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## EFFECT OF STRATEGY IMPLEMENTATION DRIVERS ON THE PERFORMANCE OF TEA PROCESSING FACTORIES IN KISII COUNTY, KENYA

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**ABSTRACT:** Various prior studies have concurred that 90% of strategic initiatives fail, not due to formulation but, due to implementation difficulties. Failure of strategy implementation efforts causes enormous costs in the organization. Despite the importance of the implementation process within strategic management, it is often overshadowed by a focus on the strategy formulation process. The study sought to determine the effect of strategy implementation drivers (leadership, organizational culture, organizational structure and human resource development) on the performance of tea processing factories in Kisii County. The target population of this study was 846 employees of five (5) tea processing factories in Kisii County. Both stratified sampling and simple random sampling were used to obtain a sample of 264 employees from whom primary quantitative data was collected and analyzed using descriptive statistics and multiple linear regression analysis. The correlation analysis results showed a positive correlation between the strategy implementation drivers and the performance of tea factories. Leadership was established to have a positive effect on performance which was however not significant. Organizational culture, structure and human resource development all had a statistically significant positive effect on the performance of tea factories. The standardized beta coefficients indicated that human resource development had the greatest effect size hence the recommendation by the study for tea factories to focus more on improving its human resource development practices as a precursor to improved performance.

**Keywords:** *Strategy Implementation drivers, performance, leadership, organizational culture, organizational structure and human resource development*

### I. INTRODUCTION

Tea processing factories have been for a long period considered as among the key actors in value addition. However, they are usually characterized by low performance (Irungu, 2012). There has been a drastic decline in tea prices in the world market and the supply is greater than demand and the cost of production has been escalating due to the rising cost of inputs, equipment, and labour (Chepkemoi, 2017). This has reduced the net tea earnings to the producer and particularly the small scale tea farmer. Recent studies have indicated a general decline in the produce (Ndungu, 2012). This poor performance of the sector has been attributed to poor strategy implementation drivers in tea processing factories in Kenya (Irungu, 2012). However, the study by (Irungu, 2012) employed descriptive statistics only and did not consider inferential statistics to arrive at its conclusions hence relationships might be difficult to infer.

A study conducted by Fortune Magazine (2009) revealed that 90% of the strategies are unsuccessful and weak application of the strategies has been identified as the single most important cause (Kaplan and Norton, 2008). Further, Raps (2004) states that the rate of successfully implemented strategies is between 10% and 30%. Failure of strategy implementation efforts causes enormous costs in the organization. Besides wasting a considerable amount of time and resources, failure of implementation efforts cause lower productivity, lower employee morale, diminished trust and faith in senior management, inefficient use of resources, decline in performance (Sorooshian et al., 2010). Similarly, Cater and Pucko (2010) concluded that while 80% of firms have the right strategies, only 14% have managed to implement them well. It has been observed that although a lot of interventions have been done especially in the area of research in order to improve performance of tea processing factories in terms of performance, product market performance, shareholder return.

Strategy implementation processes in tea factories in Kisii County, Kenya have received little attention. For instance, Kihara et al. (2016) confined to Thika region only and focused on the influence of leadership on strategy implementation by SMEs which did not include tea processing factories. Njeri (2017) researched on the influence of leadership on strategy implementation in the motor vehicle industry, Bolo et al. (2010) confined themselves to one company only to draw its conclusions, and this company is in a sector different from that of tea processing factories. Momanyi (2015) researched on organizational culture in the education sector whose mode of operation and management is totally distinct from that of tea processing factories. His study relied much on descriptive statistics to draw conclusions hence failed to bring out the relationship that exists between the strategy implementation drivers and performance. Despite the above mentioned studies, limited studies have been conducted to specifically analyze the influence of strategy implementation drivers on the performance of tea processing factories. Therefore this study sought to fill the gap by determining the effect of the strategy implementation drivers on the performance of tea processing factories in Kisii County, Kenya and was guided by the following research hypotheses:

H<sub>01</sub> Leadership as a strategy implementation driver has no effect on the performance of tea processing factories in Kisii County.

H<sub>02</sub> Organizational structure as a strategy implementation driver has no effect on the performance of tea processing factories in Kisii County.

H<sub>03</sub> Organizational culture as a strategy implementation driver has no effect on the performance of tea processing factories in Kisii County.

H<sub>04</sub> Human resource development as a strategy implementation driver has no effect on the performance of tea processing factories in Kisii County.

## II. LITERATURE REVIEW

Strategic management is viewed as the set of decisions and actions that result in the formulation, implementation and control of plans designed to achieve an organization's vision, mission, strategy and strategic objectives within the business environment in which it operates (Pearce & Robinson, 2007). Mwenda (2015) defined strategy implementation as the process in which organization or companies are in a position to ask a question of what activities, what time and which process needs to be followed to achieve its objectives. Kihara (2016) defined strategic implementation as the process that turns strategies and plans into actions in order to accomplish strategic objectives/goals and it focuses on the processes through which strategies are achieved. The ability to implement strategies successfully is important to any organization. Despite the importance of the implementation process within strategic management, this is an area of study often overshadowed by a focus on the strategy formulation process (Tan, 2004).

Implementing strategy is often more difficult than formulating it, and it is widely accepted to be an aspect of management where many organizations fail (Hrebiniak, 2006). Public organizations are increasingly using strategic management models and language more traditionally associated with private corporations (Bryson, Crosby & Bryson, 2009), but some argue that they are failing to learn and often recycle techniques which have been shown to be badly flawed (Ferlie, 2002). Fernandez and Rainey (2006) reiterated that one key factor that contributes to the successful implementation of change is the provision of a plan that can act as an organizational roadmap.

Thorpe and Morgan (2007) in their studies in Europe also found similar evidence from private sector service organizations that implementation drivers that were closer to the rational end of the spectrum were more effective. Kaplan and Norton (2008) assert that managers find it hard to balance their near-term operational concerns with long-term strategic priorities. They further maintain that such pressure comes with the job and that it is an inherent tension that managers cannot avoid and must address on a continuous basis. Research done by Neilson, Martin and Powers (2008) revealed that employees in 60% of the companies that took part in their research rated their companies as weak in strategic execution. Corboy and O'Corrbui (1999) reported that chief executive officers and senior management are increasingly judged by the success of their strategies, yet research in Ireland and Great Britain found that 70% of all strategies fail.

Sabourin (2015) on the five drivers of performance in strategy execution in Canada, identified four drivers that influence the performance and management practices of managers, and these include; driver of emotions, (getting a commitment for your objectives), the dimension of taking initiatives which entail translating the objectives into concrete projects, the driver of rules clarifying and aligning the objectives and driver of immediate action which involve taking valued added action and facing emergencies in the execution.

Alharthy, Rashid, Pagliari and Khan (2017) on identification of strategy implementation influencing factors and their effects on the performance in the Middle East, looked at the factors that influence strategy execution in service organizations within both public and private sectors and the results confirmed that many organizations could not maintain their competitive advantages, in spite of the existing process of drafting a

strong strategy, due to lack of achievement in the strategy implementation stage. In view of this, the study recommended that leaders and top management of organizations must pay more attention to strategy implementation due to the higher failure rates that occur at this stage. The study further pointed out that, successful strategy implementation requires a better understanding of the relevant influencing factors that dictate that implementation's outcomes.

Sorooshian, Norzima, Yusof and Rosnah (2010) viewed strategy implementation as a dynamic activity within strategic management process in Iran. The study identified three fundamental factors in strategy implementation: the structure, leadership and resources. The study found out that leadership of the entrepreneur is likely to have a considerable impact on the implementation of strategy, and that a successful strategy realization is identified by the coherence of decisions and actions of all employee resources at all levels of the organization and not simply by the people who originally described the strategy. Akpan and Waribugo (2016) on the impact of structure on strategy implementation among firms in Nigeria, developed reasons to believe that centralized structure leads to slow pace of strategy implementation while specialization structure enhances strategy implementation of the telecommunication firms, hence it was suggested that managers should encourage their employees to specialize on their jobs for an effective and efficient strategy implementation.

Speculand (2009) in his study in South Africa underscored the importance of the strategy implementation and concluded that the success of any business entity is not governed by how well strategies are formulated but how a good strategy is implemented in order to realize the goals and objectives it was set to achieve. However, a study by Sial et al (2013) asserted that implementation is a critical process that guarantees proper functioning and survival of an organization during turbulent times. Also, Awino (2013) in Kenya concurred by Sial et al (2013) by observing that the implementation of strong and robust strategies give an organization better performance and a competitive edge. This discussion indicates that a good strategic plan is of little use to an organization without proper implementation and if strategies are well formulated and not implemented, they can only be described as mere cosmetic and will not add any value to an organization and are only good as the paper that contains them. It therefore follows that strategy implementation is an integral and essential part of strategic management process and organizations that develop strategic plans must seriously think of a better process of applying them.

Mwenda (2015) observed that strategy implementation involves the managerial activities like management appraisal, motivation and control process of all functional areas of an organization, and requires the management to develop policies and have good strategies put into action by developing programs, budgets and procedures effectively. The study identified the following as the major challenges that hinder effective performance of the National Registration Bureau: political interference both internal and external, rapid technological change that renders its machinery obsolete so fast, lack of understanding of the strategic decisions, lack of adequate leadership and communication, lack of adequate coordination and direction. Other challenges noted included inadequate feedback mechanism, inadequate human and other resources, inadequate skills and capability of implementers, and inconsistencies in translating long range plans into short-term activities.

Murage and Wanyoike (2015) on analyzing the effectiveness of intervention as a strategy implementation tactic in public universities in Kenya, viewed strategy implementation as the phase in strategic planning where actions are taken to actualize approved plans. According to the study, the individual factors that influence strategy implementation include strategy formulation process, strategy executors; managers and employees, organizational structure, communication activities, level of commitment for the strategy, consensus regarding, relationship among different departments and different strategy levels, the employed implementation tactics and the administrative system in place. The study noted that intervention tactics strongly leads to effective strategy implementation. The study further observed that leaders can exploit various approaches to ensure success in strategy implementation and to have a positive influence on their colleagues, teams and their organizations. Ayuya (2010) in his case study in University of Nairobi (UoN) titled "the influence of strategic planning on performance of the university". The study concluded that strategy implementation had led to overall improvement in various areas which included compliance with set budgetary levels, implementation of service delivery charter and innovation in research and technology. Aram and Cowen (1990) argued that a major objective of strategy implementation is to promote strategic and adaptive thinking for the expressed purpose of effective organization-environment alignment. Therefore strategy implementation should be measured by the extent to which it facilitates organization-environment alignment.

The high failure rate of change initiatives due to poor implementation of new strategies and the lack of strategic leadership have been identified as one of the major barriers to effective strategy implementation (Jooste & Fourie, 2009). Also, Cater and Pucko (2010), Lorange (1998) and Beer and Eisensat (2000) underscored the importance of leadership. They emphasized that poor leadership is one of the main obstacles in successful strategy implementation since effective leadership ensures that employee's buy-in and directs their capabilities and business understanding towards the new strategy. They suggested that in the absence of effective leadership, conflicting priorities will result in poor coordination because employees will suspect that

top management prefers to avoid potentially threatening and embarrassing circumstances. O'Reilly, Caldwell, Chatman, Lapiz, self, & William's (2010) further observed that it was only when leaders' effectiveness at different hierarchies was considered in the aggregate that significant performance improvement occurred while implementing strategies. Also, Menguc, et al. (2007) argued that managers' used of transformational leadership results in the best competitive strategies, including innovation differentiation, marketing differentiation, and low of cost of the product.

Organizational culture has also been touted to have a meaningful relationship with strategy implementation. Salamzadeh, Daraei, and Akbari (2012) observed that all types of organizational cultures have significant relationships with the implementation process, but the extent of the culture's influences varies from the most effective (clan culture) to the least effective (hierarchy culture). Momanyi (2015) established that organizational culture had an influence on strategy implementation and that dominant characteristic and behavior norms have a strong influence on strategy implementation. Herebniak (2006) established that poor or inadequate information sharing, unclear responsibility and accountability, and working against the organizational power structure - all part of organizational structure results in failed implementation processes. Likewise, Carlopio and Harvest (2012) established that if an organization's structure and culture are not aligned with a proposed strategy and the new behaviors required, the strategy implementation process will certainly be defeated. Brenes and Mena (2008) concluded that organizational culture supportive of principles and values in the new strategy resulted in successful strategy implementation in the sampled firms. They also revealed that 86% of the most successful companies see culture aligned to strategy as highly significant, against only 55% of less successful companies.

In relation to the role of Organizational Structure in Strategy Implementation drivers, Hult (2010) observed that the most influential perspective need for business success requires a fit between strategy and organizational architecture. Organizational structure and design are important as they entails decisions related to resource allocation for various units and activities within the business ecosystem (Brenes, Mena & Molina, 2008). As determined by Markiewicz's (2011) and Matanda and Ewing (2012) for processes and structures to be vital in successful implementation of strategies, creativity, innovation, and perception of an organization are very important in implementing strategies. This in overall will require the turning of poor coordination into teamwork by realigning roles, responsibilities and accountabilities with strategy (Miller, Wilson, and Hickson, 2004).

Over the years, scholars have argued whether human resources contribute directly or indirectly to the performance in an organization. Some of the studies have tended to confirm the findings by Huselid (1995) that a direct link exists between human resources and organizations performance while the divergent views tends to follow Orlando & Johnson's (2001) arguments that human resource need to be mediated by other variables for it to have a positive effect on organizations performance. The personal commitment to strategy implementation has been found to positively affect the success and rapidity of the strategy implementation (Dooley *et al.*, 2000). Commitment increases personnel motivation, shortens the lead time required for strategy implementation and permits rapid responses to changes in the business environment. The results of prior studies also support this argument to some extent. For example, Armstrong (1982) found that fostering a personal commitment to strategy implementation improves company performance. Rebecca *et al.* (2013) investigated the impact of strategic role for human resource management on organizational financial performance. The study established that high performance human resource development practices (HPHRP) mediate the relationship between HR strategic role and performance and emphasized that HR professionalism enhances the legitimacy of HR initiatives that are geared toward the implementation of organization's activities. Further, they established that line management devolvement moderates the relationship between HR strategic role and HPHRPs. The people working in an organization sometimes resist change proposals and make strategy difficult to implement. This may take the form of procrastination and delays in triggering the process of change, unforeseen implementation delays and inefficiencies which slow down the change and make it cost more than was originally anticipated, lack of commitment, slow downs, absenteeism, disrespect of deadlines, poor performance and strikes (Lynch, 2000).

Most previous studies such as Masekela (2017) , Jouste & Fourie (2009), Oku *et al.* (2011), Ojokuku *et al.* (2012), Ugochuku *et al.* (2012), Koech & Namusonge (2012 and Okwachi *et al.* (2013) have singly focused on the drivers of strategy implementation without examining how such strategy implementation drivers influence the performance of firms. The few studies which have examined the influence of strategy implementation and organization's performance (Bunyasi, Bwisa & Namusonge, 2014; Gakure & Amure, 2013; Njeri, 2017) did not focus on the tea sector despite its paramount contribution to the Kenyan Economy. Moreover, those studies that have sought to establish the said relationship such as Irungu (2012) and Murimiri (2009) not only did they employ financial measures of performance only and ignored the non-financial measures but were also not based on the tea factories in Kisii County, Kenya. In the spirit of Chen (2012), performance cannot be simply measured by financial indicators only, instead, there is need to incorporate non-financial

measures such as customer and employee satisfaction and increased commitment of employees. In establishing results, some studies such as Jooste and Fourie (2009), O'Reilly, Caldwell, Chatman, Lapid and Self (2010) and Mapetere, Mavhiki, Nyamwanza, Sikomwe and Mhonde (2012) have employed descriptive statistics which cannot clearly disclose the significance of the relationship between the study variables. Others such as Ojokuku, Odetayo and Sajuyigbe (2012) and Koech and Namsonge (2012) employed the Pearson product moment correlation analysis to establish the nature of the relationship between some strategy implementation drivers and performance. However, correlation analysis does not test the significance of such relationships. Those studies such as Kihara, Bwisa and Kihoro(2016) which applied linear regression analysis ignored the concern that multicollinearity would artificially inflate their results. Employing varied statistical analysis techniques has only resulted to conflicting conclusions on the effect of strategy implementation drivers on the performance of firms. For instance, whereas Okwu et al. (2011) established significant positive effect of leadership on performance, Koech and Namsonge (2012) established a positive relationship between leadership and performance which was however not to statistically significant. The conflicting findings and recommendations could be attributed to the differences in the methodologies adopted by the different researchers and the lack of these studies to include the moderation effect of factors such as firm size. This lacks of consensus on the effect of strategy implementation drivers on performance amongst most scholars are a hindrance to the development of theory in the field of strategic management hence the need for further studies.

### Conceptual Framework

The general objective of this study was to determine the strategy implementation drivers on the performance in tea processing factories in Kisii County and whether successful implementation of strategies enhances performance. This is conceptually and diagrammatically represented in figure 1 below:

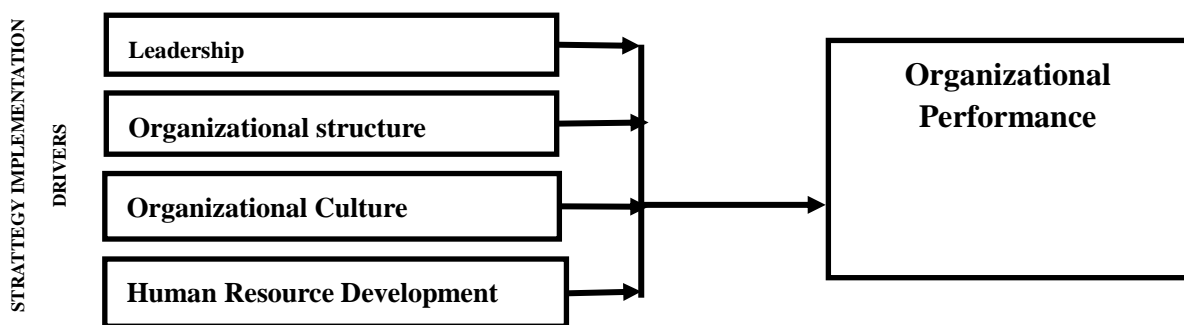


Figure 1: *Conceptual framework*

The conceptual framework of the study consisted of four independent variables: leadership, organizational culture, organizational structure and human resource development while performance was the dependent variable. It is conceptualized that the four independent variables have a significant effect of the performance of tea factories in Kisii County.

### III. RESEARCH METHODOLOGY

The study was carried out in Kisii County, Kenya using a combination of descriptive survey, correlation and explanatory research designs. The target population was 846 employees of the five (5) tea processing factories and by using both stratified sampling and simple random sampling a sample size of 264 employees comprising 56 employees from Kiamokama, 38 employees of Itumbe, 62 employees of Nyankoba, 58 employees of Nyamache and 50 employees of Ogembo tea factory was obtained. A structured questionnaire was used to gather primary data from the sampled respondents.

The model below was used to determine the quantitative association between the variables:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon \dots \dots \dots \text{(Direct effects)}$$

$X_1$  = Leadership

$X_2$  = Organizational Structure

$X_3$  = Organizational culture

$X_4$  = Human Resource development

$\epsilon$  = error term

Y = Performance



**IV. RESULTS AND DISCUSSION**

Before the multiple regression procedure, the various assumptions were tested.

**4.1 Linearity Assumption**

To test for the linearity between the independent variables (Leadership, culture, structure and HRD) and the dependent variable (performance) scatter diagrams were used. The scatter diagram showing the linearity relationship between performance and leadership is shown in figure 4.3 below.

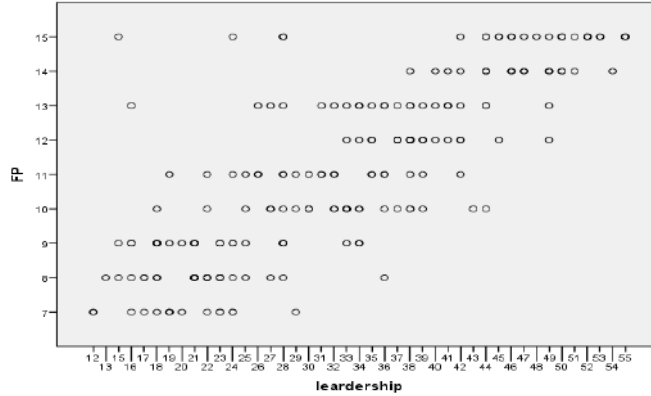


Figure 2: Linearity Relationship between performance and Leadership.

The results shows an increasing pattern in performance as leadership increases hence a positive linear relationship can be inferred. The linearity between Performance and Organizational Structure is shown in the scatter diagram in figure 3 below.

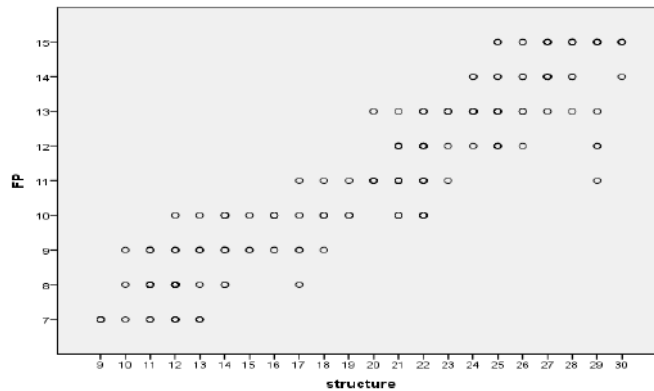


Figure 3: Linearity Relationship between performance and Structure.

The figure shows a linear pattern between performance and structure in which performance seems to increase with organizational structure hence indicating that a positive linear relationship can be inferred. The results for the test for Linearity between Performance and Organizational culture were captured in the scatter diagram shown in figure 4 below.

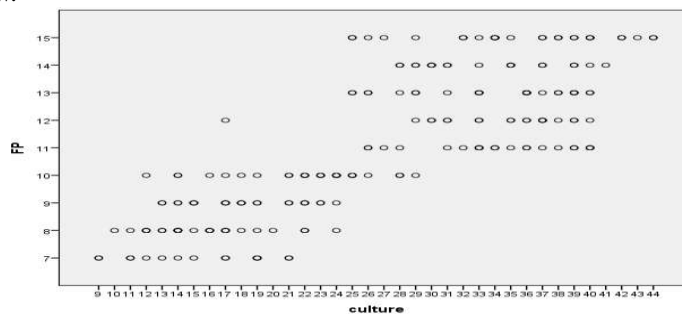


Figure 4: Linearity Relationship between performance and Culture.

The figure shows a linear pattern between performances and culture in which performance seems to increase with organizational culture hence indicating that a positive linear relationship can be inferred. The scatter diagram in figure 5 shows the linearity relationship between performance and HRD.

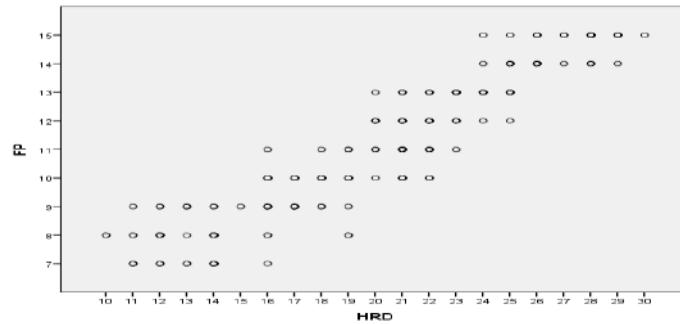


Figure 5: Linearity Relationship between performance and HRD

The figure shows a linear pattern between performance and HRD in which performance seems to increase with HRD hence indicating that a positive linear relationship can be inferred.

**4.2 Multicollinearity**

Multicollinearity refers to a situation in which there is a high degree of association between independent variables of a study (Jelagat, 2018). In this study, multicollinearity was tested using the Variance Inflation Factor (VIF). According to Hair, Black, Babin and Anderson (2010), Multicollinearity exists between study variables when the VIF values are higher than 4.0. The analyzed data displayed VIF shown on table 4.1.

**Table 4.1: Coefficients for VIF Tests**

Independent variable	Collinearity Statistics
	VIF
Leadership	2.912
Organizational structure	1.510
Organizational culture	1.708
Human resource development	1.998

Source: Research Study

The findings of this study realized that leadership had VIF of 2.912, organizational structure had VIF of 1.510, and organizational culture had VIF value of 1.708 while human resource development had a VIF of 1.998. This shows that the VIF for all the variables under study were less than 4, leading to the conclusion that there was no Multicollinearity among the study variables. Further, correlation analysis was also used to confirm the results of VIF on multicollinearity. The correlation among the independent variables involved in this study was as presented by the correlation matrix in table 4.2.

**Table 4.2: Correlations of the Study Variables**

Variables	Leadership	Organizational structure	Organizational Culture	Human Resource Development	Performance
Leadership	1	.557**	.493**	.417	.230
Organizational structure	.557**	1	.324	.485**	.628**
Organizational Culture	.493**	.324	1	.518	.415**
Human Resource Development	.477	.485**	.518	1	.635**
Performance	.230	.628**	.415*	.635**	1

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

Source: Research Study

Table 4.2 shows the correlation between the study variables namely Leadership (LS), Organizational Structure (OS), Organizational Culture (OC), Human Resource development (HR) and performance (PER). It shows that all the correlations were less than 0.7 indicating absence of multicollinearity (Tabachnick & Fidell, 2007). For this reason, all the factors of this study were considered to be measures of different variables. All the correlations were positive implying that an increase in one study variable would automatically result in an

increase in the other variable. The greatest correlations were observed between human resource development and performance (0.635). Then followed by organizational structure and performance (0.628). Organization culture and performance had (0.415) and leadership had (0.230). The fact that all the correlations were less than 0.90 was an indication that the factors were sufficiently different measures of separate variables, and consequently, all the variables in this study were justified to be used.

#### 4.3 Tests for Normality

The test for normality of the dependent variable (performance) was determined using the histogram plot and the normal probability plot. The histogram plot is shown in Figure 4.7 below.

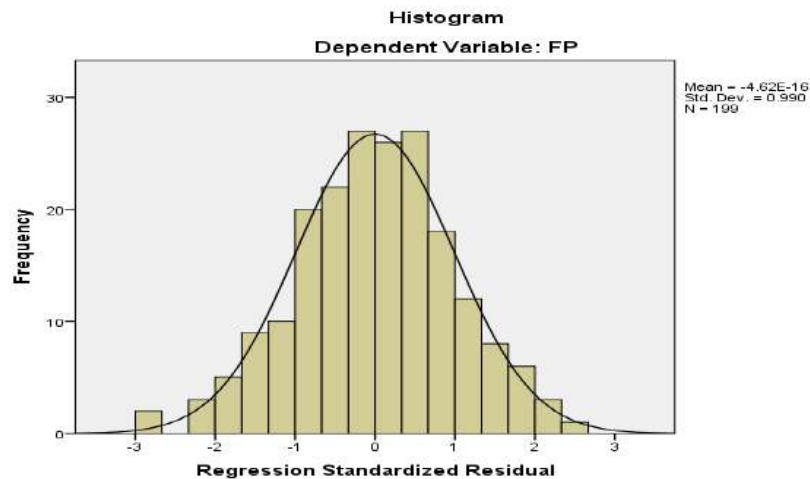


Figure 6: Test for normality for Performance

The histogram plot indicates the performance is normally distributed with a mean of  $-4.62E - 16 \approx 0$  and a standard deviation of  $0.990 \approx 1$  which is a normal distribution. Likewise the normal probability plot shown in Figure 7 below indicates that the residuals are uniformly distributed along the  $45^\circ$  line hence it is concluded that the performance data were normally distributed.

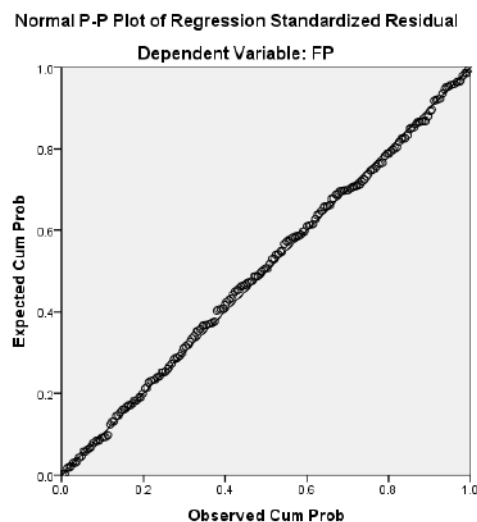


Figure 7: Test for Normal P-P plot for performance.

#### 4.4 Statistical Checks for Homoscedasticity

Constant variance (Homoscedasticity) assumption was checked by visual examination of a plot of the standardized residuals (the errors) by the regression standardized predicted value. The residuals were checked to see whether they are randomly scattered around 0 (the horizontal line). The results are shown in Figure 8 below:



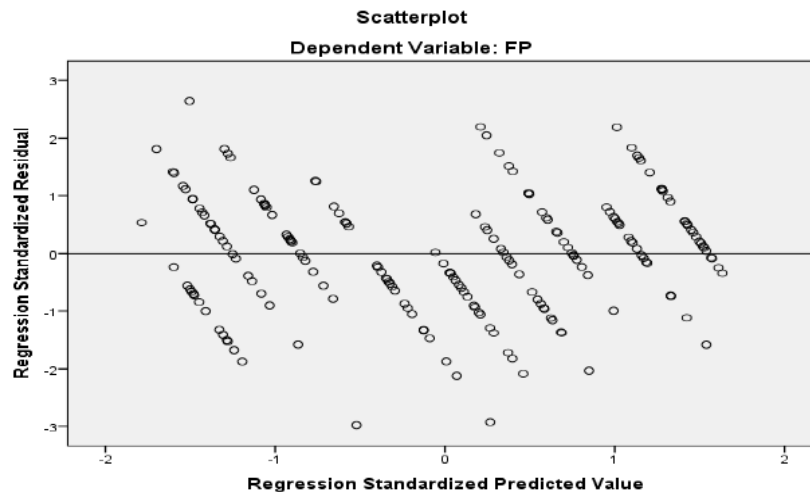


Figure 8: Scatter plot for performance.

The figure indicates that the residuals are randomly scattered around 0 (horizontal line) providing a relatively even distribution which is an indication of no violations of homoscedasticity.

**4.5 Multiple regression Analysis of the Relationship between the Strategy Implementation Drivers and Performance of Tea Factories**

The multiple regression analysis was done with the aim of determining the linear relationship between the dependent variable (performance of tea processing factories) and independent variables (Leadership, organizational structure, organizational culture and human resource development). The results of the analysis are presented on table 4.3

Table 4.3: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.232	.335		9.642	.000
	leadership	.013	.012	.058	1.033	.303
	culture	.051	.015	.201	3.344	.001
	structure	.106	.031	.280	3.420	.001
	hrd	.179	.036	.395	4.962	.000

**a. Dependent Variable: Performance**

From table 4.3 the following multiple regression model was formulated:

$$PERF = 3.232 + 0.013 LS + 0.106 OS + 0.0517 OC + 0.179HR$$

The positive values of beta mean that, all the four independent variables under study have positive effect on the performance of tea processing factories as evidenced in their positive values of beta. The table also shows that, when all the factors under study (Leadership, organizational structure, organizational culture and human resource development) are held constant, the performance will be 3.232 which in the scale of 1-5 will be regarded average. It is also evident from the table that, every unit increase in leadership will result in a 1.3% increase in performance of the tea processing factories; a unit increase in organizational structure will result to a 10.6% increase in performance of the tea processing factories, a unit increase in organizational culture will result in a 5.1% increase in performance of the tea processing factories, and that every unit increase in human resource development will result in a 17.9% increase in the performance of the tea factories. The standardized beta coefficients indicate that human resource development had the greatest effect size of 0.395 followed by organizational structure which has a standardized beta value of 0.280. Organizational culture had standardized beta value of 0.202 while leadership had the lowest effect size as indicated by the least standardized beta value of 0.058.

**Test of Hypotheses**

Hypothesis one (H0<sub>1</sub>) states that Leadership as a strategy implementation driver has no effect on performance. Findings in Table 4.3 shows that there no significant effect of leadership as a strategy implementation

**driver on performance ( $\beta = .013$ ;  $p > .05$ ).** This finding failed to reject the stated null hypothesis with 95% confidence level. By failing to reject the null hypothesis, the study concludes that Leadership as a strategy implementation driver has no significant effect on performance. This result is contrary to findings by Jooste and Fourie (2009) who established that all the given strategic leadership actions contribute positively to effective strategy implementation in their organizations, hence better performance. The results are also similar with the study held by Njeri (2017) who established a positive and significant relationship between strategic leadership as represented by leadership competence, leadership communication, personnel involvement, as well as monitoring and evaluation and strategy implementation. Kihara, Bwisa and Kihoro (2016) studied the relationship between leadership in strategy implementation and performance of small and medium manufacturing firms in Thika Sub-County, Kenya by considering transformational, transactional and passive/avoidant leadership behaviour. The study results showed transactional leadership style was the most used followed by transformational style and lastly the passive/avoidant leadership style. Further, the study established that the transformational leadership style was positively and significantly related to SME's performance which is in line with findings by Ojokuku, Odetayo and Sajuyigbe (2012), Udoh and Agu (2012), Ejere and Ugochuku (2012), Zumitzavani and Udchachone (2014) and Koech and Namsonge (2012) who all established a positive and significant relationship. The transactional and passive/avoidant leadership style was established to have a positive but insignificant relationship with performance of these firms which is in contrast with findings by Udoh and Agu (2012) who established that passive leadership style has a negative influence on organizational performance. The results were also conflicting to findings by Okwu et al. (2011) who established that the transactional leadership traits (constructive/contingent reward, corrective and management by exception) have a significant positive effect on followers and performance and both jointly explain very high proportion of variations in performance.

Hypothesis two ( $H_{02}$ ) states that organizational culture as a strategy implementation driver has no effect on performance. Findings in Table 4.3 shows that there is a positive significant effect of culture as a strategy implementation driver on performance ( $\beta = .051$ ;  $p < .05$ ). This finding rejected the stated null hypothesis at 95% confidence level. By rejecting the null hypothesis, the study concludes that Organizational culture as a strategy implementation driver has a positive significant effect on performance. The result is similar to findings by Momanyi (2015) who established that Norms have a relatively great impact on individuals and are potentially indicative of environments that support organization learning and knowledge management. The study results are also similar to findings of Rajasekar (2014) who found that a meaningful relationship exists between organizational culture and strategy implementation hence an increase in performance. Results of the study showed that all types of organizational cultures have significant relationships with the implementation process, but the extent of the culture's influence varies from the most effective (clan culture) to the least effective (hierarchy culture). This result was in line with the study held by Musyoka (2011) who studied challenges of strategy implementation in Jomo Kenyatta Foundation, Kenya. The findings from the study revealed that institutional culture plays an important role in determining the success of strategic planning and implementation in any organization. Klein (2008) was also in agreement with those findings in his study of Organizational Culture as a Source of Competitive Advantage in Illinois USA using correlation analysis found that cultural norms appear to have a fairly consistent impact on quality, regardless of the strategy adopted by the organization. The results indicate that the type of strategy is not a factor in explaining the relationship between culture and quality. The correlation analysis results established that constructive norms appear to be positively related to quality whereas defensive norms are negatively related to quality, regardless of organizational strategy.

Hypothesis one ( $H_{03}$ ) states that organizational structure as a strategy implementation driver has no effect on performance. Findings in Table 4.3 shows that there is a positive significant effect of structure as a strategy implementation driver on performance ( $\beta = .106$ ;  $p < .05$ ). By rejecting the null hypothesis, the study concludes that Organizational structure as a strategy implementation driver has a positive significant effect on performance. This is similar to the original thinking advanced by Chandler (1962) that "structure always follows organization's strategy". There are counter arguments in the literature that tend to point out that the opposite also holds some truth. Some scholars have argued that organization "strategy follows the structures that are already laid down in organizations" (Bielawska, 2016). The scholars observed that while most of the studies are in agreement with Chandler's (1962) works, the nature of the relationship between structure and strategy requires re-examination. The scholars, however, suggested an alternative view by stating that the strategy, structure, and environment are closely intertwined. "Whereas a man builds the structure of an organization, in practice, it is this very structure that later constrains the strategic choices they make" (Hall & Sias, 1980).

It is also in line with the findings of the study carried out by Donselaar (2012) on drivers and barriers of strategy implementation at the Netherlands Red Cross (NRC). The findings from the study revealed that the implementation of the NRCs strategy had several organizational barriers in place. According to the study, the

main barriers for the organizational structure were lack of coordination activities related towards the strategy implementation, differences in the processes of decision making, and the negative effect of the organizational structure on the outcome of the implementation process. However, the study results are dissimilar to the findings by Waribugo and Ekom (2016) who established that organizational structure had an insignificant positive correlation with strategy implementation ( $r=0.117$ ,  $p>0.05$ )

Hypothesis four ( $H_{04}$ ) states that human resource development as a strategy implementation driver has no effect on performance. Findings in Table 4.3 shows that there is a positive significant effect of human resource development as a strategy implementation driver on performance ( $\beta= .179$ ;  $p<.05$ ). This finding rejected the stated null hypothesis with 95% confidence level. By rejecting the null hypothesis, the study concludes that Human resource development as a strategy implementation driver has a positive significant effect on performance. This is similar to the findings of Alashloo F.R, Castka P. and Sharp J.M. (2005) in their study ‘towards understanding the impeded of strategy implementation in higher education (HE): A Case of HE Institutes in Iran’, and the study found that if employees have inadequate experience and knowledge, their feelings of insecurity and fear of failure can increase and this can lead to strategic drifts. Lack of motivation can be attributed to low income, high levels of responsibility, extensive bureaucracy, and cumbersome administrative processes. A poor teamwork structure and a spirit of individualism decreases employees desire to work in teams which results in the failure of strategic implementation. Their findings were similar to this study and to Beer and Eisenstat (2006)’s views that inadequate down-the-line leadership development is also an obstacle in strategy management. Some of the studies have tended to confirm the findings by Huselid (1995) that a direct link exists between human resources development and organizations performance which are also in support of this study. Raps (2004) advanced that to implement strategies successfully, companies need capabilities to develop these strategies in such a way that their personnel commit to implementing them and that strategy steers employees ‘behaviour in the intended direction. The personal commitment to strategy implementation has been found to positively affect the success and rapidity of the strategy implementation (Dooley et al., 2000). Commitment increases personnel motivation, shortens the lead time required for strategy implementation and permits rapid responses to changes in the business environment. The results of prior studies also support this argument to some extent. For example, Armstrong (1982) found that fostering a personal commitment to strategy implementation improves company performance. Dooley, Fryxell and Judge (2000) indicated that strategic implementation has a distinct relationship with various organizational elements like performance. They further endorsed that there is a positive association between strategic consensus and firm performance.

However other findings like that of Orlando & Johnson’s (2001) give divergent views that human resource need to be mediated by other variables for it to have a positive effect on organizations performance. This concurs with the study of Sait and Mert (2011) who investigated the impact of the strategic role for human resource management on organizational performance, in Turkey. They established that line management devolvement moderates the relationship between HRD strategic role and HPHRPs. Spencer et al. (2009) found an indirect association between differentiation strategic priorities and organizational performance through the use of non-financial and performance measures while a study by Verbeeten and Boons (2009) gives no support for the claim that aligning performance measurement to the strategic priorities of a firm positively affects performance.

**Table 4.4: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.871 <sup>a</sup>	.758	.753	1.195

a. Predictors: (Constant), hrd, leadership, culture, structure

As table 4.4 depicts, the value of  $R^2$  was found to be 0.758. This communicates the fact that 75.8% of the factors determining the performance of tea processing factories are explained by the four independent variables under consideration in this study. The remaining 24.2% of the factors influencing the performance of tea processing factories are explained by factors outside the model.

To determine the goodness-of-fit of the regression model, Analysis of Variance (ANOVA) was used and the results are as shown on table 4.5.

**Table 4.5: ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	874.041	4	218.510	153.030	.000 <sup>b</sup>
	Residual	278.439	195	1.428		
	Total	1152.480	199			

a. Dependent Variable: P

b. Predictors: (Constant), leadership, structure, culture, hrd.

The analysis of variance results Table 4.25 indicates that the model fit is significant at 5% level of significance since  $p=0.000$ ,  $F=153.030$  with 199 degrees of freedom. This implies that that leadership, organizational structure, organizational culture and human resource development as strategy implementation drivers have a significant and positive combined effect on employee engagement.

## V. RECOMMENDATIONS

Based on the study results, the following recommendations were made: First, the factories should allocate more funds which should assist in the strategy implementation process. Secondly, it should promote a high level of integrity and strategy implementation since it was realized that these are among the important ingredients of good performance. Thirdly, the factories should also accommodate culture that have been developed both formally and informally in them for these too have a role to play in improving performance. Fourthly, performance evaluation and appraisal methods should be embraced so as to check on performance.

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