persistent struggle to attract and maintain new clients. Over and above these challenges, Srinivasan (2014) observed that the nature of services offered by consultancy firms are difficult to study, quantify and measure hence leading to a situation in which stakeholders have given little attention to monitoring performance trends in the sector. In addition, considering the heterogeneous nature of services provided by these firms, strategic management literature has not addressed the issue of performance dimensions of the consultancy firms. Further, the dimensions proposed by practising consultants and consultancy firms have not been tested empirically (Hill, 2018). Thus, very little information exists on the performance of management consultancy firms.

The attempts made to investigate the role of an operations strategy have faced empirical challenges. While early efforts made towards understanding operations strategy processes focuses on conceptual reasoning to articulate the operations strategy (Anderson, Cleveland & Schroeder, 1989; Boyer & Lewis, 2002; Ward, Duray, Leong, & Sum, 1995), recent studies show that there is a link existing between operations strategy and other broader aspects such as strategic leadership, institutional conditions, market orientation, organisational context, and corporate strategy. These studies have used both empirical data and conceptual reasoning in establishing the links between variables only at an aggregate level (Shehu & Mahmood, 2014; Craig & Neubaum, 2014; Dibrell, Bharadwaj, Chauhan & Raman, 2015; Nawaz, Hassan & Shaukat, 2014).

Other studies that have been conducted on firm resources management, facility management, value proposition and Knowledge-based value chain, have only looked at them as mere organizational functions and not as types of operations strategies (Ombaka, Machuki & Mahasi, 2015; Myeda & Pitt, 2014; Ekman, Raggio & Thompson, 2017). Therefore, the specific types of operations strategies in a knowledge-based intensive sector have not received adequate attention from researchers. Therefore, this study sought to investigate the effect of operations strategy on the performance of management consultancy firms in Nairobi City County, Kenya. Specifically, the study assessed the effect of resource management strategy, facility strategy, value proposition strategy, and knowledge-based value chain strategy on performance of management consultancy firms in Nairobi City County.

This study is significant in a number of ways. First, the conceptualization of the study responds to the existing gap on the understanding of the main constructs that underpin the study, namely performance and operations strategy. In considering the reviewed literature, the authors point out that there has been lack of a comprehensive effort to conceptualize the construct of performance in a way that would relate directly to what is in practice in the industry.

The current paper has adopted integrated measures that draw both from extant literature and the current practice among consultancy firms (Hill, 2018). Thus the findings of the study not only inform and enrich scholarship but also build a bridge in understanding among scholars and practitioners the performance dimensions of consultancy firms based on the integrated set of indicators of performance. In addition, the authors have expanded the scope of conceptualization of the construct of operations strategy beyond the focus previously given tending towards the operations function to one that embraces the strategy.

Secondly, the study adds to the existing stock of knowledge on operations strategy in a knowledge-based intensive sector of the economy. In undertaking this study among management consultancy firms, the authors respond to the calls for research to enhance the level of understanding on the effect of deployment of an operations strategy in a knowledge-based intensive sector, given that previous attempts have largely focused on the manufacturing sector of the economy. Lastly, the study contributes towards explaining a phenomenon involving operations strategy and the performance of firms using operational indicators that have been drawn from both theory and practice. By this, the scope of the range of indicators has been expanded beyond those that have characterised strategic management research touching on the construct of performance. The authors are of the view that adopting this perspective helps in mitigating against limitations that have been associated with previous research with regard to the scope of conceptualization of the construct of performance.

## **2. Literature Review**

### *2.1 Theoretical Review*

This study was anchored on the postulates of The Resource-Based View (RBV) and Social Capital Theory. The Resource-Based View (RBV) of the firm initiated in the 1980s by Wernerfelt (1984), Rumelt (1984) and Barney (1986) is one of the dominant contemporary approaches to the analysis of sustained competitive advantage and its implication on firm performance. The RBV posits that the possession of key resources together with their effective development and deployment enables organizations to achieve and sustain competitive advantage. The RBV theory posits that resources must meet the requirements of the VRION Framework for the firms to gain competitive advantage (Bowman & Ambrosini, 2003). The authors relied on this theory to anchor the independent variable of the study, namely, operations strategy. In supporting the various dimensions of operations strategy in the area of resource management strategy, facility strategy and value proposition strategy, management consultancy firms adopt the RBV theory as a guide for effective and appropriate resource identification, selection of the resources and in addressing issues on how these resources are bundled and deployed in a way that gives competitive advantage thus resulting in superior performance (Ghapanchi, Wohlin & Aurum, 2014).

According to proponents of social capital theory, Bourdieu, 1983, 1986; Coleman, (1988), Social capital is what connects various forms of human capital. Daud and Yusoff (2010) noted that an employee connected to innovators and thought leaders has the valuable social capital to do their job and share with their corporate colleagues. According to Carrillo (2006), social capital consists of knowledge and organizational resources that enhance the potential for individual and collective action in human social systems. Conversely, Payne, Moore, Griffis and Autry (2011), observed that social capital comprises of those resources such as Knowledge resources that actors may access through social ties that may affect an individual's action directed toward another based on the social structure in which the action is embedded and the history of transactions between the actors (Monavvarian, Asgari, Akhavan & Ashena, 2013). In supporting knowledge-based value chain strategy, the theory outlines that for management consultancy firms to achieve superior performance there is a need for human interaction which facilitates sharing of knowledge and that knowledge in itself may not guarantee sustainable competitive advantage unless the knowledge is shared among the organizational employees and applied in the organization processes.

### *2.2 Conceptual and Empirical Review*

#### *2.2.1 Performance of Management Consultancy Firms*

Management consultancy firms worldwide face numerous challenges which, according to Tanui, Kilika, and Mugambi, (2016) and Tanui (2015) pose a threat to the competitiveness and ultimate performance of management consultancy firms. The studies conducted internationally and locally identify challenges such as: uncertainty of

returns, poor reputation, development of sustainable strategies, gaps between consultancy assignments and inadequate financial, technical and human resource base and persistent struggle to attract and maintain new clients (Jacobs, Swink & Linderman, 2015; Aaker, 2012; Cheruiyot, 2011; Ling & Gui, 2009).

Nikolova, Reihlen, and Schlapfner (2009) observed that management consultancy services have distinct characteristics that reflect the nature of services provided which include intangibility, heterogeneity, perishability, inseparability, variability and lack of ownership (Rao, 2011). Srinivasan (2014) therefore argues that due to the nature of services offered by management consultancy firms and their unique characteristics, there have been difficulties studying, quantifying and measuring the performance of these firms hence leading to stakeholders giving little attention to monitoring performance trends in the sector. In addition, strategic management literature has not addressed the issue of performance dimensions of the consultancy firms because of the heterogeneous nature of services provided by these firms (Hill, 2018).

Strategic management literature points that firm performance can be measured from two perspectives: measures relating to results such as competitiveness and financial performance and measures relating to determinants of the results which include the utilization of resources, quality, innovation and flexibility (Kloot & Martin, 2000). However, these measures, according to Spanos and Lioukas, (2001), focus on past events rather than focusing on the future of the firm, and they largely ignore non-quantifiable aspects in the business. Over time, scholars in strategic management adopted the balanced scorecard, which combines financial and non-financial measures (Kaplan & Norton, 2001). Keegan, Eiler, and Jones (1989) criticized this approach because of ignoring the competitor's perspective. The measures advanced by strategic management literature mainly focus on firms operating in the manufacturing sector and the main services sector like financial institutions, insurance companies, and hospitals hence ignoring the consultancy industry that supports the other sectors. Thus the authors noted that literature in strategic management has failed to address the issue of performance dimensions in consultancy firms based on the unique nature of services provided hence the need to identify a distinct approach for measuring the performance of these firms.

In view of the identified gaps in measuring the performance of consultancy firms, practising consultants, and consultancy firms have proposed several performance dimensions even though these measures have not been tested empirically (Hill, 2018). These performance measures include: acquisition percentage measured by the number of proposals sent during a given period and number of new clients generated from the sent proposals for that period; repeat business percentage measured by the number of compliments and repeat customers during a given period and leads generated measured by number of customers generated through referrals, enquiries, social media, networking and business events during a particular accounting period. The authors considered these proposed measures as suitable indicators for the operationalization of the construct of performance in studying management consultancy firms in an emerging economy context.

Considering the unique characteristics identified in the context of management consultancy firms, it is observable that each raises challenges that have implications on the operations system of the firms and the emergent operations strategy. Thus, management consultancy firms need to formulate and implement sound operation strategies to tackle these challenges and therefore boost their performance. The studies conducted in the area of operations strategy reveal that there are different types of operations strategies that can be adopted by firms such as: facility strategy; capacity strategy; Strategies for minimizing cost; Strategies for ensuring high quality products; Process technology strategy; Supply network strategy; Resource management strategy; Knowledge-based value chain strategy, Value proposition strategy and Development and improvement strategy (Khalili, Salimian, Nazemi & Alborzi, 2013; Luz Martín-Peña and Díaz-Garrido, 2008; Oparanma, 2010; Slack, 2015, Wandiga, Kilika & James, 2017). This study adopted four types of strategies which are applicable to management consultancy firms; resource management strategy, facility strategy, knowledge-based value chain strategy, and value proposition strategy. In the ensuing sections, each of the strategies is given a brief conceptual and empirical attention.

### *2.2.2 Resource Management Strategy*

The operations strategy acts as part of the firm's functional strategy in addressing the big questions of how the key organizational resources must be acquired and organized to achieve the set objectives (Slack, 2015). According to

Gottschalg and Zollo, (2007), the firm's performance and competitive advantage can be achieved with a well-formulated and executed resource management strategy. In assessing the integration between organizational resources and the attained competitive advantage, Barney (1991) identified four requirements that firm resources must meet in their attempt to generating competitive advantage: value, rareness, inimitability, and non-substitutability. Rose, Abdullah and Ismad (2010) in their theoretical review on the inter-relation existing amongst the firms' competitive advantage, organizational resources, and performance agreed with Barney (1991) that for organizations to achieve a competitive advantage level that not only can at least match those of their business rivals' but also was able to exceed the industrial performance averages, business organizations should seek to understand the relationship between their internal resources, competitive advantage and performance.

Kithusi (2015) who evaluated firm's resources, entrepreneurial strategy and organizational performance of micro, small and medium furniture sector entities in Kenya found that organizational resources and entrepreneurial strategy had a significant impact on the overall performance of the firm. Ombaka, Machuki, and Mahasi (2015) conducted a study on organizational resources, external environment, innovation and firm performance on insurance companies in Kenya and found that firm's resources have a significant impact on the performance. The literature reviewed brings out the importance of resource management strategy in assisting firms in achieving competitive advantage which however depends on the type of resources acquired by firms and how they are configured/bundled (Gottschalg & Zollo, 2007). Management consultancy firm's key resource is knowledge, and their ability to embed the knowledge into their services will determine their ability to offer quality services which will enable the firms to retain their clients and attract new ones hence improving their performance, thus acquisition and configuration of resources were adopted as the measures of resource management strategy.

### *2.2.3 Facility Strategy*

Facility strategy ascertains the various categories, layout, and location of spaces needed to fully support the initiatives of the business in attaining the organization objectives. The facility strategy must be aligned with the corporate strategy (Maas & Pleunis, 2006). Haynes, Nunnington, and Eccles (2017) noted that, in consultancy firms, investment in critical facilities has a significant influence on their operations and resilience. Moreover, it may also have a great impact on external stakeholders while at the same time protecting customers identity and confidentiality where required. It is also noted that management consultancy firms set up offices where they carry out administrative tasks, planning for clients work, and in some cases, clients work is carried out in the consultancy firm's offices. For this reason, consultancy firms require facilities for smooth operation and administrative purposes.

Chotipanich and Lertariyanun (2011) conducted a study on facility management strategy among commercial banks in Thailand and identified four types of facility management strategies: facility cost strategy; facility performance strategy; business value strategy and workplace strategy. Myeda and Pitt (2014) studied facilities management in Malaysia emphasizing on the role of facility management (FM) in facilitating organisational performance and in providing a competitive advantage. The paper proposed seven elements/factors in understanding FM development in Malaysia: Level of growth, practice, service, profession, opportunities, demands, and challenges. The study also found that firms with well-formulated FM strategies and objectives will successfully attain optimum efficiency in the survival strategy and increasing prosperity of its future. Fraser (2014) conducted a study aimed at identifying facility maintenance management strategies and systems through a detailed literature review and identified four major strategies: total productive maintenance (TPM), condition-based maintenance (CBM), reliability-centred maintenance (RCM) and condition monitoring (CM). The reviewed literature highlights the importance of developing facilities strategy, which should be aligned with business strategy so as to achieve corporate goals. However, much of the studies have been conducted in banking, health, and manufacturing sector, which need an elaborate facility strategy giving less attention to the service sector. Therefore, for the purpose of this study, the elements of facility location, layout, and process were identified as measures of facility strategy.

### *2.2.4 Knowledge-Based Value Chain Strategy*

Knowledge-based value chain strategy involves the process of creating new knowledge in the organization, disseminating that knowledge throughout the firm and its application in the day-to-day activities of the firm (Al-Adaileh & Al-Atawi 2011). Holsapple and Oh (2013) defined knowledge value chain as a construct that comprises



nine essential activities that a knowledge-driven firm is able to perform in ways that yield competitive advantage and better performance. These critical activities come from knowledge management activities, and they include primary activities of Knowledge acquisition, selection, generation, assimilation, and emission plus the secondary activities of measurement, control, coordination and leadership (Holsapple & Joshi, 2002). Gold and Arvind (2001) empirically examined knowledge management (KM) from the perspective of organisational capabilities and found that knowledge infrastructure consisting of structure, technology and culture as well as knowledge process architecture of acquisition, application, and protection are significant organizational capabilities for effective knowledge management and firm performance.

Al-Qarioti (2015), in his study on the impact of knowledge management on organizational performance at Kuwait University, aimed at seeing how faculty members evaluate KM influence on organizational performance. The study found that the three knowledge components, which include acquisition, information technology, and organization of knowledge, have a major role in improving organizational performance. The purpose of a study carried out by Mills and Smith, (2011) was to evaluate the impact of specific knowledge management resources on organizational performance where the study found that knowledge resources such as organizational structure and knowledge application were positively related to firm performance.

Zeglat and Zigan, (2013) studying the relationship between intellectual capital and business performance in the Jordanian hotel industry revealed that intellectual capital has a strong positive impact on the organizational performance of the hotels and Abdela (2016) who evaluated the impact of knowledge management on organizational performance found that knowledge application strongly influences knowledge process capability. From the reviewed literature, it is clear that the process of creating and utilizing knowledge provides an avenue for the firms to understand the key inputs that arise from the Knowledge management activities and therefore this study identified knowledge acquisition, dissemination, and application to be the indicators knowledge-based value chain strategy.

#### 2.2.5 Value Proposition Strategy

Value proposition strategy involves developing a clear, simple statement of the benefits, both tangible and intangible that the company will provide, along with the approximate price it will charge each customer segment for those benefits. Anderson *et al.* (2006) suggested that organizations adopt one of the three approaches to developing value propositions: all benefits - by identifying a list of all benefits a company can deliver to customers; favourable points of difference – identifying benefits relative to those delivered by key competitors; resonating focus – key benefits truly valued by chosen customers that are delivered or potentially could be delivered. Value proposition (VP) of a firm is viewed as the most important aspect of strategy because it helps in determining why customers buy the products of the company. Osterwalder and Pigneur (2010) suggested that there is much need of studying value proposition throughout its entire life cycle because elements of value proposition can be generated in the five stages of the value life cycle which include: value creation stage, value appropriation stage, value consumption stage, value renewal stage and value transfer stage.

Flaherty and Rappaport (2015) studied agents of change, sustainability and industry trade associations as an evolving value proposition and found that business organizations make use of value proposition concept to target not only clients but also their vendors, employees, and partners. Ekman, Raggio, and Thompson (2017) studied value proposition alignment and noted that value proposition could boost awareness of the business's brands, create a larger client base, positive perception on products and services as well as unlocking access to new technologies for the business. Payne and Frow (2014) who conducted a study on developing superior value propositions as a strategic marketing imperative in financial services and telecommunications sector using case study approach found that value proposition is capable of influencing new and existing workers and motivating them to support the set organizational goals. The reviewed literature indicates that a strong value proposition is vital for any organization to engage with key stakeholders. However, it is noted that these studies were conducted in the area of marketing and failed to examine the relationship between value proposition strategy and performance, hence the study identified the measures of value proposition strategy to be Benefits Delivered to Customers, Favourable points of difference and Resonating focus for the purpose of this study.

The authors in summary of the extant empirical literature have four main issues. First, literature has given more attention to the broader aspects of operations strategy while explaining the relationships existing between constructs such as external environment, business strategy, competitiveness, customer engagement, organization structure, performance and leadership, and the studies have been conducted in specific contexts especially manufacturing firms. Secondly, the literature review reveals there is limited attention given on all the elements of operations strategy. Thirdly, much of the studies have been conducted in banking, health, and manufacturing sector, leaving out the service sector, which supports the manufacturing sector. Fourth, Even though studies have been conducted on organization resources, facility management, value proposition, and Knowledge-based value chain, researchers have looked at them as mere functions in organizations and not as types of operations strategies, hence there is need to consolidate them and determine their effects on firm performance. In view of this, there is need to conceptualize operations in the form of a strategy that paves the way for the integration of the theoretical reasoning advanced by RBV that proposes the aspect of configuration in the deployment of strategic resources so as to inject and build capability into each resource to sustain superior performance. Since strategies are firm investments, they can be construed as forms of strategic assets that can be configured for deployment to drive superior sustainable performance.

### 2.3 Conceptualization and Hypotheses

Based on the conceptual, theoretical and empirical review conducted in this study, the study proposes a simple conceptual framework that predicts the effect of operations strategy on performance of management consultancy firms in Nairobi City County, Kenya in figure 1

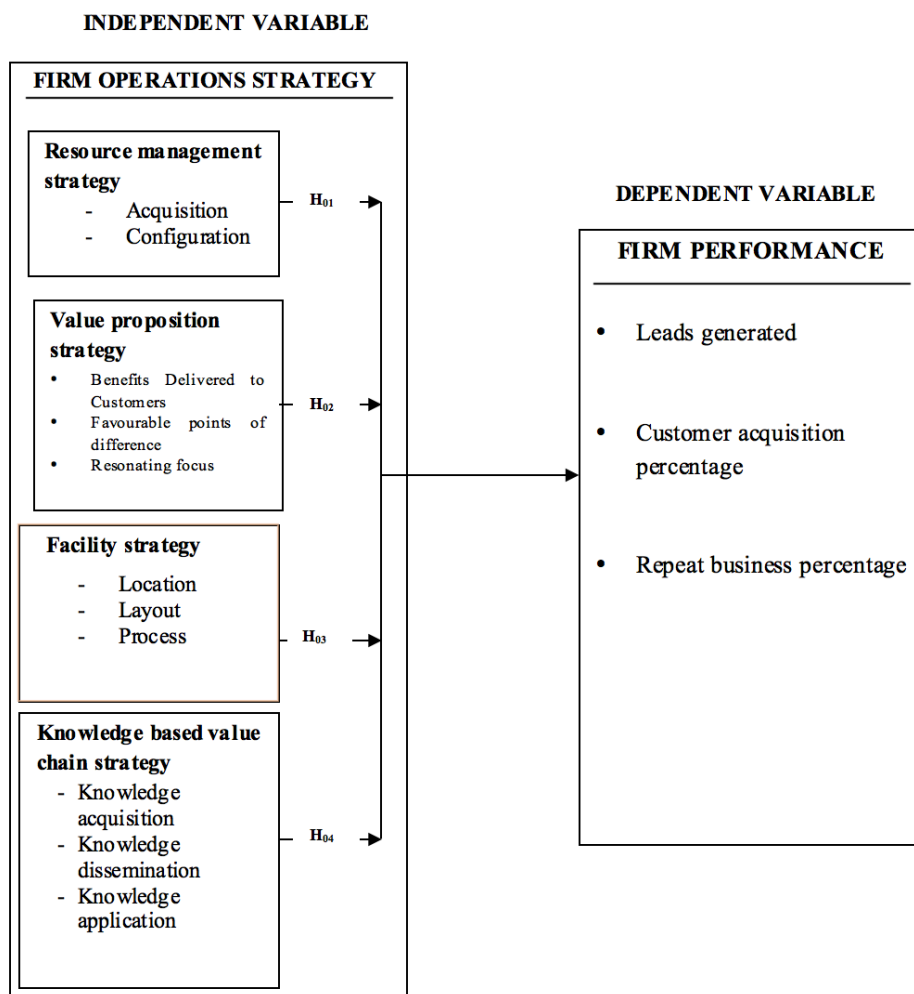


Figure 1: Conceptual Framework

The study proposes that the adoption of an operations strategy will lead to firm performance. The operations strategy has been operationalized using four constructs: resource management strategy, value proposition strategy, facility strategy, and knowledge-based value chain strategy while the performance construct has been operationalized through the indicators of leads generated, customer acquisition percentage and repeat business percentage. We argue that when each of the strategies is implemented with a focus on the configuration to generate the needed capacity to sustain superior performance, the resultant outcome will be superior firm performance. Thus we propose that the deployment of firm operations strategy will lead to the attainment of firm performance. Specifically, the study proposes that:

**Hypothesis one:** *Resource management strategy has a significant effect on the performance of management consultancy firms in Kenya.*

**Hypothesis two:** *Value proposition strategy has a significant effect on the performance of management consultancy firms in Kenya.*

**Hypothesis three:** *Facility strategy has a significant effect on the performance of management consultancy firms in Kenya.*

**Hypothesis four:** *Knowledge-based value chain strategy has a significant effect on the performance of management consultancy firms in Kenya.*

### 3. Research Methodology

#### 3.1 Research Design

The study was anchored on the positivism philosophical foundation, which is based on real facts, objectivity, neutrality, measurement, and validity of results as recommended by (Saunders, 2011). Positivism maintains that knowledge should be based on facts and no abstractions, thus knowledge is predicated on observations and experiments. In line with this philosophy, the study employed descriptive and causal or explanatory research design. According to Bryman and Bell (2007), descriptive research is applied in describing characteristics of the population of interest or phenomenon being investigated. This design was found appropriate as it helped the researcher to achieve the research objectives by describing the data and characteristics about the population of the phenomenon being studied; operations strategy and firm performance. Causal or explanatory research design was used to identify the extent and nature of cause-and-effect relationship existing among resource management strategy, value proposition strategy, facility strategy, knowledge-based value chain strategy and firm performance (Sekaran & Bougie 2010).

#### 3.2 Study context and population

In Kenya, management consultancy firms are incorporated by the Registrar of Companies as Limited Liability Companies and have become leaders in the provision of tailor-made solutions to the challenges facing customers in specific market niches. Most of the firms are situated in Nairobi. This is largely attributed to the modern trend of information research being relied upon in many undertakings of different institutions as well as expansionary policies adopted by the Government (Cheruiyot, 2011) According to Tanui, Kilika and Mugambi, (2016) these firms mainly operate in the following areas: Strategy, Management, Operations, Financial and accounting, Human resource, Marketing and IT Consulting. This sector is estimated to contribute approximately 20% of the country's Gross Domestic Product. Kenyan consultancy industry is dominated by foreign consultancy firms (Mungai, 2012).

The target population for this study consisted of all the 227 management consultancy firms that consult in marketing, human resource, finance, and accounting and operations management in Nairobi. These management consultancy firms were selected because they form the largest bulk of all management consultancy firms, and their profession of practice is in the business field, which is the authors' area of specialization. According to Mugenda (2009), a sample of between 10 and 30 percent is an acceptable representation of the population while a sample of over 50% is desirable. Based on this argument, this study adopted stratified and simple random sampling techniques to select a sample of 144 respondents from the management consultancy firms in Nairobi representing 63% of all the management consultancy firms in Nairobi.

### 3.3 Research Data and Analysis

The study utilized questionnaires to collect primary data from the respondents. The questionnaire had two sections. The first section collected information on the respondents' demographics, while the second section collected data relating to the study variables. Pilot testing was carried out to establish the validity and reliability of the research instrument and to enhance face validity (Joppe, 2000). Cronbach's alpha ( $\alpha$ ) was used to measure the reliability of the research instrument, and according to Field, (2009), a Cronbach alpha of 0.6 or above is usually considered to be adequate. In this study, a constructed composite of 0.7 or above for all the constructs was considered satisfactory. Quantitative data was analysed using Statistical Package for Social Sciences (SPSS Version 23.0) while qualitative data was analysed using conceptual content analysis.

Descriptive statistics of the mean, frequencies, standard deviation, and percentages were calculated and interpreted for all the quantitative variables. The information was then presented in form of tables. Coefficient of determination ( $R^2$ ) was used to test the significance of the model and used in measuring the extent to which variation in firm performance is explained by variations in operations strategy. F-statistic was also computed at 95% confidence level to test the overall significance of the model. Hypothesis testing was done using p-values to aid decision making regarding the null hypothesis. To enable the test of hypotheses a composite index for each variable in each management consultancy firm was computed to transform the quantitative data obtained through the questionnaire. The composite index was computed using the weighted harmonic mean as recommended by (Kilika, 2012; Kilika, K'Obonyo, Ogotu & Munyoki, 2012).

Diagnostic tests were conducted to confirm that data met the assumptions of regression analysis. Table 1 shows the results of the diagnostic tests.

Table 1: Diagnostic Tests Results

Diagnostic test	Test	Observation	Conclusion
Normality	Shapiro-Wilk tests	P>0.05	Normally distributed
Multicollinearity	Variance Inflation Factor	VIF<10	No Multicollinearity
Heteroskedasticity	Breush-Pagan test	P>0.05	No heteroskedasticity

## 4. Research Findings

### 4.1 Response Rate

The study sought to collect data from 144 respondents from 144 management consultancy firms selected in Nairobi City County. The questionnaires returned are as shown in Table 2.

Table 2: Response Rate

Strata	Target sample	Actual Response	Response Rate
Operations management	53	30	56.6%
Marketing Consultants	50	44	88.0%
Human resource	11	9	81.8%
Accounting and finance	30	25	83.3%
<b>Total</b>	<b>144</b>	<b>108</b>	<b>75.0%</b>

Out of the 144 questionnaires distributed, 108 were filled and returned, forming a response rate of 75%. In the individual categories, it was observed that there was 56.6% response rate among operations management consultancy firms, 88.0% for marketing consultancy firms, 81.8% for human resource consultancy firms and finally 83.3% for accounting and finance consultancy firms. The response rate was found to be adequate for analysis in line with observations made by Mugenda (2009) who concluded that a response rate of 50% is adequate

for analysis and reporting, a rate of 60% is good while a response rate of 70% and above is excellent for analysis purposes.

#### 4.2 Respondents Characteristics

The characteristics of the respondents were measured in terms of gender, years worked for the firm, the profession of practice, and position held in the organization. The results are summarised in Table 3.

Table 3: Demographic Information of the Respondent

Gender	Frequency	Percent
Male	57	52.8%
Female	51	47.2%
<b>Total</b>	<b>108</b>	<b>100.0%</b>

<b>Profession of Organizational Practice</b>		
	Frequency	Percent
Operations management consultants	9	8.3%
Marketing consultants	44	40.7%
Human resource consultants	30	27.8%
Accounting and finance consultants	25	23.1%
<b>Total</b>	<b>108</b>	<b>100.0%</b>

<b>Position held in the organization</b>		
	Frequency	Percent
Chief executive officer	9	8.3%
Partner	47	43.5%
Director	27	25.0%
General manager	24	22.2%
Administration	1	0.9%
<b>Total</b>	<b>108</b>	<b>100.0</b>

<b>Number of Years Worked in the Management Consultancy Firm</b>		
	Frequency	Percent
Less than 1 year	9	8.3%
1-5 years	66	61.1%
6-10 years	19	17.6%
Over 10 years	14	13.0%
<b>Total</b>	<b>108</b>	<b>100.0%</b>

The results show that majority of the respondents were male as shown by 52.8% (57) of the respondents, while 47.2% (51) were female. It is also observed that majority of the respondents as shown by 40.7%, were in marketing consultants, 27.8% were in human resource consultants, 23.1% were in accounting and finance consultants while only 8.3% were practicing in operations management consultants. In addition, results show that most of the respondents as indicated by 44% were partners, 25% were directors 22% were general managers, 8% were Chief Executive Officers (CEO) while only 1% were administrators. Finally, the results show that most of the respondents as shown by 61.1% (66) had worked in the management consultancy firm for between 1-5 years, 17.6% (19) for between 6-10 years, 13.0% (14) had worked for over 10 years while only 8.3% (9) had worked for less than 1 year.

#### 4.3 Descriptive Characteristics

Descriptive statistics provide a summary of the characteristics of the study variables using measures of central tendency and dispersion, specifically the mean and the standard deviation. The findings are presented in table 4.

Table 4: Descriptive Statistics

Variable	Reliability Statistics ( $\alpha$ )	Aggregate Mean	Aggregate Std. Deviation
Resource Management Strategy	.889	3.02	1.22
Value Proposition Strategy	.887	3.11	1.19
Facility Strategy	.892	3.10	1.20
Knowledge Value Chain Strategy	.903	2.64	1.11
Firm performance	.954	3.39	1.10

The results showed that resource management strategy had a Cronbach's Alpha coefficient of 0.889, value proposition strategy 0.887, facility strategy 0.892, knowledge-based value chain strategy had a coefficient of 0.903 while the performance of management consultancy firms had a coefficient of 0.954. All the variables had a Cronbach's Alpha coefficient greater than 0.7. Therefore, based on the recommendations of Field (2009), the research instrument was found to be reliable.

On aggregate, the resource management strategy had a mean score of 3.02 and a standard deviation of 1.22. This indicated that resource management strategy was emphasized and practiced at a moderate level by management consultancy firms in Nairobi City County and therefore had a moderate effect on performance. The overall mean score for value proposition strategy was observed to be 3.11 with a standard deviation of 1.192. These results show that most of management consulting firms undertook to apply value proposition as a strategy at a moderate extent thus the variable had a moderate effect on the performance of management consultancy firms in Nairobi City County. In addition, the mean score for facility strategy was found to be 3.1 and a standard deviation of 1.2 which showed that facility strategy practices had been deployed and practiced by the management consultancy firms to a moderate extent. Finally, the mean score for knowledge value chain strategy was 2.64, and a standard deviation of 1.11. This meant that knowledge value chain strategy activities are deployed and practiced by management consultancy firms to a low extent. The aggregate results for firm performance showed a mean score of 3.39 and a standard deviation of 1.10. It is observed from the aggregate results that average level of generated customers stood at the range of 10-15 annually.

#### 4.4 Test of Hypotheses

Hypothesis testing was done through multiple regression analysis. The results of the tests were interpreted through the adjusted  $R^2$  values and P values at the 0.05 significance level. The variables under study were regressed on performance indicators and a composite measure for all the variables computed to reflect overall variables. The results of the regression are as shown in the tables below

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.809 <sup>a</sup>	.6545	.641	.2687

Table 6: ANOVA<sup>a</sup> for Operations Strategy and Performance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	112.7765	4	28.19	218.527	.001 <sup>b</sup>
	Residual	17.985	139	.129		
	Total	130.7615	143			

Table 7: Table of Regression Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	$\beta$	Std. Error	Beta		
(Constant)	2.462	1.115		2.208	.030
Resource management strategy	.592	.196	.593	4.822	.001

Value proposition strategy	.367	.210	.405	3.505	.000
Facility strategy	.021	.207	.109	0.101	.164
Knowledge-based value chain strategy	.431	.219	.442	3.028	.017

From the results, the regression model is summarized as follows;

$$\text{Performance} = 2.462 + 0.593R_{ms} + 0.405V_{ps} + 0.109F_s + 0.442K_{bvs} + \varepsilon$$

The results in table 5 show that adjusted  $R^2$  was 0.641, which was used to establish the predictive power of the study model. This implied that 64.1% of the variation in performance was explained by knowledge-based value chain strategy, resource management strategy, value proposition strategy, and facility strategy. The remaining 35.9% of the variation in performance was explained by other variables other than the ones in the model. The P value for the F statistic in table 6 was  $0.001 < 0.05$ , which indicates that the overall model was significant in predicting the performance of management consultancy firms in Nairobi.

The regression results in table 7 for hypothesis one showed  $\beta = 0.593$  and P-value of 0.001. The p-value being less than 0.05 implied that the alternate hypothesis was supported, implying that resource management strategy had a significant positive effect on the performance of management consultancy firms in Nairobi. The results for hypothesis two indicated  $\beta = 0.405$  and a P-value was 0.000 and being less than the 0.05 significance level the alternate hypothesis was supported meaning that value proposition strategy had a significant positive effect on the performance of management consultancy firms in Nairobi. On the other hand, the results for hypothesis three reported a  $\beta = 0.109$ , and a P-value was 0.164. The P-value was greater than the 0.05 significance level. The study, therefore, failed to support the alternate hypothesis and concluded that facility strategy had no significant effect on the performance of management consultancy firms in Nairobi. The regression results for hypothesis four indicated  $\beta = 0.442$  and P-value was 0.017. It is noted that P-value was less than the 0.05 significance level. The study thus supported the alternate hypothesis and concluded that knowledge-based value chain strategy had a significant positive effect on the performance of management consultancy firms in Nairobi.

## 5. Discussions and Implications for Theory

The first objective of the study was to determine the effect of resource management strategy on the performance of management consultancy firms in Nairobi. The corresponding hypothesis ( $H_{01}$ ) was that resource management strategy has a significant effect on the performance of management consultancy firms in Nairobi. The P-value was 0.001 and being less than 0.05, and the alternate hypothesis was supported. This means that resource management strategy has a significant positive effect on the performance of management consultancy firms in Nairobi and therefore it was concluded that resource management strategy was a significant determinant of the performance of management consultancy firms in Nairobi. Theoretically, in line with the VRION Framework, the study identified two dimensions of the VRION Framework: value and organization specificity which were addressed through creating value and combining resources hence the postulates of RBV theory are well captured in this study, therefore, accounting for the positive effect on performance. The descriptive statistics reported that resource management strategy was practiced and emphasized at a moderate level in the management consultancy firms in Nairobi indicating that for these firms to realise maximum benefits from the resource management strategy, they must not only identify, attract and obtain the resources needed but must also be in a position to combine and configure them appropriately so as to create and deliver value to customers.

The findings on this hypothesis one make an important contribution to knowledge in strategic management in several ways. First, previous studies by Rose, Abdullah, and Ismad (2010); Kithusi (2015); Ombaka, Machuki, and Mahasi (2015) had indicated that there is a gap in the use of the construct of resources in general, the studies were in other sectors and that performance of management consultancy firms had not been directly linked to resource management strategy. Through these findings the study provides an understanding on the link between resource management strategy and performance. Secondly, even though the previous studies were done on other sectors since their findings are in agreement with those of the current study, the current study provides evidence

that the findings obtained earlier can be generalized in management consultancy firms in spite of their unique characteristics.

The second objective of the study was to assess the effect of value proposition strategy on the performance of management consultancy firms in Nairobi. The corresponding alternate hypothesis was that value proposition strategy has a significant effect on performance of management consultancy firms in Nairobi. Since the P-value was 0.000 being less than the 0.05 significance level the alternate hypothesis was supported and it was thus concluded that value proposition strategy has a significant positive effect on performance of management consultancy firms in Nairobi. These results were explained from different perspectives; From demographic characteristics results, most of the respondents were in the top management of the consultancy firms who are in close contact with their clients in the provision of services. They are, therefore, involved in identifying customer requirements and customer segment information; hence, they are in a position to develop strategies that would deliver the desired value and benefits to the targeted customers.

The descriptive statistics results indicate that value proposition strategy activities were emphasized and practiced to a moderate extent which was interpreted to mean that a consultancy firm that has a plan that identifies and communicates all the benefits to be provided to its customers, favourable points of difference between its benefits and those of its competitors and the benefits truly valued by customers are better prepared to deliver consultancy services. Theoretically, the RBV theory propositions were also supported through possession of unique resources that would facilitate identification of customers' benefits and their effective implementation hence accounting for the positive effect. These findings were found to be in line with the findings of other empirical studies which showed that value proposition strategy improves firm performance through improved customer engagement, understanding the clarity of value offered by the firm and increased effectiveness of marketing.

The findings in hypothesis two thus make a significant contribution to strategic management knowledge in several ways. The previous studies by Chandler, Broberg and Allison (2014); Payne and Frow (2014); Flaherty and Rappaport (2015); Ekman, Raggio and Thompson (2017) indicated that there has been a gap in the operationalization of the variable, the sector in which the studies were done and failure to show the relationship existing between value proposition strategy and firm performance. This study advances the level of understanding of the relationship between value proposition strategy and firm performance using management consultancy firms in Kenya by offering a clearer operationalization of the construct. The study findings also provide evidence for generalizability of the earlier research findings beyond the scope of focus of the current study of management consultancy firms to all consultancy firms.

The study also sought to evaluate the effect of facility strategy on the performance of management consultancy firms in Nairobi. The results show a P-value of 0.164 which is greater than 0.05 significance level thus the study failed to support the alternate hypothesis and concluded that facility strategy has no significant effect on the performance of management consultancy firms in Nairobi. These results were explained on the following basis; First, demographic characteristics results showed that the respondents were top management of the consultancy firms who were either partners, general managers, directors, or chief executive officers. They spend most of their time with clients either in client offices or outside the offices. Most of the work is done in the client's premises, or field work, especially for operations management and accounting and finance consultants, and these firms operate with few members of staff. This explains why these consultancy firms do not require a robust facility strategy, thus explaining why facility strategy has no significant effect on performance.

Secondly, descriptive statistics showed that facility strategy was at a moderate level of emphasis and practice in the management consultancy firms, which meant that firms that managed their facilities optimally achieved better results. Thirdly, the variable was anchored on RBV theory even though the study findings failed to support the propositions since investing in assets may not necessarily offer unique advantages to an organization especially if the firm does not need the assets as found out in this study. These findings raise an implication regarding decisions to invest in infrastructure among management consultancy firms. Since facility strategy is not significant, it becomes a point of interest to managers in the sector on why they should not prioritize investment on physical facilities to sustain their performance.



The findings in the hypothesis make a significant contribution to strategic management knowledge in several ways. The previous studies by Amaratunga and Baldry (2000); Chotipanich and Lertariyanun (2011); Fraser (2014); Myeda and Pitt (2014) indicate that there have been gaps in the way the variable has been operationalized, there have been gaps in failure to link facility strategy with performance, gaps in the sector in which the studies were conducted as some were conducted in education institutions and commercial banks which clearly need elaborate strategy on facilities and others were based on theoretical review thus lacking empirical support. The findings of this study add knowledge to strategic management through linking facility strategy with performance of management consultancy firms and also facilitates generalization of findings that facility strategy impacts the performance of organizations even though the extent of the impact depends on the sector in which the study is conducted.

In the fourth objective, the study sought to determine the effect of knowledge-based value chain strategy on the performance of management consultancy firms in Nairobi. The corresponding alternate hypothesis was that knowledge-based value chain strategy has a significant effect on the performance of management consultancy firms in Nairobi. The P-value of was 0.017 and being less than the 0.05 significance level study supported the alternate hypothesis and concluded that knowledge-based value chain strategy has a significant positive effect on the performance of management consultancy firms in Nairobi. The conclusion on this hypothesis was explained from different perspectives as follows: Demographically, the study established that the respondents were top management drawn from marketing consultants, human resource consulting, accounting and finance consultants and operations management consultants who provide knowledge-based services to clients. These services require expert knowledge which is created through employing appropriate knowledge value chain, which explains the relevance of knowledge-based value chain strategy on performance. The descriptive statistics showed that knowledge-based value chain strategy was emphasized and practiced at a low level by management consultancy firms. This was interpreted this to mean that since most management consultancy firms are small scale and mainly owner managed, information meant for decision making was retained by the top management who only disseminated relevant information to their subordinates.

Theoretically, the postulates of the social capital theory seem to be well applied in the sector since the respondents indicated that there is human interaction within the consultancy firms which facilitates the acquisition, sharing of knowledge among the employees and subsequent application of the knowledge so as to guarantee sustainable competitive advantage. Empirically, the study findings were consistent with the existing literature which show that acquisition, information technology, and organization of knowledge have a major role in boosting organizational performance. The findings on this hypothesis make an important contribution to knowledge in strategic management in that previous studies by Mohammad (2015); Mills and Smith (2011); Zeglat and Zigan, (2013) had indicated that there is a gap in the use of the construct of knowledge-based value chain in general, the studies were in other sectors, and that performance of management consultancy firms had not been directly linked to knowledge-based value chain strategy. This study provides an understanding of the link between knowledge-based value chain strategy and performance of management consultancy firms and provides evidence for generalizability of the research findings.

## **6. Conclusions and Recommendations**

Based on the study findings, the study made the following three conclusions. First, the study concluded that management consultancy firms in Nairobi have developed and deployed various types of operations strategies: resource management strategy, facility strategy and value proposition strategy to a moderate extent and that knowledge-based value chain strategy was at the low extent of deployment. Second, the study concluded that the deployed resource management strategy, value proposition strategy, and knowledge-based value chain strategy have a significant positive effect on the performance of management consultancy firms in Nairobi while facility strategy had no significant effect on the performance of management consultancy firms in Nairobi. It is therefore prudent for these firms to integrate the various forms of operations strategy into their firms' overall strategy in order to boost their performance.

The findings of this study were limited to the management consultancy firms in Nairobi and may not be generalised to other management consultancy firms outside Nairobi. The study thus suggests that other studies be conducted in other contexts outside Nairobi and other countries. Secondly, the findings of the study are limited to management consultancy firms in Nairobi and may not be applicable to other forms of business organisations. This study thus suggests that other studies be conducted on other forms of business organisations such as commercial banks, insurance companies, and other forms of consultancy business. Finally, findings of the study were based on data collected for a period of five years from 2013 to 2017 and therefore may not be used to make long term inferences about the effect of operations strategy on performance of management consultancy firms. This period experienced drastic growth in the number of consultancy firms. For this reason, the majority of the consultancy firms were still in their infancy stage and not well established. Within the same period, Kenya conducted General elections which may have affected the operations and performance of these of these consultancy firms. The study, therefore, suggests that other studies be conducted covering a longer period beyond five years to determine whether the current findings are valid and provide a basis of generalization of the study findings.

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