

**STRATEGY, STRUCTURE AND PERFORMANCE: A SURVEY OF
FOOD PROCESSING COMPANIES OPERATING IN THE NAIROBI
METROPOLITAN AREA**

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**A Management Research Project Submitted in Partial Fulfillment of the
Requirement for the Degree in Master of Business Administration,
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DECLARATION

This project is my original work and has not been submitted for a degree in any other University.

Signed

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D61/P/8991/2001

This project has been submitted for examination with my approval as the University Supervisor.

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I would like to acknowledge a number of people without whom my academic endeavours would not have come this far;

Firstly God Almighty the creator for his eternal love, protection, strength and blessings.

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DEDICATION

To my Parents

To my sisters and brothers, their spouses and my nieces and nephews without whose support I would not have made it.

To my dear friends who put in their contribution in one form or the other.

To all the people and anyone else I may have omitted God bless you all abundantly

ABSTRACT

Organizations with high level of adaptation that have the best prospector strategy mechanistic structure fit, will have the highest performance as measured by value, profitability, and risk, compared to other high level adaptation, prospector strategy organic structure organizations.

The objectives of this study included determining if strategy – structure fit contributes to better performance in food processing companies as well as identifying the factors that influence strategy – structure fit in a firms’ performance in food processing companies in the Nairobi Metropolitan. The study used a survey design where the target population consisted of companies in the food processing sector located in the Nairobi Metropolitan Area. Primary and secondary data were used in this survey. The secondary data in quantitative form was sourced from company information like the annual financial reports, company newsletters, and other from research articles, books and casual interviews. Since the data collected was quantitative, analysis was conducted using descriptive statistics, which included measures of central tendency, measures of variability and measures of frequency among others.

From the findings, the researcher concludes that, internal measures of performance relate to the efficiency and effectiveness of the internal manufacturing and selling process within the firm. These categories of performance reflect competences in specific areas of manufacturing and selling including cost, delivery speed and reliability, quality, flexibility, customer service and distribution. In addition, strategy and structure of a firm leads to better performance because the structure provides the necessary systems and

processes essential for successful strategy implementation. The study also establishes that the existing strategy in many firms has improved profitability of the company. The current strategy and structure in many firms have improved the market share by a large extent furthermore current strategy enhanced the customer service by a very large extent. Therefore, food processing firms should examine their operation in terms of what of what value it add in the eyes of the final customer.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the study

The relationship between strategy and structure was first described by business historian Chandler (1962) in his review of the growth and development of four large American firms: du Pont, General Motors, Standard Oil of New Jersey, and Sears, Roebuck and Company. He found that as each of these companies grew through a strategy of product diversification they implemented a divisional organizational structure.

Researchers have argued that the fit between the strategy and structure of a firm leads to better performance because the structure provides the necessary systems and processes essential for successful strategy implementation (Channon (unpublished); Grinyer et al., 1980; Rumelt, 1974). However, research at the international level has yet to provide empirical evidence showing that firms that matched strategy and structure perform better than those that have not. Firms which are able to achieve a fit between their strategy and structure can create a significant competitive advantage, while firms that do not have a fit are left vulnerable to external changes and internal inefficiencies (Miles and Snow, 1984). As a result, firms with a fit between strategy and structure should perform better than those without such a fit.

Mintzberg (1989) adds to the list of variables in the context of maintaining alignment between strategy, structure and the performance; Flexibility- allowing employees to generate ideas and participate in decision making, adaptability - developing an

organizational structure that is able to respond as marketplace conditions change, empowerment – giving employees the scope to be creative, to generate new ideas and participate in decision making, innovation- encouraging employees to try new ideas and “re- invent” processes, team support – providing mutual support, encouragement and sharing (learning, improvement, vision).

Kenya has a relatively well-developed food processing industry which is mainly agro-based. Food processing companies range from small family-owned informal businesses to large formal businesses listed on the Nairobi Stock Exchange and subsidiaries of foreign or multinational businesses.

Since the turn of the millennium, the demographic, economic, natural, technological, political legal and socio cultural environment have been changing at an accelerated rate (Kotler and Armstrong, 2001).

The increasing members of local and global players coupled with more educated, inquisitive and demanding customers have all resulted into intensified competition (Capron and Holland 1999). Pezzulo (1998) notes that competition has called for companies to come up with appropriate strategies to retain their market share, but to also enable they remain profitable. As a result of the changed dynamics Kenyan food processing companies must continue adopting and implementing modern management practices and techniques that will enable them maintain market share as well as remain profitable. The Nairobi Metropolitan area extends the city outward by fifty kilometers to

cover Thika, Limuru, Machakos, Kangundo and Kajiado (Minister of Nairobi Metropolis, Daily Nation 23rd August 2009).

1.1.1 The Concept of Strategy

Quinn (1980) defines strategy as a pattern or plan that integrates an organization's major goals, policies and action sequences into a cohesive whole. Webster (1994) calls this the building block of strategic management and notes that a secure foundation (strategy) is needed if the process (strategic management) is to function properly. In this sense strategy provides the link between where the organization is at present and where it would like to be in the future.

Mintzberg (1994) portrays strategy as a plan, a direction, a guide or course of action into the future, and as a pattern, that is, consistency in behavior over time. Most organizations began their strategic planning cycle by updating and revising their business objectives in relation to performance reviews in key areas (such as people, standards and business development), achieved results and development priorities (Storey and Teare, 1991). According to Porter (1980), a firm must formulate a business strategy that incorporates cost leadership, differentiation or focus in order to achieve a sustainable competitive advantage and long term success its chosen area of operation.

1.1.2 The Concept of Organization Structure

According to Chandler (1960) structure can be defined as the design of organization through which the enterprise is administered. This design whether formally or informally

defined has two aspects. It includes, first the lines of authority and communication between the different administrative offices and officers and, secondly the information and data that flow through these lines of communication and authority. Such lines and data are essential to assume the effective coordination, appraisal and planning so necessary in carrying out the basic goal and policies of an organization.

Burns and Stalker (1961) view structure as a process in itself, a means of holding together organization so that it is able to determine its own destiny- organizations that operates in dynamically changing and uncertain environments tend to need organic/ flexible structures and processes while more stable environments lend themselves to more familiar mechanistic bureaucratic structures.

Organizational structure involves “decisions relating to division of task, authority, and a set of coordination mechanisms “(Parthasarthy and Sethi, 1992). Traditionally, structure has been considered within a single firm – the firm plus its suppliers and customers, organizational structure provide the framework in which to implement strategy.

Hage (1965) instrument measuring organic and mechanistic structure will be used to measure the structural value. The instrument which includes two items for each of the four variables (formalization, stratification, complexity, and centralization) is administered through a questionnaire administered to senior managers in the selected companies asking them to indicate to which extent the four structural variables best describes the structure in their company. Responses are measured using a 5 point, appropriately anchored, Likert scale.

1.1.3 Organizational performance

We consider two measures of performance in our framework: Internal measures of performance and external measures of performance. Internal measures of performance relate to the efficiency and effectiveness of the internal manufacturing and selling process within the firm. These categories of performance reflect competences in specific areas of manufacturing and selling including cost, delivery speed and reliability, quality, flexibility, customer service and distribution. External performance measures reflect the assessment of a firm by factors outside of the firm's boundaries. These measures would include conventional indicators of business performance, such as market share, return on investment, return on asset and sales growth. They might also include non-financial measures such as customer satisfaction (Habib and Victor, 1991).

Accounting measures of performance have been widely used in the diversification research. Return on Assets (ROA), by definition reflects firm's relative efficiency in the utilization of its assets. It is particularly appropriate for strategy – structure fit research because the concept of fit argues for increased efficiency and performance- also the impact of corporate strategy on a firms performance may be more directly reflected in accounting profit than in stock price, which measures investors expectation about future profits (Grant, et al., 1988). As such, ROA is used as the measure for economic performance.

1.1.4 Strategy –Structure-Performance Fit

In management literature, organizational structure has long been considered the key to successful execution of strategy, the argument being that performance is affected by how work is structured (Chandler 1962; Galbraith & Kazanjian 1986; Miles & Snow 1978; Rumelt 1974). The strategy-structure-performance construct is therefore an important topic in management research (Donaldson 1987, 2001). The emergence of strategy as a recognized discipline in management can be traced to the seminal research on the causal relationship between strategy, structure and performance by Chandler (1962) (Michael, Storey & Thomas 2002). There must be a proper alignment between strategy and structure for superior performance. Product differentiation strategy needs organic structures whereas cost differentiation strategy needs mechanistic structures for superior performance

The strategy-structure relationship has been a central debate in the strategic and organization theory literature for an extended period. Specifically in the strategic management literature, this debate has emerged to be principally concerned with not only how the two concepts are interrelated, but also how they, together, impact firm performance (Hrebiniak, Joyce, & Snow, 1989). Researchers have proposed structure as both a follower (Chandler, 1962; Rumelt, 1974) and as a precursor to strategy (Hedberg, Nysrom, & Starbuck, 1976). Each has also been seen as a central predictor of how and why certain organizations outperform others. However, the current consensus seems to recognize a reciprocal relationship between organizational strategy and structure.

1.1.5 The Food Processing Companies in the Nairobi Metropolitan Area

Kenya has a large agro-processing industry, reflecting the importance of the agricultural sector in the Kenyan economy. According to Kenya Economic Survey (2009) a wide spectrum of food processing industries exists today and are classified into the following sub-sectors; meat and dairy products, canned vegetables, fruits, fish, oils and fats., grain milling products, bakery products, sugar and confectionery, miscellaneous foods, beverage and tobacco. These food items are produced for both the domestic and foreign markets. Food processing is thus one of the key activities in Kenyan's Agro- processing industry. (Kenya Association of Manufacturers Newsletter, 2009).

According to the Kenya Economics Survey (2009) the food processing industry which accounted for 36.8 per cent of the total manufacturing sector output in 2008 expanded marginally by 0.7 per cent after a 2.7 percent decline in 2007, mainly as a result of improved supply of raw materials. The highest growth in the sub-sector were recorded in the canned vegetables, fruits, fish, oils and fats; and miscellaneous food industries that gained by 8.0 per cent and 6.5 per cent respectively in 2008.

According to the year 2009 statistical abstract, in terms of value addition to the nation firms dealing in meat and dairy products added a value of Kshs.4.006 billion in 2008, firms dealing with canned vegetables, fruits, fish, oil and fats added Kshs.11.538 billion 2008, grain millers added Kshs.12.327 billion in 2008, bakeries added Kshs.4.270 billion in 2008, firms dealing in sugar and confectionery products added Kshs.4.041 billion in 2008, miscellaneous food products added Kshs.3.269 billion, beverages and tobacco

added Kshs.19.165 billion Therefore the food processing industry as a whole added a total value of Kshs. 58.616 billion. (G.O.K. 2009).

In terms of employment firms dealing in meat and dairy products employed 9791 people in 2008, firms dealing with canned vegetables, fruits, fish, oil and fats employed 10751 people in 2008, grain millers employed 6691 people, bakeries employed 2822 people 2008, firms dealing in sugar and confectionery products employed 16511 people, miscellaneous food products employed 32,986 people, soft drinks and carbonated water industries had 2124 people. The industry therefore provided employed 81,676 people in year 2008 which is a major contribution in the development of the economy. (G.O.K. 2009).

1.2 Statement of the Problem

Organizations with high level of adaptation that have the best prospector strategy mechanistic structure fit will have the highest performance as measured by value, profitability, and risk, compared to other high level adaptation, prospector strategy organic structure organizations (Jennings and Seaman, 1994).

The food processing industry in Kenya plays an important role of availing food products to the Kenyan consumers, providing revenue to the government through taxes and employment to Kenyans. With the liberalization of Kenya's economy, the number of food processing companies have gone up which has resulted in increased competition, leading to reduced market share as well as profits. The food processing companies operating in the Nairobi Metropolitan Area have been largely affected by factors such as relative cost advantage, which could be due to application of different operating

strategies, different organizational structures, differences in regulatory requirements, and/or support from the government.

The purpose of this survey was to establish whether the adoption of certain strategies and structures fits will contribute to better performance in terms of profitability, efficiency and effectiveness in relation to 70 food processing companies operating in the Nairobi Metropolitan Area.

Several studies have been carried out on strategy – structure relationships in different companies. Muthoka (2008) carried out a survey of strategy- structure relationship in multinational banks operating in Kenya. Mwangi (2003) undertook a study on strategy and structure relationship in locally owned pharmaceutical manufacturing companies and multinational pharmaceutical companies operating in Kenya.

Ciano (2006) researched on strategy, structure relation at Kenya Power and Lighting Company. Finally Koyio (1999) studied structure and strategy relation in the Kenyan enterprises. There is no single study, which has been undertaken in the strategy, structure and performance in food processing industries operating in Kenya, especially in the Nairobi Metropolitan Area. A knowledge gap therefore exists in the experience of whether an appropriate fit of strategy to structure contribute to improved performance.

1.3 Objectives of the Study

- i. To determine if strategy – structure fit contributes to better performance in food processing companies in the Nairobi Metropolitan Area.

- ii. To identify the factors that influence strategy – structure fit in a firms’ performance in food processing companies in the Nairobi Metropolitan.

1.4 Significance of the Study

This study will be of benefit to the following:

To the stakeholders: This study is meant for the food processing industries stakeholders that is both local and international to effectively identify the driving force in the strategy and structure for the betterment of the industry or sector.

Academics: Scholars and business researchers who will be able to borrow from the findings of this research to support literary citations as well as develop themes for further research. Specifically, the study hopes to make theoretical, practical and methodological contributions. The findings will as well contribute to professional extension of existing knowledge in strategy- structure and performance. By helping to understand the impact of strategy – structure in firms’ performance in response to various organizations in general.

Business people: Businesspersons, for example entrepreneurs can use the findings from this research to aid them in implementing their organizational strategy- structure. The findings will also enable the business people to understand how strategy- structure relationship contributes to a firm’s performance in a changing environment.

Governments: Will assist Governments have a better strategy in tackling the dynamics involving of food security.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This section draws on literature in the area of strategy, structure and performance explaining the importance of maintaining an appropriate fit of strategy and structure so as to achieve enhanced performance. Secondary material such as books, journals, and articles which carry previous research work on the study topic are analyzed. These materials are of importance to this study as they form the basis for observations which have been made in the survey, in line with the study aims and objectives.

2.2 Organizational Strategy

Chandler's (1962) historical analysis of four large US Corporations led him to conclude that diversification strategy is more effective in a multidivisional structure. While the study and others in the large stream of research on strategic fit have contributed significantly to our understanding of the importance of congruence between strategy and organization, they have been essentially silent on the issue of aligning strategy and governance structure.

Miller (1988) described Porter as the most influential strategist of the decade. Porter introduced many new concepts in strategy including; 5 force analysis, generic strategies, the value chain, strategic groups and clusters. Porters (1980) Generic strategies detail the interaction between cost minimization strategies, product differentiation strategies and market focus strategies. He showed the importance of choosing one of them rather than trying to position your company between them. He challenged managers to see their

industry in terms of in terms of a value chain. A firm will be successful only to the extent that it contributes to the industries value chain. This forced management to look at its operation from the customer's point of view. Every operation should be examined in terms of what of what value it add in the eyes of the final customer.

2.3 Organizational structure

Organizational structure has been defined and classified in a number of ways in the literature. A very simple way of describing organizational structure differentiates between organizations on the dimensions of centralization or decentralization (Ghosal et al., 1994). Several reviews (Champion, 1975; Fredrickson, 1986; Van de Ven, 1976) have indicated formalization, integration and centralization to be among the most consistent dimension of structure to have emerged from empirical research over the last two decades. Miller and Droge (1986) found that the risk aversion and drive for control of CEOs with a high need for achievement led them to favour formalized, integrated and centralized structures.

Fredrickson (1986) and Miller (1987) argued that rationality may have strong associations with three aspects of formalization, namely controls, specialization and the use of formal policies and procedures. Analytical activity and the scrutiny born of consultative interaction prompts the gathering of detailed information for assessing strategic decisions, the consequent use of formal controls and budgets (Bower, 1970) and the recruitment of specialist who can inform intendedly rational decision (Alison, 1971). Conversely, formal controls and specialists can themselves highlight problems and opportunities that promote further analysis and interaction.

Burns and Stalker (1961) view structure as a process in itself, a means of holding together an organization so that it is able to determine its own destiny. Organizations that operate in dynamically changing and uncertain environments tend to need organic /flexible structures and processes while more stable environments lend themselves to more familiar mechanistic bureaucratic structures. Eccles et al., (1997) list some of the main functions of organizational structure which provide: a formal allocation of work rules, channels for collaborative working, boundaries of authority and lines of communication, a mean of allocating power and responsibility, and, prescriptive levels of formality and complexity.

Lawrence and Dyer (1983) argued that an organic structure is best suited to coping with or adapting to a turbulent environment. Mintzberg (1979) indicated that an organic structure, with its low degree of formality and high degree of information sharing and decentralization, improves an organisation's flexibility and ability to adapt to continual environment change. Using the work of Kast and Rosenzweig and Dunn (1971) Chakravarthy (1982) conceptualised that structural characteristics of an organization with a high- level adaptation are flexibility and decentralization, similar to an organic structure. Chakravarthy (1982) also posited that an organization with a low level of adaptation would have the structural characteristics of tight control and centralization, analogous to a mechanistic structure.

Structure will commonly involve physical (re) arrangements often of the most powerful aspect of strategy that needs to be carefully considered, and the location and relocation of people or personnel within a given organization, it can be important with regard to communications, dynamics and perceptions and believes about roles and hierarchy.

Organizations require guidance on the most effective functional areas in which to invest in order to improve and sustain environmental performance. As managerial practices progress from concerns with compliance towards practices progress seeking competitive advantage, more theory is needed regarding the manner in which corporate strategy and organizational structure operational practices influence environmental performance (Simpson and Samson, 2008).

2.4 Firm Performance

SSP portrays performance as resulting from the fit of structure to the chosen strategy of the firm. Strategic determination is equated with establishing goals while performance is the evaluation of how well the goals are met (Chandler, 1962; Hofer and Schendel, 1978; Mentzer and Konrad, 1991). Atkinson *et al.* (1997) define three roles for performance measurement: coordination that focuses decision-making on the most important objectives; monitoring, or the actual measurement and reporting of performance; and diagnostic, which is used to evaluate performance, identify improvements needed, and tie the non-financial metrics to financial measurement criteria and goals.

Rumelt's (1974) study, although not directly measuring the effect of the strategy-structure fit on performance provides further insights on a firm's performance. Within the related diversification strategy group (companies which have basically diversified along the same product line) his hypothesis that product division structure would outperform functional structure received partial support. Product division was significantly higher for sales growth only. Chanon (1977) replicated Rumelts' study for British service industries. He also found that multidivisional structures to have higher

growth in sales, assets, and earnings per share than the functional structures. Other authors subsequently confirmed Rumelt's findings while looking at different structural types and using stock market return as a performance measure (Hoskisson, 1987, Lubatkin and Rogers, 1989; Teece, 1981; Williamson, 1975). The alignment, or fit, fit of strategy and structure is considered a baseline requirement for organization performance, including both financial (revenue, profit and ROI) and non-financial (customer satisfaction and market share assessment (Galbraith and Kazanjian, 1986; Miles and Snow, 1978).

Mentzer and Konrad (1991) break traditional performance down into measures of efficiency and effectiveness, and state that both elements are necessary to accurately measure performance. Efficient performance measures how well the resources expended were utilized while effectiveness assesses the degree to which goals are accomplished. Traditional reporting systems have demonstrated three weaknesses with respect to capturing the efficiency and effectiveness of strategy, including, important issues like customer satisfaction are ignored. The basis in historical cost limits predictive ability; and little or no ability exists to objectively judge effectiveness (Atkinson *et al.*, 1997).

2.5 Strategy- Structure Fit and Performance

Porter (1980) described strategic groups as groups of firms in an industry that follow the same or similar strategy along strategic dimensions. He combined two primary elements market scope and source of competitive advantage to develop a typology of strategic behavior. Market scope is defined as either narrow or broad focus, while the source of competitive advantage is based on either achieving low cost or a certain level of

differentiation from competitors. Porter maintained that a choice must be made to follow either a low cost or differentiation strategy at either a broad or narrow focus; failure to do so results in inferior performance. The firms that fail to choose between the strategies and therefore follow a mixed strategy are deemed "stuck-in-the middle."

Ever since Alfred Chandler Jr. through his seminal work (1962) proposed a causal relationship between a firm's strategy, structure and performance, the relationship between strategy / structure fit and its impact on performance has been a popular focus of study. Chandler, a business historian, relied on empirical analysis for his work (Michael, Storey & Thomas 2002). His approach was influenced by the theories of industrial economics and was positivistic. In his view, external environmental factors determined strategy. Strategy was concerned with obtaining a fit between the external requirements and the internal capabilities of an organization. Only a certain structure fitted a certain strategy thereby delivering superior performance.

The administrative histories of close to a hundred of America's largest industrial enterprises were examined by Chandler (1962). These included fifty companies with the largest assets in 1909 and seventy of the largest by assets in 1948. These enterprises represented every sector of the U.S industry. A preliminary survey of fifty of the largest industrial companies of the U.S (out of the seventy in the later group) was also carried out to find out the structure used to administer such huge enterprises and the causes for innovation in such structures. For these companies, annual reports, government records, magazine articles and business histories/ biographies were studied.

One stream of researchers (Channon 1973; Galbraith and Kazanjian 1986; Galbraith and Nathanson 1978; Galunic and Eisenhardt 1994; Grinyer, Yasai-Ardekani and Al-Bazzaz 1980; Miles and Snow 1978; Miller 1987; Suzuki 1980) built up on the work of Chandler and arrived at the general outcome that while strategy alone or structure alone may have some influence on organizational performance, differences across firms are better predicted by taking into consideration the impact of additional environmental influences on the nature of the strategy-structure-performance relationship (Engdahl et al. 2000; Geiger et al. 2006; Sharma 2007). In general, the flow of causality between environment, strategy, structure and economic performance was considered one way.

In sum, Alfred Chandler's point was that new challenges give rise to new structures Rodrigues (2002). Earlier, technological advancements, the increasing use of capital investments and emergence of the new managerial class gave rise to the forces of decentralization, and divisionalization. These same forces are now driving new organizational structures: virtual organizations, front-back hybrids, federated organizations, dynamic communities, shamrock organizations, hypertext organizations, multi-company coalitions and network structures (Galunic and Eisenhardt, 2001; Hamel 2000; Handy 1995; Nonaka and Takeuchi 1995). Firms and businesses are moving towards customer centric designs at customer interface levels but have product focus at the back end (Sharma 2007). On the other hand, the uncertainty and ambiguity faced by organizations in new-economy and knowledge-based industries are giving rise to new challenges in deciding strategy which is reflected in the recent research work on this subject.

2.6 Factors Influencing the Strategy-Structure Performance Fit

While research has supported a significant relationship between strategy and structure alignment and firm performance, it is recognized that performance is influenced by contingent factors that lie beyond the realm of strategy and structure. These contingent factors can be categorized as either external environmental factors or infrastructure. Environmental factors include customer requirements, competitors and industry structure, and general economic and government controls through legislation and trade practices (Christensen and Montgomery, 1981; Porter, 1985, 1980). Infrastructure is considered to be the underlying map of interdependencies an organization confronts as it struggles to engage in and maintain its activities over time. Infrastructure includes the firms 'technology and systems, core competencies, capabilities, and socio-structure or firm culture (Day, 1994; Fombrun, 1896; Prahalad and Hamel, 1990; Thompson, 1967).

Contingency theorists (Burns and Stalker, 1961; Duncan, 1973; Lawrence and Lorsch, 1967; Thompson 1967) have argued that environmental uncertainty-defined as change and unpredictability in technology and in customer behavior and competitor behavior and political and legal developments can have a major impact on structure, either positively or negatively. Firms can survive these changed environmental conditions with different strategies (Child, 1972, Hrebiniak and Joyce, 1985; Miles and Snow, 1978).

According to Porter (1980) the key aspects that have been widely investigated in SSP (Strategy-Structure Performance) literature demonstrates the relationships among strategy – structure and performance and identified characteristics that lie outside the purview of strategy and structures yet have an influence on them. Porters 'generic strategies detail

the interaction between cost minimization strategies, product differentiation strategies and market focus strategies. He showed the importance of choosing one of them rather than trying to position your company between them. He challenged managers to see their industry in terms of in terms of a value chain. A firm will be successful only to the extent that it contributes to the industries value chain. This forced management to look at its operation from the customer's point of view. Every operation should be examined in terms of what of what value it add in the eyes of the final customer.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

The study used a survey design. Saunders; Lewis and Thornhill (2009) observe that this method is the best suited for gathering descriptive information, since the researcher is able to collect a large amount of data from a sizeable population in an economical way. The survey collected data and information aimed at identifying what managers consider as strategy, structure and performance in the food processing companies.

3.2 Population of the Study

The target population for this study consisted of companies in the food processing sector located in the Nairobi Metropolitan Area. Currently, there are 70 food processing companies (Appendix III), operating in the Nairobi Metropolitan. All the firms were studied.

3.3 Data Collection

Primary and secondary data were used in this survey. The secondary data in quantitative form was sourced from company information like the annual financial reports, company newsletters, and other from research articles, books and casual interviews.

The primary data was collected through a questionnaire with structured questions and a few unstructured questions. The questionnaire comprised questions relating to the organizations strategy and organization structure and focus on changes, which had

occurred in both aspects of strategy and structure over the last 5 years period of time. The questionnaires contained three main parts, each of which pertains to the major area of the research Section A gathered information on the demographic data of the respondent Section B gathered demographic data on the firm. Section C gathered information relating Strategy Types, Section D on Structure design and Section E on change in Performance and Section F gathered information related to factors influencing strategy, structure fit for performance.

The respondent consisted of the CEO or any one senior manager conversant with the all the details of the organization. In instances where the CEO was the respondent she or she identified with the department they had worked long before being appointed CEO. The reasons for picking one person per organization were because of the large population of companies' 70 companies involved.

The questionnaire was administered mainly by the researcher and an assistant through a face to face interview. In situations where the respondent is not available then the questionnaires was self administered after hand delivery and to be picked later.

3.4 Data Analysis Technique

Data collected was quantitative. Data analysis was conducted using descriptive statistics, which included measures of central tendency, measures of variability and measures of frequency among others. According to Mugenda and Mugenda (2003) descriptive statistics enable meaningful description of a distribution of scores or measurements using a few indices or statistics measures of central tendency yield the expected score or measure from a group of score in a study. Measures of variability, such as standard

deviation, inform the analyst about the distribution. Frequency distribution shows a record of the number of times a score or record of the number of times a score or record appears. The Statistics Package for Social Scientists (SPSS) program was used to analyze the data.

CHAPTER FOUR: DATA ANALYSIS, RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

The main objective of the survey was to examine the alignment between strategy, structure and performance of food processing companies operating in the Nairobi metropolitan area. Data was analyzed using an analytical tool, presented by tables, pie charts and bar graphs and interpreted with frequencies and percentages. Likert-type findings were further processed to yield meaning interpretation using mean and the standard deviation.

The chapter is organized into three sections where the first section is presentation of the demographic outlook of the respondents while the second one discusses the main objectives. The last section gives the conclusion of the objective findings in brevity.

4.2 Response Rate

Information on the respondent was based on the department they work in, their level of education, length of time the organisation has been in existence, ownership of the company, and number of employees in the organisation.

Table 4.1: Respondents Department

Respondents Department		
	Frequency	Percentage
Finance	9	15.0
Risk Management	7	11.7
ICT	6	10.0
Operations	13	21.7
Human Resources	4	6.7
Market & Research	14	23.3
Public Affairs	2	3.3
Communication	5	8.3
Totals	60	100.0

Table 4.1 Regarding respondents department, majority 23.3 percent of the respondents belonged from Market and research department followed by 21.7 percent those from operations and 16.7percent those from finance department while 11.7 percent were from risk department 10 percent were from ICT. This indicated that most respondents were drawn from marketing department, operations and finance department as these were the major department in the organization.

Figure 4.1: Level of Education

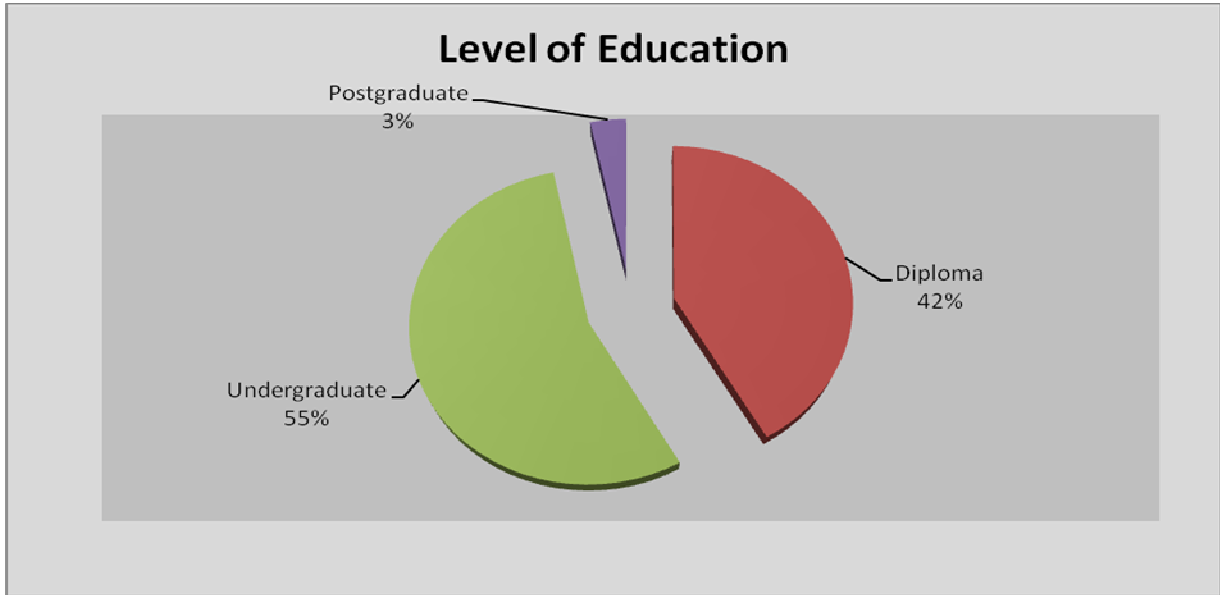


Figure 4.1: The researcher also wanted to know the level of education where majority were Undergraduate 55 percent followed by Diploma level with 42percent and post graduate with 3 percent. This indicated that majority of those interviewed were highly educated and that the industry recruited well trained personnel.

Table 4.2: Length of Time the Organization has been in Existence

Length of time the organization has been in existence		
	Frequency	Percentage
Below 3 years	4	6.7
3 – 6 years	6	10.0
7 – 10 years	23	38.3
11 – 15 years	15	25.0
More than 15 years	12	20.0
Totals	60	100

In addition Table 4.2 the researcher wanted to know the length of time the organization have been in existence where majority 38.3 percent of the respondents have been in the organization between 7 to 10 years followed by 25 percent with 11 to 15 years and 20 percent with more than 15 years while 10 percent had 3 to 6 years and 6.7 percent below 3 years. This indicated that majority organizations were over 7 years and most of them were 10 years old.

Figure 4.2: Ownership of the Company

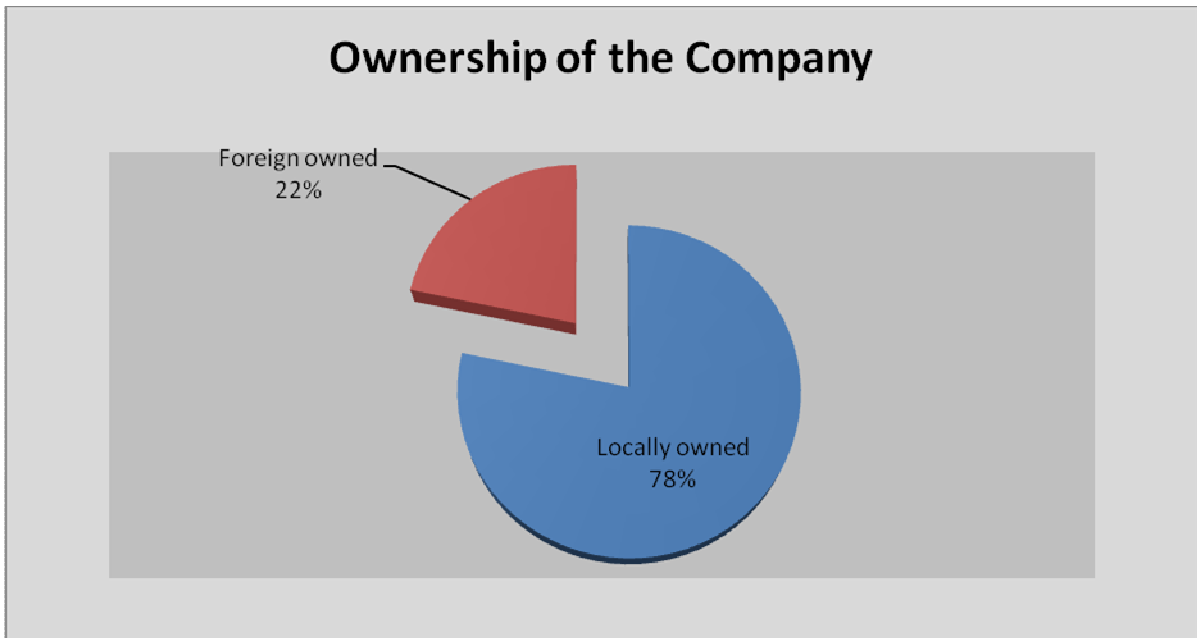


Figure 4.3 regarding the ownership of the company, majority 78 percent was locally owned and 22 percent were foreign owned. This indicates that local investors have put a lot of money in this industry with most of the companies were owned by Kenyans.

Figure 4.3: Number of Employees

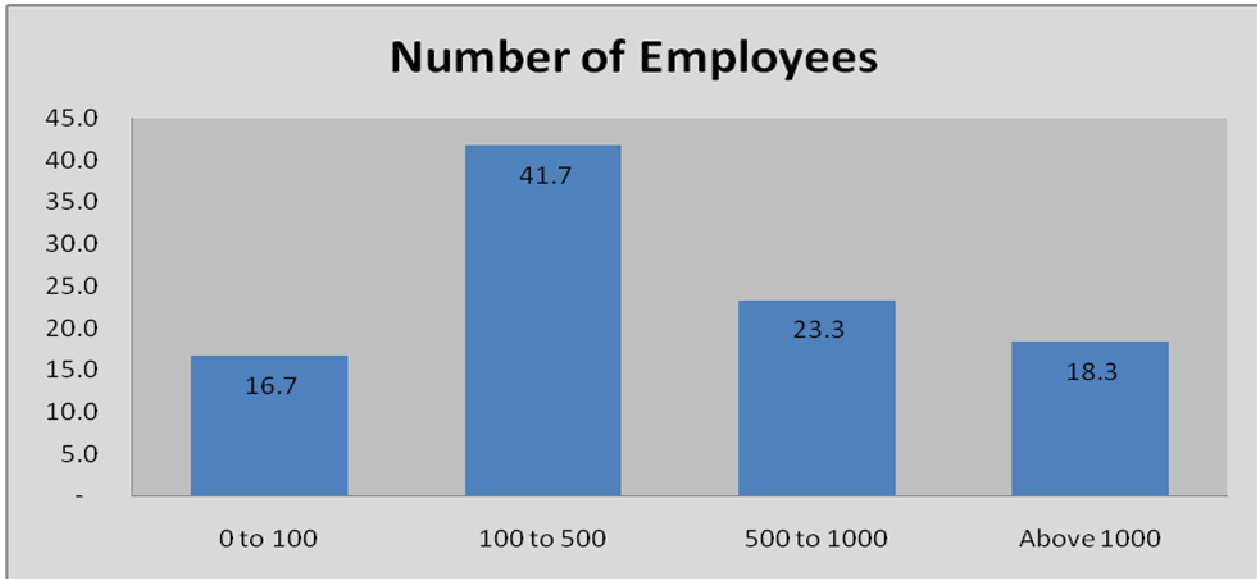


Figure 4.4: Furthermore the researcher was interested to know the number of employees in these organizations. Where majority 41 percent were had between 100 and 500 employees followed by 500 to 1000 (23.3 percent) and above 1000 employees were 18.3 percent while below 100 employees were 16.7 percent. This indicates that most companies had employed 100 to 500 employees meaning that big firms and had contributed to the economy by employing thousands of Kenyans.

4.3 Research Findings

The objective of this study was to investigate strategies adopted by food processing companies, how strategy and structure alignment improved the performance of the company's profitably, customer service, market share, quality service and/or products. The study identified the strategies and structures adopted by each of the companies interviewed. These are indicated in Table 4.3 and table 4.4 given below

Table 4.3: Strategies Adopted by Food processing Companies

Strategies Adopted by Food processing Companies		
	Frequencies	Percentage
Cost differentiation	15	25.0
Production Differentiation	10	16.7
Market focus	18	30.0
Diversification	17	28.3
Totals	60	100.0

Table 4.3 is an illustration of the strategies adopted by food processing companies in an effort to build up the performance. From the findings, 30.0 percent of the companies adopted market focus, while 28.3 percent had implemented diversification. Other firms had adopted cost differentiation and product differentiation with 25.0 and 16.7 percent respectively. This indicated that most organizations had market focus strategy as the main purpose of an organization is to market its goods followed by market focus and diversification of its product to expand its market. Strategy adopted by a firm is imperative as there must be a proper alignment between strategy and structure for superior performance. According to Michael, Storey & Thomas (2002), product

differentiation strategy needs organic structures whereas cost differentiation strategy needs mechanistic structures for superior performance.

Table 4.4: Structures Applicable in the Food processing Companies

Structures Applicable in the Food processing Companies							
	Not at all	Less extent	Fair extent	Large extent	Very large extent	Mean	Std.dev
Centralization	-	5.6	11.2	23.0	60.2	4.38	0.89
Formalization	-	-	-	33.6	66.4	4.64	0.48
Narrow span of Control	2.1	16.0	-	50.2	31.7	3.93	1.07
Wide span of control	-	7.7	7.7	11.2	73.4	4.50	0.93
Specialization	-	4.3	24.0	18.9	52.8	4.20	0.95
Stratification	8.0	12.0	16.0	20.0	48.0	4.00	1.10

Table 4.4 is an illustration of the structure that is applicable in the respondents' respective organizations. According to the findings, formalization and wide span of control were mentioned as the most prevalent structures used by food processing organizations with a mean of 4.64 and 5.40 respectively. The standard deviation for the same was 0.48 and 0.93 respectively. Other widely used, applied structures included centralization, specialization and stratification with mean of 4.38, 4.20 and 4.00 respectively and standard deviation of 0.89, 0.95 and 1.10 respectively. This is an indication that, formalization, wide span of control, specialization as well as centralization are the most prevalent structures in the food processing industry.

According to Hage (1965) instrument measuring organic and mechanistic structure will be used to measure the structural value. The instrument which includes two items for each of the four variables (formalization, stratification, complexity, and centralization) is administered through a questionnaire administered to senior managers in the selected

companies asking them to indicate to which extent the four structural variables best describes the structure in their company.

Table 4.5: Strategy-Structure adopted and resultant performance

STRATEGY, STRUCTURE AND RESULTANT PERFORMANCE			
Name of company	Strategy type	Structural design	Performance
1. Aquamist Limited	Product differentiation	Formalization	High
2. Belfast Millers Limited	Product differentiation	Centralization	Moderate
3. Best Foods Kenya Limited	Cost differentiation	Formalization	Moderate
4. Bidco Oil Refineries Limited	Product differentiation	Formalization	High
5. Bio Foods Products Limited	Market focus	Wide span of control	High
6. Britania Biscuits Limited	Diversification	Specialization	Moderate
7. Brooke Bond Kenya Limited	Product differentiation	Formalization	High
8. Brookside Dairy Limited	Diversification	Centralization	High
9. C&R Food Industries	Diversification	Formalization	High
10. Cadbury Kenya Limited	Diversification	Formalization	Moderate
11. Carlton Products Limited	Product differentiation	Centralization	High
12. Coca-Cola East Africa Limited	Cost differentiation	Formalization	High
13. Confec Industries (EA) Limited	Product differentiation	Formalization	Moderate
14. Corn Products Kenya Limited	Market focus	Wide span of control	High
15. Crown Foods Limited	Diversification	Specialization	High
16. Deepa Industries Limited	Cost differentiation	Stratification	Moderate
17. East African Sea Food Limited	Cost differentiation	Centralization	Moderate
18. Farmers Choice Limited	Product differentiation	Formalization	High
19. Frigoken Limited	Diversification	Formalization	Moderate
20. Galaiya Food Industry	Product differentiation	Specialization	High
21. Giloil Company Limited	Diversification	Specialization	High
22. Glaciers Products Limited	Product differentiation	Stratification	Moderate
23. Global Beverages Limited	Cost differentiation	Formalization	High
24. Haco Industries Limited	Diversification	Formalization	Moderate
25. Highlands Cannery Limited	Product differentiation	Wide span of control	High
26. House of Manji Limited.	Cost differentiation	Specialization	High
27. Incas Limited	Product differentiation	Formalization	High
28. Jetlak Foods Limited	Market focus	Centralization	High
29. Kabansora Limited	Diversification	Formalization	High
30. Kapa Oil Refineries Limited	Cost differentiation	Formalization	High
31. Kenblest Produce Limited	Cost differentiation	Centralization	High
32. Kenya Breweries Limited	Product differentiation	Formalization	Moderate
33. Kenya Millers Limited	Diversification	Formalization	High

34. Kenya Nut Company Limited	Product differentiation	Wide span of control	Moderate
35. Kenya Orchards Limited	Market focus	Specialization	High
36. Kenya Sweets Limited	Diversification	Centralization	High
37. Kevian Kenya Limited	Product differentiation	Formalization	High
38. Kuguru Foods Limited	Diversification	Formalization	High
39. Ma Cuisine Limited	Diversification	Wide span of control	Moderate
40. Mic Food Industries	Diversification	Specialization	Low
41. Mini Bakeries (Nbi) Limited	Product differentiation	Stratification	Low
42. Nestle Foods Kenya Limited	Cost differentiation	Centralization	High
43. P J Products Limited	Product differentiation	Formalization	Moderate
44. Patco Industries Limited	Market focus	Formalization	Low
45. Pembe Flour Mills Limited	Diversification	Centralization	High
46. Premier Flour Mills Limited	Cost differentiation	Formalization	High
47. Premier Food Industries Limited	Cost differentiation	Formalization	High
48. Proctor & Allan (EA) Limited	Product differentiation	Wide span of control	Moderate
49. Rafiki Millers Ltd	Diversification	Specialization	High
50. Razco Food Products	Product differentiation	Stratification	High
51. Super Bakery Limited	Diversification	Centralization	High
52. Swan Industries Limited	Product differentiation	Formalization	High
53. Top Food Limited	Diversification	Formalization	Moderate
54. Trufoods Limited	Product differentiation	Specialization	Low
55. Unga Group Limited	Diversification	Specialization	High
56. Unilever (K) Limited	Product differentiation	Stratification	High
57. Uzuri Foods Limited	Cost differentiation	Formalization	High
58. Vegpro Kenya Limited	Product differentiation	Wide span of control	High
59. Wrigley Company (E.A) Limited	Market focus	Specialization	High
60. Nairobi Millers Limited	Diversification	Stratification	Moderate

Table 4.5 illustrates the strategy-structure applicable in the respondents' respective organizations and the resultant performance. The study reveals that most of the companies with formal structure had opted for product differentiation while market focus strategy was mostly adopted by companies with specialized structures. In addition high performance was realized in majority of the companies, particularly those with formal structures. They have adopted strategies in the shape of product differentiation, diversification and market focus.

As emphasized by Engdahl et al. (2000), Geiger et al. (2006) and Sharma (2007), while strategy alone or structure alone may have some influence on organizational performance, differences across firms are better predicted by taking into consideration the impact of additional environmental influences on the nature of the strategy-structure-performance relationship.

In general, the flow of causality between environment, strategy, structure and economic performance was considered one way. In addition, Organizations with high level of adaptation that have the best prospector strategy mechanistic structure fit will have the highest performance as measured by value, profitability, and risk, compared to other high level adaptation, prospector strategy organic structure organizations (Jennings and Seaman, 1994). According to Chandler, (1962) strategic determination is equated with establishing goals for performance improvement and therefore the evaluation of how well the goals are met.

Table 4.6: Whether current strategy and structure improved the performance of the company customer service

Whether current strategy and structure improved the performance of the company customer service		
	Frequency	Percentage
Not at all	1	1.7
Less Extent	5	8.3
Moderate Extent	7	11.7
Large Extent	22	36.7
Very Large Extent	25	41.7
Totals	60	100

Table 4.6 The researcher was interested to know whether current strategy and structure improved the performance of the company customer service where majority 41.7 percent said very large extent followed by 36.7 percent large extent and 11.7 percent Moderate extent while to 8.3 was less extent and 1.7 percent not at all. This indicated that current strategy enhanced the customer service by a very large extent. As laid down by Grant, et al., (1988) it is particularly appropriate for strategy – structure fit research because the concept of fit argues for increased efficiency and performance- also the impact of corporate strategy on a firms performance may be more directly reflected in accounting profit than in stock price, which measures investors expectation about future profits and good customer service.

Table 4.7: Whether current strategy and structure improved the performance of the company Quality service/products

Whether current strategy and structure improved the performance of the company Quality service/products		
	Frequency	Percentage
Not at all	-	-
Less Extent	2	3.3
Moderate Extent	4	6.7
Large Extent	20	33.3
Very Large Extent	34	56.7
Totals	60	100.0

Table 4.7: Whether current strategy and structure improved the performance of the company Quality service / products. Majority 56.7 percent said it improved by a very large extent, 33.3 percent by a large extent, 6.7 percent by moderate extent and 3.3 percent by less extent. This indicated that current strategy and structure improved the quality service / products by a very large extent.

Table 4.8: The extent to which the following factors influence the strategy-structure fir for performance

	Never (1)	Seldom (2)	Occasionally (3)	Frequently (4)	Always (5)	Mean	Std Deviation
Political and Legal developments	6	21	25	34	14	3.50	1.00
General Economic trends	-	14	24	31	31	3.90	1.00
Competitors	25	21	21	31	2	2.60	1.30
Market trends	34	2	31	31	2	3.30	1.10
Technological changes	13	20	19	21	27	3.10	1.20
Social and Cultural trends	30	25	17	14	14	2.50	1.40
Divisions internal resources	19	14	25	31	11	2.90	1.20
Customer services	14	19	24	24	19	3.00	1.00
Marketing mix	-	37	27	27	9	2.90	1.30

Table 4.8 shows the extent to which the following factors influence the implementation of strategy structure decision, where 1 meant never, 2 meant seldom, 3 meant the factor was considered occasionally, 4 meant the factor was frequently considered and 5 meant that the factor was always considered. These factors are Political and Legal developments, General Economic trends, Competitors, Market trends, Technological changes, Social and Cultural trends, Divisions internal resources, Customer services, and Marketing mix. From the findings the factor that seemed to be very highly valued by the respondents was the general economic trends which had a mean of 3.9 and a std. dev. Of 1.0 this implies that general economic trends are a major factor and it affects the implementation of strategic plans to great extent. Political and Legal developments are

also considered and have a significant effect towards the implementation of the strategies, it had a mean of 3.5 and a std. dev of 1.0 the market trends also affect the implementation since it had a mean of 3.3 and std. dev. of 1.1. According to the respondents, some factors didn't affect the implementation of the strategic plans to a great extent, this included divisions of internal resources, marketing mix where each had a mean of 2.9 and a std. dev. of 1.3 and 1.1 respectively, While the least considered factor was Social and Cultural trends with a mean of 2.5 and a std dev. of 1.4 this implied that they are many factors that need to be considered when implementing any strategic plan.

Uncertainty-defined as change and unpredictability in technology and in customer behavior and competitor behavior and political and legal developments can have a major impact on structure, either positively or negatively. Firms can survive these changed environmental conditions with different strategies (Child, 1972).

4.4 Conclusion

Findings depict that, strategies and structure developed by the organization has helped it improve on its performance and productivity of the organization, but only when properly formulated and put in place. Through mounting proper structures and effective strategies the organization is able to successfully undertake the entire necessary systems equivalent to a strategic process. This process involves the environmental scanning, strategy development, strategy implementation, strategy evaluation and taking the necessary controls. Further analysis asserted that, training sessions on strategy-structure managements are very important and valuable as they update the staff with skills and knowledge relevant in decision making and thus performance improvement. Strategies

developed specifically by food processing firms have helped them improve on their performance and productivity. This has been achieved through proper planning and implementation of appropriate strategy types and structural designs.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary and Findings

The target population for this study consisted of companies in the food processing sector located in the Nairobi Metropolitan Area. Currently, there are 70 food processing companies, of which 60 companies were observed. From the study it was observed that majority 23.3 percent of the respondents belonged to market and research department followed by operations 21.7 percent and finance department with 16.7 percent. A large proportion, that is 55 percent of the respondents were undergraduate level, followed by those with diploma level at 42 percent. Majority 38.3 percent of the respondents had been in the organization between 7 to 10 years followed by 25 percent with 11 to 15 years. A larger proportion comprising of 78 percent of the organizations were locally owned followed by 22 percent who were foreign owned.

Majority 41 percent had between 100 and 500 employees followed by 23.3 percent by those with 500 to 1000 employees. The study revealed that, 30.0 percent of respondents' organizations capitalized on market focus while 28.3 percent had diversified their operations. Other strategies used by the companies were the cost differentiation and product differentiation with 25.0 and 16.7 percent respectively. Regarding whether current strategy and structure improved the performance of the company Quality service / products, majority 56.7 percent said it improved by a very large extent.

On the structure that is applicable in the respondents' respective organizations, formalization and wide span of control were mentioned as the most prevalent structures

used by food processing organizations with mean of 4.64 and 5.40 respectively. The standard deviation for the same was 0.48 and 0.93 respectively. The study reveals that most of the companies with formal structure had opted for product differentiation while market focus strategy was mostly adopted by companies with specialized structures.

5.2 Conclusions

Internal measures of performance relate to the efficiency and effectiveness of the internal manufacturing and selling process within the firm. These categories of performance reflect competences in specific areas of manufacturing and selling including cost, delivery speed and reliability, quality, flexibility, customer service and distribution. External performance measures reflect the assessment of a firm by factors outside of the firm's boundaries. These measures would include conventional indicators of business performance, such as market share, return on investment, return on asset and sales growth.

Local investors have put a lot of money in this industry with most of the companies owned by Kenyans. Most companies had employed between 100 to 500 employees meaning big firms and had contributed to the economy by employing thousands of Kenyans. Most had market focus strategy as the main purpose of an organization is to market its goods followed by diversification of its product to expand its market. Current strategy in many firms has improved profitability of the company. The current strategy and structure in many firms have improved the market share by a large extent furthermore current strategy enhanced the customer service by a very large extent. It also

meant that current strategy and structure improved the quality service / products by a very large extent.

5.3 Limitations of the Study

First, time and resources constraints narrowed the scope to a larger percentage of the companies being located in Nairobi city and its suburbs resulting in less firms being covered in the larger metropolitan area.

Second, the study looked at the specific area of the strategy and structure alignment with a resultant improvement in performance which was very specific.

Third, in some of the organization the chief executive officer or a senior officer conversant with all the details of the organization were not available and we had to get the response of the most senior person available.

Fourth, poor response rate on the question of performance data denied the researcher a fair chance to carry out further analysis.

Last but not least, for ten of the companies there was absolutely no response or cooperation due to what the management considered confidential information which should not be shared with outsiders.

5.4 Recommendations

From the study, the researcher recommends the following.

Strategy and structure of a firm leads to better performance because the structure provides the necessary systems and processes essential for successful strategy

implementation. Therefore, food processing firms should examine their operation in terms of what value it adds in the eyes of the final customer.

Kenya has a relatively well-developed food processing industry which is mainly agro-based. Food processing companies range from small family-owned informal businesses to large formal businesses listed on the Nairobi Stock Exchange and subsidiaries of foreign or multinational businesses. Since the turn of the millennium, the demographic, economic, natural, technological, political legal and socio cultural environment have been changing at an accelerated rate (Kotler and Armstrong, 2001). Firms with a fit strategy and structure performs better than those without such a fit.

Hence firms should employ their market focus strategy in a considerable way as this will improve their market share and boost morale of it sales staff. The firms cost differentiation helps the company in managing and minimizing their costs and improving the profit margin.

5.4 Suggestions for further studies

The study also suggested areas for further study:

- i. The study needs to be presented in other parts of the country to find out whether the same results will be obtained.
- ii. A study should be carried out in other industries to find out if the same results will be obtained.
- iii. Studies need to be carried out with changed variables i.e. strategy, structure and technology.

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APPENDICES

Appendix I: Questionnaire

Strategy, Structure and Performance: a Survey of Food Processing Companies Operating in the Nairobi Metropolitan Area.

SECTION A: RESPONDENT INFORMATION

1. Name of the respondent (Optional)

2. Name of the organization

3. Position held in the organization

4. Department/Division

Finance []

Risk Management []

ICT []

Operations []

Human Resources []

Market & Research []

Public Affairs []

Communication []

Any other (indicate)

5. Level of education

Secondary Certificate []

- Diploma []
- Undergraduate []
- Postgraduate []

SECTION B: BACKGROUND INFORMATION ON THE COMPANY

6. Length of time the organization has been in existence

- Below 3 years []
- 3 – 6 years []
- 7 – 10 years []
- 11 – 15 years []
- More than 15 years []

7. Ownership of the company

- Locally owned []
- Foreign owned []

8. How many employees does your company employ

- 0 to 100 []
- 100 to 500 []
- 500 to 1000 []
- Above 1000 []

PART C: STRATEGIC TYPES

9. What types of strategy does your firm have and or /implemented.

- Cost differentiation []
- Production Differentiation []
- Market focus []
- Diversification []
- Any other strategy []

Kindly explain your answer

10. Would you agree that the strategy adopted and implemented has helped the company achieve its goals?

Name of Strategy Type	Not at all	Little extent	Fair extent	Large extent	Very large extent

SECTION D: STRUCTURAL DESIGNS

11. Has your organization been through a restructuring process during the past 5-10 years?

Yes No

12. If yes, in which fields? Tick as appropriate (Multiple Responses)

- a) Organizational structure
- b) Strategy
- c) Institutional
- d) Financial
- e) Overstaffing
- f) Marketing
- g) Customer service
- h) Any other (Kindly indicate)

13. To what extent are the following structure variables applicable to your organization.

	Not at all	Little extent	Fair extent	Large extent	Very large extent
Centralisation					
Formalisation					
Narrow span of Control					
Wide span of control					
Specialisation					
Stratification					

Any other, please explain

14. To what extent do you agree with the statements stipulated in the table below regarding decision making in your organization?

(NB: 1 denotes 'Completely' while 5 denotes 'Completely agree')

	1	2	3	4	5
Encouraged to speak my mind					
Encouraged to make decisions					
Superior often seeks out my advice					
Check with superior					
Job is not clearly defined					
Rules and procedures for handling problems					
Rules and procedures followed in decision making					
Express my feelings openly					
Do not play active role in decision making					
Do not share influence with superior					
Superior makes decisions					
Do not have a voice in decision making					

SECTION E : PERFORMANCE

15. Has the current strategy and structure fit in your firm improved the performance in terms of the listed variables?

Profitability

- Not at all []
- Less Extent []
- Moderate Extent []
- Large Extent []
- Very Large Extent []

Market Share

- Not at all []
- Less Extent []
- Moderate Extent []
- Large Extent []
- Very Large Extent []

Customer Satisfaction

- Not at all []
- Less Extent []
- Moderate Extent []
- Large Extent []
- Very Large Extent []

Quality of Service/Products

- Not at all []
- Less Extent []
- Moderate Extent []
- Large Extent []
- Very Large Extent []

SECTION F: FACTORS INFLUENCING THE STRATEGY-STRUCTURE FIT FOR PERFORMANCE

16. Indicate the extent to which the following factors are considered in the developing of strategy and structure for performance improvement in your organization: Kindly tick where appropriate using the following 5 – point Likert scales

Never _ 1; Seldom _ 2; Occasionally _ 3; Frequently _ 4; Always _ 5

	Factors	Never	Seldom	Occasionally	Frequently	Always
(a)	Political and Legal developments					
(b)	General Economic trends					
(c)	Competitors					
(d)	Market trends					
(e)	Technological changes					
(f)	Social and Cultural trends					
(g)	Organizations internal resources					
(h)	Customer services					
(i)	Marketing mix					
(j)	Any other					

17. Is there any negative aspect faced by your organization as a result of the strategy and structure currently adopted by your firm?

- Not at all []
- Less Extent []
- Moderate Extent []
- Large Extent []
- Very Large Extent []

Appendix II: List of Food Processing Companies Operating in the Nairobi

Metropolitan.

1. Adarsh Developers Limited
2. Alpha Fine Foods Limited
3. Aquamist Limited
4. Belfast Millers Limited
5. Best Foods Kenya Limited
6. Bidco Oil Refineries Limited
7. Bio Foods Products Limited
8. Britannia Biscuits Limited
9. Broadway Bakery Limited
10. Brooke Bond Kenya Limited
11. Brookside Dairy Limited
12. C&R Food Industries
13. Cadbury Kenya Limited
14. Carlton Products Limited
15. Candy Kenya Limited
16. Capital Firm Kenya Limited
17. Coca-Cola East Africa Limited
18. Confec Industries (EA) Limited
19. Corn Products Kenya Limited
20. Crown Foods Limited
21. Deepa Industries Limited
22. East African Sea Food Limited
23. Excel Chemicals Limited
24. Farmers Choice Limited
25. Frigoken Limited
26. Galaiya Food Industry
27. Giloil Company Limited

28. Glaciers Products Limited
29. Global Allied Industries Limited
30. Global Beverages Limited
31. Haco Industries Limited
32. Highlands Cannery Limited
33. House of Manji Limited.
34. Incas Limited
35. Jambo Mineral Water Co. Ltd
36. Jetlak Foods Limited
37. Kabansora Limited
38. Kapa Oil Refineries Limited
39. Kenblest Produce Limited
40. Kensalt Limited
41. Kenya Breweries Limited
42. Kenya Millers Limited
43. Kenya Nut Company Limited
44. Kenya Orchards Limited
45. Kenya Sweets Limited
46. Kenya Tea Processors Association
47. Kevian Kenya Limited
48. Kuguru Foods Limited
49. Ma Cuisine Limited
50. Mic Food Industries
51. Mini Bakeries (Nbi) Limited
52. Nestle Foods Kenya Limited
53. P J Products Limited
54. Patco Industries Limited
55. Pembe Flour Mills Limited
56. Premier Flour Mills Limited
57. Premier Food Industries Limited
58. Proctor & Allan (EA) Limited

59. Rafiki Millers Ltd
60. Razco Food Products
61. Super Bakery Limited
62. Swan Industries Limited
63. Top Food Limited
64. Trufoods Limited
65. Unga Group Limited
66. Unilever (K) Limited
67. Uzuri Foods Limited
68. Vegpro Kenya Limited
69. Wrigley Company (E.A) Limited
70. Nairobi Millers Limited

Source: Kenya Association of Manufacturers Newsletter, February 2009