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GROWTH STRATEGIES AND ORGANIZATIONAL PERFORMANCE: EVIDENCE FROM SELECTED SHIPPING FIRMS AT JOMO KENYATTA INTERNATIONAL AIRPORT, KENYA

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Abstract

With the world experiencing economic uncertainties and a fast-moving trade environment, logistics industry is faced with challenges such as increasing operational disruptions, intense competition, shrinking profit margins and decrease in market capitalization, necessitating the adoption of effective growth strategies to enhance organizational performance. This research sought to evaluate the effects of growth strategies; horizontal integration, vertical integration and mergers and acquisition on the performance of selected shipping firms within the logistics sector; case of shipping firms situated within Jomo Kenyatta International Airport Nairobi County, Kenya. Guided by the Resource Based View Theory, Ansoff Matrix Model and Porter's Value Chain Model, the study utilized descriptive research design to extract data from head of departments in the selected shipping firms. The findings revealed that all the three growth strategies had a statistically significant positive influence on organizational performance and that integrating complementary growth strategies enhances operational efficiency, creating a *competitive edge leading to organizational competitiveness. The study recommends that shipping firms adopt integrated growth strategies alongside digital innovation to improve long term performance and highlights conducting further studies in other areas or sectors while also experimenting on other growth strategies without exempting the digital innovations.*

Keywords: Growth Strategies, Horizontal and Vertical Integration, Mergers and Acquisition, Strategy, Organizational Performance, Logistics Sector

INTRODUCTION

The logistics industry plays essential role in a nation's economy by ensuring the efficient movement of goods and supporting various sectors such as trade, manufacturing, and retail. Currently, the industry is experiencing technological advancement, customer preference changes and a rapid growth of globalization (Saikumari et al., 2024) and increase in international trade which has compelled nations to expand their logistics capacities for companies to build systems that can help adjust, ensure recovery and which can keep on operating when conditions are supportive. The need for having effective planning and development in logistics is to enhance production, distribution, and marketing, which is a critical factor in national growth and efficiency (Sevgi & Tezcan, 2017).

Globally, the logistics industry is undergoing profound transformation because of increasing complex and volatile supply chains. The COVID-19 pandemic and the subsequent recovery period highlighted these challenges, causing significant chain disruptions that controlled to an estimated 3% decline in market capitalization of logistics companies, while reduced global trade demand led to substantial decreases in cargo volumes among transformation firms (Florido-Benítez, 2023).

Currently, the presence of extreme weather change and the Strait of Hormuz crisis are exposing the vulnerabilities in the systems that are in existence requiring the need for flexible, and strategic logistic solutions (Pentek and Letnik 2025), with the need to reevaluate business strategies, explore new markets, and to find innovative ways to improve value proposition to customers (Nguyen & Ngo, 2025). The logistic environment is increasingly being shaped by emerging trends and technological advancements, compelling organizations to continuously adapt their processes to remain competitive. The adoption of automation technologies, including robotics and autonomous vehicles such as drones, alongside the growth of e-commerce, digital platforms, and data analytics, has significantly enhanced route optimization, inventory management, and customer experience. Consequently, embracing these innovations has become critical for organizations seeking to improve operational efficiency and sustain a competitive advantage (Saikumari et al., 2024).

Logistics giants like United Parcel Service Inc. (USA) and FedEx Corp. (USA) have established themselves as leaders, offering innovative solutions and extensive supply chains to ensure prompt delivery of goods. These companies utilize advanced automation tools to maximize order fulfillment and ensure smooth operation of their logistics networks, significantly contributing to the country's economy (Florido-Benítez, 2023). In Germany, logistics is a driving force behind the country's thriving export-oriented economy. Major players like Deutsche Post AG and Deutsche Bahn AG are known for their efficiency and precision, consistently ranking among the top logistics companies globally. Their end-to-end logistics solutions ensure seamless transportation of goods across international borders, maintaining Germany's position as an export powerhouse (Sadowski et al., 2020).

Within the African logistics landscape, particularly in East Africa and Kenya, the region has seen a surge in M&A transactions (Mumo, 2016). Africa has drawn the attention of multinationals, with East Africa, and Kenya at the forefront, standing out as a hotbed for such activities (KPMG, 2014). Kenya, as one of the fastest-growing economies, has witnessed significant growth strategies, particularly M&A transactions, in recent years. However, these activities come with challenges, such as high failure rates, especially in industries undergoing significant changes like the financial services sector (Cartwright & Schoenberg, 2006).

With many logistics service providers having entered mergers, acquisitions, joint ventures, consolidations, partnerships, and alliances to stay competitive and adapt to a rapidly changing environment. These growth strategies are vital for shaping the future of companies, encompassing objectives such as expanding sales, assets, and diversifying products, services, and global presence (Gerald, 2013; Ashford, 2016; Chron, 2019). Growth strategies are vital for businesses to secure their market positions, adapt to opportunities and threats, and maintain competitiveness globally in areas such as market share and profitability Harvey, (2015). Growing a business entails implementing strategies that add value to the company while attracting and satisfying customers and enabling the company to effectively compete with industry peers and manage operations while enhancing both financial and market performance Strickland and Thompson (2015).

Business growth strategies vary significantly and can broadly be categorized into organic and inorganic approaches. Organic growth strategies involve expanding sales and profits through internal efforts such as diversification, market penetration and product development within existing operations. On the other hand, inorganic growth strategies involve external mechanisms like mergers and acquisitions, where businesses merge with or acquire other entities to achieve growth objectives (Yükselen, 2013; Demirci, 2007). These strategies allow businesses to leverage external resources and market positions to accelerate growth and achieve strategic goals. They consist of vertical, horizontal and lateral integration and it's through these strategies that supply chain performance is enhanced; drive innovation and organizations and can establish their competitive edge (Aloui et al. 2021, Patel, and Patel 2018). Accordingly, this study examined the influence of these growth strategies on the organizational performance of shipping firms.

Despite advancements in logistics integration, clearing and forwarding operations in Kenya remain inadequate, resulting in significant financial and operational challenges for businesses and other stakeholders (Meteur & Namada, 2023). The logistics sector at Jomo Kenyatta International Airport in Nairobi, Kenya, is experiencing remarkable growth driven by economic globalization, increasing trade volumes, and heightened competition due to innovations (Muslija et al., 2021). As a critical contributor to Kenya's economic development and long-term prosperity, the sector provides an important context for examining the growth strategies adopted by shipping firms and their influence on organizational performance.

In an ever-evolving business landscape, logistics planning is crucial for risk mitigation, enabling companies to foresee and prepare for changes, ultimately allowing them to develop strategies that facilitate adaptation. The fundamental goal of any logistics strategy is to ensure the efficient delivery of goods to the right customer, at the right location and time while optimizing cost and service efficiency. This necessitates the development and implementation of strategic growth initiatives capable of enhancing operational performance and securing a competitive advantage in Kenya's logistic industry. Therefore, the purpose of this study is to investigate the effects of growth strategies on the performance of selected shipper firms within the logistics sector at Jomo Kenyatta International Airport in Nairobi City County, Kenya.

LITERATURE REVIEW

Theoretical and Conceptual Background

The study was primarily anchored on Resource Based View (RBV) Theory and complimented by Ansoff Matrix and Porter's value chain model. The Resource Based View (RBV) Theory of was initially conceptualized by Penrose in 1959 and subsequently advanced by Wernerfelt (1984), then later by Rumelt (1984), and Barney (1986), and formalized by Barney (1991), and since then it has evolved into a leading modern framework for examining competitive advantage (Bridoux, 2004). RBV posits that an organization's competitive advantage is derived from its unique bundle of valuable, rare, imitable and non- substitutable resources and capabilities. According to Armit and Schoemaker (1993), these resources comprise of an organizations asset such as financial assets, and capabilities under its ownership and control. These resources tangible components like financial assets (properties, plants, and equipment) and intangible components which are human capital, patents, and technological expertise (Grant, 1991).

Resource Based View Theory explains that firms operate with profit-maximizing intentions, while recognizing that managerial choices are shaped by limited cognitive capacity (Simon, 1945). Two foundational premises under RBV include: resource diversity where rival firms may hold distinct sets of assets; and resource rigidity where such differences are not easily replicated or transferred across organizations (Barney, 1991; Kahveci, 2011). The theory emphasizes that sustainable competitive advantages derive from developing superior capabilities and resources. Organizations achieve long-term competitive advantage by deploying strategies that leverage internal capabilities, capitalize on external opportunities, mitigate environmental threats, and address internal limitations. (Barney Jay, 1991).

The relevance of this theory to this study lies in its explanation organizational performance and competitive advantage are largely determined by how effectively a firm acquires, develops, and utilizes its strategic resources and capabilities According to the theory, these resources must possess valuable, rare, imitable and non- substitutable characteristics to generate a sustainable competitive advantage. This made it the most important and relevant theory in this study as it explains why firms opt to engage in growth strategies to identify, develop and even leverage their resources which are unique, valuable, and hard-to-imitate in order to enhance organizational performance, build and sustain long term competitiveness.

Empirical Review

Horizontal Integration and Performance

Horizontal integration involves a company expanding by merging with or acquiring another business within the same industry or a related/unrelated sector. Firms with strong financial resources often use this strategy to boost market share, eliminate competition, and achieve economies of scale(Njuguna, 2019). This involves expanding a company's operations by increasing its range of products and services (product diversification) and entering new geographic areas (new markets), leveraging existing capabilities and market knowledge to enhance market presence and capture additional customer segments (Kudelko, 2015). While horizontal integration is highly applied by companies with large financial surpluses it brings about benefits in geography expansion, synergies, increase in bargaining power and cost reduction (Ignous, 2002).

A case study by Irungu (2021) which examined the effects of horizontal strategy on the organizational performance of commercial banks in Kenya established a positive relationship between the two. The study recommended that financial institutions consistently adopt horizontal strategies and develop effective performance benchmarks to evaluate their impact. According to the author, such practices can enhance customer satisfaction, increase revenue, and expand market share. The study employed a descriptive research design, targeting 142 employees at Stanbic Holdings Plc's Nairobi headquarters. Similarly, Masese et al. (2019) evaluated the role of horizontal and vertical integration strategies on the performance of public organizations. The findings revealed that the adoption of these integration strategies significantly improved organizational performance. The study utilized a descriptive survey research design involving 400 respondents drawn from Huduma Centres in Kisii and Nyamira Counties, where clients constituted the target population.

Njuguna et al. (2024) examined the impact of horizontal integration on the competitiveness of Export Processing Zone (EPZ) firms in Kenya. The study was anchored on the Resource-Based View (RBV) and Transaction Cost Economics (TCE) theories. Employing both quantitative and qualitative approaches, the researchers collected data using structured questionnaires from 137 EPZ firms. The data were analyzed using SPSS through regression, correlation, and ANOVA techniques. The findings established a positive and statistically significant relationship between horizontal integration and firm competitiveness. However, the study relied primarily on self-reported data, which may have introduced response bias. In addition, its focus on EPZ firms within a single geographical context limits the generalizability of the findings and constrains a broader understanding of how horizontal integration influences competitiveness across different industries and economic settings.

Nelson & Maina, (2021) investigated on how commercial banks in Nairobi City County, Kenya were impacted by horizontal integration on performance. It found that horizontal integration through the acquisition of banking agents, adoption of mobile banking, and establishing new banking outlet enhanced bank efficiency and customer retention, positively affecting overall performance. Although the study focused on the banking sector, it recommended that banks improve their performance by adopting expansion strategies such as mobile banking agencies, targeting diverse customer bases, forming strategic alliances, and diversifying into non-banking services like insurance and wealth management. The focus on banking sector limited applicability of these findings to other industries. Based on the theoretical and empirical literature from other contexts, it's evident that this integration strategies can significantly contribute to the performance of other different sectors as well as the logistic sector.

Using Porters Value Chain Theory and Ansoff Matrix Model, this gap informed the following research question:

i) *What extent does mergers and acquisitions strategy affect performance of selected shipping firms situated within Jomo Kenyatta International Airport*

Vertical Integration and Performance

Vertical integration involves firms integrating operations across distinct supply chain functions, allowing them to manage processes from material acquisition to finished goods (Ignous, 2002). It leverages indicators such as raw materials and after-sales services, encompassing efficient management of sourcing and procurement processes for materials used in production, as well as comprehensive after-sales support including maintenance, repairs, warranties, and customer service (Onyango et al., 2019). This assist companies aim to enhance control over the supply chain, mitigate risks associated with external dependencies, and improving overall operational efficiency and customer satisfaction (Chege et al., 2019).

Adeleke et al. (2019) examined the impact of forward integration strategies on organizational growth, focusing on the banking and insurance sectors in Nigeria. The study sought to establish the relationship between forward integration, marketing activities, and firm profitability using a descriptive survey research design. A sample of 753 respondents drawn from twelve banking and insurance organizations was surveyed using self-administered questionnaires. The findings revealed a statistically significant relationship between the study variables, suggesting that forward integration strategies positively influenced organizational growth and profitability. However, the study was limited by its focus on a single industry and its reliance on self-reported data, which may have affected the generalizability of the findings to other sectors and geographical contexts. These limitations underscore the need for further research across diverse industries using a broader range of research methodologies.

A study by Karimi & Waruguru, (2018) on vertical integration organizational influence of response to dynamic environment in wholesale and retail supermarket outlets in Nakuru, established a positive significant relationship with organization response to the dynamic business environment by utilizing vertical integration. The research harnessed descriptive research design by targeting 182 management employees who were in14 supermarkets. The research was out to document the relevance of the same on shipping firms within the logistics sector at Jomo Kenyatta International Airport, in Nairobi dynamic environment.

Adams et al. (2022) empirically examined the factors influencing vertical integration among commercial poultry producers in Ghana using count data models. The study found that approximately one in four poultry farms was either partially or fully vertically integrated. It further established that the extent of vertical integration was significantly influenced by personal factors such as-education, occupation, and farming experience, farm-related factors such as land tenure, flock size, production costs, and farm revenue, and institutional factors such as-access to credit, extension services, and membership in farmer associations). The study adopted a mixed-methods approach, with a descriptive cross-sectional survey involving 102 commercial poultry farms. Unlike the current study, which employs a purely quantitative approach and focuses on the logistics sector in Kenya, Adams et al. concentrated on the poultry industry in Ghana. The findings nonetheless provide empirical support for examining the influence of vertical integration on organizational performance, reinforcing the development of the second research question:

ii) *What effects does vertical integration strategy have on the performance of selected shipping firms situated within Jomo Kenyatta International Airport?*

Mergers and Acquisition and Performance

Research has established that Mergers and acquisitions (M&A) contribute to operational efficiency by enabling organizations to leverage economies of scale, streamline operations, integrate advanced technologies and resources, optimize supply chains, and adopt best practices. However, Maundu (2020) found that while M&A enhances operational efficiency, it does not necessarily translate into improved financial performance, as measured by Return on Assets (ROA), which may decline following integration. The study recommends that organizations pursuing M&A should complement these strategies with initiatives aimed at increasing revenue, reducing operational costs, and strengthening their capital base, asset quality, and liquidity to realize sustainable financial gains. Furthermore, Dogan (2017) argues that mergers and acquisitions facilitate strategic innovation by enabling firms to adapt to rapid technological advancements, institutionalize innovation, and foster a culture that supports long-term competitive advantage while responding effectively to evolving stakeholder expectations.

Wibowo (2020) examined the effects of downsizing, mergers and acquisitions (M&A), and transformational leadership on organizational performance. Using data collected from 327 employees of PT Holcim Indonesia TBK, the study found that both downsizing and M&A did not have a positive effect on company performance and, in some cases, negatively impacted performance. In contrast, transformational leadership was found to have a significant positive influence on organizational performance. However, the study's findings are limited by its focus on a single organization, thereby restricting their generalizability to other industries and contexts. The study also underscores the importance of considering organizational culture and post-merger integration processes when evaluating the effectiveness of M&A. Unlike Wibowo's study, this research examined the influence of mergers and acquisitions, vertical integration, and horizontal integration strategies on the performance of organizations within Kenya's logistics sector, thereby providing a broader strategic perspective.

Miriko (2020) examined the influence of mergers and acquisitions (M&A) on the performance of Britam Holdings Limited in Nairobi. The study was anchored on the Internationalization Theory, originally developed by Buckley and Casson (1976), and adopted a descriptive research design. The target population comprised 887 employees of Britam Holdings Limited, from which a stratified sampling technique was used to select the study sample. Data were collected using structured questionnaires, and the findings revealed that mergers and acquisitions had a significant positive influence on organizational performance. However, the study was limited to a single insurance company, thereby restricting the generalizability of its findings to other sectors. Moreover, it was grounded in the Internationalization Theory, whereas the current study is anchored on the Resource-Based View (RBV) and Market-Based Theory to examine the influence of mergers and acquisitions on the performance of shipping firms in Kenya.

Gachigo et al., (2022) whose study was undertaken in commercial banks in Kenya looked into the effects (M&A) have on the financial performance using a correlational descriptive research design with cross-sectional data from 30 banks. The research identified a statistically significant positive relationship which suggested that such strategies should be promoted by policymakers. However, the study's exclusive focus on the banking sector limits the generalizability of its findings to other industries, such as the logistics sector. Additionally, its cross-sectional research design provided only a snapshot of the relationship between mergers and acquisitions and organizational performance, rather than capturing their long-term effects. This limitation highlights the need for longitudinal studies to provide a more comprehensive understanding of the sustained impact of M&A on organizational performance across diverse sectors. Drawing from the theoretical literature of Agency Theory and Porters Value Chain Theory and the synthesis of the recent empirical evidence in the field, the study question identified looked into:

iii. What extent does mergers and acquisitions strategy affect performance of selected shipping firms situated within Jomo Kenyatta International Airport?

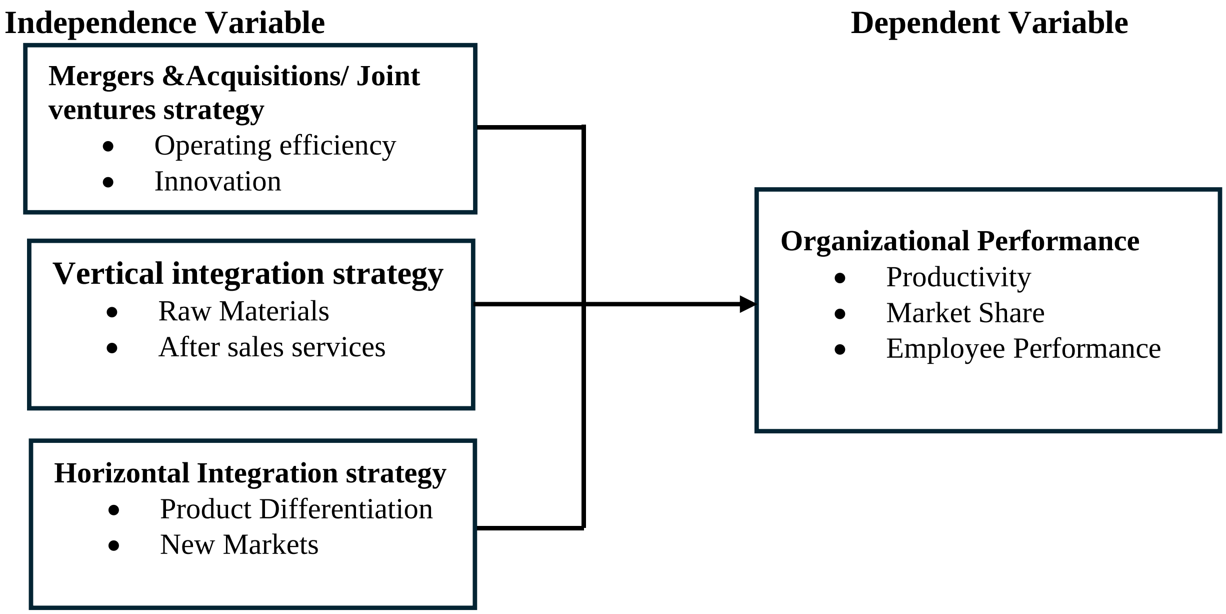

Figure 1 Conceptual Framework

METHODOLOGY

Research Design

The study adopted a descriptive research design. Kothari (2004) stated that research design as the framework for collecting and analyzing data in a manner that aligns with the research objectives while ensuring efficiency. This design was appropriate because it enabled the study to describe the existing state of affairs and examine relationships among variables without manipulating them. Creswell (2013) similarly notes that descriptive research is suitable for describing phenomena and examining relationships between variables.

Study Location, Population and Sample Size

The study was conducted across selected shipping firms within logistics sector at Jomo Kenyatta International Airport, Nairobi City County, Kenya. The study target population consisted of 208 head off departments from fifty-two (52) selected shipping firms located within JKIA who were purposely selected by the researcher as unit of analysis. They included senior human resource managers, operation managers, logistics, and finance managers, as they were well versed with the day-to-day operations and decision making on such matters within their respective forms. These respondents were considered appropriate for achieving the study objectives and addressing the research problem. A sample size of

191 heads of departments was derived from the target population using Yamane formula. Ultimately, 162 questionnaires were returned fully completed resulting in a response rate of 85%.

Research Data and Instrumentation

Primary data was collected using structured questionnaires which were closed-ended and divided into three sections demographic and the constituent constructs of the study. Questionnaires were chosen as the preferred instrument as they save time and are efficient for obtaining substantial data (Kothari, 2017). The drop and pick method were used for convenience purposes. The instrument utilized a 5-point Linkert Scale that was with a scale structure of 1-5 where 1- Not at all, 2- Little extent, 3- Moderate extent, 4- Large extent and 5- Very large extent. To test the validity of the data, the study adopted internal consistency using Cronbach alpha value which was obtained as 0.921 which was greater than 0.7 as evidence of data consistency and reliability.

FINDINGS AND DISCUSSIONS

Respondents Characteristics

The study established that male respondents constituted the majority (69.9%), while female respondents accounted for 30.1% of the sample. Notably, all female respondents returned fully completed questionnaires, whereas some male respondents submitted incomplete or partially completed questionnaires, indicating a higher questionnaire completion rate among female participants. The respondents fell between the age 36-45 years and many of them who accounted to 80% held a first-degree having attained a standard critical thinking and showing professional readiness. The study concentrated mainly on head of departments who were in high position and many of them had been working in the organizations for more than 6-10 years. According to the findings, most of the organizations were foreign owned at (41.7%), which indicated that they were the dominant ones in the logistic sector. Locally owned followed with 30.1% which showed a notable level of growth and collaboration in the sector, following closely was jointly owned organizations (28.2%).

Variable Descriptive Characteristics

Descriptive and inferential statistics were used to analyze the data using Microsoft Excel and the Statistical Package for the Social Sciences (SPSS). Each study objective was assigned a unique identifier, and responses were coded using a five-point Likert scale (1–5). Means and standard deviations were computed to summarize the data and assess its distribution. The analysis obtained a mean of =3.799 that revealed the respondents agreed and standard deviation of 0.7991) which showed that the response was closely clustered along the mean. The inferential indicated that there was a significant relationship between the horizontal and organization performance at a p-value less than 0.05 indicating significance at 5% significant level.

Descriptive statistics

The study findings on the descriptive behavior of the three dimensions investigated on the logistic shipping firms were summarized using mean, standard deviation and correlation

Table 1 Descriptive and Correlation Statistics of Study Variables

Variable	Mean	Std Dev	Correlation			
			1	2	3	4
1. Horizontal	**3.4264**	**0.8691**	1			
2. Vertical	**3.9887**	**0.8080**	-.029	1		
			.767			
3. M&A	**3.799**	**0.7991**	.045	-.134	1	
			.650	.178		
4. Performance	**4.4651**	**0.65571**	.347**	.552**	.139	1
			.000	.000	.000	

P<0.05

The findings of the current study indicate a varying degree to which logistics companies have adopted different growth integration strategies in Kenya with notable implication on their performance. The results indicate that the most utilized strategy was vertical integration followed by mergers & acquisition, while horizontal integration was the least adopted. However, standard deviation indicated a high level of convergence among the respondents and the logistic firms on the value the companies attach to the strategies investigated in this study.

Inferential Analysis

The study investigated the role of growth strategies on performance of logistic firms and utilized the Mult regression model to illustrate the contribution of the variables with the results being presented in Table 2.

Table 2 Regression Analysis Results

Parameter	Value	Sig	Observation
R	.729		Strong relationship
R^2	.531		
Adj R^2	.522		
F (df=3; n=161)	59.9	0.001; p<.05	Model Fit is good
Horizontal Integration Strategy	.301	.001; p<.05	Very Highly Significant
Vertical Integration Strategy	.494	.000; p<.05	Very Highly Significant
Mergers & Acquisition	.187	.008; p<.05	Highly Significant

The regression analysis revealed that the growth strategies jointly explained a substantial proportion of the variation in the performance of the logistics firms, with an adjusted R^2 of 0.522, indicating that 52.2% of the variation in organizational performance was attributable to the level of integration of the growth strategies. The regression model was statistically significant and demonstrated a good fit. Furthermore, all predictor variables had positive and statistically significant regression coefficients ($p < 0.05$), indicating that mergers and acquisitions, vertical integration, and horizontal integration each had a significant positive influence on the performance of the sampled logistics firms.

DISCUSSION

The study was guided by three main objectives. The findings presented in the preceding section were discussed in relation to each objective to establish their implications and align them with the study's purpose. Accordingly, the discussion is organized around the three study objectives.

The first objective examined the influence of mergers and acquisitions (M&A) strategy on the performance of logistics firms. Descriptive analysis indicated that respondents generally agreed that M&A contributes to organizational performance (M = 3.43, SD = 0.87). Regression analysis further revealed that M&A had a positive and statistically significant effect on organizational performance ($\beta = 0.187$, $t = 2.711$, $p = 0.008$), implying that a one-unit increase in the adoption of M&A strategy was associated with a 0.187-unit increase in performance. However, the Pearson correlation analysis showed a positive but statistically insignificant relationship between M&A and organizational performance ($r = 0.139$, $p = 0.161$). Despite the weak bivariate association, the regression results suggest that, when considered alongside other growth strategies, mergers and acquisitions significantly enhance organizational performance by strengthening supply chain capabilities, improving the ability to meet customer demands, and reducing operational costs. The study utilized Ansoff Matrix and Porters value chain model to show how mergers and acquisition enhance organization performance by supporting market expansion and efficiency gains across logistics operations and technology. To support the findings, studies including Fasua and Osagie (2020) illustrated how proactive mergers and acquisition enhanced firm performance by eliminating redundancies and improving the efficiencies which fostered collaborative innovations. Patil & Kulkarni (2023) in their systematic review identified that long term performance of mergers and acquisition depended on operational efficiency, synergy realization and cultural with the real world.

The second objective sought to determine the effect of vertical integration strategy on the performance of logistics firms. The descriptive findings indicated a high level of agreement among respondents regarding the contribution of vertical integration to organizational performance ($M = 3.99$, $SD = 0.81$). Correlation analysis revealed a strong, positive, and statistically significant relationship between vertical integration and organizational performance ($r = 0.552$, $p < 0.001$). Similarly, regression analysis showed that vertical integration had a significant positive effect on performance ($\beta = 0.494$, $t = 5.814$, $p < 0.001$), indicating that a one-unit increase in the adoption of vertical integration strategy resulted in a 0.494-unit increase in organizational performance. These findings suggest that practices such as ensuring a consistent supply of high-quality inputs, strengthening control over procurement processes, and integrating key stages of the supply chain contribute significantly to improved organizational performance. The study variable was anchored on the Resource-Based View (RBV) and Porter's Value Chain Model, which posit that organizations enhance performance by developing and leveraging valuable internal resources and optimizing value-creating activities. In the context of this study, the findings suggest that assuring quality control, securing a consistent supply of high-quality raw materials, achieving cost efficiencies in sourcing, and enhancing customer value through reliable delivery and after-sales services contribute significantly to improved organizational performance. These findings are consistent with earlier empirical studies. Partyka and Paiva (2023) found that vertical integration enhances organizational performance by improving cost efficiency, strengthening governance mechanisms, enhancing price control, improving demand management, and assuring product quality. Similarly, Yang et al. (2022) established that vertical integration strategies are particularly effective in highly competitive or substitute markets, as they strengthen supply chain control and governance, thereby contributing to improved organizational performance.

The third objective examined the effect of horizontal integration strategy on the performance of logistics firms. The descriptive findings indicated a high level of agreement among respondents ($M = 3.799$, $SD = 0.799$), reflecting positive perceptions of the strategy's contribution to organizational performance. Correlation analysis revealed a moderate, positive, and statistically significant relationship between horizontal integration and organizational performance ($r = 0.347$, $p < 0.001$). Similarly, regression analysis showed that horizontal integration had a positive and statistically significant effect on performance ($\beta = 0.301$, $t = 4.181$, $p < 0.001$), indicating that a one-unit increase in the adoption of horizontal integration strategy resulted in a 0.301-unit increase in organizational performance. These findings suggest that offering unique products and services, improving the quality of existing offerings, and strengthening relationships with new customers following integration contribute to measurable improvements in organizational performance, including the achievement of business targets and expansion of market share. The study variable was anchored on the Resource-Based View (RBV) and Ansoff's Growth Matrix, which explain how strategies such as market expansion, the realization of economies of scale, and the leveraging of complementary resources enhance innovation, customer value, and ultimately organizational performance. The findings are supported by previous empirical studies. For instance, Yator et al. (2024) found that horizontal integration significantly improved customer satisfaction, internal business processes, financial performance, and learning and growth within Kenyan state-owned commercial corporations. Similarly, Fumbeza (2023) established that horizontal integration enhances operational performance by improving ship turnaround time, berth throughput, and equipment reliability, thereby strengthening overall organizational performance in the maritime sector.

CONCLUSIONS

The study examined the effect of growth integration strategies on the performance of logistics firms and established that mergers and acquisitions, vertical integration, and horizontal integration each had a positive and significant influence on organizational performance. Specifically, mergers and acquisitions enhanced performance by improving access to markets and strategic resources, strengthening supply chains, and reducing operational costs. Vertical integration contributed to performance by ensuring a consistent supply of high-quality inputs, improving cost efficiency in sourcing, reducing dependence on external suppliers, and enhancing quality control across the value chain. Horizontal integration improved performance by enabling firms to offer unique and higher-quality products and services, introduce innovative features, customize offerings to customer needs, strengthen brand identity, expand their customer base and geographical reach, and build stronger relationships with both existing and new customers. Collectively, these strategies enhanced competitiveness, productivity, market share, and overall organizational performance among shipping firms. The study recommends that future research replicates this investigation in other sectors to enhance the generalizability of the findings. Further studies should also explore additional dimensions of each growth strategy and their relationship with organizational performance. Moreover, adopting a mixed-methods research design would enrich future studies by complementing quantitative findings with qualitative insights obtained through focus group discussions and in-depth interviews with key informants, thereby providing a deeper understanding of how growth integration strategies influence organizational performance

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Institutional Review Board Statement: Ethical review and approval were waived for this study, due to that the research does not deal with vulnerable groups or sensitive issues.

Data Availability Statement: The data presented in this study is available on request from the corresponding author. The data is not publicly available due to privacy.

Conflicts of Interest: The authors declare no conflict of interest.

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