

$r = .133$, $N = 391$, $p = .008$; SIME: $r = .133$, $N = 391$, $p = .008$), but the strength of the relationships was weak. However, formal, that is, deliberate strategies had a higher contribution to the performance than the informal (reactive and deliberate) strategies. But both emergent and reactive strategies had a significant contribution to the performance of the small enterprises.

5. Conclusions

The starting point of this study was that, although contemporary thinking is that formal strategic management is relevant to the performance of small enterprises, empirical data seems to point to the fact that strategic management in small enterprise is rather informal and unstructured. The thesis of this study was that formal strategic management modes may be inappropriate to small enterprises. The purpose of this study was to determine the influence of informal strategic management modes on the performance of small enterprises in Kisumu County, Kenya. In order to do this, the study sought to determine the strategic management modes employed by small enterprises in Kisumu County and to investigate the relationship between the chosen strategic management modes and performance of the small enterprises.

The results of the first objective showed that small enterprises in Kisumu County used all the three modes of strategic management but they tended to rely on the reactive strategic management mode more. Indeed the least employed mode of strategic management was the formal strategic management mode. Therefore, the study concludes that small business in Kisumu County do not practice strategic management in the way it has been described normatively in much of the literature (i. e. formal procedures). Any study of strategic management must take cognizance of triple nature of strategic management that combines both the formal and informal modes of strategic management. Small firm scholars should therefore devote more time in studying models that would suit small firm management.

Interestingly, the respondents felt that deliberate strategies had a higher contribution to the performance of small enterprises than the informal (reactive and deliberate) strategies. This means that they were aware that deliberate strategic management was useful to them but that they were not always easy to implement as it was with larger firms. The study concludes that conventional schools of thought that focus on linear models of strategic management present viable strategies that align the small businesses into achieving success but are not enough in the day today management of the businesses. As has been pointed out in this study, since the real world inevitably involves some thinking ahead as well as some adaptation en route to the realized strategy, effective strategic management for small enterprises must mix the three modes of strategic management in ways that reflect the conditions at hand, notably the ability to predict as well as the need to react to unexpected events.. A winning strategy means that the broad outlines are deliberate, while the details are allowed to emerge en route as challenges appear that need immediate reaction.

5.3 Recommendations

The study recommends that there is need to come up with an effective strategic management system in SEs to de-emphasize the need for formal written documentation, reports and activities as a means to recognizing the contribution of informal strategic management processes. Such a system should lay less emphasis on the abstract notions like broad goals, business mission and long-term objectives as a prerequisite to a meaningful strategic management process. In essence, the SEs should also be exposed to informal strategic management models such as Strategic Issue Management (SIM) as a handy tool for reacting to unforeseen events. Another tool that SEs can actively practice is the knowledge Creation Spiral (KCS) for turning tacit knowledge into explicit knowledge that can be adopted by the SEs.

As the study has revealed, the combination of the formal strategic management modes based on clear visions, missions, goals and strategic implementation and informal modes based on models that exploit the stock of existing knowledge while reacting to strategic issues in the immediate environment would form a roadmap that would lead to less mortality rates of SEs. The combination of the two modes would also form a powerful means to graduation and eventual growth of the SEs from small to medium and from medium to large enterprises.

5.4 Further Studies

The purpose of this study was to determine the influence of informal strategic management modes on the performance of small enterprises in Kisumu County, Kenya. To this end, the study purposively selected The Youth Enterprise Fund beneficiaries. This was because the youth enterprises had received training on strategic management and had received funding that could facilitate their plans. Only the youth enterprise fund beneficiaries in Kisumu County formed the accessible population. This study could be replicated in other counties to find out the typical cultural and other environmental variables that could moderate the practice of strategic management. Future studies could also be undertaken to draw comparison between small enterprises that have been exposed to strategic management training and those that have not been trained on strategic management. Besides this study was not sector specific. Studying the research issues of this study in specific domains would be an interesting extension of this study.

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