

**EFFECT OF STRATEGY IMPLEMENTATION DRIVERS ON ORGANIZATIONAL  
PERFORMANCE OF CEMENT MANUFACTURING FIRMS IN KENYA**

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**A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS  
FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION OF KENYA**

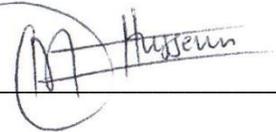
**METHODIST UNIVERSITY**

**JUNE, 2023**

## DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to another university for an academic award.

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## **DEDICATION**

I wish to dedicate this thesis to the Almighty God for the sufficient grace and wisdom that he has given me throughout the entire research process. To family also for the moral and financial support accorded throughout my study.

## **ACKNOWLEDGEMENT**

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## **LIST OF ABBREVIATIONS AND ACRONYMS**

|             |  |
|-------------|--|
| <b>AKM</b>  | Association of Kenya Manufacturers             |
| <b>GDP</b>  | Gross Domestic Product                         |
| <b>GOK</b>  | Government of Kenya                            |
| <b>ID</b>   | Investment Deduction                           |
| <b>IEA</b>  | Institute of Economic Affairs                  |
| <b>IFC</b>  | International Finance Corporation              |
| <b>ILO</b>  | International Labor Organization               |
| <b>IMF</b>  | International Monetary Fund                    |
| <b>OPM</b>  | Operating Profit Margin                        |
| <b>ROA</b>  | Return on Assets                               |
| <b>ROE</b>  | Return on Equity                               |
| <b>SPSS</b> | Statistical Program for Social Sciences (SPSS) |

## ABSTRACT

Strategic implementation involves a critical look at the firm's human and non-human resources to achieve its objectives. A firm's organizational performance is measured by a prescribed yardstick which is based on evaluating both the financial and non-financial metrics. The non-financial metrics include such issues as corporate governance, sustainability, and compliance with the regulation. Kenyan's cement manufacturing has experienced a decline in performance in the last few years; the main reason for this trend is the entrance into the industry by new firms, innovative technology for efficiency improvement, utility and changeability of various working teams, and adopting strategies in management that focus on fundamental standards of strategic management. The broad objective is to evaluate the impacts of strategic implementation on cement companies in Kenya.

Specifically, the research evaluated the impact of leadership style on organizational performance; the paper also examined the influence of organizational structure on performance; evaluated the influence of resource allocation, and determined the influence of rewards and incentives on cement firm's performance. Theories applied in the study included: the resource-based view theory and the contingency theories. A descriptive research study design was applied to describe and distinguish the phenomenon being studied. 209 senior managers in large cement firms in Kenya were targeted as the study participants. A sample size of 137 managers was obtained by the use of a simple random sampling design. Self-administered questionnaires were used in the study design whereas inferential and descriptive statistics were used in the study methodology. Data was presented using frequency tables and bar diagrams. The study disclosed that all four strategic implementation drivers have a great effect on firms' organizational performance. With  $R^2 = 64.5\%$  it is clear that the specific strategic implementation drivers high influenced organizational performance. Following the findings, leadership style affects organizational performance significantly ( $\beta_1 = 0.714$ ,  $p = 0.03$ ), organization structure has a positive influence on organizational performance ( $\beta_2 = 0.655$ ,  $p = 0.03$ ), resource allocation had a significant effect on organizational performance ( $\beta_3 = 0.706$ ,  $p = 0.02$ ), and rewards and other motivational factors affect the organization's performances positively ( $\beta_4 = 0.624$ ,  $p = 0.04$ ). The study concluded that leadership style, organization structure, resource allocation, and rewards and incentives significantly affect the organizational performance of cement manufacturing companies. This paper acclaims that good leadership styles should be adopted in all organizations to motivate employees to perform well, enhance the adoption of changing environment, and improve customer relations. Organizations should come up with a strategy through which favorable organizational structures are implemented in all organizations to improve their performance. The study also recommended enough resource allocation through, management ensuring the existence of enough resources both human and financial for any organization to perform well. Finally, cement manufacturing organizations should put in place institutional regulations that favor rewards and incentives for best-performing employees. This paper recommends further research in other private and government firms to evaluate the relationship between strategy implementation and performance.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the study**

Strategy management involves four components: strategy formulation, implementation of strategies, and monitoring and evaluating strategies (Carpenter & Sanders, 2009). The most fundamental stage in this process is the implementation stage. This stage involves taking measures, where the duties and responsibilities in line with the organization's overall goal are made known to all the stakeholders, especially the internal environment. Strategic implementation enables firms to create a competitive advantage due to the competitive environment created (Mohamed, 2014). The business environment is continually changing owing to the influence of aspects such as globalization and changes in the political environment, economic environment, and shifts in consumer preferences (Dauda et al., 2010). Succeeding in the current environment will require firms to formulate strategies that will enable them to align with the current trends. According to Porter (1983), a business firm that lacks a strategy can be described as a ship without a butt because it lack direction. These approaches are cited by; Alexander (1991) on his research on the strategic process using the 7s Model.

##### **1.1.1 The Concept of Strategy**

According to Ansoff (1965), strategy refers the organizational goals and the ways to actualize these goals. Thompson and Strickland (2019) define strategy as the actions meant to serve long-term goals. Strategy is also described as a detailed plan of action for a corporation to realize its objectives

Dauda et al. (2010) outlines that businesses operate in highly risky business environment necessitating firms to identify a strong strategy. Lack of proper strategies leads to organizational failure due to revenue loss. Also, lack of strategy leads to loss of jobs in the workplace leading to organization's collapse. The business level, functional level, and enterprise-level represent the three levels of strategy in an organization (Nickols, 2011). Jabbar and Hussein (2017), outlines the various strategic management process; these include environment assessment, formulation, implementation, control, and evaluation. Monitoring, assessing, and communicating information to important decision-makers within an organization are all parts of the process of surveying the surroundings. According to Oyedijo (2013), this is conducted by scrutinizing the surroundings using the SWOT (strengths, weaknesses, opportunities, and threats) analysis. Formulation of an organizational strategy involves identifying long-term actions that maximize the opportunities and threats in the organization's business environment. Formulating strategies involves outlining the organization's objectives, outlining its mission, setting guidelines for policies as well as developing strategies (Stevenson, 2012).

According to Jabbar and Hussein (2017), strategy implementation also entails creating budgets by outlining the procedures and policies that guide the budgeting process. The component of strategy evaluation and control involves monitoring organizational activities whereby a firm's actual organizational performance is compared with the desired performances. As opined by Jabbar and Hussein (2017), it requires all four components to work together to guarantee an effective strategy implementation process.

### **1.1.2 Strategy Implementation**

Strategy implementation entails turning a plan into action and objectives are realized. It entails taking the internal steps necessary to implement the particular strategy and get the outcomes the business is looking for. Strategy implementation can also be indicated as the process where the management of an organization develops procedures, programs, and budgets to put policies and strategies into action. It is managerial, seeking practical ways to carry out a plan and motivating organization personnel to complete duties in a way that advances the plan (Migdadi, 2021). Thompson and Strickland (2019) lend voice to the fact that this process also includes managerial activities that ensure the strategy is put in place and evaluating its performance to ensure that the organization's desired results have been achieved.

If the framework is properly aligned, the Mckinsey 7-S framework offers a crucial interrelationship that improves the success of strategy execution. The plan must first demonstrate that it is feasible, appropriate, and acceptable in and of itself. A plan can gain support and encounter less resistance if it is explained and conveyed to all pertinent organizational components.

According to Khan et al. (2018), involving managers in development is important in successfully implementing particular strategies. In addition, employees are motivated to work towards the achievement of the organization's desired goals by adopting visionary leadership which enables the creation of an environment that enhances learning.

To balance the many political and ethnic tendencies and direct them toward accomplishing the objectives, the leadership must possess certain talents. Employees should participate as much

as they can in the creation of the plan and should be given the training they need to develop the required abilities.

Given that successful implementation can only be accomplished through people, the entire field of staff management has to get the serious consideration it so richly merits. Organizations must place managers with a strategic mindset in positions of authority, and compensation and incentive programs should be centered on the approach while being mindful of the working environment and broader economy. Therefore, strategy managers are also required to be qualified in performance leadership (Khan et al., 2018). Khan et al. (2018) observed an organization needs to recruit the right people if they have to implement an organization's strategy successfully.

People establish a culture of cooperation and commitment when organizational leadership promotes free and quick information flow because they can see where the organization is headed. When organizational culture and strategy are in line, individuals are more likely to fully accept the strategy, which lowers opposition throughout the implementation phase. The intended environment must start at the top, and if necessary, new hires that are not within the company should be accessed so that the firm can utilize their logical thinking to modify the culture and align it with the desired strategy. Therefore, it is crucial to influence corporate culture in favor of a plan for successful execution (Moeuf et al., 2020).

According to Moeuf et al. (2020), communication must be distributed quickly both inside and outside the company to function effectively in the information age. The execution of strategies in an organization is acknowledged to be strengthened by ensuring that continuous communication is maintained, despite the information saturation that companies suffer

nowadays. For remedial action to be implemented within an acceptable amount of time, companies ought to concentrate on more relevant information configurations that will offer progress reports.

It is important to note that a new strategy does not imply that it will fit a given structure in an organization. As a result, the firm's structure should always be created in a way that is consistent with the recently produced structure. Khan et al. (2018) explains the importance of organization aligning the organization's operations with its strategies. He examines the role of certain factors such as the internal structures of an organization, the organization's internal procedures, practices & policies, budget allocations, the organization's internal atmosphere (beliefs, culture, or values), and the systems of incentives and rewards in the organization. Weiser et al. (2020), support this view in their study when they indicated that there must exist congruence between elements such as staff competencies, culture, procedures, resource allocation, and policies in an organization to enhance the success of a strategy.

Olson et al. (2018) indicate that the process of strategy implementation is an internal process that involves activities that are operations driven such as supervising, motivating, organizing, culture building, budgeting as well as leading to ensure that the strategy will be a success in the organization. In addition, Ul et al. (2020) indicated that successful implementation of strategies must include key considerations such as the people who are responsible for the process of implementing the strategy. Thompson and Strickland (1989) noted that the cornerstone of implementing strategies in an organization is by developing an organization that can earn out the strategy in a successful way.

Implementation usually interferes with the status quo. As such, an organization to manage its implementation process to avoid the resistance that comes with employees. Strategy implementation is likely to face opposition from employees who want to maintain the status quo in the firm (Gunarathne & Lee, 2021). The value of any strategy, good or bad, can only be realized if the strategy is implemented and put into action. Some of the challenges to implementation include bad organizational structures that do not fit the strategies. In addition, firms may suffer from bad cultures and reward systems that have negative impacts on organization's ability to implement its strategies

Several studies have sought to explain why many well-articulated strategies do not see the light of the day. For instance, Greer et al. (2017) identifies the lack of consensus on the issue as the main reason why many strategies fail. On the other hand, Alharthy et al. (2017), recognizes that very few organizations actually go through with the implementation of strategies but rather engage heavily on the formulation and planning of these strategies. Since the aspect of implementing strategies plays a key role in the success of an organization no matter how small or big, it will therefore continue to attract further attention worldwide.

The task of the strategy implementer is considered a time-consuming process and is very complex given that there are a lot of tasks involved in the process right from the top-most department in the organization to every other organizational unit. As such, a need arises to align the strategy being implemented with the internal processes of the organization. However, this can only be achieved if the implementer of the strategy unites all units in the organization and further ensures that these units share a common vision that involves implementing the strategy to bring about the necessary changes required in the organization.

Greer et al. (2017), indicate that this process of implementing strategies should be designed in a way that considers the setting of the organization to ensure that the process better suits the organization. However, there are common elements that have been observed in organizations that have implemented strategies in the structures successfully irrespective of their size, nature, or type. The amount of strategic change that is being implemented determines the emphasis that is placed on each of the elements. There are two main categories of these elements, i.e., process and structure (Alharthy et al., 2017). Structural elements comprise culture, administrative procedures, resources, and leadership. Mühlbacher and Böbel (2019) further indicated that culture, structure, rewards, and leadership are the four key elements in an organization that enhances the strategy of a firm.

Shimizu (2017) also indicates that implementing a strategy in an organization would lead to the development of an organization that can successfully carry out the strategy, establish policies and install systems that support the strategy, give enough resources to tasks that are essential for carrying out the strategy, create a culture in the organization that supports the strategy and exerts pressure on the management to enhance strategic leadership, develop a structure that rewards the achievement of desired results as well as an organization that can institute best programs and practices and allows for their improvement continuously. Greer et al. (2017) define these elements as key tasks. They include employee motivation, strategic leadership, developing a relationship between work done and the targets of strategic performance in the organization as well as developing organization capacity (people and systems) that will ensure that financial resources are availed.

### **1.1.3 Organizational Performance**

According to Honggowati et al. (2017), the functionality of a corporation is frequently one of the most important factors in organizational studies and a very significant indicator of the overall effectiveness of the organization. This measure is used by top-level managers to recognize whether or not a firm is successful and to find out whether it achieves its goals effectively using an efficient minimum number of resources. A firm's organizational performance is used to establish how it achieves its organizational performance based on the constraints which are put up by scarce resources. It is against this backdrop that financial performance, product market performance, and shareholder return on equity capital suit to be some of the organizational performance measures.

According to Ajripour et al. (2019), the firm's organizational performance is a fundamental economic position of a well-established corporation. The ability of an organization to offer services and products that are of high quality can be indicated through the organizational performance of a firm. According to Aguinis (2019), the firm's organizational performance is measured using three indicators namely: the return of shareholders, the performance of firms financially, and the performance of the product in the market or market share. Business organizations can maximize their performances by utilizing their resources optimally and reducing the organization's expenses while improving the standard of the goods and merchandise they offer.

Business organizations measure performance for several reasons, for example measuring a firm's organizational performance can outline the areas that need improvement to make an organization survive in the business environment. Njeje et al. (2018) opine that business

organizations measure their performances to understand the internal elements that can be altered to influence the external environment. This will make them redesign their organizational strategies. Other business organizations measure organizational performance to determine whether an organization meets its customer's needs. Besides, organizations can measure performances to determine the effectiveness of their processes and identify the bottlenecks that may affect their operations.

According to Ajripour et al. (2019), indicators of a firm's organizational performance can either be accounting or marketing-based. The performance of organizations based on accounting is measured by the use of calculations in the organization's financial reports. These calculations include the various ratios that indicate an organization's performance over time. Firms can also compare their financial ratios with that of its competitors in the same market. An organization can get information from the financial markets to understand investors' perceived probability of the expected return on these financial assets (Mesquita & Lara ,2003). This research seeks to explore the impacts of strategy implementation on performance of Kenyan cement manufacturing firms. Cement manufacturing enterprises' effectiveness is characterized by increases in firm sales volume, market share, and overall workforce growth.

#### **1.1.4 Construction Industry and Cement Manufacturing- A Global Perspective**

Sherafat et al. (2018), argue that with 52% of all construction work occurring in developing construction industries, global marketplaces in the construction sector are already at an advantage. The expectation is that it will increase cement consumption to 63 percent by 2025, where India and China account for considerable growth in these emerging construction markets. China leaves behind the USA to be the world's largest construction market in the year

2010. The country is expected to boost its global share of cement consumption from close to 18 percent to 26 percent by the year 2025, even with the expected slowdown in the growth of the global construction industry. Sherafat et al. (2018), suggest that the construction industry in the United Kingdom (UK) has swiveled around to be among the few sectors in the economy with rapid growth. The dynamism in the global construction economy is generating new opportunities for the British economy. In enhancing the growth in the construction industry, the state implementing policies to boost businesses in Britain to grow and gain the desire, confidence, and propel to compete internationally. Some of these measures include improving the planning system and providing human and non-human resources for key infrastructure programs. In addition, these policies also include programs used to support the housing market, such as the help to buy program and the loan funding model (Jayawarna & Dissanayake, 2019). In 2017 construction industry in Canada contributed about 8 percent of the GDP in Alberta. The construction industry is Canada's third-largest employer, with its percentage of overall full-time work in Alberta increasing from 8.4 percent in 2012 to 10.5 percent in 2017. The United States Department of Labor noted that residential development is projected to increase. The main reason for this is due to the high demand o larger homes as well as second homes that have more amenities especially as the baby boomers begin to demand more housing after reaching their top earning years (Ayodele et al.,2020).

### **1.1.5 Cement Manufacturing Industry –regional Perspective**

According to Moturi (2017), considering a regional perspective, East Africa is proving to be the leading region in the continent as well as a strategic point that promotes the growth of the continent when considering housing. However, based on history, this region is considered

among the under-developed and poorest regions in the world. As such infrastructure in the region is being fast-tracked with countries such as Ethiopia showing a huge increase in annual cement consumption in recent years. East and Central African region is penetrating for international investors, construction firms, and multi-national corporations to thrive in growth and development in the infrastructural sector mainly in the construction industry. As concern grows on the spillage of development, investors will count on local or county governments to fast-track basic infrastructure that includes housing, retail space, roads, health facilities, rail, and real estate.

#### **1.1.6 Cement and Construction Industry on Local Perspective**

In Kenya, only two sectors i.e., the transport and communication sector and the financial services sector were ranked ahead of the construction sector as the top achieving sectors in the country. According to Keinan and Karugu (2018), the sector grew by 10.7 percent in 2017, a huge growth form the previous year's performance. In the financial year 2010/11, the construction sector contributed to the GDP a total of Kenyan shillings 12.6 billion which was achieved through enormous growth in projects in the road infrastructure that are in progress currently.

The cement manufacturing industry in Kenya comprises of six large firms. The industry has witnessed huge growth in recent years owing to a boom in the construction sector. The industry is projected to experience more growth rates owing to the upcoming infrastructural projects in the region such as LAPSET project. The LAPSET will comprise the construction of a pipeline, and oil refinery which connects several areas, i.e., Ethiopia, Lamu Port in Kenya, Uganda and South Sudan with an estimated capital expenditure of US dollars 25billions (Mbogori et al.,

2018). According to Maundu (2018), the industry is projected to benefit greatly from these inter-governmental projects. Ndetto (2015) opines that generally, the request for cement in Kenya is approximately 3.5 million tons per annum whereas the industries such as Bamburi Cement Limited is the largest manufacturer which produces 2.3 million tons. According to Bowen and Kimencu (2019), the increased request for cement in Kenya and the neighboring countries accrue to a standard growth in the pressure emanating from increased housing, and individualized constructing ventures, including an increase in government expenditures on infrastructure. A good consignment of the manufacture of cement is also transported to nearby countries including the Democratic Republic of Congo, South Sudan, Somalia, Rwanda, Mozambique, and Burundi (Mwihaki, 2018).

Njore (2019), opines that the main challenge facing cement companies in Kenya is competition from new entrants in the market. Various limitations include the increased price in the production of power although at times there is insufficiency and highly charged because of increased taxes that are implemented. Additionally, the sector has a significant problem due to the rising price of petroleum and the high cost of coal, both of which must be supplied and taxed.

The motive behind a study on the performance of cement manufacturing companies in Kenya as driven by implementation is crucial because the areas has been ignored by previous researcher (Kamwara & Ismail, 2018). The cement manufacturing industry in Kenya has witnessed new entry into the sector with foreign companies such as Denoted putting up a plant in Kitui on cement manufacturing that is well over \$ 400M. Besides, the entry of Cemtech, a cement manufacturing company from India is a clear indication that the sector has

opportunities that needs to be seized by local companies through application of strategies that gives them competitive advantages (Mohamed, 2014).

## **1.2 Statement of the research Problem**

Companies tend to appreciate strategies for their prospective contributions, which could involve reducing spending, enhancing profitability, boosting the quality of goods or services, and even raising profitability (Ayodele et al.,2020). However, companies face greater complexity and difficulty when it comes to putting ideas into practice. Indeed, the best strategy is meaningless if it is not properly executed, which makes good strategy implementation important for the survival of any business, whether public or private, in today's competitive climate (Mudany, et al.,2020).

The key concern from an internal perspective is adopting management strategies that will put more focus on the key areas involving the management of strategies. The peculiarity of Kenya's cement manufacturing business as the study's background resulted because those companies' recent performance has been uncertain.

Most of the literature reviewed in this paper are not related to cement manufacturing companies. For instance, Munuhe (2014) focused on a single company while Nyanaro and Bett (2018) examined the role of banking institutions. Jabbar and Hussein (2017) sought to examine strategic management in organizations in Southern Queensland. Thus, this study sought to examine the impact of strategic implementation on organizational performance by focusing on cement manufacturing firms.

### **1.3 Objectives of the Study**

#### **1.3.1 General Objective**

The study's overarching goal was to determine the effect of strategy implementation drivers on the organizational performance of manufacturing companies in Kenya.

#### **1.3.2 Specific Objectives**

- i. To evaluate the influence of leadership style on the organizational in Kenyan cement firms
- ii. To examine the influence of organization structure on the organizational performance in Kenyan cement manufacturers
- iii. To evaluate the influence of resource allocation on the organizational performance of Kenyan cement manufacturers
- iv. To determine the influence of rewards and incentives on the organizational performance Kenyan cement firms.

### **1.4 Research Hypotheses**

H<sub>01</sub>. Leadership style does not have significant impact on the performance of cement manufacturing companies in Kenya

H<sub>02</sub>. Organizational structure does not have statistical significance on the performance of cement firms in Kenya.

H<sub>03</sub>. Resource allocation does not have statistical significance on the performance of cement manufacturing firms in Kenya.

H<sub>04</sub>. Rewards and incentives have no statistical significance on the performance of cement manufacturing firms in Kenya.

## **1.5 Significance of the Study**

### **1.5.1 The Management of Cement Manufacturing Firms in Kenya**

Beneficiaries of the study's results, including management and other stakeholders in cement management companies who are interested in learning more about the influence of strategy implementation boosters on the organizational functionality of cement manufacturing firms, consider this research crucial. The study finding benefits the policymakers who can use the study recommendations to enable better manufacturing of cement which follows within the big four agenda (housing pillar), which is also part of the vision 2030 agenda.

### **1.5.2 Regulators and Policy Makers**

The key beneficiaries of this study' and its findings are the manufacturing industry regulators and policy makers. This article offers insights to enable regulators and policy makers make data-driven decisions on the manufacturing sector. The policy makers can use the results in this paper to enhance the industrial performances and improve the growth of the sector.

### **1.5.3 Academic and Researchers**

The paper and its conclusions are also very important to interested scholars and academicians since they provide theoretical and empirical information on the influence of the implementation of strategy drivers on the organizational effectiveness of cement production enterprises. This study also attracts the need for future empirical research in a similar line on the effects of strategy implementation in Kenyan manufacturing sector.

## **1.6 Limitations of the Study**

To draw findings and derive inferences about how organizational performance in Kenyan cement manufacturing enterprises is influenced by drivers of strategy execution, this study

utilized information obtained from a sample of a small number of randomly chosen respondents from the full population of all employees. To overcome the limitation, a representative sample was scientifically selected to represent the entire population.

A firm's information and details are confidential. A number of the respondents thought that competitors could use the data given against them. The research assured the respondents that the data would be given to third parties for whatever reason. This paper derives its accuracy from the respondent's opinions on the subject matter. As such, the researcher lacks total control over the accuracy of the responses. However, the researchers contacted the respondents to answer any ambiguous questions that arose.

Lastly, there could be other strategy implementation drivers which affect a firm's organizational performance apart from the ones to be studied. In particular, the study was limited to strategy implementation drivers including leadership style, resource allocation, organizational culture, rewards, and incentives.

### **1.7 Scope of the Study**

The study targeted to study five major cement manufacturing companies operating in Kenya.

### **1.8 Assumptions of the Study**

The researcher made assumptions that the participants would show cooperation in the study and that the information that was given was true, correct, and accurate. In addition, the study assumed that the target population was represented by the sample size and that during the period of study, the variables did not change. The researcher also assumed that the study adopted reliable and valid instruments of data collection and that the findings were adequate and could therefore be used to test the study hypotheses. It assumed that the firm's

organizational performance is influenced by strategic implementation drivers including leadership style, organizational structure, resource allocation, and rewards and incentives holding other implementation drivers constant.

### **1.9 Operational Definition of Key Terms**

**Leadership style** refers to the way/norm leaders execute their functions, leadership styles may include: transformational, transactional, democratic, or autocratic leadership styles (Abubakar et al., 2019).

**Organizational performance** refers to how an organization realizes its output from scarce resources, common measures of performance include: product market performance, and return on equity (Abubakar et al., 2019).

**Organizational structure:** it is defined as the hierarchical arrangement in an organization that provides the guidelines for communications, lines of authority, rights, and duties of an organization (Joseph & Gaba, 2020).

**Resource allocation:** refers to the process where assets are managed and assigned in a way that the organization's strategic goals are supported. in the organization are used efficiently (Teece, 2019).

**Rewards and Incentives** refer to the compensation given to workers for the work done or extra effort out of what is expected from them (Joseph & Gaba, 2020).

**Strategy**

Strategy refers to the ways an organization sets its goals and the means used to achieve these goals. A strategy is also a detailed plan that an organization uses to achieve its goals (Thompson & Strickland, 2019).

**Implementation Drivers** refer to components that are crucial in ensuring that strategy is implemented effectively and efficiently (Kiecha, 2017).

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The literature study that served as the foundation for this thesis is covered in-depth in this chapter. The influence of strategy implementation drivers on the organizational performance of Kenyan cement manufacturing enterprises is discussed, along with a theoretical and empirical literature assessment. Examining previous empirical research that has been done locally and globally is part of the empirical review of the literature. Following the design and operationalization of the research, an overview of the empirical review, and the exposed research gap, the review of the examined literature is critiqued. In this study, three theories strive to give a good account of the implementation of plan drivers and organizational performance. These are the Resource-Based View, Contingency Theory, and the Seven S (7s) Model. According to Feurer and Chaharbaghi (1995), the resource-based theory can be used to lay the organization's strategy. An organization can leverage on its resources such as physical resources, human, and capital (Hitt et al., 2005). It implies that applying the collection of valuable resources a business has at its disposal is the key to attaining a competitive edge in plan implementation. Resources used must link up with the Valuable, Rare, Inimitable, and Non-Substitutable (VRIN).

## **2.2 Theoretical review**

Numerous academics and researchers who concentrate on its many facets and how it influences the organizational culture of diverse firms have theoretically evaluated strategy implementation.

### **2.2.1 Resource-Based View**

Wernerfelt established the Resource-Based View (RBV) in 1984. According to this idea, a company's human and non-human resources are the key factors that determine its capacity to implement a strategy. Dobrzykowski et al. (2010) state that the theory highlights the significance of the firm's dynamic capabilities, including competent individuals, technological expertise, and effective processes. According to Borg and Gall (2009), firms can use their resources to create and sustain a long-term competitive advantage. According to the theory, resources are essential for a company to effectively implement its plans, which would enable it to achieve a competitive edge and ultimately improve organizational functionality.

The resource-based approach, as put out by Barney (1991), also contends that corporations may acquire an advantage over their competition by coordinating activities profitably and successfully. Companies are able to develop competitive advantages from effectively implementing strategies. According to Khan et al. (2020), an organization is perceived to have capabilities if they have enough resources and capabilities.

The theory evaluates the internal resources and capabilities of an organization so that it can give its position of competitive advantage. It has been propagated that using the RBV approach is the right direction that would enrich the strategy implementation literature (Barney, 2018). According to D'Oria et al. (2021), the main focus is on dynamic capabilities, considering how

capabilities and resources relate to each other and including insight obtained from other academic areas. The same perspective has been put forward as the best way in understanding and analyzing the complex process of managing strategy implementation in firms, resources in an organization are categorized to include physical assets, stocks of knowledge, human capital, and both tangible and intangible factors that are owned or controlled by the organization. Scholars who have used the theories included Balbuena; et al. (2020) sought to examine the impact of leadership theories in Philippines education institutions. Other scholars who applied RBV theory were Jabbar and Hussein (2017) who studied the role of leadership in strategic management.

Collins (2021), explains how in this theoretical framework, manufacturing firms have assortments of individuals or employees and assets who possess the required skills and competencies. The most important factor in the process of establishing a competitive advantage is not the simple accumulation of all factors but the collaborative influence that is created by their combinations. Hence firms are distinct in terms of the number of resources that have been accumulated over a given time, and resources in the organization are considered eventual sources of strategy implementation.

According to Cruz and Haugan (2019), there are four areas of resources for manufacturing firms which are the scale of operation, assets in the firm's financial sector, physical assets, and the experience of the firm in its core business.

However, the RBV as a foundation for strategic implementation is also criticized by Hameed et al. (2021), due to its narrow focus on company strengths and capabilities, for having a restricted perspective and implications. The theory is still useful and has a solid theoretical

basis since it considers the firm's capacity requirements as the primary predictor of the firm's capacity to implement plans successfully, which in turn improves the company's organization effectiveness. The theory of RBV is important to the current study by explaining winning of the right leadership benefits an organization through increasing profits, furthermore use of rewards and incentives to improve employees' performance enhances employees to be committed to the organization which ultimately leads to better performance of individual employees and organization in general.

### **2.2.2 Contingency Theory**

Fisher (1998) introduced the Contingency theory. This theory sought to examine whether management methods are effective in all situations or whether they need to change based on situations. Contingency theory propagates that there exists no single method; firms should develop approaches based on their current situation. There is no one-fit all management model for organizations, as every problem needs a unique approach. Other researchers note that variables such as firm size and technology are the main drivers for organizational performances (Lamprey & Singh, 2018).

Abba et al. (2018), suggested that the environment's nature to which the firms should relate determines the best way to execute strategies. This theory insists on the impacts of contingency actors in influencing the organizational performance. This theory is also supported by propositions from other researchers who argue that that firm structure, environmental uncertainty greatly influences the organization's performance. Sabri et al. (2018), suggests that other contingency factors and elements include; changes in the external environment.

The Contingency theory's notes that one strategy may be highly effective in one organization but fail miserably in another firm. Importantly, a strategy that succeeded under certain circumstances does not necessarily mean that it will succeed in other situations. Javed et al. (2020), suggest that the contingency theory was however criticized because the structure is not completely determined changes in contingences. The theory is used in this research because it helps explains how an organization can adjust its strategies to react to the market forces.

According to Kim and Shin (2019), the foundation of contingency theory is the idea that no universally suitable system satisfies all the needs of the organization. However, contextual and organizational elements will determine the efficiency and effectiveness as well as the particular features of the system. The control system is affected by elements relating to strategy, external environment, ownership structure, culture, size, organizational structure, and technology (Salihu, 2019). Henkel and Bourdeau (2018), argue that non-profit-specific attributes and elements or the non-profit organizational character will highly influence the suitable management control system design. These elements depend upon the environment and organizational context and structure. Scholars who have applied the contingency theory in their previous studies include, Joseph and Gaba (2020) whom in their research examined the interconnection between organizational structure, information processing, and decision-making. Similarly, Kim and Shin (2019) applied contingency theory to examine the effect of organizational structure on transformational leadership in Korea, through the: the empowering process, and organizational commitment as the major dimensions of transitional leadership. In their study, also Mesquita and Lara (2003) utilized contingency theory to investigate the effect of capital structure on profitability of small businesses in Brazil.

The discussion on contingency theory is to identify and consider the relationships that exist between crucial contingency variables and organizational performance on which the proposed theoretical framework is based upon. Over the years, empirical confirmation has been carried out on the relationship that exists between management control systems and contingency variables and several problems have been brought forward concerning the use of contingency theory. Some setbacks of the earlier conducted research include the study of one or two variables on the interplay of these effects through selection fit and reliance, which are problematic due to the shared common ship between the contingency variables propagated by contingency theory. The added criticism is that causation is presumed between variables in this theory and organizational performance, but no explanation is made of the relationships at the bottom to rule out other fundamental factors (Henkel & Bourdeau, 2018). The contingency theory applies to the current study because strategic managers have to know the best organization structures to adopt to enhance business performance, more flexible and flat structures are more important when the business is facing high threats due to the need for immediate action.

### **2.2.3 The Seven S (7s) Model**

This theory from the McKinsey in their strategy consultations. Other scholars later modified the theory in the 1980s to give room for more developments in the area of strategy management. According to the modified version, managers need to consider seven factors in their management decisions. These factors include structure, strategy, systems and the organization's management style. Other factors, according to this theory include staff, skills and the level of alignment to ensure organizational success (Huq & Stevenson, 2020). Alam

(2017) opines that all seven factors or fundamental elements are interrelated. The model also explains that an organization's success depends on its ability to integrate these seven elements together.

The model explains how each of the seven elements affect an organization's performance differently. An organization's goals refers to the means it seeks to achieve its success while the structure refers to the processes. The process is concerned with the flow of operations to ensure success. An organization style enables the managers to articulate their management styles and initiate the change they want. The employees are equally important, as they are the ones who deal with customers directly. An organization's employees ought to have the competences and skills to help them implement its strategies effectively. His theory notes that the organization's ultimate goals are the long-term plans, which enable an organization to sustain its competitive edge in the market (Alam, 2017).

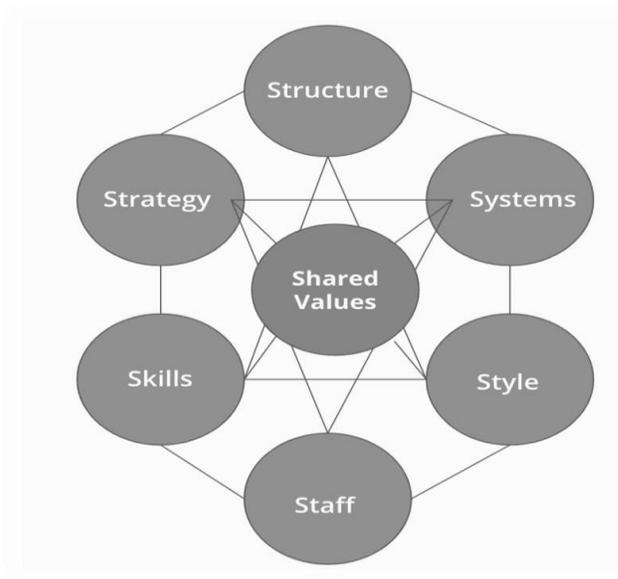
According to Demir and Kocaoglu (2019), in the McKinsey model, the seven fundamental elements in an organization are categorized into two components, i.e., the 'hard' and 'soft' components. Hard elements are easier to manage and identify as opposed to soft ones which are difficult to identify and manage. However, these soft elements are considered organizational pillars and enhance sustained organizational performance. Some of the hard elements include structure, systems, and strategy.

Chakravarthy (1986), opines that an organization develops a plan to attain long-term competitive advantage, compete successfully, and ultimately increase productivity. It should be clearly articulated as a long-term strategy through which an organization can achieve a competitive advantage and is supported by the organization's strong mission, values as well as

vision. However, it is difficult to recognize whether other elements are well-aligned with such a strategy when examined on their own. The organizational chart of a firm represents its structure. In the organizational framework, the organizational structure is one of the elements that can be changed clearly and with much ease. Organizational systems are the processes and procedures in an organization that reveal the daily activities of the organization as well as its process of making and implementing decisions. They are the area of the firm that determines how the firm's core business is conducted and it is considered an important player in the process of organizational change and implementing the change which managers should focus more keenly on. The skills are the attributes and abilities that are possessed by the employees of the organization. They are the employee's capabilities and competencies.

**Figure 2.1:**

***The 7's Model***



Source: Adopted from Demir and Kocaoglu (2019)

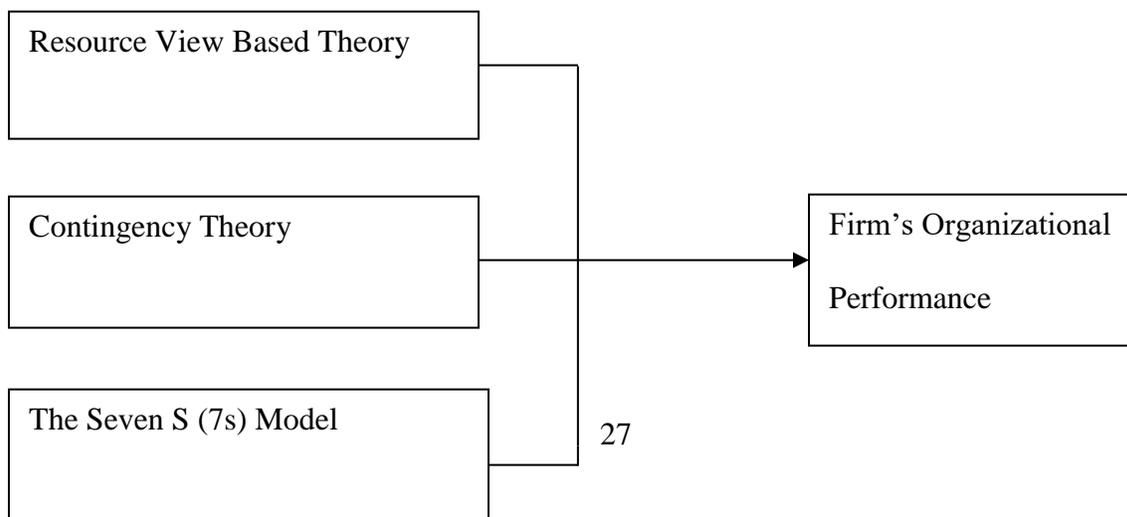
Mburu (2013), criticized this model on because it is easy to imitate by rivals thus reducing an organization's competitive edge in the market However, the 7s model is still itself in explaining how an organization to leverage on its internal strengths to compete effectively in the market. Firms can still use this structure, employee's competencies and styles to compete effectively in the market. The model helps in placing different 7's in their right place for instance structure as one of the s needs to be determined and used appropriately in the organization, and skill as another s needs to be identified while allocating resources so that there are no idle resources in the organization, competencies are therefore important in resource allocation, the staff is also important and giving them appropriate incentives helps in business performing better.

#### 2.2.4 Theoretical Framework

The study used Resource View-Based Theory, Contingency Theory, and The Seven S(7s) Model as a theoretical foundation to establish an understanding of the effect of the implementation of strategy drivers including styles of leadership, resource allocation, company's culture, rewards, and incentives on a firm's organizational performance.

**Figure 2.2:**

*Theoretical Framework*



Source: Author (2020)

## **2.3 Empirical Literature Review**

In this part, research on the influence of strategy implementation drivers—leadership style, resource allocation, organizational culture, rewards, and incentives—on the firm's organizational performance is reviewed.

### **2.3.1 Leadership Style and Performance**

Balbuena et al. (2020) define leadership as the act of providing necessary motivation and demonstrating the values of strategy management to ensure successful implementation of strategies. According to Rahbi et al. (2017), the chief executive (CEO) plays a significant role as a symbolic representation of the new strategy, with responsibilities both symbolically and substantively. In order to effectively implement the strategy, leadership involves establishing internal systems that support entrepreneurial innovation, addressing opposition and resistance, and gaining support from key individuals by navigating internal power dynamics. The leadership style adopted for strategy implementation is determined by the specific circumstances and context of the organization.

According to Zhang et al. (2018), argued that effective leadership have certain characteristics that defines it irrespective of the situation such as fostering a culture among the employees to achieve even better results despite challenges facing an organization. The other trait involves promotion of ethical practices, monitoring closely the happenings of the business as well as

enhancing a supportive environment that is learning to enhance an organization learning quickly as a result of ever changing business environment.

It is the role of top management in an organization to create an inspiring vision that motivates employees and garners their enthusiasm. This is accomplished by consistently upholding these ideals through both words and actions, demonstrating a serious and long-term commitment. When modifying the organizational culture, managers should take symbolic and substantive actions to clearly convey their dedication and commitment to the new strategy. Additionally, strategy implementers must ensure that the strategy aligns with the prevailing culture to avoid resistance that often arises from the mindset of "this is how things have always been done here" (Pretorius et al., 2018).

Leadership as indicated in the McKinsey framework is a crucial factor in the process of implementing strategies but if leadership is not managed properly challenges are very likely to arise. The process requires the organization to obtain a team that is capable of carrying out the task of bringing about the necessary changes and has the required and right skills. Key managers in the organization, as well as the chief executive officer, should have the required experience, personality, skills, and education that is required in executing the strategy. If the managers in the organization do not meet the required standards, then the organization is required to outsource personnel from outside the organization to help in the process of strategy implementation. The process is faced with very many challenges since the act of obtaining personnel from outside the organization may lead to critical staff exiting the company as well as resistance from existing employees of the organization. Most organizations compromise the

selection of a staff that is competent due to politics in the organization and also due to the internal structure of power in the organization (Neu & Ocampo, 2007).

### **2.3.2 Organizational Structure and Performance**

According to Zhang et al. (2018), a company's organizational structure offers a framework that indicates the organization and coordination of tasks. Through this structure, an organization can achieve efficiency and effectiveness by organizing different activities of the organization. Joseph and Gaba (2020), indicated that there exist five types of structures in an organization that includes a simple structure where individuals are involved in the control of the organization and a typical structure that involves operations of small size. A functional structure involves the control of a Chief Executive Officer where the prime activity is centralized in departments such as finance.

A matrix structure is usually adopted by large organizations and involves the combination of divisional, functional, and geographic structures. A geographical organizational structure involves a functional structure that is usually at the headquarters and geographical managers that are located in different areas where the organization is located. A divisional structure also known as a strategic business unit structure involves a small level of autonomy, however, each unit reports to the organizational office. A team-based structure cuts across functions while a structure that is based on projects is formed and dissolved upon completion of given projects. Chandler (1969) focused on researching the relationship between a structure of an organization and the implementation of strategies and indicated that a structure should be designed in a way that is responsive to the strategic needs. Pretorius et al. (2018), further indicated that the best

structure is the simplest one that will get the job of implementation done. Key activities are needed in the structural design of an organization to have the desired results.

Joseph and Gaba (2020), indicate that the structure of an organization plays a crucial role in the successful implementation of strategies. Chandler (1969) further indicated that adopting a new strategy can reduce the performance of an organization due to the new problems in administration associated with the strategy. As such, organizations are forced to adopt a structure that is aligned with the strategy to ensure that the execution of the strategy is successful. However, many organizations are nowadays faced with strategy-structure misfits since they go ahead with implementing a strategy without first assessing the capability of the current structure. In addition, challenges in strategy controls have been on the rise due to the incorporation of information technology into the traditional structure of the organization. This has also brought about challenges in the relationship between employees and managers in an organization.

### **2.3.3 Resource Allocation and Performance**

Cui et al. (2019) indicated that resources should be availed to ensure that the strategy under implementation is realistic. In addition, the commitment of the management to the plan of action is represented by how many resources they allocate to the plan. Sangaiah et al. (2020) further indicated that the allocation of resources involves obtaining the necessary resources (human and material) and availing them to the implementers for strategy implementation. Besides, Sangaiah et al. (2020) observed that the main vehicle for the allocation of resources is usually the annual budget.

Thompson and Strickland (2019) who researched the relationship that exists between budgetary allocations and the successful implementation of strategy indicated that resource allocation refers to providing adequate and right funds and people. Too much of the resources will be considered waste while too little will prove not to be enough. As such, the budget of the organization should be flexible such that it can take into consideration the changes in the economy, and the teams involved in the implementation of the strategy should be involved in the process of developing the budget. Capability gaps in the strategy implementation process can only be identified through the creation of development programs for the staff where the reward, capacity, and incentive systems are built.

Mwanthi (2018), researched the effect of the implementation of strategy on human resources in various corporations in Kenya. The research indicated how the implementation of strategies in an organization can be improved through training the employees on what is required to realize the desired goals of the organization. Consultants can be hired to train the employees and change their behaviors toward implementing the desired changes in the organization. When employees embrace and understand the desired changes it becomes easier for them to make the changes because they feel informed and part of the desired change.

Worby and Chang (2020), indicated that the smooth implementation of strategies is successful by putting administrative procedures in place. There are basic administrative elements required for the successful implementation of strategies. These elements include a supportive budget, internal systems, and structure, competency in the employees, visionary leadership that manages and motivates change in a responsive, conducive, and innovative work environment, and well-outlined targets of performance.

Ul et al. (2017) suggest a process for translating strategic ideas into action, which involves several steps. The first step, involves identification of the annual measurable objectives. Then, there is the development of the specific functional strategies to concisely help in decision making. The grand strategy is broken further down into smaller tasks or operational strategies through SMART objectives that are specific, realistic, time-bound and measurable. The operational strategies must be realized at these functional levels before realizing the overall objectives. According to Erickson et al. (2017), functional strategies are usually developed from the grand strategies and give directive on how the functional activities should be conducted.

Klinkowski et al. (2018) reveal that managers and other people involved in the strategy implementation process are guided in their thinking, decision-making, and action-taking through the use of directives referred to as policies. As such, establishing indirect control over actions and uniformly handling activities is done through the use of policies. Therefore, effective policies guide the behavior, actions, and practices toward a common goal of accomplishing a strategy. Erickson et al. (2017) In their research presented the McKinsey 7-S Framework as a tool to understand the essential elements needed for a successful implementation of a strategy, essential components include organizational culture and structure. The structure is essential in overcoming problems that might present themselves during strategy implementation.

#### **2.3.4 Reward and Incentives and Performance**

Seng and Arumugam (2017), reveal that the reward system of an organization helps in the execution of strategies through the control and motivation of senior individuals in the

organization. Their research indicated that the reward system in an organization should be designed in a way that incorporates everyone rather than focusing only on supervisory employees. This ensures that everyone is motivated to work towards the successful execution of a strategy. The reward approach has both strengths and weaknesses; (success calls for celebration but failure calls for consequences) as well as short-term or long-term. Promotions, recognition, incentives, bonuses, and any other perks are examples of rewards that can be used in an organization's cultural setting. Problems associated with an improperly managed and thought-out compensation and reward system include strategic thinking in a subdued manner, a staff that is demotivated as well as unhappy employees exiting from the organization.

Strategy implementation involves putting a competent team in the position of accountability. The team must also be well equipped with skill to ensure that they cope effectively with the internal and external environment. The organization is therefore, supposed to provide an environment that pays attentions to the innovativeness, creativity and entrepreneurship of the employees, otherwise lack of appropriate and harmonized policies and effectiveness in placing key staffs where they belong result in unsuccessful strategy implementation. Learning organizations should therefore pay attention to intellectual development of its staff. Organizations keeps on transforming which therefore mea s that it is crucial to keep up with organizational changes. In such environment it is crucial to give employees a chance to make mistakes and also to overcome them by coming up with new products, processes and activities that serves the interests of the organization, it always becomes a delicate balance between establishing organization controls and nurturing the employees' skills (Martono et al., 2018).

Ali and Anwar (2021), who researched power, culture, change, and politics indicated that situations are likely to arise in the environment of an organization if, during the occurrence of rapid changes, the culture of the organization is not aligned with the changes that are taking place. When changing the status quo in an organization, power politics arise. It is the responsibility of strategic leaders to understand the approaches of politics and be able to manage them. This is a challenge that is posed by cultural change in an organization. Zhang et al. (2018) observed that incompatibility in the culture of the organization and the strategy being implemented can result in problems such as resistance by employees to the proposed change and therefore frustrating the efforts of implementing strategies. According to Zhang et al. (2018), there is no single outlined rule on how to align organizational culture with the business strategy. The changes in an organization culture depends on a set of factors including the age, size of organization and the types of resources available.

Kanwal and Syed (2017) argued organizations might introduce strategies without considering internal environment which might lead to changes anticipated like resistances to change. A mismatch happens when an organization does not have the capacity to implement its goals. This usually takes place in instances where the capacity development lags behind certain areas of strategy development. It is therefore important for organization to prepare in advance at all stages of strategy development to overcome the anticipated challenges in strategy development.

Kanwal and Syed (2017) indicated that a reward system that is a well-designed process leads to the process implementation of strategies being successful and therefore recommends the best sequence to be followed in an organization to avoid such scenarios. The process of strategy

implementation starts with changing of behaviors among the employees, introduction of the supportive structures and finally introducing the strategy itself. The process of strategy implementation call for the right administration, information systems and feedback mechanism that enhances monitoring and control. However, lack of these supportive mechanism might result in strategy failure. The top management also plays crucial role in capacity building, training and also provision of necessary resources in strategy implementation.

So far there is no single study conducted in Kenya, to specifically examined how strategy implementation affects the performance of cement manufacturing companies in Kenya. Other studies in place have focused on other industries while ignoring manufacturing sector. It is therefore important to understand the factors that have effect on the performance of cement manufacturing sector so that policy makers can build right structures and to enhance organization performance. The current study therefore aimed to determine the key drivers that affect the performance of the major cement manufacturing companies in Kenya.

**Table 2.1:**

*Summary of Research Gaps*

| <b>Author &amp; Year</b> | <b>Focus of Study</b>  | <b>Findings</b>   | <b>Gaps Identified</b>  | <b>How the gaps were filled</b>  |
|--------------------------|--|---|---|--|
| Bowen & Kimencu (2019).  | Strategic alliance portfolio and competitiveness of cement manufacturing firms in Kenya. | The study revealed that marketing, production, and technological alliances had a positive and significant effect on the performance of cement | The study was on strategic alliance and not strategy implementation | The study revealed the influence of strategy implementation drivers in cement manufacturing companies in Kenya |

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|--|---|---|---|---|
| Chaimankong, M. & Prasertsakul, D. (2012). | The impact of strategy implementation on the performance of Generic Strategy in Thailand.                                 | <p>manufacturing companies</p> <p>The study revealed that strategy implementation positively and significantly affected the performance of generic strategies</p> | <p>The study's dependent variable was the performance of generic strategies. The study was also conducted in Thailand</p>   | <p>The current study was in Kenya. The research findings indicated that strategy implementation drivers play a significant role in influencing the performance of cement manufacturing companies in Kenya. The major metrics of performance included: sales level, market share, and profitability levels which were affected by the drivers.</p> |
| Dauda, et al. (2018).                      | Strategic management practices and organizational performance of selected small business enterprises in Lagos Metropolis. | The study found that marketing strategies and production strategies influenced performance  | <p>The study was conducted in Nigeria in the banking sector. The macro environment of doing business in Nigeria is different from Kenya. The study was on strategic management practices and not drivers of</p> | <p>The study revealed the influence of strategy implementation drivers on the performance of cement manufacturing companies in Kenya.</p>   |

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|--------------------------|---|---|--|--|
| Gure Karugu (2018).      | & Strategic management practices and performance of small and micro enterprises in Nairobi City County, Kenya.                | The study found strategic marketing, strategic production, and strategic procurement significantly affected the performance of SMEs in Kenya. | strategy implementation.<br>The study did not focus on strategy implementation drivers.<br>The study included general SMEs in Kenya. | The study revealed the influence of strategy implementation drivers on the performance of cement manufacturing companies in Kenya. |
| Kamwara & Ismail (2018). | Role of Supply Chain Practices on Performance of Cement Manufacturing Firms in Kenya.   | The study found a significant role of the supply chain in the performance   | The study was major in the procurement department.<br>There was nothing strategic about the study.                                   | The study revealed the influence of strategy implementation drivers on the performance of cement manufacturing companies in Kenya. |
| Kanwal & Syed (2017).    | Impact of reward system on employee performance in the banking sector.  | The study found that reward systems significantly and positively affected the performance of commercial banks in Kenya                        | The study was in the banking sector.<br>The study focused on one driver of strategy implementation only: the reward system           | The study revealed the influence of strategy implementation drivers on the performance of cement manufacturing companies in Kenya. |
| Kiecha (2017).           | Influence of strategy implementation drivers on project performance in non-governmental organizations: a case of Riziki Kenya | The study found a positive and significant influence of strategy implementation drivers on the performance of Riziki                          | The study was focused on NGOs which are not-for-profit organizations/ not in commercial business                                     | The study revealed the influence of strategy implementation drivers on the performance of cement manufacturing                     |

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|--------------------|---|--|---|--|
| Kihara (2017).     | Influence of strategy implementation on the performance of manufacturing small and medium firms in Kenya.   | The study found a positive and significant influence on strategy implementation and performance of manufacturing SMEs in Kenya                                     | The study was in general manufacturing SMEs, however, big cement manufacturing companies are not SMEs but large companies   | companies in Kenya.<br>The study revealed the influence of strategy implementation drivers on the performance of cement manufacturing companies in Kenya.in Kenya. |
| Kim & Shin (2019). | Transformational leadership behaviors, the empowering process, and organizational commitment: Investigating the moderating role of organizational structure in Korea. | The study found that organizational structure significantly moderated the relationship between transformational leadership behaviors and organizational commitment | The study was conducted in Korea. The study focused on one leadership style (transformational leadership). The study dependent variable was organizational commitment and not general performance | The study revealed the influence of strategy implementation drivers on the performance of cement manufacturing companies in Kenya.                                 |
| Mohamed (2014).    | Competitive strategies adopted by East African Portland Cement Company Limited.   | The study revealed that generic strategise: cost, differentiation, and focus on niche were competitive strategies adopted by African Portland Cement               | The study was on basic descriptive analysis; no inferential analysis was done. The study is a case study. The study focused on only one firm.   | The study carried out inferential analysis through hypothesis testing. The study included all the big five manufacturing companies in Kenya.                       |

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|------------------------|---|---|--|---|
|                        |   | Company Limited.  |  | The study was a cross-sectional survey and not a case study. The study revealed the influence of strategy implementation drivers on the performance of cement manufacturing companies in Kenya. |
| Moturi (2017).         | Analysis of the Effect of Internal Factors on the Financial Performance of Firms in the Cement Manufacturing Industry in Kenya. | The study revealed that controls including cash management, debt to equity control, and segregation of duties significantly and positively affected the performance of cement manufacturing companies | The study was on financial setup. There was nothing strategic about the study. The study variables were different from the current study | The study revealed the influence of strategy implementation drivers on the performance of cement manufacturing companies in Kenya.  |
| Mudany, et al. (2020). | Moderating effects of macro environment on strategy implementation and performance in energy sector institutions in Kenya.      | The study found that the macro environment had a significant moderating effect on the relationship between strategy implementation and the performance of   | The study was in the energy sector and not cement manufacturing  | The study revealed the influence of strategy implementation drivers on the performance of cement manufacturing companies in Kenya.  |

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| Musalika ,et al. (2016). | Impact of strategic plan implementation on organizational performance in the manufacturing industry in Rwanda: A case study of Bralirwa ltd. | firms in the energy sector<br>The study revealed that strategy implementation significantly and positively influenced the performance of the manufacturing industry                              | The study was conducted in Rwanda and not Kenya. The study was general manufacturing sector. | The study revealed the influence of strategy implementation drivers on the performance of cement manufacturing companies in Kenya.   |
| Mwanthi (2018).          | Linking strategy implementation with organizational performance in Kenyan universities.  | The study revealed that strategy implementation significantly affected the performance of universities in Kenya  | The study was conducted in an education set-up and not cement manufacturing                  | The study revealed the influence of strategy implementation drivers on the performance of cement manufacturing companies in Kenya.   |
| Njore (2019).            | An analysis of corporate responsibility of the cement manufacturing companies in Kenya.  | The study revealed that among the corporate responsibilities of cement manufacturing companies in Kenya included: scholarships to needy students and participation in environmental conservation | The study was a qualitative study, where interviews were done                                | The current study applied quantitative techniques and questionnaires were alternatively used. The study revealed the influence of strategy implementation drivers on the performance of cement manufacturing |

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|                        |   |   |  |   |
|------------------------|---|---|--|---|
|                        |   |   |  | companies in Kenya.   |
| Nyanaro & Bett (2018). | Influence of strategic planning on performance of Barclays Bank of Kenya. | The study revealed that strategic planning significantly and positively influenced the performance of Barclays Bank of Kenya. | The study was in the banking sector and not manufacturing. The study was a case study. | The current study was a crosssectional survey. The study revealed the influence of strategy implementation drivers on the performance of cement manufacturing companies in Kenya. |

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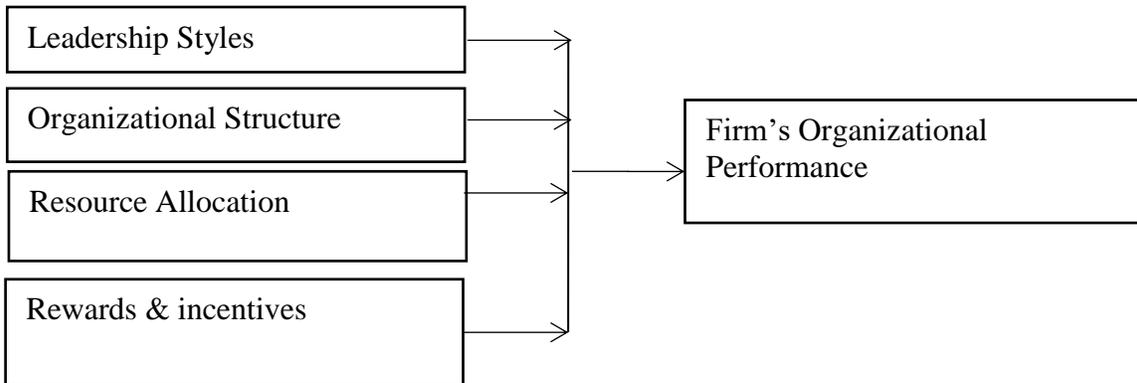
Source: Author (2023)

## 2.4 Conceptual Framework

Varpio et al. (2020) state that a conceptual framework is defined as an explanation of the association between all variables. In this study, independent variables were leadership style, organizational structure, resource allocation, and employee motivation and reward among others whereas organizational performance is the dependent variable as displayed in figure 2.2.

**Figure 2.3:**

***Conceptual Framework***



**Independent Variables**

**Dependent Variable**

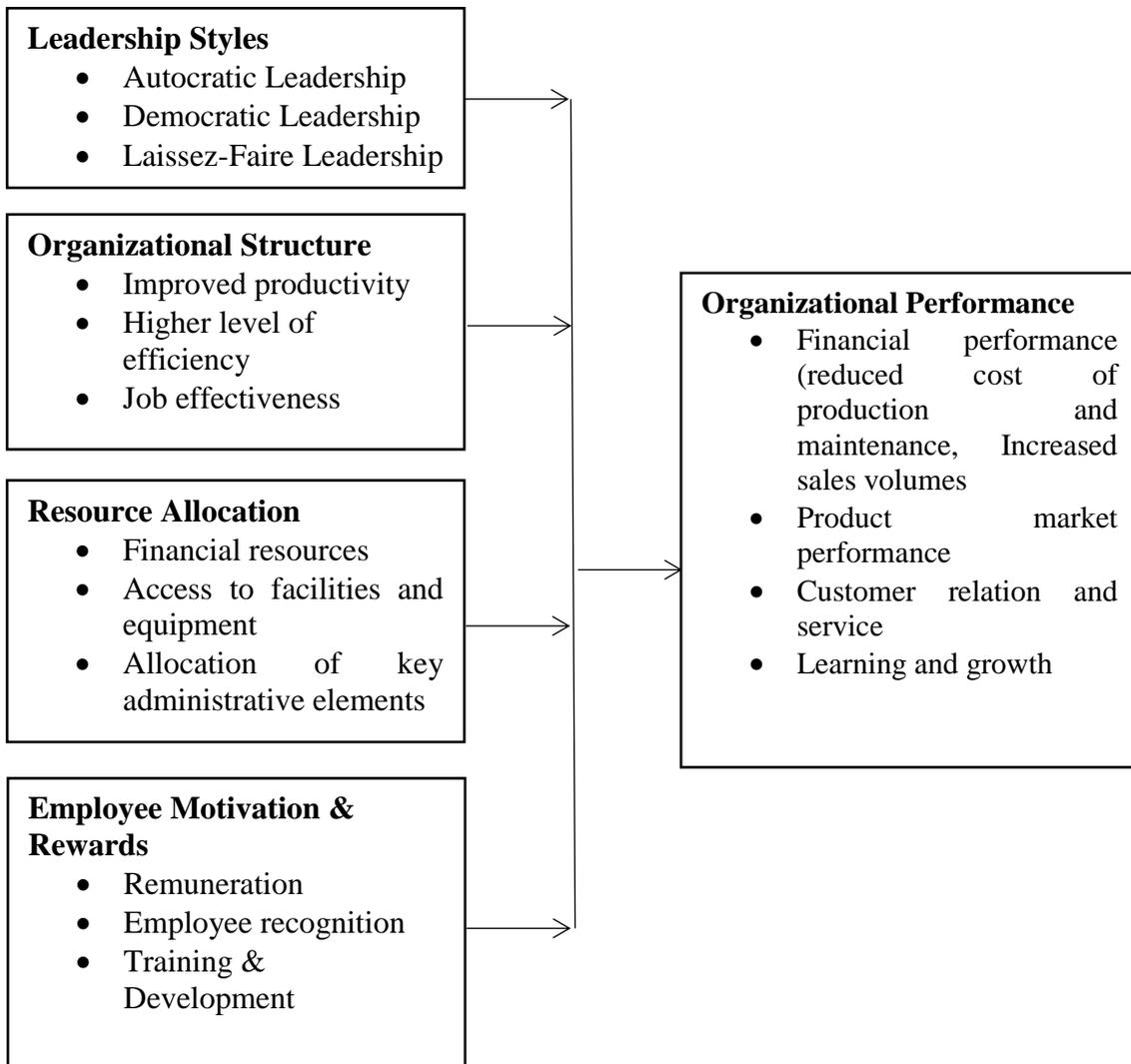
Source: Research (2021)

**2.5 Operationalization of Variables**

The operational framework provided details on how the study's variables were operationalized. The dependent variable in this study is organizational performance within the enterprise. among the independent elements are leadership style, resource allocation, organizational culture, employees' rewards, and incentives on the firm's organizational performance as shown in figure 2.3.

**Figure 2.4:**

***Operational Framework***



**Independent Variables**

**Dependent Variable**

Adopted from: Sabri, et al. (2018). Exploring the impact of innovation implementation on supply chain configuration.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The study approach and technique used to assess the effects of strategy implementation on the organizational performance of Kenyan cement manufacturing companies are discussed in this section. This chapter also discussed the methodology and procedures for data processing, the design of the research, the demographic for the research, the strategy for data collection, and other related subjects.

In the chapter the target population is provided with the justification for choice of the target population. A research design which the study found appropriate in achieving key objectives and data analysis was also given with sufficient justification. Furthermore, in the chapter on methodology the researcher presents how data was collected, instrument applied that way data and ways through which the quality of data collected was enhanced. Besides, the chapter also presented the analysis techniques through which the data was analyzed.

#### **3.2 Research Design**

Abutabenjeh and Jaradat (2018), elaborated on the meaning of a research design. They stated that a research design is explained as the conditions that guide the process of collecting and analyzing data in a study to achieve the purpose of the study. Tobi and Kampen (2018), noted that data that describe occurrences are gathered for descriptive research, which is then compiled, tallied, and reported. The design describes the variables by answering who, what, and how? Abutabenjeh and Jaradat (2018) conducted a study that involved finding out who, what, where, when, and how a phenomenon is a descriptive study. A descriptive design was

adopted for this study which is used in describing the research variables through a set of procedures and methods. The variables under study included; leadership style, resource allocation, organizational culture, employees' rewards, and incentives, and organizational performance in Cement manufacturing firms in Kenya.

### 3.3 Population of the Study

Target population refers to specific individuals with knowledge about a particular study, Such respondents provide information that can be compiled into a report. The study population from the major cement manufacturing companies include senior managers with strategic roles of the companies. The five companies formed the unit of analysis (East African Portland Cement Company, Athi River Mining (ARM) Ltd, Savannah Cement, Rhino Cement, and Bamburi Cement Limited) (Kenya Association of Manufacturers (KAM, 2020), On the other hand, the target respondents from the five firms comprised the unit of observation, therefore a total of 209 senior managers comprised the target respondents for the study.

**Table 3.1**

#### *Target Population*

| <b>Name of Firm</b>                  | <b>Number of employees</b> |
|--------------------------------------|----------------------------|
| East African Portland Cement Company | 57                         |
| Bamburi Cement Limited               | 52                         |
| Athi River Mining (ARM) Ltd          | 36                         |
| Savannah Cement                      | 38                         |
| Rhino Cement                         | 26                         |
| <b>Total</b>                         | <b>209</b>                 |

Source: Author (2021)

### 3.4 Sample Size

Sampling is the process of choosing a subset of the population to represent the entire population. The researcher employed Slovin's formula to determine the sample size. Rahi

(2017) asserts that the formula is favored when less is known about the behavior of the sample population and that it allows the investigator to select the sample from the population with a high level of accuracy and give more accurate results.

This is how Slovin's formula is displayed:

Sample size,  $n = \frac{N}{1+Ne^2}$  where;

n= sample size

N = each category's total number of respondents

e= level of significance (5%). This means that the confidence level is at 95%.

Obtained as follows  $\frac{209}{1+209(0.05^2)} = 137$

A sample of 137 respondents was, therefore, drawn from the population as shown in table 3.2, where it was proportionately allocated across the strata.

**Table 3.2**

*Sample Size*

| <b>Manufacturing firm</b>            | <b>Frequency</b> | <b>Percentage</b> |
|--------------------------------------|------------------|-------------------|
| East African Portland Cement Company | 35               | 26                |
| Bamburi Cement Limited               | 32               | 24                |
| Athi River Mining (ARM) Ltd          | 29               | 21                |
| Savannah Cement                      | 25               | 18                |
| Rhino Cement                         | 16               | 11                |
| <b>Total</b>                         | <b>137</b>       | <b>100</b>        |

Source: Author (2021)

**3.5 Data Collection Instruments**

Haseski and Ālic (2019), noted that the tools utilized by the researcher for gathering information from the study's sample size are referred to as instruments of data collection. Some of these

instruments include interview schedules, standard tests, observational forms, and questionnaires.

The study adopted quantitative and descriptive primary data. Primary data is defined as the information that is obtained directly from the field by the researcher (Kartono & Rusilowati, 2019). The researcher used close-ended and well-structured questionnaires to collect the first information. The main advantage associated with questionnaires is that information that is not directly observable in the field such as attitudes, experience, motivations, feelings, and accomplishments can be obtained. In addition, the questionnaires used in this study were used in acquiring in-depth information, especially in areas where the investigator has no pre-determined choices since the questionnaires did not limit the responses of the respondents to pre-set choices which is the case in close-ended questionnaires.

### **3.6 Data Collection Procedure**

Haseski and Ćlic (2019), indicate that data collection is the process through which information used in a study, inquiry, or research is obtained using methods of data collection such as focus group discussion, interviews, case histories, participant observations, and narratives. The drop-and-pick method was used in administering questionnaires with the help of two research assistants. Data collection was done within two weeks. Respondents who had not filled out the questionnaires within the given were reminded to do so and given a one-week extension. After three weeks the responses given were used in coming up with the thesis report.

### **3.7 Validity of the Research Instruments**

A pilot test/pre-test was conducted on the data-gathering instrument to ascertain its viability and dependability. Both procedures were discussed below.

### **3.7.1 Validity of the Research Instruments**

According to Mohajan (2017) and Gani, et al., (2020) validity can be defined as the degree to which the results obtained from data analysis truly represent the topic under investigation. Validity role is ensuring that the data collected and analyzed reflects the objective of the study. In addition, validity also encompasses the effectiveness of research instruments in accurately measuring the specific aspects they claim to measure. This involves assessing whether the tools and techniques used in the research are reliable and capable of producing accurate and meaningful results. Pre-testing is done to reduce the possibility of repeat mistakes during the initial stages of data collection and to spot any issues that respondents may experience when filling out the questionnaire (Wickramasinghe et al., 2018). Most of these problems are not foreseen when constructing the questionnaire. Additionally, it is accomplished to ensure that the questionnaire is straightforward, collects accurate data for the study, and is understandable. Specifically, the questionnaire was handed to the lecturers in the department of business administration who assist in enhancing the phrasing and substance of the questionnaires. This was done to ensure the validity of the results. CEOs and top managers in areas of strategy implementation targeted in the study also filled in the questionnaire to see whether the required data could be obtained through the questionnaire.

### **3.8 Reliability of the Research Instruments**

The reliability of a research instrument is defined as its ability to measure a characteristic of interest consistently over time. The inter-item correlation-based reliability metric Cronbach's alpha was used to assess the validity of the study items employed. If the same instrument is used for all similar data collection methods, the dependability of a research instrument

indicates if it can provide consistent results throughout a recurring series of data gathering (Thorwarth et al., 2020).

Since it is a measure, items that fall below the reliability criterion, which is set at a minimum of 0.7, are discarded. Those that score more than 0.7 are acceptable. For this metric, it is predetermined that a threshold of above 0.70 denotes strong dependability. The researcher in this study made adjustments to the questionnaire to increase its validity and raise Cronbach's alpha to at least 70%.

An alpha coefficient close to one indicates a strong correlation between items as well as high internal consistency while an alpha close to 0 indicates that the items do not strongly correlate and are poorly formulated. To ascertain if the replies to the questionnaires will be the same each time they are given out, the reliability coefficient is computed. The revisions to the questionnaire were made to ensure that it incorporated the goals of this specific study.

### **3.9 Data Analysis and Presentation**

The collected data was checked for errors in responses, omissions, and exaggerations while entering into SPSS. The SPSS was complemented by the use of Microsoft Excel specifically in the generation of diagrams and tables. Data was analyzed through both descriptive and inferential analysis. Means, standard deviations, frequencies, and percentages all were employed in descriptive analysis. To determine if there was a link between the independent and dependent variables at the significance level of 0.05/hypothesis testing, the inferential analysis, on the other hand, entailed the use of both correlation and regression analysis. Through the use of SPSS, pie charts, graphs, applicable measures of variances, and frequency tables were obtained and could be used for interpretation purposes. A multiple regression

model which linked the main variable to specific variables was used. It was of the following form:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + e$$

Where Y was the organizational performance,  $\beta_1$  to  $\beta_4$  were the coefficients of the independent variables and  $\beta_0$  represents the constant

Whereby:  $X_1$  = Leadership style

,  $X_2$  = Organization structure

,  $X_3$  = Resource allocation

,  $X_4$  = Rewards and Incentives

Finally,  $\varepsilon$  was the Error term

**Table 3.3:**

***Hypothesis Tests***

| <b>Variable Name</b>   | <b>Type of Analysis</b>     | <b>Hypothesis</b>  | <b>Rule</b>  | <b>Verdict</b> |
|------------------------|-----------------------------|--|--|----------------|
| Leadership styles      | Descriptive and inferential | There is no statistically significant effect of leadership style on the organizational performance of cement manufacturing firms in Kenya.                           | Accept the null hypothesis if the p-value is higher than 0.05. Reject Hypothesis if the p-value is lower than 0.05 | Rejected       |
| Organization Structure | Descriptive and inferential | H <sub>02</sub> . There is no statistically significant effect of organizational structure on the organizational performance of cement manufacturing firms in Kenya. | Accept the null hypothesis if the p-value is higher than 0.05. Reject Hypothesis if the p-value is lower than 0.05 | Rejected       |

|                        |                             |  |  |          |
|------------------------|-----------------------------|--|--|----------|
| Resource Allocation    | Descriptive and inferential | H <sub>03</sub> . There is no statistically significant effect of resource allocation on the organizational performance of cement manufacturing firms in Kenya.    | Accept the null hypothesis if the p-value is higher than 0.05. Reject Hypothesis if the p-value is lower than 0.05 | Rejected |
| Rewards and Incentives | Descriptive and inferential | H <sub>04</sub> . There is no statistically significant effect of rewards and incentives on the organizational performance of cement manufacturing firms in Kenya. | Accept the null hypothesis if the p-value is higher than 0.05. Reject Hypothesis if the p-value is lower than 0.05 | Rejected |

### 3.10 Ethical Considerations

Wickramasinghe et al. (2018) stated that a researcher should consider and maintain moral standards in all research methods throughout the stages of the research design. Since this study involved human subjects, then all procedures in the research process were strictly adhered to and care was taken by the researcher to ensure that the process did not negatively affect the respondents in any way. As required, research permits for the research were obtained before the study began including a research authorization letter and National Commission for Science, Technology, and Innovation permit (NACOSTI).

The study also observed other ethical issues throughout the research process. These issues include voluntary participation by respondents, treating all respondents fairly and equally as well as maintaining the anonymity of identities and confidentiality of information. As such, respondents who would feel uncomfortable with the research were allowed to step down. Additionally, the researcher made sure that the data was solely utilized for the study.

The ethical issues surrounding most research and studies were considered in this study to enhance the strong feedback. The importance of the research was indicated to the respondents by the researcher who also assured them that their identities would remain anonymous and confidential. Participation of these respondents was voluntary and the procedure that was used for data collection was harmless to the respondents' emotions

## **CHAPTER FOUR**

### **DATA PRESENTATION AND DISCUSSION OF THE FINDINGS**

#### **4.1 Introduction**

Data analysis and discussions around the findings are covered in this chapter. The primary focus of this study is the effect of strategy implementation drivers on organizational performance: a case of cement manufacturing firms in Kenya.

##### **4.1.1 Response Rate**

The questionnaire returns rate highlights and covers the data set that was used to investigate the influence of strategy implementation drivers on organizational performance in cement manufacturing firms in Kenya. The researcher distributed 137 questionnaires across various departments of all the Cement Manufacturing companies selected. Out of the distributed questionnaires, duly filled questionnaires from 111 respondents were successfully collected. Numerically, this represented a return rate of 81% which is within the Kartono and Rusilowati (2019) recommendation where rates above 50% is argued academically and statistically enough to meet the study's universal standards. To achieve the desired results, a balanced combination of both frequencies and singular responses to questions was employed during the study. 137 questionnaires were distributed to various cement manufacturing firms. 111 interviewees returned duly filled questionnaires yielding an 81% response rate. A 50% and above response rate is a good response rate that can be used in statistical reporting.

**Table 4.1**

*Response Rate*

| <b>Return rate</b> | <b>Frequency</b> | <b>Percentage</b> |
|--------------------|------------------|-------------------|
| Response           | 111              | 81%               |
| Non-response       | 26               | 19%               |
| <b>Total</b>       | <b>137</b>       | <b>100</b>        |

**4.1.2 Reliability of Data Collection Instruments**

One of the ways of ensuring that the data quality has been enhanced is through reliability test. Reliability tests are conducted to guarantee that the data collected from multiple time yield consistent data, Cronbach alpha score are usually used to ascertain internal consistency among the variables and items.

**Table 3.2**

*Reliability Test*

|                            | <b>Cronbach's Alpha</b> | <b>No of Items</b> |
|----------------------------|-------------------------|--------------------|
| Organizational performance | .746                    | 5                  |
| Leadership style           | .752                    | 5                  |
| Organization structure     | .723                    | 5                  |
| Resource allocation        | .764                    | 5                  |
| Rewards and incentives     | .729                    | 5                  |

According to the table, the Cronbach Alpha for Leadership style was 0.752, organization structure was 0.723, resource allocation was 0.764, rewards and incentives were 0.729 and organizational performance was 0.746. The condition for the Alpha value of at least 0.7 has been satisfied. Since the reliability level for every variable has exceeded 0.7, the research instruments needed no further amendments since they were sufficiently reliable. Thorwarth et al. (2020), acknowledge the conclusions of the research on the reliability tests when they

posited that a Cronbach alpha value that is above 0.7 is considered adequate for further analysis.

## 4.2 Demographic Analysis

Working duration, ownership classification, and the duration of operations in Kenya were the demographic variables under the study.

### 4.2.1 Organizations where employees worked

**Table 4.3**

*Organization Worked For*

| <b>Company Name</b>                  | <b>Frequency</b> | <b>Percentage</b> |
|--------------------------------------|------------------|-------------------|
| East African Portland Cement Company | 32               | 28.8%             |
| Bamburi Cement Limited               | 26               | 23.4%             |
| Athi River Mining (ARM) Ltd          | 23               | 20.7%             |
| Savannah Cement                      | 19               | 17.2%             |
| Rhino Cement                         | 11               | 9.9%              |
| <b>Total</b>                         | <b>111</b>       | <b>100</b>        |

Table 4.3 above indicates that East African Portland Cement Company formed the majority of the respondents comprising 28.8%, Bamburi Cement Limited formed 23.4% of the respondent, Athi River Mining (ARM) Ltd formed 20.7% of the respondents, and Savannah Cement formed 17.2% of the respondents, while Rhino Cement formed 9.9% of the respondents.

### 4.2.2 Working Duration

Another demographic characteristic that the study sought was the different periods that the workers had been in the organization. Results are presented in figure 4.1

**Figure 1.1**

***Working Duration***

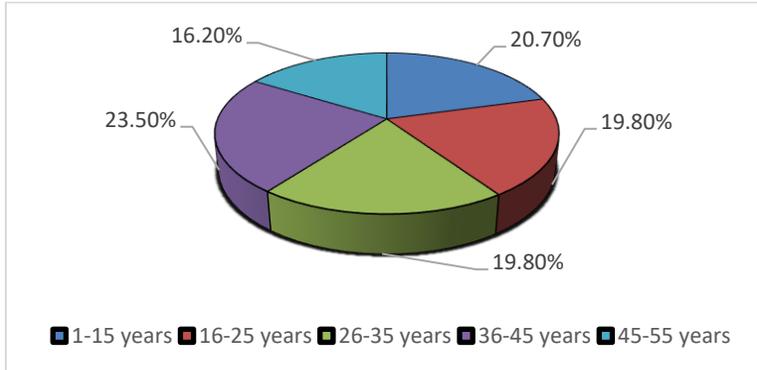


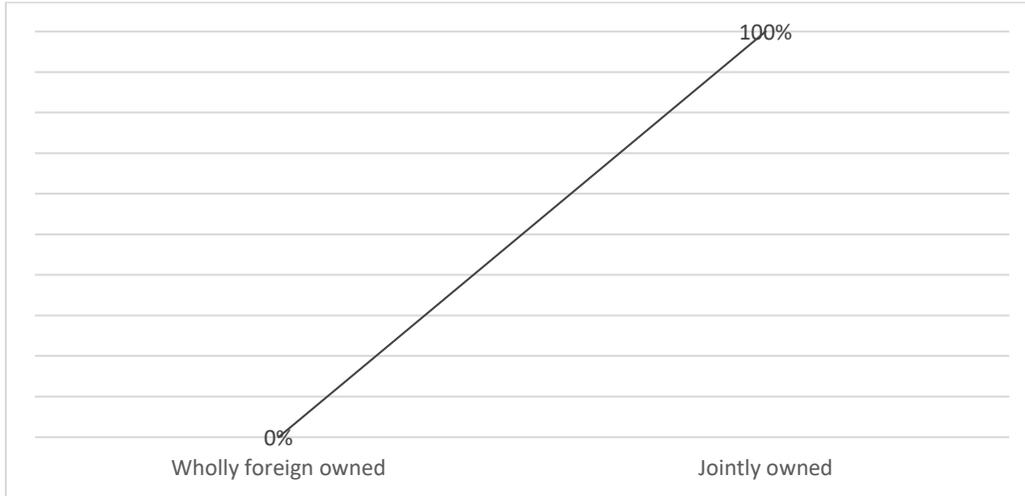
Table 4.4 display that a higher percentage of participants, 23.5% had worked in their respective companies for 36–45 years, 20.7% had worked in their respective companies for 45–55 years, 19.8% had worked in their respective companies for 26–35 years and 16-25 years while 16.2% had worked in their respective companies for 1–15 years. This clearly shows that respondents had adequate knowledge of their respective companies hence competent enough to answer questions as contained in the questionnaires.

**4.2.3 Ownership Classification**

The study was also determined to unravel the firm’s classification in terms of ownership.

**Figure 4.2**

***Ownership Classification***



The findings displayed in the figure above reflect that all companies are jointly owned and no company is wholly foreign-owned.

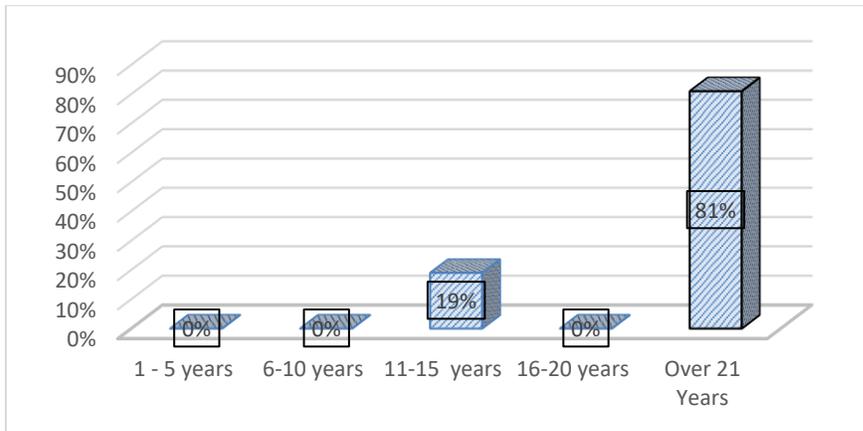
**4.2.4 Duration of Operations**

The survey also looked at how long the individual businesses had been operating in Kenya.

Figure 4.3 presented the age of the firm.

**Figure 4.3**

***Organization Age***



The majority of responders (81%) said their companies had been in operation for more than 21 years, and only 19% of the first in the study had been in operation between 11 and 15 years. Therefore, the majority of the industry had already implemented strategic plans which run for not less than five years, respondents were therefore well aware of what drives strategy implementation in cement manufacturing companies.

**4.3 Descriptive Statistics**

This section of the study presented the overview on descriptive statistics on how the major constructs in the study (leadership style, organization structure, resource allocation, and rewards and incentives), were practiced in the organization, the variables are presented on frequencies, mean (M) standard deviation and percentage (%).

**4.3.1 Organizational Performance**

Participants were requested how they disagreed or agreed with the statements regarding organizational performance. With a scale from 1 for strongly disagreeing to 5 for strongly agreeing. Respondents' feedback was spread on a Five-Likert scale. Dispersion from the mean

was arrived at through the use of standard deviation. Less standard deviations imply data spread is near to the mean while high standard deviation implies data is spread out and it's not near the mean. Results are revealed in table 4.4.

**Table 4.4**

***Organizational Performance***

| <b>Statement</b>   | <b>Mean</b> | <b>Std. Devi</b> |
|--|-------------|------------------|
| Financial status has improved in terms of reduced cost of production and maintenance cost, Improved revenue collection | 4.2324      | 0.286            |
| There is an improvement in the internal processes in all units of the organization                                     | 3.3532      | 0.25             |
| There is improved customer relations and service   | 4.3147      | 0.32             |
| There is a better track of learning and growth in the organization   | 4.1536      | 0.267            |

Table 4.4 above shows that, respondents concurred that financial status has improved in terms of reduced cost of production and maintenance cost, Improved revenue collection (Mean=4.2324), participants agreed that there is an improvement in the internal processes in all units in the organization (Mean=3.3532), respondents also agreed that There is improved customer relations and service (Mean=4.3147), respondents further agreed that there is a better track of learning and growth in the organization (Mean=4.1536). Similar observations were given by Ajripour et al. (2019), who posited that the firm's organizational performance is a fundamental economic position of a well-established corporation which is represented by the ability of an organization to offer services and products that are of high quality. Further in agreement with the findings was Aguinis (2019), who noted that the firm's organizational performance is measured using three indicators namely: the return of shareholders, the

performance of firms financially, and the performance of the product in the market or market share.

### 4.3.2 Leadership style

Participants were asked to indicate their level of agreement or disagreement with statements about leadership style. The study used Likert scale from 1 (strongly disagree) to 5 (strongly agree). Standard deviation was used to indicate variations from the mean score, or how different respondents expressed their opinions about a certain question. While a small standard deviation indicates that respondents gave almost similar opinions about a particular question, large standard deviation indicates high variability on certain question asked from the average.

**Table 4.5**

#### *Leadership style*

| <b>Statement</b>  | <b>Mean</b> | <b>Std.Dev</b> |
|---|-------------|----------------|
| Leadership entails how necessary motivation is provided and strategy management values are demonstrated to ensure the successful implementation of strategies.  | 3.4763      | 0.26           |
| By creating a lofty inspirational vision, the top management of an organization fulfills its responsibility of ensuring employees are enthusiastic through a sincere and sustained commitment               | 4.0743      | 0.17           |
| Leadership plays a crucial role in the process of strategy implementation and should be managed properly to avoid challenges in the process   | 4.1843      | 0.26           |
| The senior leaders of an organization, including the CEO, need to possess the necessary skills, personal qualities, education, and experience in order to effectively implement the organization's strategy | 3.2853      | 0.29           |

The outcomes in table 4.7 illustrate that the respondent acknowledges that leadership entails how necessary motivation is provided and strategy management values are demonstrated to

ensure the successful implementation of strategies (Mean=3.4763), participants acknowledged that by creating a lofty inspirational vision, the top management of an organization fulfills its responsibility of ensuring employees are enthusiastic through sincere and sustained commitment (Mean=4.0743), respondents agreed that leadership plays a crucial role in the process of strategy implementation and should be managed properly to avoid challenges in the process (Mean=4.1843), respondents agreed that the top management of an organization including the Chief Executive Officer must-have talents, personalities, knowledge and wisdom to implement the plan (Mean=3.2853). Rahbi et al. (2017) were also in agreement with the findings of the study where they postulated that the CEO's role in strategy implementation is both symbolic and substantive. The leadership needs to offer direction and also support entrepreneurial innovation, reduction of resistance as well is taken care of by overcoming internal power politics in the organization.

The study also tested the hypothesis on whether leadership style influences organizational performance. The table below presents the results of hypothesis testing on the link between leadership style and the performance of an organization.

**Table 4.6**

***Leadership Style and Performance of the Organization***

|                            |                     | Leadership style |
|----------------------------|---------------------|------------------|
| Organizational performance | Pearson Correlation | 0.716            |
|                            | Sig. (2-tailed)     | **0.04           |
|                            | N                   | 111              |

Correlation is significant 0.05level (2-tailed).

According to the results in the table above, leadership style is significant and positively corresponds with organizational performance,  $r= 0.716$ ,  $p=0.04$ . This show that two variables (organizational performance, and leadership style), have a significant relationship. As a result, the study rejects hypothesis in the null.

Zhang et al. (2018) concurred with the results of the research that certain attractive attributes in an organization as a result of effective leadership. Such cultural aspects in an organization ensure that the organization registers higher performance. Proper leadership and close monitoring and consideration of all attributes that are in contingent situations to take corrective actions promotes better performance because the organization learns in the process and therefore makes higher profits.

A scholar who gave similar opinion was Rahbi et al. (2017) by agreeing that the CEO plays a important role in implementing a new strategy. The scholars indicate the role of CEO as symbolic and practical in nature. The CEOs major roles including designing internal systems in such a way that they cope with resistances that may happen in the implementation of a strategy such that the organization objectives are achieved in a seamless way. CEO seek to win support of every employee in the organizations through power and relations as well as playing internal politics.

### **4.3.3 Organization Structure**

Participants were also asked to express their level of agreement or disagreement with statements about the organization structure. The study therefore used a Likert scale from 1 to 5, where 1 meant strongly disagree and 5 meant strongly agree. Dispersion from the mean was arrived at through the use of standard deviation. Less standard deviations imply data spread is

near to the mean while standard deviation that is high implies data is spread out and it's not near the mean.

**Table 4.7**

***Organization Structure***

| <b>Statement</b>  | <b>Mean</b> | <b>Std.Dev</b> |
|---|-------------|----------------|
| How different activities of a firm are organized to achieve efficiency and effectiveness defines the firm's structure   | 3.0264      | 0.29           |
| The organization structure should be developed in a way that addresses the Strategy needs   | 4.0134      | 0.26           |
| As a result of technology use, traditional ways through which organizations are structured has greatly being affected, which has also resulted in the creation of new bottlenecks on how mangers manage organizations as well as how communication takes place. | 3.1073      | 0.20           |
| Firms are forced to shift their structure to one that can address the strategy needs to promote improvements in the execution of strategies   | 3.0234      | 0.21           |

Source: Research Data (2021)

The outcomes in Table 4.8 indicate that the respondents concurred that how different activities of a firm are organized to achieve efficiency and effectiveness defines the firm's structure (Mean=3.0264), the participants acknowledged that the organization structure should be developed in a way that addresses the Strategy needs (mean=4.0134), the respondents also agreed that as a result of technology use, traditional ways through which organizations are structured has greatly being affected, which has also resulted in the creation of new bottlenecks on how mangers manage organizations as well as how communication takes place. (mean=3.1073), furthermore, respondents agreed that Firms are forced to shifting its structure to one that can address the Strategy needs to promote improvements in the execution of strategies (mean=3.0234). Chandler (1969), was also in the agreement when he investigated

the link between organization structure and functionality and acknowledged that organizational structure together with the implementation of strategies should be designed in a way that is responsive to the strategic needs. Besides, Pretorius et al. (2018), indicated that the best structure is the simplest one that will get the job of implementation done. Key activities are needed in the structural design of an organization to have the desired results.

The study also tested the hypothesis on whether organization structure influences organizational performance. Correlation tests between Organizational Performance and Organization structure was revealed on table 4.8.

**Table 4.8**

*Organization Structure*

|                            |                     | <b>Organization structure</b> |
|----------------------------|---------------------|-------------------------------|
| Organizational Performance | Pearson Correlation | 0.623                         |
|                            | Sig. (2-tailed)     | **0.04                        |
|                            | N                   | 111                           |

At the 0.05 level, the correlation is significant (2-tailed).

Source: Research Data (2021)

A strong and positive correlation was revealed on table 4.8 between organizational performance and structure (correlation coefficient (r) is 0.623, and the p-value is  $0.04 < 0.05$ ), the implication of findings was that the relationship is significant. The findings revealed that the null hypothesis should be rejected.

Chandler (1969) agreed with the results of the research when he denoted that successful implementation of strategies from a structural design that is compatible can result in better performance of an organization. As such, organizations are forced to adopt a structure that is positioned with the strategy to ensure that the execution of the strategy is successful.

Joseph and Gaba (2020), concurred with the study findings when they argued that the structure of an organization plays a crucial role in the successful implementation of strategies.

#### 4.3.4 Resource Allocation

Participants were requested how they disagreed or agreed with the statements regarding resource allocation. With a range of 1 indicating strongly disagree up to 5 indicating strongly agree. The responses were spread on a Five-Likert scale. Dispersion from the mean was arrived at through the use of standard deviation. Less standard deviations imply data spread is near to the meanwhile standard deviation that is high implies data is spread out and it's not near the mean.

**Table 4.9**

*Resource Allocation*

| <b>Statement</b>   | <b>Mean</b> | <b>Std. Dev</b> |
|--|-------------|-----------------|
| An organization has both physical resources such as equipment and materials as well as human resources like employees which can be used as resources in strategy implementation          | 3.5965      | 0.26            |
| the commitment of the management towards the plan of action is well shown by the allocation of resources to the process  | 4.0265      | 0.39            |
| the budget process should incorporate the implementing teams and consider their input while the budget should be developed in a way that is flexible to accommodate the evolving changes | 3.3142      | 0.25            |
| there are various industrial building deductions available to small-scale industries   | 3.0024      | 0.22            |
| smooth operationalization of the Strategy is promoted by putting in place adequate administrative procedures   | 3.2955      | 0.29            |

Source: Research Data (2021)

The results of figure 4.9 show that respondents acknowledged that an organization has these material and human resources available to it for putting the plan into practice (mean=3.5965), and participants agreed that the commitment of the management towards the plan of action is

well shown by the allocation of resources to the process (mean=4.0265), respondents agreed that the budget process should incorporate the implementing teams and consider their input while the budget should be developed in a way that it is flexible to accommodate the evolving changes (mean=3.3142), participants agreed that smooth operationalization of the Strategy is promoted by putting in place adequate administrative procedures (mean=3.2955). Mwanthi (2018), agreed with the findings of the study when he studied the effect of strategy implementation and human resources among the firms established in Kenya. The study revealed that the implementation of strategies in an organization can be improved through training the employees on what needs to be carried out to achieve the desired goals of the organization. Consultants can also be hired to train the employees and change their behaviors toward implementing the desired changes in the organization. When employees understand and embrace the desired changes it becomes easier for them to make the changes because they feel informed and part of the desired change.

The study also tested the hypothesis on whether resource allocation influences organizational performance. Correlation analysis on the two variables (Resource Allocation and Organizational performance), was presented on table 4.10.

**Table 4.10**

***Resource Allocation***

|                            |                     | Resource Allocation |
|----------------------------|---------------------|---------------------|
| Organizational performance | Pearson Correlation | 0.702               |
|                            | Sig. (2-tailed)     | **0.03              |
|                            | N                   | 111                 |

Correlation is significant at 0.05 level, (2-tailed test).

The outcomes in figure 4.10 on resource allocation revealed that resource allocation is significant and positively correlated with organizational performance,  $r= 0.702$ ,  $p=0.03$ . This shows that there was a significant link between resource allocation and organizational performance. As a result, the study adopts the alternative hypothesis rather than the null hypothesis, which states that there is no substantial association between resource allocation and organizational performance.

Cui et al. (2019) were in agreement that resources should be availed to ensure that the strategy under implementation is realistic. In addition, the commitment of the management to the plan of action is represented by how many resources they allocate to the plan. Besides, Sangaiah et al. (2020) were also in agreement when they indicated that the allocation of resources involves obtaining the necessary resources (human and material) and availing them to the implementers for strategy implementation.

#### **4.3.5 Rewards and Incentives**

Participants were requested how they disagreed or agreed with the statements regarding rewards and incentives. With a range of 1 denoting strongly disagree up to 5 denoting strongly agree. The responses were spread on a Five-Likert scale. The standard deviation method was used to arrive at the dispersion from the mean. A standard deviation that is less implies data spread is near to the mean while high standard deviation means data is spread out and it's not near the mean.

**Table 4.11**

***Rewards and Incentives***

| <b>Statement</b> | <b>Mean</b> | <b>Std. Dev</b> |
|------------------|-------------|-----------------|
|------------------|-------------|-----------------|

|   |        |      |
|---|--------|------|
| The firm's rewards system is used to control and motivate senior personnel in the firm toward strategy execution  | 3.2855 | 0.27 |
| The organization uses, promotion incentive and bonuses as way to reward employees.  | 4.2746 | 0.37 |
| Organizations need to ensure that their employees have acquired necessary skills to adapt to internal and external changes.                                       | 3.8267 | 0.28 |
| Problems such as subdued Strategy thinking, demotivated staff, or the exit of unhappy employees can be a result of poorly managed compensation and reward systems | 4.1847 | 0.28 |

The outcomes in Table 4.10 indicate that the participants agreed that the firm's rewards system is used to control and motivate senior personnel in the firm towards strategy execution (mean=3.2855), respondents agreed that the organization uses, promotion incentive and bonuses as way to reward employees (mean=4.2746), participants agreed that organizations need to ensure that their employees have acquired necessary skills to adapt to internal and external changes (mean=3.8267), respondents agreed that Problems such as subdued Strategy thinking, demotivated staff or the exit of unhappy employees can be a result of poorly managed compensation and reward systems (mean=4.1847). Seng and Arumugam (2017), who found that an organization's incentive system aids in the execution of plans through the control and motivation of senior employees in the business, agreed with the study's findings. Their research indicated that the reward system in an organization should be designed in a way that incorporates everyone rather than focusing only on supervisory employees. The design of the reward system needs to ensure that everyone is motivated to work toward the successful execution of a strategy. Promotions, recognition, incentives, bonuses, and any other perks are examples of rewards that can be used in an organization's cultural setting.

The study also tested the hypothesis on whether rewards and incentives influence organizational performance. The outcomes of a hypothesis test on the connection between incentives and rewards and organizational performance are shown in the figure below.

**Table 4.12**

***Rewards and Incentives***

|                            |                     | <b>Rewards and Incentives</b> |
|----------------------------|---------------------|-------------------------------|
| Organizational Performance | Pearson Correlation | 0.615                         |
|                            | Sig. (2-tailed)     | **0.03                        |
|                            | N                   | 111                           |

correlation is significant at the 0.05 level, (2-tailed test).

According to the results in the table above, rewards and incentives are significant and positively correlated with organizational performance,  $r= 0.7615$ ,  $p=0.03$ . This shows that there was a significant relationship between rewards and incentives and organizational performance. As a result, the research adopted the alternative hypothesis rather than the null hypothesis, which states that there is no meaningful association between incentives and organizational performance. Kanwal and Syed (2017) agreed with the study findings when they indicated that the reward system should be well-designed to enable its implementation and the success of the organization's performance.

**4.4 Inferential Statistics**

Multi-linear regression model with four independent variables and one dependent variable was used to show how, the predictive power of all the independent variables on the performance. The model summary, analysis of variance and regression analysis were presented for interpretation of the findings. For instance, the R square was mainly used to show extent to which changed in the predicted variable was as a result of the independent variables.

#### **4.4.1 Correlations Analysis**

The purposes aimed at investigating the relationship study variables (all the independent variables were correlated with themselves as well as correlating the independent variables with the dependent variables). Findings of the correlation analysis were used to draw conclusions of the study. Correlation between variable may be positive or negative. A positive correlation is an indication that the variables are moving in similar direction whereas a correlation that is negative indicates that variables are moving in opposite/inverse direction.

**Table 4.13*****Correlation Coefficient***

|                          |                                     | <b>Organization performance</b> | <b>Leadership Style</b> | <b>Organization Structure</b> | <b>Resource Allocation</b> | <b>Rewards and incentives</b> |
|--------------------------|-------------------------------------|---------------------------------|-------------------------|-------------------------------|----------------------------|-------------------------------|
| Organization performance | Pearson Correlation Sig. (2-tailed) | 1                               |                         |                               |                            |                               |
| Leadership Style         | Pearson Correlation Sig. (2-tailed) | 0.703**                         | 1                       |                               |                            |                               |
| Organization Structure   | Pearson Correlation Sig. (2-tailed) | 0.613**                         | .701**                  | 1                             |                            |                               |
| Resource Allocation      | Pearson Correlation Sig. (2-tailed) | 0.701**                         | .598**                  | .574**                        | 1                          |                               |
| Rewards and incentives   | Pearson Correlation Sig. (2-tailed) | 0.596**                         | .501**                  | .496                          | .544**                     | 1                             |

\*. Correlation is significant at the 0.05 level (2-tailed).

Source: Research Data (2021)

According to findings in the table 4.12, there is a relatively strong positive relationship of 0.703 between leadership style and organizational performance. This means that organizational performance can be developed through the adoption of good supportive leadership styles. The findings also indicate a 0.613 link between organizational effectiveness and framework. The relationship between organizational effectiveness and resource allocation had a rather high positive correlation (0.701). Organizational effectiveness, incentives, and rewards all

demonstrated a positive relationship of 0.596. All the above correlations were significant at a 5% level ( $p < 0.05$ )

#### 4.4.2 Multiple Regression Analysis

This research also sought to assess how the organizational performance of Kenyan manufacturing companies was influenced by strategy implementation drivers. Leadership style, organization structure, resource allocation, and rewards and incentives were the specific variables studied.

The regression model included:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

With Y represents the organizational performance

$X_1$  Leadership style,  $X_2$  organization structure,  $X_3$  resource allocation and  $X_4$  rewards and incentives

$\beta_0$  is the constant of the model, and  $\beta_1 - \beta_4$  are the regression coefficients while  $\varepsilon$  represents the error term.

**Table 4.14**

#### *Model Summary*

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .803 <sup>a</sup> | .645     | .5163             | .05842                     |

Predictors: (Constant), Leadership style, organization structure, resource allocation, and rewards and incentives.

Source: Research Data (2021)

An R of 0.803, is an indication of correlation between study variables, which implies that there was linearity between study variables because the standard error associated with the model was .05842 which is very small therefore most of the data is within the line of best fit. The four specific variables in the study resulted in changes or variations in the organization's performance by 64.5% as indicated by the  $R^2$ . Variables outside study research influence 35.5% of organization performance. Further studies need to be undertaken to find out other factors that explain changes in the organizational performance of cement manufacturing companies as shown by a deficiency of 35.5% in the model of predicting performance.

### **Analysis of Variance**

To indicate how well the model fits, the analysis of Variance (ANOVA) is used. The data and the findings were presented in Table 4.14

**Table 4.15**

#### *Analysis of Variance*

| <b>Model</b> | <b>Sum of Squares</b> | <b>df</b>  | <b>Mean Square</b> | <b>F</b> | <b>Sig.</b>       |
|--------------|-----------------------|------------|--------------------|----------|-------------------|
| 1 Regression | 2.401                 | 4          | .600               | 1.662    | .000 <sup>b</sup> |
| Residual     | 38.312                | 106        | .361               |          |                   |
| <b>Total</b> | <b>40.713</b>         | <b>110</b> |                    |          |                   |

a. Predictors (Constant), leadership style, organization structure, resource allocation, and rewards and incentives.

b. Dependent Variable: Organizational Performance.

The significance value of the model is 0.000, which is less than 0.05, indicating that it is statistically significant in determining how organizational effectiveness in manufacturing organizations was influenced by the style of leadership, organizational structure, resource

allocation, and incentives and rewards. At a 5% level of significance, the F critical value was 1.662.

**Table 4.16**

***Regression Coefficients***

| Model                  | Unstandardized Coefficients |            | Standardized t Coefficients |       | Sig. |
|------------------------|-----------------------------|------------|-----------------------------|-------|------|
|                        | B                           | Std. Error | Beta                        |       |      |
| (Constant)             | 2.537                       | .389       |                             | 9.178 | .04  |
| Leadership style       | .714                        | .257       | .211                        | 0.821 | .03  |
| Organization structure | .655                        | .296       | .202                        | 0.682 | .03  |
| Resource allocation    | .706                        | .368       | .185                        | 0.503 | .02  |
| Rewards and incentives | .624                        | .274       | .189                        | 0.690 | .04  |

Dependent Variable: organization performance

Source: Research Data (2021)

The output of the regression model reveals the nature of empirical model as follows:

$$Y = 2.537 + 0.714X_1 + 0.655X_2 + 0.706X_3 + 0.624X_4 + \varepsilon$$

According to the equation above, when all variables withheld including leadership styles, organization structure, resource allocation, and rewards and incentives are held constant, employee performance will be 2.537.

**Effect of Leadership Style on Organization Performance**

Leadership Style and Organization Performance revealed a  $\beta = 0.714$ ,  $t = 0.821$ , and a p-value associated with it as 0.03 which was less than the set criteria of 0.05, therefore the null hypothesis that:  $H_{01}$ : *leadership styles do not significantly affect the performance of Cement Manufacturing companies in Kenya* was rejected. Keeping all other elements, the same, a unit surge in leadership style results in 0.714 changes in organization performance. Khan et al.

(2018) were in agreement with the study findings when they revealed that, involving employees and managers in the development is important in successfully implementing particular strategies. In addition, employees are motivated to work towards the achievement of the organization's desired goals by adopting visionary leadership which enables the creation of an environment that enhances learning.

### **Effect of organization structure on Organization Performance**

Organization structure and Organization Performance revealed a  $\beta= 0.655$ ,  $t=0.682$ , and a p-value associated with it as 0.03 which was less than the set criteria of 0.05, Therefore, the null hypothesis that  $H_{02}$ : Organization Structure *does not significantly affect the performance of Cement Manufacturing companies in Kenya* was rejected. Holding other factors constant, a unit rise in organization structure causes a 0.655 rise in organization effectiveness. Similar findings by Joseph and Gaba (2020), showed that an organization's structure is essential to the effective execution of programs, which ultimately leads to greater organization performance.

### **Effect of Resource Allocation on Organization Performance**

Resource Allocation and Organization Performance came in at a  $\beta= 0.706$ ,  $t=0.503$ , and a p-value linked with it as 0.02 which was less than the set criteria of 0.05, Therefore, the null hypothesis that  $H_{03}$ : Resource Allocation *does not significantly affect the performance of Cement Manufacturing companies in Kenya* was rejected. When all other factors are held steady, a unit increase in resource allocation would lead to a 0.706 increase in organization performance. Khan et al. (2018) supported the findings of the study by arguing that maintaining employees with high skills, competencies and also talented employees was a good in ensuring

that organizations implements the strategy of the organization successfully as well as boosting the performance of an organization in general.

### **Effect of Rewards and Incentives on Organization Performance**

Rewards, incentives, and organization performance came in at  $\beta = 0.246$ ,  $t=0.690$ , and a p-value of 0.04, which was less than a significance level of 0.05, which led to the rejection of the null hypothesis that rewards and incentives do not have significant effect on the performance of cement manufacturing companies in Kenya. On the other hand, keeping all other parameters the same, a unit increment in rewards and incentives leads to a 0.624 increase in organization performance. Findings of the study on regression analysis suggested that all the independent variables had a significant influence on performance because all the p-values associated with the independent variables were all lower than set criterion of 0.05. Khan et al. (2018) noted that it was of paramount importance to provide management crucial attention it merits since successful implementation can only be accomplished via people, they were in accord with the study's results. Strategy managers must get adequate compensation, and incentive programs must be designed with the strategy in mind while also taking into consideration the marketplace and workplace culture.

Kanwal and Syed (2017) were also in agreement when they indicated that a reward system that is a well-designed process leads to the process implementation of strategies being successful and therefore recommend the best sequence to be followed in an organization to avoid such scenarios. The support from top management is crucial in aligning organizational operational strategies with overall strategies in an organization. The top management can achieve this by building the capacities of the employees as well as training them.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS**

#### **5.1 Introduction**

In this chapter, the research outlines the summary made from the findings of the study, the judgments made from the findings as well as the recommendations for the research on the effect of strategy implementation drivers on the organizational performance of Kenyan manufacturing companies. A case of Cement Manufacturing Firms in Kenya. It also serves as a breakthrough in additional research in the future.

#### **5.2 Summary of Findings**

##### **5.2. 1 Leadership Style**

The study found that leadership style had a significant impact on organizational performance of cement manufacturing businesses. The participants highlighted the importance of leadership through promoting motivation to employees and a clear demonstration of attractive values that enhances strategy implementation. If a strategy is not well handled as shown by the study it might present challenges that are hard to overcome especially in late stages of strategy implementation. It is therefore necessary for the top management to instill right behaviors and practices among the employees including creation of vision and mission statement for the organization which overall helps in giving other employees direction and also acts as a yardstick to measure performance. The correlation coefficient associated with leadership and performance was 0.716, which was significant at p-value of 0. 05.

### **5.2.2 Organization Structure**

The study also revealed that choice of an organization structure had a significant impact on the performance of an organization. An alignment of an organizational structure with the overall strategy of an organization is important in realizing better performance among cement manufacturing companies. Introduction of technology in organization has disoriented the traditional organization culture posing challenges on power relations and information flow in organizations. It is paramount therefore to find the best suit of an organization culture with strategy being implemented to enhance performance. Findings revealed that the correlation coefficient between organizational performance and structure was (0.623,) which was significant at p-value of 0.05.

### **5.2.3 Resource Allocation**

The study again divulged that resource allocation had a positive influence on organization performance. Respondents argued that these are the both physical and human resources an organization has available for implementation of changes, the distribution symbolizes leadership and commitment to the course of action, strategic planning team members should be involved in creating budgets that should also be flexible so as to accommodate new developing changes. With good and proper management in place strategies can be smoothly be implemented. The correlation coefficient was 0.702 between resource allocation and organization performance of manufacturing firms in Kenya. The significance level was at 0.03.

### **5.2.4 Rewards and Incentives**

The results further revealed that rewards and incentives had a strong influence on organizational performance. Respondents claimed that a firm's reward system, which might

take the shape of prizes, raises, perks, acknowledgment, or any other benefits depending on the organization's cultural environment is effective at motivating and regulating senior staff in plan implementation. In addition, it is important for the management to support employees by training them so that the employees are able to adapt with the changes in the environment. Unhappy employees may leave organization, especially if they do not feel the worth of their contribution, it is the business of the management to engage all employees so that they do not feel isolated. The correlation coefficient was 0.615 between rewards and incentives and the organizational performance of manufacturing firms in Kenya and the level of significance was 0.03.

### **5.3 Conclusions of the study**

Indeed, leadership style and organizational performance have a strong positive relationship. The two variables have a positive correlation of 0.716 showing that leadership style is the main element that influences organizational performance. This shows that if a good leadership style is adopted and maintained in organizations, then organizational development/performance will prevail. Good organizational performance leads to overall economic development. The research also found an undeniable correlation of 0.623 between organization structure and organization performance. This revealed that organization structure is a key factor in organizational performance. Therefore, organization management must endeavor to set-up good organizational structures that favor development in respective organizations. Good organization structure encourages employees to positively adjust their performance hence leading to healthy organizational performance. The study also found resource allocation as a crucial factor in organization performance. There was a significant positive correlation of

0.702 between resource allocation and organization performance a factor that reveals resource allocation as a key element of organization performance. Therefore, management should ensure there is adequate resource allocation in all development projects to fast-track their implementation and completion. The study also found that rewards and incentives were very important factors in organization performance. The correlation coefficient between rewards and incentives and organization performance was 0.615. This is a clear indication that rewards and incentives are relevant in any organization because it creates and improves employees' motivation in work hence improving their competency and performance respectively. Good employee performance leads to good organizational performance. Therefore, all organizations need to adopt the best-performing employee rewards and incentives mechanism.

## **5.4 Recommendations of Study**

### **5.4.1 Policy Recommendations**

The following recommendations were proposed according to the study findings: Organizations should adopt policies that encourage regular evaluation of such strategy implementation drivers to make sure that they are well adopted in all stages. The study recommends that good leadership styles should be adopted in all organizations to motivate employees to perform well, enhance the adoption of changing environment, and improve customer relations to a positive extent. The research also recommends that good leadership styles should be adopted to increase productivity.

Organizations should come up with a strategy through which favorable organization structures are implemented in all organizations to improve their performance. Favorable organization

structures encourage employees to work harder and also build customers' confidence and relations.

The study also recommended enough resource allocation through, management ensuring the existence of enough resources both human and financial for any organization to perform well. Rewards and incentives were also an element that was found to have a positive influence on organization performance. Therefore, the study recommended for cement manufacturing organizations encourage the adoption of rewards and incentives mechanism that builds employee confidence that their promotions will come as a result of their performance and not favoritism, ethnicity or politics, or automatic salary increase. This can also be achieved by putting in place institutional regulations that favor rewards and incentives for best-performing employees.

#### **5.4.2 Recommendations for Further Research**

The findings for this study show that the 4 specific variables studied influenced the performance of 64.5% on organization performance as indicated by the  $R^2$ . Variables not covered in this research influence 35.5% of organization performance. Moreover, studies need to be undertaken to find out other factors that influence the 35.5%.

Another study in the future can also be conducted where interacting variables are included (moderating and intervening variables), to make observations on the changes of the R-square (coefficient of determination) as a result of interaction, this way the scholar will be able to make findings generalizable.

Future a similar replication of the study can also be conducted outside Kenya, say in Tanzania or Ethiopia to contribute to the debate or even make findings more generalizable.

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## **Appendix I: Introduction Letter**

Mohamed Amin

Reg No: BUS-1-0287-1/2019

Kenya Methodist University

Department of Business Administration

P.O. Box 267 – 60200

Meru

**Dear Sir/Madam;**

**REF: A Questionnaire on Effect of Strategy Implementation Drivers on Organizational Performance: A Case of Cement Manufacturing Firms in Kenya**

I am a postgraduate student at Kenya Methodist University pursuing a Masters Degree in Business Administration, Strategic Management option. I am currently carrying out a study on the Effect of Strategy Implementation Drivers on Organizational Performance: A Case of Cement Manufacturing Firms in Kenya. Your assistance in responding honestly to all the items in the questionnaire will help to generate data that will be used.

Your responses will be treated confidentially; therefore, do not write your name on the questionnaire. Please complete all the items in the questionnaire. Thank you for your cooperation.

Your's faithful

**Mohamed Amin**

## Appendix II: Questionnaire

### Instructions

This questionnaire is designed to collect information on the effects of strategy implementation drivers on organizational performance in cement manufacturing firms in Kenya. The information obtained will only be used for academic purposes and shall be treated with the utmost confidence. You are requested to complete this questionnaire as honestly and objectively as possible. Please fill in the questionnaire as diligently as you can. Tick in the appropriate box where the question requires you to do so, where the space is provided. Please fill in your answer.

### SECTION A: General Information

1. Position of the respondent in the organization
2. How long have you been with the organization?  
1-15 years  -  
16-25 years  -  
26-35 years   
36-45 years   
45-55 ears
3. Indicate areas of specialization
4. How would you classify your firm concerning ownership?  
Wholly foreign owned   
Jointly owned
5. For how long has your company been operating in Kenya?  
1 - 5 years   
6-10 years   
11-15 years   
16-20 years

Over 21 Years [ ]

8. How many branches do you have in Kenya? State the number. [ ]

**SECTION B: LEADERSHIP STYLE**

Please choose the statement that best describes your opinion and experience concerning leadership style. 1=strongly disagree; 2= Disagree; 3= neither agree nor disagree; 4= Agree and 5= Strongly Agree. To what extent do you agree with the following statement in your organization regarding Leadership style?

| Statement   | SA | A | N | D | SD |
|---|----|---|---|---|----|
| Leadership refers to the role to provide the necessary motivation and demonstrate management values of the strategy traits that are critical to successful strategy implementation.<br>Top management is responsible for creating a lofty inspirational vision that will generate enthusiasm among all employees through a sincere and sustained commitment<br>Leadership plays a central role in strategy implementation and if not properly managed poses challenges. |    |   |   |   |    |
| chief executive together with key managers must-have skills, personalities, education, and experience to execute the strategy   |    |   |   |   |    |

**SECTION C: ORGANIZATIONAL STRUCTURE**

To what extent do you agree with the following statement in your organization regarding organizational structure?

| Statement  | SA | A | N | D | SD |
|--|----|---|---|---|----|
| It is the basic way the firm's different activities are organized to achieve efficiency and effectiveness  |    |   |   |   |    |
| there is a need for building an internal organizational structure that is responsive to the needs of the strategy<br>Information technology has also permeated the traditional organization structure significantly posing new challenges to the |    |   |   |   |    |

|   |  |  |  |  |  |
|---|--|--|--|--|--|
| controls and reporting relationships between managers and employees.  |  |  |  |  |  |
| Firms are then forced to shift the structure more in line with the strategy needs to achieve an improved strategy execution |  |  |  |  |  |

**SECTION D: RESOURCE ALLOCATION**

To what extent do you agree with the following statement in your organization regarding resource allocation?

| Statement  | SA | A | N | D | SD |
|--|----|---|---|---|----|
| These are material and human that an organization has at its disposal for implementing the strategy  |    |   |   |   |    |
| The allocation represents management commitment to the plan of action.<br>Implementing teams must be deeply involved in the budget process with such budgets being flexible enough to take into account evolving changes<br>motivating and controlling senior personnel in strategy execution are accomplished through a firm's reward system<br>The reward can be in the form of bonuses, promotions, incentives, recognition or any other perks based on the firm cultural setting |    |   |   |   |    |
| Organizations have to ensure that the team develops the required skills to cope with changes within and without the environment.<br>Poorly managed reward and compensation systems in an organization can result in demotivated staff, subdued strategic thinking, and even exit of unhappy employees from the organization.<br><br>There are various industrial building deductions available to small-scale industries.  |    |   |   |   |    |
| Administrative procedures need to be adequately in place to facilitate smooth operationalization of the strategy   |    |   |   |   |    |

**SECTION E: EMPLOYEE REWARD AND MOTIVATION**

To what extent do you agree with the following statement regarding employee reward and motivation?

**SECTION F: ORGANIZATIONAL PERFORMANCE**

To what extent do you agree with the following statement regarding organizational performance in your organization?

| <b>Statement</b>   | <b>SA</b> | <b>A</b> | <b>N</b> | <b>D</b> | <b>SD</b> |
|--|-----------|----------|----------|----------|-----------|
| Financial status has improved in terms of reduced cost of production and maintenance cost, Improved revenue collection |           |          |          |          |           |
| There is an improvement in the internal processes in all units in the organization                                     |           |          |          |          |           |
| There is improved customer relations and service   |           |          |          |          |           |
| There is a better track of learning and growth in the organization   |           |          |          |          |           |

*Thank You for Your Participation*

Appendix III: Research License

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**RESEARCH LICENSE**



Date of Issue: 18/September/2020

**This is to Certify that Mr. Mohamed Amin Ali of Kenyas Methodist University, has been licensed to conduct research in Nairobi on the topic: EFFECT OF STRATEGY IMPLEMENTATION DRIVERS ON ORGANIZATIONAL PERFORMANCE: A CASE OF CEMENT MANUFACTURING FIRMS IN KENYA for the period ending : 18/September/2021.**

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Appendix IV: Research Permit



## **Appendix V: List of Cement Manufacturing Companies in Kenya**

[1].East African Portland Cement Company

[2].Athi River Mining (ARM) Ltd,

[3].Savannah Cement,

[4].Rhino Cement,

[5].Bamburi Cement Limited.

Source: Kenya Association of Manufacturers (KAM, 2020),