International Journal of Business Management & Finance 1(17): 282-299, 2017

RELATIONSHIP BETWEEN STRATEGY IMPLEMENTATION AND PERFORMANCE IN KENYA TEA DEVELOPMENT AGENCY LIMITED (KTDA) MANAGED FACTORIES IN KENYA

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Abstract: Strategy implementation is the turning of plans and strategies into actions so as to accomplish set goals and objectives. The implementation of a strategic plan is of more importance than the coming up with strategies. The strategic plan is the roadmap that a business needs to pursue following a laid out strategic direction and the laid out objectives so as to be success and add value to the customer. For implementation of strategic plans to be successful the business must be willing to commit funds and time. Additionally, organizations must make sure that the people charged with implementation of the strategic plan are the right ones. Such people include employees who are competent and skilled to support the strategic plan. Kenya is a key player in global tea industry and especially through Kenya Tea Development Agency (KTDA). Most tea factories put more emphasis on the performance with the believe that the implementation of the strategy they have put in place does impact performance. KTDA managed factories primarily focus is to increase their sales revenue and production volumes. However, KTDA has been facing the challenges of decreasing returns to the farmers resulting in conflict between the management, directors and the farmers. To address the issue of decrease in return to farmers, the study assed the relationship existing between strategy implementation and performance. The specific objectives were to determine the effect of resources utilization, training and development, culture, and leadership on performance in KTDA managed factories. To answer the research questions, descriptive statistics was used where sample of 112 respondents from a target population of 378 managers within KTDA factories in Kenya were given questionnaires. The primary data that had been collected was grouped and analyzed using inferential and descriptive statistics and the results presented in charts, graphs, mean and percentages. Multiple linear regression analysis was used to determine the relationship between the dependent and independent variables with the aid of Statistical Package for Social Science (SPSS Version 22). From the findings, it was evident that culture and leadership, resources utilization and training and development were positively influencing organization performance of KTDA managed factories. From the regression analysis, resources utilization contributes most to the performance in KTDA managed factories most followed by leadership, culture and training and development respectively. The study therefore recommends that there is need to apply the strategy implementation practices in order to achieve better organizational performance and it also recommends that managers should first point out the unique resources that are in their factories and make a choice on the areas these resources should be used, KTDA should provide training associated with strategy implementation, strategies that are implemented must be consistent with organizational culture and leaders should inspire and encourage employees to work effectively and move in the same direction to reach objectives of the companies.

Key Words: Performance, Resource utilization, Training, Culture, Leadership

Introduction

A strategy potential contribution and value include the increase of productivity, growth of profits, improvement of a service or a product and reduction of costs (Dewit & Meyer, 2004). Implementation of a strategy can thus be said to be the allocation of available resources and the changing of the firm's structure. The strategy implantation phase include the collective knowledge, wisdom and the minds of the collaborators. This phenomenon is important and to be competent in today's market, one should have it. Strategy implementation is noted to be a necessary ingredient for the sustained success of firms. Globalization, competition and technological changes in the environment have in the recent past forced organizations to adjust their ways of doing things. Adopting a clear perspective in any firm is an important factor that affects the performance of a firm.

In Kenya, particularly KTDA managed factories the tea industry has in recent years been moving in a downward trend in regard to prices while the production costs has been increasing, the highest of these costs being in energy, fuel, labor and financial costs. These high escalating production costs are being loaded to farmers and as a results translating to low returns to farmers and thus resulting to conflict between management, directors and the farmers. This has resulted to farmers hawking their teas from KTDA managed factories to multinational tea firms and this trend in the long run will affect the economies of scale. To save tea farmers from the rising costs, KTDA have taken a bold step on strategies implementation (KTDA Strategic Plan, 2016).

The goal of strategy implementation is to ensure that the results planned following strategic decisions are achieved. For implementation to be successful, there are several tasks that must be done. Managers have to implement the strategies which are the large scale future plans that interact with the existing competitive environment ensuring that the firm objectives are achieved. The firm's game plan is what is referred as the strategy. It gives a framework that can be used to make managerial decisions. Through the strategy the firm is aware of how, when and where is should successfully compete, against the players it should compete and the purpose of this competition (Pearce & Robinson, 2004). For managers, the challenge of strategic management is the greatest for them. For them to guide complex firms through a rapidly changing business environment requires them to use their best judgment.

The implementation of a strategic plan involves translating the already chosen strategy into action and the proper implementation of this strategy should lead to achievement of the laid down objectives. For most companies, strategy implementation is an enigma. The problem is obviously visible due to the low performance where only 10 to 30 percent of the intended strategies work (Raps & Kauffman, 2005). The primary objectives are dissipated as the strategy moves to the implementation phase and the momentum that was formally there is lost before the expected results can be achieved. For a strategy to be successfully implemented the needs to be patience, energy and stamina from the managers involved. An important thing to remember for the process to be successful is to have an integrated view of the process of implementation (Raps & Kauffman, 2005). Since KTDA plays a major role in the economy they need to survive and for this to happen, the process of strategy formulation and implementation needs to be a success. Given the important role KTDA play in the economy, it is important that in order for them to survive, the whole process of strategy formulation and implementation need to be successful.

KTDA managed factories in Kenya have been implementing strategies. Several studies have been done on the strategies that the KTDA has employed over time. For instance, Nelson *et al.* (2014) studied the impact of cost reduction strategies on performance of tea factories in Embu county in Kenya; Victor, *et al.* (2012) studied strategies for enhancing effective management of tea factories in Kenya; Lerah

(2015) studied strategy implementation and performance of major tea factories in Kericho County in Kenya and, Ibrahim (2015) studied factors affecting export performance of KTDA managed factories in Kenya. However, no study has been done to explore the relationship between strategy implementation and performance in KTDA managed factories in Kenya. The study therefore sought to understand how the key components of strategic implementation including, resources utilization, training and development, culture, and leadership affect performance in KTDA managed factories by answering the following research question; what is the relationship between strategy implementation and performance in KTDA managed factories in Kenya.

The objectives of the study were:

i. To determine the effect of resources utilization on performance within KTDA managed factories.
ii. To establish the effect of training and development on performance in KTDA managed factories.
iii. To establish the effect of culture on performance in KTDA managed factories.
iv. To assess the effect of leadership on performance in KTDA managed factories.

Theoretical review

This study was anchored on four theories: resource based view theory, systems theory, the consistency theory and the path goal theory,

Resource Based View Theory

According to Wernerfelt (2004) resource based theory focuses on the internal weaknesses and strengths of a firm and shows the way processes are managed and the firms resources deployed and allocated. According to Barney (2003), the resource based perspective in a contemporary view looks at the firms elements including the communication and structure existing within the team of players who are to coordinate the information communicated to them and the key players' commitment to the firm so as to ensure that the proper implementation of a strategy happens. Diversification of a firm resources is one such important strategy. The diversification of a firm can be said can be said to be the way in which managers identify firm resources that are unique and make a decision on the areas these resources will be utilized to take the firm to greater strategic heights.

According to Barney (2003), resources are of value if they can help a firm increase the value it adds to its customers. This can be done if differentiation is increased or the cost of production is decreased. If resources cannot meet this condition, this results to competitive disadvantage for the firm. Resources that can be acquired by one or only a few firms are referred to as rare resources. If a resource is available to a few or many companies the result is competitive parity. If a firm has rare or valuable resources it can be able to achieve temporary competitive advantage. The resource should also be costly for a rival firm to substitute or imitate incase the firm wants to achieve and sustain its competitive advantage. The resource is of no value if the firm is not organized in a way that it can capture value from the resource. Only the organization that is able to exploit the rare, valuable, imitable resource can gain a sustainable competitive advantage.

According to this theory, the existing internal resources are more significant for the organization in the achievement of a sustainable competitive advantage than external factors. The dimension is considered because it shows the performance of a firm is influenced by internal resources which can be categorized into three groups: human resources, physical resources and organizational resources. Physical resources are made up of machines, location technology, plant and equipment, raw materials.

Human resources are made up of skill ability, intelligence, knowledge, training, employees training, organizational resources planning processes, firm structure, information systems, patents, trademarks, copy rights and databases (Barney, 2003). RBV theory points out that resources are the means by which firms exploit external opportunities and neutralize threats. Organization is one of the factors relevant to this study because it shows that the company should be organized to exploit these resources in order to have successful strategy implementation towards organizational performance. The theory was of importance to the researcher in understanding how resources utilization influences performance of KTDA managed factories. According to Montgomery (2004), the effective utilization of a firm's strategy is dependent on how the firm utilizes and exploits the existing resources. The RBV model acknowledge the major role played by resources in assisting firms achieve better organizational performance.

Systems Theory

This theory is a way of thinking and analyzing management thus it is less of a management methodology. According to the theory, firms just like organisms consists of many components that should work in harmony so that the whole system can succeed. According to systems theory, a firm's success depends on the interdependence, interrelation and synergy between the various subsystems. Employees who are the most important component of the firm make up different important subsystems in a firm. Work groups, individual employees, facilities, business units and departments can be said to be significant component systems of a firm. Inter-relationships and interdependence are significant components of the systems theory. Humanity is designed to be social and thus the interdependence existing between groups and employees translates in to the framework of systems theory. Employees rely on the managers, companies and each other to give them assistance, training and guidance while doing their job. A firm that emphasizes on positive employee relations will maintain a firm's culture that will see staff openly ask questions and seek advice from their co-workers and managers which reinforces and facilitates the interdependence of work groups, individuals and departments (Senge *et al.*, 1994).

According to this theory a firm structure should support the implementation of its strategy through giving appropriate people the task of implementing the strategy, improve the needed capabilities and skills in the firm by training and capacity building. The theory was of important to the researcher in understanding the effect development and training has on KTDA managed factories performance.

The Consistency Theory

According to this theory, firms are effective because they have cultures that are strong and highly consistent, well integrated and well-coordinated (Davenport, 1993). The behavior of employee is set in a set of well-known values and the followers and leaders always reach an agreement even if they might have views that differ (Block, 1991). This consistency is a significant source of internal integration and stability that is from a high degree of conformity and a common mindset (Senge, 1990). According to this model creating an organizational culture and work climate that is conducive will successfully support strategy implementation. The theory was of important to the researcher in understanding the effect of culture on performance in KTDA managed factories. A culture that is very receptive will always support strategy implementation and hence better performance.

The Path Goal Theory

This theory explains that the effectiveness of leaders is as a result of the impact they have on their subordinates, the motivation they have and their ability to perform satisfactory and effectively. The theory is named path goal theory because of its major concern which is how a leader influences the perception of his subordinates work, goals, path goal attainment and personal goals. According to the theory, a leader's behavior is satisfying or motivating to a certain degree and this behavior can encourage a subordinate to attain his or her goal and clarifies the path to be followed for such goals to be attained (Robert, 1971). This theory can be best said to be a process whereby the leaders select behaviors that can be adopted by employees in their working environment so as to guide the employees through a path to achieve their work goals (Northouse, 2013).

This theory is based on specifying a leader's behaviors or goal that he uses to shape the employees and work environment so as to achieve a set goal. The goal acts as a motivation and a source of satisfaction and empowerment to the employee so that the employee can positively contribute to the firm. This theory was developed to show hoe leaders can be a source of encouragement and support to their followers helping them achieve laid down goals by making the paths that the followers are supposed to take easy and clear. The leaders can be limited or strong in pointing out the path that should be taken they can give hints or directives. To remove road blocks leaders can scour the path or assist the followers remove the larger blocks, they can also increase rewards and encourage the followers occasionally. Leaders who show their followers the way and help them in following the right path are effective leaders. The assumption of the path goal theory is that there is a right way that a goal can be achieved and the leader can see it and the follower cant. The leader is treated as the person who knows the way while the follower is the dependent. Another assumption is that that the follower is rational and the appropriate methods to use can be selected deterministically depending on the current situation (Northouse, 2013).

Leadership in an organization as explained in this model does influence, motivate the employees to be innovative and to promote the teamwork in a firm. Leadership can influence the resolution of conflicts, shared values and the formation of values in a firm. The model dimension was considered because it demonstrated the way leadership in a firm can influence the firm performance. The theory was of importance to the researcher in understanding the how leadership influences performance in KTDA managed factories. This theory was important in describing how leaders should support and encourage their followers to achieve the set out goals by making the path followers should take easy and clear.

Empirical Review

Resource utilization

In an environment that is dynamic, firms should seek to continually acquire, develop and upgrade their capabilities and resources so as to maintain their growth and competitiveness (Montgomery, 2004). The RBV model suggests the firm resources are the major determinants of the firm performance and can affect the achievement of a sustainable competitive advantage by the firm (Hoffer & Schendel, 2006). According to Hoffer and Schendel (2006), resources are inclusive of the firms capabilities, firm attributes, knowledge, organizational processes and assets, etc that the firm controls that allow the firm to achieve and implement the strategies that can help the organization improve its efficiency and effectiveness in RBV, the major problem is the identification the characteristics of the firm resources that cannot be imitated by competitors. If the firm resource can easily be imitated by the competition, then the advantage cannot be in existence for long (Barney *et al.*, 2003). According to Dierickx and Cool (2009) described the way the sustainability of a firm's position hinges and easily the firms resources can be imitated, substituted and imitability is linked to the resources accumulation process characteristics which include resource efficiencies, casual ambiguity, resource erosion, interconnectedness and compression diseconomies. According to Thompson and Strickland (2003), a firm should provide enough financial resources that will allow the execution of a strategy because for a strategy to be successfully executed, enough funds should be available.

Culture

The collective behavior of the people in an organization is what is termed as organization culture (Schein, 2009). It is as a result of a firm visions, norms, habits, beliefs and values. It is also the pattern of the firm behavior taught to new staff as the way they should think and feel. It is formed by the organization values, visions, norms, beliefs and habits. It is also the pattern of such collective behaviors that are taught to new organizational members as a way of thinking and feeling. Organizational culture affects the way people and groups interact with each other, with customers, and with shareholders. According to Peng and Litteljohn, (2001), define culture as the totality of the ethics, values and customs that are acquired and are supposed to be a guide to the behavior of people in a given society. According Tampoe and Macmillan (2000) holds the view that there exists a consensus on the idea that firms attempting to instill communication amongst its members and to motivate employees to challenge the fundamental beliefs will be successful in attaining a working atmosphere. Cultures can be grouped as either strong or weak. According to Roth *et al*. (2004), argue that effective companies must have strong cultures. According to Mushtaq (2008), enough evidence does exist showing that there is a strong link between cultural characteristics and the performance of a firm. According to Schein (2009), the firm culture has critical forces that should be considered during the implementation of a strategy.

According to David (2003), implemented strategies at the firm should support the firm's culture if they plan to be a success in enhancing the already existing performance in the firm. The strategy should emphasize, enhance and preserve the firm culture in line with the culture also supporting the strategy proposed. Thus the strategies that want to be implemented should be consistent with the firm's culture so as to achieve the expected performance results. Thompson and Strickland (2001) argue that strategy of the managers should also focus on coming up with an organization culture and adjust to strategies by coming up with values that are common, definition of the ethical criteria, creation of a work environment that is in support of strategies and setting high achievements that motivates the culture of the firm. One of the major challenges in the implementation of the strategy is the culture and behavior, and the integration of activities in an improper way and also the dismissed feelings of commitment and ownership (Aaltonen & Ikåvalko, 2002). According to Marginson (2002), the implementation of a strategy evolves through the process of a coalition of decision making by a committed winning group or due to the coalition involvement of staff that seek to implement a strategy brought about by a strong firm culture.

Training and Development

According to Andrew (2002), training is the acquisition of competencies, skills and knowledge after being taught knowledge, practical and vocational skills that relate to important specific competencies. One of the most crucial of skills of strategic leaders is the ability to attract, retain, and then manage human capital. If unable to do this, the lack of talented staff can constrain the growth of the organization. Furthermore, to effectively develop and use human capital, organizations should have effective training and development programs and continuous learning processes. In the complex global economy, strategic leaders must learn how to successfully influence human behavior, employees' thoughts, and feelings (Hitt *et al*., 2013). An organization needs to have effective training and development programs to enhance the performance of individuals, lower labor turnover, and increase savings and profits for businesses (Duplessis & Frederick, 2010). The result of successful human capital investments is a workforce capable of continuously learning. This improves companies' knowledge base and is linked with strategic success (Holcomb, *et al.,* 2009). Greve (2009) points out that shaping knowledge and learning are necessary for building innovation in an organization because innovation can lead to competitive advantage.

A development and training program that is comprehensive helps to deliberate on the attitudes, skills and knowledge that are important in achievement of the organizational goals and in creation of a competitive advantage (Peteraf, 1993). According to Thompson and Strickland (2003), a firm should have a structure which can support the implementation of the firm strategy which means the right employees to implement the strategy should be available, the firm should also reinforce the skills and capabilities in their employees through training and capacity building. . Training and development plays a significant part in ensuring employees are well equipped with the right knowledge, abilities sand skills to perform their tasks better and also to ensure the overall success of the firm. A firm should also choose the righty type of training so as to ensure the employees are equipped with the skills they need so that they always stay updated with new and best human resources practices. The training and development process has assumed this role so as to meet the current and future demands of a business (Stavrou, *et al*., 2004).

Leadership

The term "strategic leadership" is the ability to envision, anticipate, maintain flexibility and empower others so that the can create the needed strategic change (Hitt *et al*., 2013). According to Guillot (2003), the definition of leadership is the ability of a senior and experienced leader with vision and wisdom to come up with plans and execute them and make decisions with consequences in a changing, complex, ambiguous and uncertain strategic environment. According to Pearce and Robinson (2007), leadership is the practice and practice of key executives of shepherding and guiding people in a firm towards a vision over time and the development of the firm future leaders and culture. This is done in two ways. The first involves the guiding of the firm to deal with constant change. This requires an executive officer who can embrace change and who clarifies the intent of the strategy which will build the firm and shape the culture of the firm in line with the existing opportunities and change that are brought about by change. The second way is the provision of of management skills that can be used to cope with the challenges brought about by constant change. This will involve the identification and supply the firm with operation managers who can provide operational leadership and the vision of the firm constantly. According to Pearce and Robinson (2006), leaders spend considerable time shaping and refining their organizational structure and making it function effectively to accomplish strategic intent.

According to Cater and Pucko (2010), while a well-formulated strategy, a strong and effective pool of skills, and human capital are extremely important resources for strategy success, poor leadership is one of the main obstacles in successful strategy implementation. One key challenge in successful strategy implementation is ensuring employees' buy-in and directing their capabilities and business understanding toward the new strategy. Therefore, the need for effective leadership outweighs any other factor. Beer and Eisenstat (2000) addressed this issue from a different perspective; 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. Another aspect of leadership involves enhancing communication within the organization. According to Beer and Eisenstat (2000), blocked vertical communication has a particularly pernicious effect on a business's ability to implement and refine its strategy.

Conceptual Framework

The conceptual framework for this study was based on the relationship between the organization performances (dependent variable) which is defined through four operational indicators which include; resources utilization, training and development, culture and leadership as summarized in the following schematic diagram shown in figure 1.

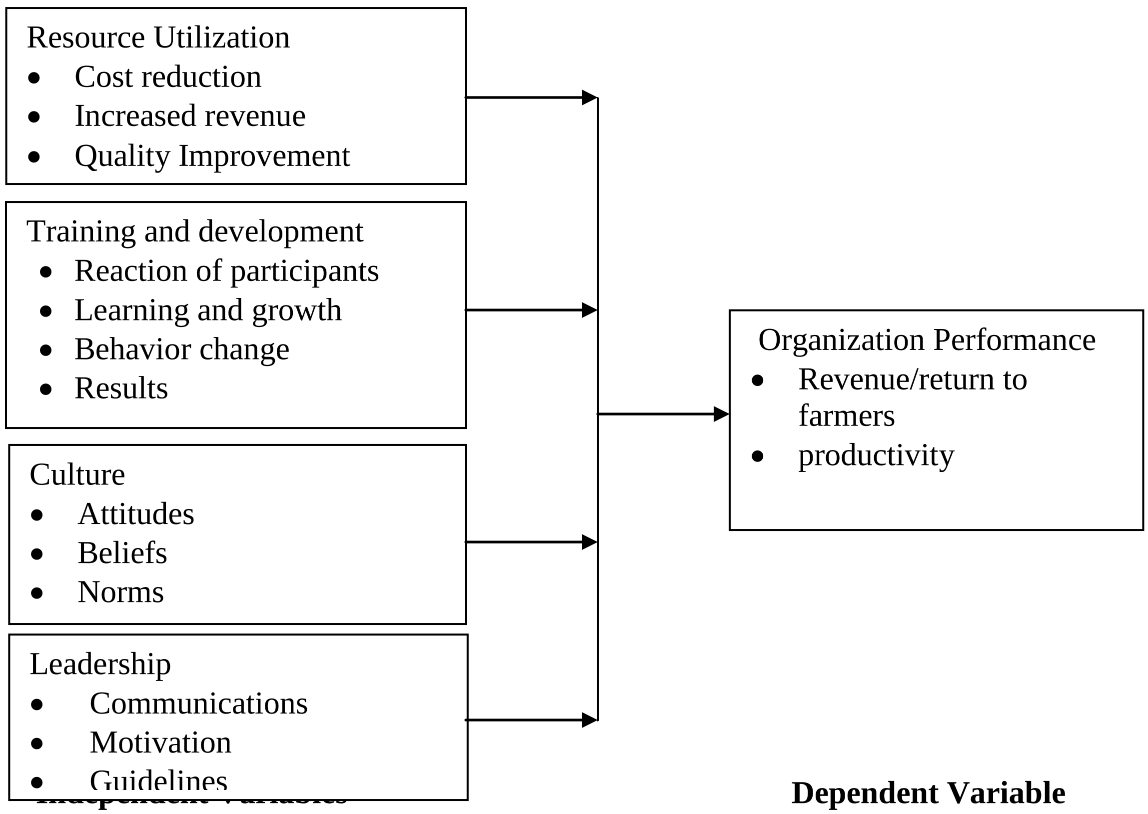

Figure 1: Conceptual framework

Research Methodology

In this study, descriptive research design was adopted to answer the research question which was to assess the relationship between strategy implementation and performance in KTDA managed factories in Kenya. The target population for this study was drawn from management of KTDA factories. KTDA managed factories are divided into 7 regions, each region has certain number of factories and each factory has five departments. Each department is headed by managers who are in charge of departmental performance. They include; Human resources department headed by Factory Unit Manager, Accounts department-Factory Accountant and Assistant Accountant, Field services department–Field Services Officer, Information communication technology-System administrator, Production department- Production Manager and Production Assistant. Therefore, the target population of the study comprised of 378 managers.

Table 1: Target Population

Regions	Target population	Sample Size
No of Factory in Regions	**54**	**54**
Factory Unit Manager	54	16
Field Services Officer	54	16
Production Manager	54	16
Production Assistant	54	16
Factory Accountant	54	16
System Administrator	54	16
Assistant Accountant	54	16
Total	**378**	**112**

Stratified random sampling was used in the selection of the sample size because it reduces sampling error. Probability sampling method was used where 30% of respondents were selected from each category. A simple random sampling method was used to identify the respondents who were given the questionnaires. The researcher collected primary data by use of questionnaires. The collected data was analyzed using descriptive statistics comprising of the mean, standard deviation, frequencies, and percentage and the results were presented in graphs and charts. The quantitative data was analyzed quantitatively using the statistical package for social science (SPSS). Interpretation of the data was done within the frame of reference of the research problem.

Multiple Linear regression formula was used to determine the relationship between the dependent and independent variable as follows:

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

Where: **Y =** Organization Performance; β_0 –constant or intercept; B_1- $B_4$are the regression equation coefficients; X_1= Resources utilization; X_2= Training and development; X_3=Culture; X_4=Leadership; AND **ε** is the error term

Research Findings and Discussions

The study had a sample size of 112 to whom questionnaires were administered. However, only 100 employees responded to the study questionnaires, giving the study a response rate of 89%. This response rate was sufficient and representative and conforms to Mugenda and Mugenda (2004) stipulation that a response rate of 50% is adequate for analysis and reporting, a rate of 60% is good while a response rate of 70% and over is excellent.

Variables Descriptive statistics

The study sought to assess the relationship between strategy implementation and performance in KTDA managed factories in Kenya. To do this, the researcher identified four independent variables namely: resources utilization, training and development, leadership and culture. The dependent variable was organization Performance.

Organization performance

The respondents were required to indicate to what extent they thought strategy implementation had led to the improvement of the following aspects of organization performance. The responses were rated on a five point Likert scale where: 1= no extent; 2 = little extent; 3 = moderate extent; 4 = great extent and

5 = very great extent. The study shows that most respondents in regards to improvement on average tea prices (Mean 4.16).This was closely followed by Production /Increased Volumes (Mean 4.00). At an average mean of 3.39 the respondents answered that strategy implementation has led to improvement on return on investment. On products diversification the Mean was 3.18 followed by Market share (Mean 3.17), Revenue /Turnover (Mean 3.13), statement of return to farmers in terms of bonus (Mean 3.09), Volume of sales (Mean 3.06), on cost reduction (Mean 3.03) and quality products (Mean 3.02) respectively.

Table 2 Organization performance improvement

	Mean	Std. Deviation
Quality products	3.02	1.063
Cost reduction	3.03	1.068
Products diversification	3.18	1.009
Revenue /Turnover	3.13	1.079
Volume of sales	3.06	1.003
Return to farmers in terms of bonus	3.09	996
Improved average tea prices	4.16	707
Return on investment	3.39	.994
Market share	3.17	1.035
Production /Increased Volumes	4.00	.696

Effect of Resources Utilization on performance

The respondents were required to indicate their level of agreement with certain statements related to effect of resources utilization on performance. The responses were rated on a five point Likert scale where: 1= Strongly Disagree (SD); 2 = Disagree (D); 3 = Neutral (N); 4 = Agree (A) and 5 = Strongly Agree (SA). The response with mean close to 1 denotes strong disagreement. In the same continuum, response with mean close to 2 denotes disagreement, 3 denote neutral or moderate agreement, 4 denotes agreement and 5 strong agreement.

From the study findings, the respondents were in agreement that the organization allocates sufficient financial resources for strategy implementation (Mean 4.03) and strategy implementation has led the organization to look for resources of competitive advantage (Mean 4.00). However, the respondents who moderately agreed with the statements that the organization monitors and audits all resources allocated had a (Mean 3.15), the resources allocated are utilized as per the set objectives (Mean 3.05), the organization provides for proper utilization of physical resources that are available (Mean 3.04) and the organization has well trained human resources to support strategic implementation (Mean 3.04).

This implied that performance greatly depended on the resources allocation. The views are consistent with resource-based view. The RBV model suggests that the resources possessed by a firm are the primary determinants of its performance, and these may contribute to a sustainable competitive advantage of the firm (Hoffer & Schendel, 2006). According to (Barney, 2003) to successfully implement strategies, resources have to be strategic. The effectiveness of firm strategies depends on the utilization and exploitation of existing resources.

Table 3: Effect of resources utilization on performance

	Mean	Std. Deviation
The organization allocates sufficient financial resources for strategy implementation.	4.03	.577
Strategy implementation has led the organization to look for resources of competitive advantage	4.00	.752
The organization provides for proper utilization of physical resources that are available	3.04	1.091
The organization has well trained human resources to support strategy implementation	3.04	1.082
The organization monitors and audits all resources allocated	3.15	1.058
The resources allocated are utilized as per the set objectives	3.05	1.058

Effect of Training and Development on performance

The responses were rated on a five point Likert scale where: 1= Strongly Disagree (SD); 2 = Disagree (D); 3 = Neutral (N); 4 = Agree (A) and 5 = Strongly Agree (SA). The mean and standard deviations were generated from SPSS and were as presented. The study found out that the respondents were in agreement that strategy implementation had enhanced training of all staff based on their training needs to improve skills and competence (Mean 4.04), Strategy implementation has led to commitment of adequate resources for employee training and development (Mean 4.02), However, the respondents who moderately agreed with the statements that training plays a vital role in strategy implementation (Mean 3.19), employee get competitive advantage through training and development program when comparing the same in competitive environment (Mean 3.16), Training has led organization meeting its strategic goals and objectives successfully (Mean 3.08), Organization provide training on strategy implementation (Mean 3.05) and training and development align with organization strategies (Mean 3.02).This further implied that since people are the core driver of successful strategy implementation, it is vital for those, especially top management and executive teams, who plan and formulate strategy to realize that having their employees armed with appropriate knowledge and skills is a key element for successful strategy implementation. According to Porter (2000), firms operating in the knowledge-based economy become more and more dependent on the skills and knowledge of their workers.

Table 4: Effect of Training and Development on performance

	Mean	Std deviation
Training has led organization meeting its strategic goals and objectives successfully.	3.08	1.079
Strategy implementation has enhanced training of all staff based on their training needs to improve skills and competence.	4.04	.567
Training plays a vital role in strategy implementation.	3.19	1.080
Strategy implementation has led to commitment of adequate resources for employee training and development.	4.02	.752
My company gets competitive advantage through training and development program when comparing the same in competitive environment	3.16	1.022
Training and development align with organization strategies.	3.02	1.015
Organization provides training on strategy implementation.	3.05	.936

Effect of Culture on performance

The respondents were required to indicate their level of agreement with certain questions and statements related to culture. The responses were rated on a five point Likert scale where: 1= Strongly Disagree (SD); 2 = Disagree (D); 3 = Neutral (N); 4 = Agree (A) and 5 = Strongly Agree (SA). The study found out that the respondents moderately agreed that employees at all levels firmly understand their individuals and inter-dependent roles in attaining corporate vision (Mean 3.18), organization shows respect for a diverse range of opinions, ideas and people allows employee participation in decision making (Mean 3.13), there is a strong alignment between employee attitudes and strategic goals and objective (Mean 3.09), the management relates well with subordinates in my organization (Mean 3.08), top management communicate to their subordinate and let them know what is expected from them (Mean3.06), there is clarity of vision ,mission and values among employees throughout the company (Mean 3.04), the organization sticks to its mission, vision and values all the time (Mean 3.01).

This implied that a strong culture was key to organization performance and depending on how entrenched the culture was it would either improve or scale down performance. According to Thomson and Strickland (2001), the strategy managers have to focus on forming an organizational culture to adjust to strategies through creating common values, defining ethical criteria, creating a workplace which supports strategies and creating high achievement motives in the culture of organization. Marginson (2002) contend that strategy implementation evolves either from a process of winning group commitment through a coalitional form of decision-making, or as a result of complete coalitional involvement of implementation staff through a strong corporate culture.

Table 5: Effect of Culture on performance

	Mean	Std. Deviation
There is a strong alignment between employee attitudes and strategic goals and objective	3.09	1.016
The management relates well with subordinates in my organization	3.08	.907
My organization shows respect for a diverse range of opinions, ideas and people (allows employee participation in decision making).	3.13	.971
The organization sticks to its mission ,vision and values all the time	3.01	1.020
There is clarity of vision ,mission and values among employees throughout the company	3.04	1.004
Employees at all levels firmly understand their individuals and inter-dependent roles in attaining corporate vision	3.18	.869
Top management communicate to their subordinate and let them know what is expected from them	3.06	.952

Effect of Leadership on Organization Performance

The respondents were required to indicate the extent to which leadership in respect to strategic implementation had influenced organization performance. The responses were rated on a five point Likert scale where: 1= no extent; 2 = little extent; 3 = moderate extent; 4 = great extent and 5 = very great extent. The study found out that most respondents was in agreement that, leaders motivate employees towards achievement of organization set goals (Mean 3.07). Leaders support employees and inspire them towards achieving organization strategic directions Mean (3.03), leaders promote shared behavior, vision, mission, norms and values (Mean 3.03), leaders communicate to the employees about the organization day to day business (Mean 3.02) and leaders are innovative and competent (Mean 3.01).

These findings implied that leadership was an important factor of organization performance and depending on the level of leadership demonstrated in terms of strategic directions and employee support, performance would either go up or down. The views agree with O'Reilley *et al*. (2010) argument that role of the leader is important if an organization wants to implement a new strategy.

Table 6: Effect of Leadership on Organization Performance

	Mean	Std. Deviation
Leaders motivate employees towards achievement of organization set goals.	3.07	1.112
Leaders support employees and inspire them towards achieving organization strategic directions.	3.03	1.087
Leaders communicate to the employees about the organization day to day business	3.02	1.082
Leaders are innovative and competent	3.01	1.078
Leaders promote shared behaviour, vision, mission, norms and values	3.03	1.132

Inferential Statistics

Correlation Analysis

The researcher analyzed the variables using Pearson correlation which is used to test the direction, strength and significance of the bivariate relationship among all the variables that have been measured at interval or ratio level. Based on the Pearson correlation scale where values; 0.0-0.3 there is no correlation, 0.31- 0.7 is a weak correlation and a correlation value above 0.7 is a strong correlation (Sekaran & Bougie, 2012). All of the study's variables had a strong correlation, meaning that the variables vary together in the same direction; when any of the variables increase the others increase and when any decrease the others decrease. The significance values were all less than 0.01 two tailed testing at 99% significance level for all the variables indicating that they all had a positive, strong relationship as indicated by correlation values above 0.7.This relationship was confirmed significant by the p values of 0.000.

Table 7: Correlation Analysis

		Organization performance	Resources utilization	Training & Development	Culture	Leadership
Organization performance	Pearson Correlation	1				
	Sig.(2-tailed)					
Resources utilization	Pearson Correlation	.845**	1			
	Sig.(2-tailed)	.000				
Training and Development	Pearson Correlation	.796**	.858**	1		
	Sig.(2-tailed)	.000	.000			
Culture	Pearson Correlation	.829**	.778**	.739**	1	
	Sig. (2-tailed)	.000	.000	.000		
Leadership	Pearson Correlation	.831**	.753**	.711**	.759**	1
	Sig. (2-tailed)	.000	.000	.000	.000	

Regression Analysis

Analysis of Variance (ANOVA) revealed that the composite effect of the four factors resources utilization, training and development, culture, and leadership on strategy implementation is statistically significant as indicated by the low p values (0.000) i.e. less than 0.05 and high F value (117.402) this shows that the overall model was significant. This means that strategy implementation had a positive impact on performance of KTDA managed factories.

Table 8: Analysis of Variance ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	4061.986	4	1015.496	117.402	.000[b]
Residual	821.724	95	8.650		
Total	**4883.710**	**99**			

The results show that the linear correlation coefficient R is 0.912 which indicates a strong linear relationship between the dependent and the independent variables (Resources utilization, Training and development, Culture, leadership). This means that the dependent variable and the predictors have a strong linear relationship and when the independent variables increase the dependent variable increases and a reduction will also result in a decrease in the dependent variable. The coefficient of determination which is the variation in the dependent variable that can be explained by the independent variables R^2equals 0.832 which means that 83.2% of variation in organization performance (dependent variable) can be explained by the independent variables in the equation (Mugenda & Mugenda, 2004). Adjusted $R^2 = 0.825$, which means that 82.5 % of variance of the dependable variable (organization performance) was explained.

The standard error of the estimate represents the average distance that the observed values fall from the regression line (2.941) which means the data points are on average 2.941% away from the line of fit which is okay because it’s less than 10% which is considered high. Durbin Watson is a number that tests auto correlation in the residuals from a statistical regression analysis and ranges between 0 – 4, the study’s was 1.660 which is closer to 2 meaning there was no auto correlation in the sample.

Table 9: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.912	.832	.825	2.941	1.660

From the regression results, the model becomes;

$Y= 4.113+ 0.485X_1+ 0.190X_2+ 0.366X_3+ 0.454X_4 +\varepsilon$

According to the regression equation above, taking all factors resources utilization, training and development, culture and leadership to be constant at zero, performance in KTDA managed factories will be 4.113. The data findings analyzed also shows that taking all other independent variables at zero, a unit increase in resources utilization will lead to a 0.485 increase in performance in KTDA managed factories; a unit increase in training and development will lead to a 0.190 increase in performance in KTDA managed factories, a unit increase in culture will lead to a 0.366 increase in performance in KTDA managed factories, while a unit increase in leadership will lead to a 0.454 increase in performance in KTDA managed factories. This infers that resources utilization contributes most to the performance in KTDA managed factories followed by leadership, culture and training and development respectively.

Two factors were significant culture had a beta of (b=0.272) at p value of (p=0.000) and leadership had a beta of (b=0.324) at p value of (p= 0.000).Meaning they positively affect the performance. According to Mushtaq (2008) concluded that there is sufficient evidence linking cultural traits and organizational performance.

Resources utilization had a beta (b=0.292) at p value of (p=0.002) and Training and development had a beta (b=0.114) at p value of (p=0.181).Meaning they were positively influencing the performance. According to (Montgomery, 2004) found out that effectiveness of firm strategies depends on the utilization and exploitation of existing resources. Research in strategic human resource management, organizational performance, performance improvement, and organizational competitive advantage has conceptually and empirically linked training to organizational performance and sustained competitive advantage (Akhtar, *et al.*, 2008).

Table10: Coefficient of determination

	Unstandardized Coefficients		**Standardized Coefficients**	**t**	**Sig.**
	B	**Std. Error**	**Beta**		
(Constant)	4.113	1.750		2.350	.021
Resources utilization	.485	.154	.292	3.143	.002
Training & development	.190	.141	.114	1.346	.181
Culture	.366	.101	.272	3.634	.000
Leadership	.454	.099	.324	4.568	.000

Conclusion

The study sought to assess the relationship between strategy implementation and performance within KTDA managed factories in Kenya. Based on the finding in relation to specific objective; resources utilization, training and development, culture and leadership. The study concluded that strategy implementation affects organization performance where organization uses various measures such as quality products, cost reduction, products diversification, revenue /turnover, volume of sales, return to farmers in terms of bonus, average tea prices, return on investment, market share and Production /increased volumes. The study found out the most significant factor in influencing performance in KTDA managed factories is resource utilization, followed by leadership, culture and training and development respectively. However, more still needs to be done to establish that strategies are implemented successfully in order to achieve better performance.

Recommendations

Based on the findings of the study, it is recommended that the organization should allocate sufficient financial resources for strategy implementation. In addition managers should first identify resources that are unique to their factories, and then decide in which areas the resources can be utilized to take the organization to greater heights in terms of strategies.

Since the study established that training and development influences performance, the study recommends that KTDA managed factories should provide training associated with strategic planning and implementation to key leaders to help them understand the strategic management process as an important process that is fundamental for promoting and sustaining competitive advantage.

With regard to culture due to the rising needs of strategic management in every organization, KTDA managed factories should facilitate a culture that promotes effective strategy formulation and implementation. The strategies that are implemented must be consistent with organizational culture to realize the desired organization performance. Organization culture should also be changed to fit the strategy that is being implemented.

On leadership managers at all levels need to clearly understand the vision of the KTDA and core competencies and strategies that are relevant to their tasks in order to effectively communicate to their subordinates. They should inspire and encourage employees to work effectively and move in the same direction to reach objectives of the companies. KTDA leaders should also embrace change and implement strategies intended to position the organization to succeed in future. In addition they should stress toward the mission and vision all the time in order to achieve above average performance by creating an effective strategy.

Areas of Further Studies

Since this study explored the relationship between strategy implementation and performance in KTDA managed factories in Kenya, based on the foregoing conclusions on the findings of this study, it is recommended that similar comparative study should be done between one of the best performing tea factories and the least performing factory based on return to farmers in terms of bonus. The study also recommends that; similar studies should be done in other Multinationals tea firms in the country for comparison purposes and to allow for generalization of findings on the relationship between strategy implementation and performance in Kenya Tea Development Agency Limited (KTDA) managed factories in Kenya.

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