OPERATIONS STRATEGY AND ORGANIZATIONAL PERFORMANCE OF AILING FIRMS IN KENYA

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DECLARATION

This research report is my original work and has not been presented for award of any degree in any other university

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This report has been submitted for examination with my approval as university of Nairobi supervisor.

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DEDICATION

To my parents Reginah Koech and Richard Kibet for believing in me, and to my siblings Shadrack, Sharon, Mercy, Faith, Maureen and Jolly for all their love and support.

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ABSTRACT

This study sought to investigate the influence of operations strategy practices on the organizational performance of ailing firms in Kenya. The study was guided by the neo-institutional theory and resource based view theory. The study was based on a descriptive survey design. The target population was 332 respondents. A sample of 100 respondents was chosen using simple random sampling technique. Primary data was collected using questionnaires. Data was analyzed using both descriptive and inferential statistics with the aid of Statistical Package for the Social Sciences (SPSS) version 23. The results were presented in tables. The study concludes that ailing firms, though adopting the operations strategy practices, perhaps might not have been competitive for their markets environment and thus their poor organizational performance. The main operations strategy practices used by the ailing firms were superior customer responsiveness and technological innovations. There was a positive relationship ($r=.107$, $p=.19$) between operations strategy practices and organizational performance of ailing firms in Kenya; However, the relationship was not statistically significant at $p<.05$ level of significance. The researcher recommends that the best operations strategy practices for those market environments be regarded as high priority to achieve increased operational efficiency and consequently improve the organizational performance of ailing firms in Kenya.

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ABBREVIATIONS

BPR	Business Process Re-Engineering
CEO	Chief Executive Officer
ERP	Enterprise Resource Planning
GAAP	Generally Accepted Accounting Principles
ISO	International Organization for Standardization
JIT	Just-In Time
MRP	Materials Requirements Planning
NGOs	Non-Governmental Organization(s)
RBV	Resource Based View
SBU	Strategic Business Unit
TQM	Total Quality Management

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The field of operations management has gone through several stages where quality, time based competition, globalization, and flexibility have played a major role. In the current times, technology and high speed communication tools have shaped all business applications. There is increasing speed of technological advancements and data collection, making systems available, customer order fulfillment process being is going to be re-designed and current body of knowledge on operations management is soon to be renewed (Erkan, 2001). Schonberger and Knod (2012) listed the winning strategies for organizations as strong benchmarking and competitive analysis, supplier and consumer partnership, global presence, extensive continuous training, ethnic variety, and highly involved employees skilled at getting things done right the first time.

Operations strategy being part of operations management presents a set of structural and infrastructural decisions that assist and support the organization's definition of its competitive priorities (Hayes, Wheelwright & Clark, 1988). The operational practices are internal factors that contribute to competence development and offers competitive advantages to the firms (Hayes & Pisano, 2013). Thus, operations activity presents the biggest part of making the product or service as a competitive weapon in whole strategy of the firm (Heizer & Render, 2009). As Stevenson (1999) stated that in a firm, operation was the core function because there was no reason to build the firm, unless resulting something to be offered to the consumer or market. Without the activity and operations function, the other business functions like marketing, financial affairs, and human resource made no meaning. This means that all business functions must co-exist and integrated for the firm to survive.

Performance, a quality of any firm, is achieved by valuable outcome such as higher returns; it can also be measured by the effectivity of operations strategy and competitive advantages. The management of any firm would like to identify and eliminate the underlying causes of inefficiencies, thus helping their firms to gain competitive advantage and attain sustainable competitive advantage, or at least, withstand the challenges from others (Yang, 2006). In the competitive world, good operations management is a key indicator of a corporation performance.

1.1.1 Operations Strategy Practices

Strategy is the direction and scope of an organization over the long term: ideally, which matches its resources to its changing environment and in particular its markets, customers or clients so as to meet stakeholder expectations (Johnson, Scholes & Whittington, 2008). Operations strategy is the total pattern of decisions which shape the long-term capabilities of any type of operation and their contribution to overall strategy, through the reconciliation of market requirements with operations resources (Slack & Lewis, 2011). Thus the operations strategy practices are those actions that ensure the operations strategy formulated are achieved effectively and efficiently.

No organization can plan in detail every aspect of its current or future actions, but all organizations need some strategic direction so they can benefit from some idea of where they are heading and how they could get there. Once the operations function has understood its role in the business and after it has articulated its performance objectives, it needs to formulate a set of general principles which will guide its decision-making. This is the operations strategy of the firm. Yet the concept of 'strategy' itself is not straightforward; neither is operations strategy (Slack & Lewis, 2011).

Internal factors at the firms are primarily responsible for performance variation; organizations are expected to make changes based on "best practices" to their structural and infrastructural elements in order to attain selected performance goals (Narasimhan, Swink & Kim, 2005). For Hayes and Pisano (2013), firms are on performance curves based on the resources they use, but new manufacturing technologies, including management related ones, such as JIT, TQM, lean operations and ISO certification, might place firms on new performance curves.

Hayes and Wheelwright (2005) defined the operations strategy as removal pattern of deciding consistent operation. The more consistent the decision, the more support level to competitive strategy. Operations management decision involves designing product and service, quality management, designing process and capacity, selecting location, planning of layout, human resource and work designing, management of supplies chain, supply, planning, basic commodity and just-in-time (JIT), scheduling middle-term and short-term and caring (Heizer & Render, 2009). According to Chase (2009) operations strategy is related to deciding the policy and widely planning for using production resource from the firm to give the best support to competitive strategy of the firm in long-term.

1.1.2 Organizational Performance

Performance is the accumulated end results of all the organization's work processes and activities (Stephen & Mary, 2002). It is about how effectively an organization transforms inputs into outputs (Thursby, 2000) and comprises the actual results as measured against the intended outputs. According to Richard (2009) organizational performance encompasses three specific areas of firm outcomes: organizational financial performance, product market performance and shareholder return but Liptons (2003) proposes that firm performance is the ability of the firm to prevail. There is hardly a consensus about its definition, dimensionality and measurement and this limits advances in research and understanding of the concept (Santos & Brito, 2012). For this study, the organizational financial performance, the product market performance and shareholder return will be considered as a measure of organizational performance.

The years 80s and 90s were marked by the realization that the identification of organizational objectives became more complex than initially considered. Managers began to understand that an organization is successful if it accomplishes its goals effectively using a minimum of resources which leads to efficiency. Thus, organizational theories that followed supported the idea of an organization that achieves its performance objectives based on the constraints imposed by the limited resources (Lusthaus & Adrien, 2008). In this context, profit became one of the many indicators of performance.

The authors Lebans and Euske (2006) provides a set of definitions to illustrate the concept of organizational performance as a set of financial and nonfinancial indicators which offer information on the degree of achievement of objectives and results, it should also be dynamic, requiring judgment and interpretation, as illustrated by using a causal model that describes how current actions may affect future results. Performance may be understood differently depending on the person involved in the assessment of the organizational performance e.g. performance can be understood differently from a person within the organization compared to one from outside. To define the concept of performance is necessary to know its elements characteristic to each area of responsibility and to report an organization's performance level, it is necessary to be able to quantify the results.

1.1.3 Ailing Firms in Kenya

An ailing firm can be defined as that which is in difficulty and is becoming weaker. When a firm is unable to achieve its strategic objectives it is likely to face survival challenges. A firm's performance is based on satisfying at least seven facets: growth, profitability, market value, customer satisfaction, employee satisfaction, social performance and environmental performance (Ondoro, 2005). It is clear that the changes that took place in the global economy over the past few years have not passed without consequences in our country especially in organizations. These must be able to cope with an increasing number of challenges arising from the business environment, thus increasing their ability to adapt. Few Kenyan enterprises are aware of the fact that their management represents the make or break factor in diminishing or even eliminating the unfavorable influence of the crisis (Verboncu & Purcaru, 2009).

In the recent past, Kenyan firms with big brand names including multinationals operating in Kenya have faced turbulent times and others gone under and closed shop. Just to mention a few, those firms include; British Petroleum, Shell Kenya, Eveready Kenya, Kenya Airways Ltd, Jetlink Ltd, Uchumi chain of supermarkets, Imperial bank. According to Kandula (2006) the key to good performance is a strong culture. Due to differences in organizational culture, same strategies do not yield same results for two organizations in the same industry and in the same location. Hence, the study attempted to relate the performance of those ailing firms in Kenya to their operations strategy practices; it also aimed at finding out the operations strategy practices used, so as to understand their current performance.

1.2 Research Problem

Using a market-based approach to operations strategy, an organization makes a decision regarding the markets and the customers within those markets that it intends to serve. A resource-based view (RBV) of operations strategy works from the inside-out of the firm, rather than the outside-in perspective of the market-based approach (James, 2011). The theory of RBV, in its turn, regards the firm as a set of superior resources that provide firms with competitive advantages that are sustainable over time (Wernerfelt, 2005; Barney, 2012). RBV argues that organizations, even within a single industry and the same competitive environment, are heterogeneous as concerns their assets. This heterogeneity might explain these organizations' competitive differentials. RBV understands assets to be any resources of value to the organization, both tangible like machinery, equipment, etc. and intangible like knowledge, competences and production process practices (Wernerfelt, 2005; Teece, 2012). What makes the development of operation strategy particularly challenging is that not only should the market-based and resource-based views of strategy need to be considered at a point in time, but the changing characteristics of markets and the need to develop operations capabilities over time means a dynamic as well as a static view of strategy is required (James, 2011).

A firm's performance is the function from industry and firm effect that is market position (Porter, 2012; Grant, 2012). According to Porter (2012) industrial structure influences the performance continuity of the firm, while the position reflects the firm ability to determine competitive advantage. After obtaining interest position, the firm can use market power (Teece, 2012) so that the firm gets the advantage. This advantage comes from firm ability to maintain itself against the rival (defensive effect), or affecting the rival (Porter, 2012). Moreover, Porter (1980) said that strategy can be seen as defense against the industrial power or finding protected position.

Gagnon (1999) understands that one of the main fields for operations management research, which has been borrowing from RBV to develop new theories, is the study of world-class practices implementation. These studies dealt not only with how to implement best practices, but also with the impact these practices have on firm performance. Behind this view lies the notion that world-class practices such as re-engineering and outsourcing must be treated as means to improve processes so that firms can develop the skills and competences to become more competitive in the long run. Another research thread in manufacturing strategy links best practices, production process skills and competences and the organization's ability to attain low costs, high flexibility, reliability and quality (Hayes & Wheelwright, 2005).

Locally Magutu, Mbeche, Nyamwange, Mwove, Ndubai & Ongeri (2010) studied operation strategies used in Solid Waste Management in the City Council of Nairobi, and observed the need for policy framework to guide improvement of the standards, efficiency and coverage of waste management. The other studies include; Strategic performance measurement within an operations strategy context: a survey of Kenyan practices (Makori, 2001), the nature of operations strategy and its contribution to performance, the case of KPLC (Okeri, & kenduiwo, 2006). A survey of operations strategy practices of small scale export market farmers in ailing firms in Kenya the case of French bean farmers by (Mbugua, 2009). Makori (2001) in his study brought out the link between performance and the operations strategy in general practices which was well brought out in the research carried out by Okeri (2005) in which he sought to prove that performance was directly linked to strategies applied.

The existence of known best practices that allows a firm to position itself ahead of a competition, leads to the need to understand what ails firms in Kenya. This study looked at the operations strategy practices that are employed by ailing firms in relation to their performance with the aim of learning where the gap is. The selected organizational performance is based on profitability and revenues growth rate between 2010 and 2015.

1.3 Research Objective

To establish the influence of operations strategy practices on organizational performance of ailing firms in Kenya

1.4 Value of the Study

The study may benefit operations managers and CEOs in ailing firms in Kenya who endeavor to grow and be the market leaders with their product. They will be able to appreciate the importance of operations strategy practices when working on towards realizing the vision and the mission of the organization. The best operations strategy practices available in the industry should be able to position companies at strategic advantage if implemented fully. Strategy in a business organization is essentially about how the organization seeks to survive and prosper within its environment over the long-term. The decisions and actions taken within its operations have a direct impact on the basis on which an organization is able to do this. The way in which an organization secures, deploys and utilizes its resources determines the extent to which it can successfully pursue specific performance objectives.

The study may give a glimpse to policy makers; be it the Kenyan Government or industry regulators, the factors being considered as operations strategy best practices. This will give them better understanding that while drafting and passing necessary legislation and by extension will assist in realization of the vision 2030 which is a critical blue print for the economic growth and development in Kenya. The study will benefit operations management consultants who endeavor to advice investors and governments on the effective application of operations strategy in ailing firms in Kenya.

The study has academic importance as well as importance in operations strategy not only in formulation and successful implementation but also in identifying the best practices in the Kenyan market; this study takes into account the academic research as well as practical life situations to suggest the reasons and causes which influence formulation and implementation of operations strategy practices by companies in ailing firms in Kenya. It will also act as a source of literature for academics in the field of operations management.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of literature on operations strategy and its relation to performance of an organization. It also presents research gaps and theoretical framework.

2.2 Theoretical Background

This study was guided by the neo-institutional theory and resource based view theory.

2.2.1 The Neo-Institutional Theory

This study was guided by the neo-institutional theory. The main concerns of the theory are the heterogeneity and differentiation (Skinner, 1969). Through institutional embeddedness and interconnection, the creation of competitive advantages can be explained because institutional embeddedness has an impact on organizational behaviour, causing it to seek an economic and social fit (Barney, 2001). Differentiation supports and sustains competitive advantage, but conformity to institutional pressures provides legitimacy, resources and competitive advantage. In contexts where institutional and competitive pressures exert strong influences, the strategic decisions of managers result both in conformity to institutional pressures, which leads to isomorphism and legitimacy. Differentiation can increase the possibility of creating a competitive advantage through heterogeneity in resources and capabilities. Although both alternatives have an effect on performance and the creation and maintenance of dominant market positions, little attention has been paid to the analysis of the influence of conformity on a firm's performance and competitive advantage. The theory identifies five forces of competition as fierce rivalry, threat to entry, threat to substitutes, power of suppliers and power of buyers (Skinner, 1969). Accordingly, to understand the forces that shape a sector's competition is the basis for developing a strategy. This theory was used to guide this study because operations strategies such as low cost, differentiation, focus and combination strategies can be effectively correlated to organizational performance by using key strategic practices.

2.2.2 Resource-Based Theory

The resource based theory or view (RBV) was pioneered by Kay (2005). It is based on the concept of economic rent and the view of the company as a collection of capabilities. This view has a coherence and integrative role that places it well ahead of other mechanisms of strategic decision making (Kay, 2005). The resource-based view (RBV) offers critical and fundamental insights into why firms with valuable and well organized resources may enjoy superior performance (Barney, 1995). Its current prominence is reflected not only by its dominance in the academic journals, by its inclusion in leading strategic texts which makes it appropriate in this study. The RBV uses a firm's internal characteristics to explain its strategy and performance. An ailing firm is an organized, unique set of factors known as resources and capabilities. Resources are the firm's accumulated assets that it can use to create, produce, and/or offer its products to a market. Resources are eligible for legal protection, can operate independently of firm employees and intervene as factors in the production process to convert input into output that satisfies needs (Grant, 2013). Despite the fact that ailing firms can be termed as not making profits, they still remain economic institutions in that they use the scarce resources (land, labour and capital) to produce goods and services of value. These organizations still have operating costs, impose costs on society to the extent that they use contributions and voluntary services to provide superior value to society and need a reliable flow of revenue to finance their mission. Thus it is not the environment but the resources of the organization which forms the foundation of the firm's strategy, and that superior performance comes from the way that an organization acquires, develops and deploys its resources and builds its capabilities, rather than the way it positions itself in the market place (Werner, 2014).

2.3 Operations Strategy Practices

Operations strategy in a business organization is essentially about how the organization seeks to survive and prosper within its environment. The decisions and actions taken within its operations have a direct impact on the way in which it secures, deploys and utilizes its resources in order to successfully pursue specific performance objectives. According to Slack (2009) the objectives of operations strategy practices include cost, quality, speed, dependability and flexibility. Excelling at one or more of these operations performance objectives can enable an organization to pursue a business strategy based on a corresponding competitive factor. However, the success of any particular business strategy depends not only on the ability of its operations to achieve excellence in the appropriate performance objectives, but crucially on customers valuing the chosen competitive factors on which the business strategy is based.

2.3.1 Competitive Cost Leader

This is where a company decides to create the cheapest product on the market. This strategy requires the product to be commoditized to take advantage of economies of large scale. Usually there can only be one Cost Leader within an industry. When you choose the Cost Leader strategy, you must ensure that your product meets the minimum requirements of the market. If your product does not meet these requirements, you will be forced to drop your prices even lower.

2.3.2 Competitive Differentiation

The differentiation strategy is where a company decides to choose a certain attribute of the product to focus on. In order to make this strategy work you have to select an attribute that a big enough section of the market care about enough in order to pay a premium price for your product. The differentiation strategy allows multiple products to co-exist as long as they concentrate on different attributes. In order to make the differentiation strategy work, you must ensure that the premium price you are able to charge is enough to cover your costs of focusing on the chosen attribute. If the attribute you choose to focus on is not valued highly enough by the market, you will end up with below average returns.

2.3.3 Superior Efficiency

In one sense, a business is simply a device for transforming inputs into outputs. Inputs are basic factors of production, such as labor, land, capital, management, and technological know-how. Outputs are the goods and services that the business produces. The simplest measure of efficiency is the quantity of inputs that it takes to produce a given output, that is, efficiency. The more efficient a company is, the fewer the inputs required to produce a given output. The most common measure of efficiency for many companies is employee productivity. Employee productivity refers to the output produced per employee. Thus, employee productivity helps a company attain a competitive advantage through a lower cost structure. According to Prahalad and Hamal (2012) an organization's core competencies are the sources of competitive advantage which enable the firm to introduce an array of new products and services. These core competencies arise from the integration of multiple technologies and the coordination of diverse production skills. Core competencies lead to the development of core products which serve as a link between the competencies and end products and enable value creation in the end products. Successful strategy implementation depends on competent employees and their capabilities, seen from their bundles of skills and collective learning, knowledge and technological know-how. It is these attributes that give the organization a competitive advantage and process value, which in turn enhance the implementation of operation strategy.

2.3.4 Superior Quality as Reliability

A product can be thought of as a bundle of attributes. The attributes of many physical products include their form, features, performance, durability, reliability, style, and design. A product is said to have superior quality when customers perceive that its attributes provide them with higher utility than the attributes of products sold by rivals. When customers evaluate the quality of a product, they commonly measure it against two kinds of attributes: those related to quality as excellence and those related to quality as reliability. From a quality-as-excellence perspective, the important attributes are things such as a product's design and styling, its aesthetic appeal, its features and functions, the level of service associated with the delivery of the product, and so on.

2.3.5 Superior Innovation

Innovation refers to the act of creating new products or processes. There are two main types of innovation: product innovation and process innovation. Product innovation is the development of products that are new to the world or have superior attributes to existing products. Process innovation is the development of a new process for producing products and delivering them to customers. Product innovation creates value by creating new products, or enhanced versions of existing products, that customers perceive as having more utility, thus increasing the company's pricing options. Process innovation often allows a company to create more value by lowering production costs.

2.3.6 Superior Customer Responsiveness

To achieve superior responsiveness to customers, a company must be able to do a better job than its competitors of identifying and satisfying its customers' needs. Customers will then attribute more utility to its products, creating a differentiation based on competitive advantage. Improving the quality of a company's product offering is consistent with achieving responsiveness, as is developing new products with features that existing products lack. In other words, achieving superior quality and innovation is integral to achieving superior responsiveness to customers. Another factor that stands out in any discussion of responsiveness to customers is the need to customize goods and services to the unique demands of individual customers or customer groups.

2.3.7 Continuous Process improvement

Process improvement can result in improved quality, cost reduction, and time reduction. Time relates to costs and to competitive advantage, and businesses seek ways to reduce the time to bring new products and services to the marketplace to gain a competitive edge. If two companies can provide the same product at the same price and quality, but one can deliver it four weeks earlier than the other, the quicker company will invariably get the sale. Time reductions are being achieved in many companies now. The key to developing an effective operations strategy lies in understanding how to create or add value for customers through competitive priority or priorities that are selected to support a given strategy. Skinner (1996) initially identified four basic competitive priorities which include cost, quality, delivery, and flexibility that directly go into the characteristics that are used to describe various processes by which a firm can add value to the products it provides. Within every industry, there is usually a segment of the market that buys strictly on the basis of low cost (Slack & Lewis, 2001). To successfully compete in this niche, a firm must necessarily, therefore, be the low-cost producer, however even doing this doesn't always guarantee profitability and success, as products sold strictly on the basis of cost are typically commodity-like because customers cannot easily distinguish the products made by one firm from those of another. Therefore customers use cost as the primary determinant in making a purchase (Voss, 2005).

2.3.8 Technology Decisions

Technological innovations characterize how to process inputs to outputs. It includes the methods and systems employed, as well as the know-how and intellectual property. This 'bucket' of technological innovations is arguably the biggest as it could capture most of operations management and thus improve the competitive advantage of a firm. Information technology can be defined as knowledge, products, processes, instruments, procedures and systems which helps produce goods and services (Arvanitis, 2005). Information Technology is at the center of operations strategy designed for finding customers' needs and satisfaction. Successful implementing of strategies results from integrating and coordination of information technologic innovations, production processes, marketing, financing and personnel.

2.3.9 Outsourcing

Lei and Hitt (1995) define outsourcing as reliance on a certain outside source of manufactured components or value-added activities. Gilley and Rasheed (2000) attempt to clarify the concept of outsourcing by defining it as the purchase of a good or service that was originally produced internally, or might have been produced internally, but was in fact produced by a supplier. Increased global competition, pressures to reduce fixed costs, downsizing trends, a focus on core competencies, and the pursuit of flexibility led many firms to choose to outsource products and services that were previously produced internally. Outsourcing is now one of the latest managerial strategies in the pursuit of organizational competitiveness. Outsourcing is a critical element of organizational strategy, as a powerful vehicle to reduce costs and improve performance (Holcomb & Hitt, 2007).

2.4 Operations Strategy Practices and Organization Performance

Organizational performance refers to the degree of achievement of the mission at work place that builds up an organization as measured in terms of work outcome (Cascio, 2014). It is the ability to execute a specific task in a specific manner that can be measured as high, medium or low and in terms of intangible assets like customer's link, services, quality and performance (Kaplan & Norton, 2001). According to Hefferman and Flood (2000) organizational performance is the organization's capability to accomplish its goals effectively and efficiently using the available resources. It is important for organizations to make performance criteria to evaluate the performance of the employees, which is very helpful to evaluating the achievement of the organizational goals and in developing strategic plans for the organizations' future performance (Ittner & Larcker, 2012).

Although there is a range of behaviors that could be used for measuring performance, Borman and Schmit (2012) emphasize judgmental and evaluative processes that take a great deal of action when defining performance. According to Ittner and Larcker (2012) organization performance is a broader term whose indicators include productivity, quality, consistency and efficiency as well as results, behaviors and relative measures such as management development and leadership training for building necessary skills and attitudes of performance management (Richard, 2002). Organizational performance can also be conceptualized in terms of net income, revenue, number of employees, physical expansion, increased market share and financial sustainability job satisfaction and certainty about problem solving (Kotter, 2012). According to Richard (2013) organizational performance encompasses three specific areas of an organizational outcome: financial performance such as profits, return on assets and return on investment; product market performance such as sales and market share; and shareholder return including total shareholder return and economic value added. Organizational performance has the potential to provide a myriad of benefits such as increased power, a greater ability to withstand market fluctuations, an increased survival rate, greater profits, and increased prestige for organizational members.

According to Skinner (1969) operations strategy can succeed if it is based on the clear purpose that has been decided by operations work goal priority (such as cost, quality, sending speed, or flexibility). However, Ferdows and De Meyer (2009) notes that operations ability is built in cumulative model that is called points. There is ideal sequence where operations ability must be developed. These are quality, trustworthiness, flexibility and cost. The strategy of an organization consists of the moves and approaches made by management to produce successful performance. Management develops strategies to guide how an organization conducts its business and how it will achieve its target objectives. Good management is exhibited by good strategy and good implementation. The standards for judging whether an organization is well managed are based on good strategy-making combined with good strategy execution (Chaneta, 2012). Good performance influences the continuation of the firm and can be divided to financial or business performance (Gibcus and Kemp, 2003). The organizational performance measures include excellence in internal business processes and effective timely and accurate data collection, quality workforce, quality work environment.

According to Porter (2009) competitive advantage relates to strategy formulation and implementation in organizations. Organizations that desire to perform must select strategies that will give them a competitive advantage over their competitors based on their core competencies. Organizations can do strategic analysis to achieve competitive advantage using tools such as (SWOT) Analysis and Porter's five forces Model as operations strategies. SWOT analysis aims at matching an organizations internal strengths and weaknesses with its external opportunities and threats. Porters Five Forces Model determines the firms' abilities to position and compete in the industry. Mibei (2005) also proposes three generic strategies which can help organizations to cope with competitive forces and these include focus, cost leadership and differentiations. According to Lo (2012) these firm's resources include assets, capabilities, organizational processes and knowledge that help firms to implement the strategies that improve performance. Other researchers refer to these resources as core competencies and capabilities that could generate competitive advantage (Peteraf, 2013). David

(2005) is of the view that core competencies of organizations include processes, skills and assets that influence organizations to achieve competitive advantage. Sources that have also been mentioned to contribute to core competencies are location, brand, facilities, employee, customer loyalties, market coverage, market share, service quality, technology, leadership, systems and procedures and organizational culture. Richard and Marilyn (2006) argue that the essence of business strategy formulation is coping with competition because the main purpose of strategy adoption is to enable a firm gain a sustainable edge over its competitors.

Operations strategy practices contribute to performance by generating relevant information, creating a better understanding of the environment and reducing uncertainty. Porter (2009) states that organizational performance is determined by the ability of the firm to find its unique position and operations strategy practices is the tool to enable the firm acquire that strategic position. Ofunya (2013) examined the relationship of operations strategic practices and firm performance in Post bank in Kenya and the study revealed that the strategies adopted included vigorous pursuit of cost reductions, providing outstanding customer service, improving operational efficiency, among other. Mwangi (2013) investigated operations strategy practices and performance of large pharmaceutical firms in Kenya. The study findings revealed that firms that were applying operations strategy practices were more willing to innovate, prepared to take risks and were more proactive than their competitors. Muogbo (2013) investigated the impact of operations strategy practices on organizational growth and development of selected manufacturing firms in Anambra State. Results from the analysis indicated that operations strategy practices was not common among the manufacturing firms in Anambra State but its adoption had significant effect on competitiveness and influences on manufacturing firms.

2.5 Summary and Gaps

As revealed in the literature review, numerous studies have explored the links between operations strategy and other broader aspects such as organizational context, environmental conditions and business performance, thereby positioning the operations strategy concept within the broader context of business and corporate level strategies is essential especially in the context of an ailing firm (Leong, 2009; Mills, 2014; Williams, 2014). Thus, empirical data show that there is a relationship between major constructs of the operations strategy process, content, context and organizational performance. Overall, there are several attributes common to these research efforts: first, they have been strongly influenced by the rational top down planning approach to strategy; second, the vast majority of those studies have conceptualized the operations strategy process at a highly abstract level; and third, they have often used quantitative methodological approaches, thus leaving out the rich interactions and organizational processes that form the basis of strategy formation. Therefore, there is need to establish the impact of specific operations strategy practices on organizational performance particularly in ailing firms in Kenya.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the general methodology applied in carrying out the research project. This chapter presents the methodology that was used in the study. It presents the research design, target population, sample size and sampling procedures. It also describes the data collection instruments and methods of verifying reliability and validity of instruments. It also describes the data analysis methods.

3.2 Research Design

The study covers the impact of operations strategy practices on the performance of organizations, particularly current ailing firms in Kenya. A descriptive survey design case study was conducted at ailing firms in Kenya, using their current firm low financial and product/service performance despite other companies performing well in the same business and environment for the years between 2010 and 2015. Robson (2002) defines a case study as a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence. Morris and Wood (2012) add that a case study is relevant for a researcher to gain a rich understanding of the context of the research and the processes being enacted. Case studies have the ability to generate questions such as "what", "how' as well as 'why' and they are very good at exploring existing theory. Case study can also enable a researcher to provide a source for new hypothesis.

3.3 Population

The population of interest in this study was drawn from ten ailing firms in Kenya for the period between the year 2010 and the year 2015. This study will be limited to the ailing firms that majorly operate within Nairobi and its environs. Due to time and budgetary constraint, the entire population of ailing firms in Kenya will be sampled.

3.4 Sample Design

The main factor considered in determining the sample size is the need to keep it manageable enough. This enables the researcher to derive from it detailed data at an affordable cost in terms of time, finances and human resource. Since there are many ailing firms in Kenya that have experienced turbulent times in the past five years, a random sampling was used to narrow down the sample size to at least five ailing firms in Kenya. In a small population, a sample of 30% is statistically significant. Thus a sample size of 100 was selected based on the 30% of the sample. The sample selected was guided by the availability of staff.

3.5 Data Collection

Primary data was collected using self formulated structured questionnaires. The questionnaire had three sections. The first section sought to obtain data on the demographic characteristics of the respondents while the second section contained items on operations strategy practices. The third section sought to generate data on organizational performance. The questionnaires contained closed ended questions and not open ended questions. The questionnaire items in section two and three were based on a five likert type scale with items ranging from strongly disagree to strongly agree, from which the respondents was required to select the answer that best describes their situation.

3.6 Data Analysis

The data obtained from the field was validated, edited and then coded. The returned questionnaires were also scrutinized to determine correctness and accuracy of the responses. Both descriptive and inferential statistics were used in data analysis with the aid of the SPSS latest version and the results presented in tables and figures. Descriptive statistics such as frequency distributions, percentages and frequency tables was used to summarize data. A correlation analysis was used to determine the relationship between operations strategy practices and organizational performance.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the findings obtained from the study on the influence of operations strategy practices on organizational performance in ailing firms in Kenya. Descriptive and inferential statistics were used to analyze data.

4.2 General Information

This section presents the results on the general information about the study respondents. Regarding the response rate of the study, 100 questionnaires were distributed to the respondents and 90 were returned duly filled representing 90% response rate. In terms of distribution of the respondents according to gender, 57% of the respondents were males. Also majority of respondents (30%) had bachelor's degree, making them adequately qualified to provide reliable data pertaining to the influence of operations strategy practices on organizational performance. It is also evident that majority of the respondents were operations managers 30 (33%) followed by financial accountants 15 (15%). The operations managers are responsible for formulation and implementation of the operations strategies, as well, the accountants are directly responsible for or directly involved in the preparation of financial statements. Therefore, their responses were deemed to reflect what actually takes place in the ailing firms in Kenya. The results in regard to the period of service the respondents had served in their respective departments show that majority of the respondents (32%) had worked in the ailing firms in Kenya for less than 5 years. This could be explained by the fact that some of the ailing firms were having challenges with employee management.

4.3. Operations Strategy Practices

The study examined the operations strategy practices applied in ailing firms in Kenya. The results are presented in table 1.

Table 1: Operations Strategy Practices used by Ailing Firms

Operations Strategy Practices	Frequency	Percentage
Competitive Cost Leader	5	5
Competitive Differentiation	11	11
Superior Efficiency	14	15
Superior Quality as Reliability	7	8
Superior Innovation	5	6
Superior Customer Responsiveness	19	21
Continuous Process improvement	9	10
Technology Decisions	17	19
Outsourcing	3	4
Total	**90**	**100**

From the above description, it can be revealed that superior customer responsiveness and technological innovations were the main operations strategy practices applied by ailing firms in Kenya. The use of technological innovations and superior customer responsiveness to impact on the implementation of operational strategy practices concurs with Cumps (2006) who observed that technology has dramatically affected one of the basic concepts in operations strategy: that of making trade-offs between priorities. With advances in information technology, managers no longer have to make pure trade-offs between competitive priorities as they once did. Instead, today's information technology allows firms to compete on several priorities simultaneously, resulting in shifts to superior performance curves. Hence, information technology is a key factor that improves the way the organization reaches its target, produces its goods and services and also makes it relevant in its operation (Teece & Pisano, 2012).

The researcher also sought to ascertain the extent to which different dimensions of operations strategy practices were applied in ailing firms in Kenya. The findings were reported based on the responses obtained from the respondents on various statements about operations strategy practices. Descriptive statistics were used to compute the mean and standard deviations and the results are presented in table 2.

Table 2: Dimensions of Operations Strategy Practices

Dimensions	Mean	SD
All the operations strategy practices are guided by business regulations	4.10	0.73
Operations strategy practices comply with best standards and practices	4.06	0.93
Emerging markets is an area of focus in our firm	4.02	0.41
My firm has embraced information technology	4.00	0.49
My firm caries out its activities in line its mission and vision	3.96	0.97
My firm operates under core competencies and competitive priorities	3.92	0.72
Operations strategy practices used in my firm respond to client needs	3.88	0.53
In my firm there equity in resource allocation	3.58	0.38
Supply chain management guidelines are important consideration in our firm	3.41	0.39
Employee productivity is valued in our firm	3.20	0.23
My firm is guided by best practices in its strategy operations	3.16	1.07
Operations strategy practices aim at expanding market	2.78	0.87
Operations strategy practices focuses on business expansion	2.36	0.39
Customer satisfaction is the main goal of our firm	2.26	0.98
Operations strategy practices used in my firm increase geographic coverage	2.20	0.75

Source: Author (2016)

As shown in table 2, it is evident that compliance with state regulations in the adoption of operations strategy practices is an important factor as it gives the organization a competitive advantage. Also focusing on the emerging markets is one o the main best operations strategy practice which can effectively match the targets during strategy implementation. These findings are in agreement with those of Slack (2009) who states that strategy in a business organization is essentially about how the organization seeks to survive and prosper within its environment over the long-term. In the organization, the decisions and actions taken within its operations have a direct impact on the basis of which it is able to function. This is seen through the ways which an organization secures, deploys and utilizes its resources hence determining the extent to which it can successfully pursue specific performance objectives.

In regard to competencies and competitive priorities, the findings agree with Prahalad and Hamel (2007) who posted that competencies are the basis of strategy implementation and the root of competitiveness. In the long run, competitiveness derives from an ability to build, at lower cost and more speedily than competitors, the core competencies that spawn unanticipated products. This also concurs with Porter (2005) who noted that the real sources of competitive advantages are found in management's ability to consolidate corporate-wide technologies and production skills into competencies that empower individual businesses to adapt quickly to changing opportunities, thus enhancing corporate performance.

The fact that the firms were guided by the best practices is in agreement with Mwangi (2013) whose study found that firms that were applying operations strategy practices were more willing to innovate, prepared to take risks and were more proactive than their competitors. The results also show slightly lower response rate in regard to whether the operations strategy practices focused on business expansion, customer satisfaction was the main goal of the firm and whether the operations strategy practices used in the firms increased geographic coverage in the ailing firms in Kenya as indicted by a mean of 2.36, 2.26 and 2.20 with a standard deviation of 0.39, 0.98 and 0.75 respectively.

4.4 Organizational Performance of Ailing firms

This section presents the results on the organizational performance of the firms studied. Organizational performance was examined by analyzing data collected under different dimensions of organizational performance and computing for the mean and standard deviation of the responses to the statements. The results are presented in table 3.

Table 3: Organizational performance

Indicators of Organizational Performance	Mean	SD
Product innovation in my firm has superior attributes	3.87	0.90
My firm take initiative to meet customers' needs	3.46	0.90
Success of my organizational performance comes from the way my firm acquires and deploys its resources	3.46	1.11
My firm creates the cheapest product in the market	3.43	0.22
My firm has a strategic business plan that guides organizational performance	3.41	0.72
Product/market development strategies affect performance of my firm	3.34	0.93
Operations strategy leads to business performance, thereby positioning the operations strategy	3.33	1.11
The level of output produced per employee is high	3.24	0.76
My firm is accountable, responsible and dependable	3.20	0.89
The price my firm charges covers operational costs	3.14	0.72
The products and services of my firm meet the minimum requirements of the market	3.09	0.92
The performance of my firm is guided by implementation of competitive strategies	2.99	1.06
Level of efficiency in production in my firm is high	2.48	0.70
Operations strategies in my firm helps to cut down on cost	2.06	1.03

Source: Author (2016)

From these findings, it is evident that the ailing firms were taking competitive priorities that affected organizational performance of the firms. This is in agreement with Voss (2005) who found that by successfully competing in a niche, a firm must necessarily be the low-cost producer. However, Chaneta (2012) disagrees that this doesn't always guarantee profitability and success, as products sold strictly on the basis of cost are typically commodity-like since customers cannot easily distinguish the products made by one firm from those of another. Nevertheless, the buying power of customers is determined by the cost and availability of the product once they are able to spend (Voss, 2005) This calls for the need to have affordable goods and services produced and availed for end users, because customers use cost as the primary determinant in making a purchase (Teece & Pisano, 2012).

From the findings, it is also established that the ailing firms had a strategic business plan that guided organizational performance (mean = 3.41, SD= 0.72). It is also evident that the product/market development strategies affected performance of the firm (mean= 3.34, SD= 0.93). The fact that product/market development strategies affected performance of the firms has also been observed by Porter (2008) who noted that firms that developed new products targeting its existing market segments and by diversifying into new businesses by developing new products for new markets is likely to register improved performance. This is through aspects such as the firms' entrance to high end of the market, increasing the number of customer, adoption of innovation process, continually upgrading all non performing products, intensive technological innovations, introduction of services with added advantages and recruiting agencies to help in marketing and selling.

In regard to whether operations strategy practices adopted led to business performance, thereby positioning the operations strategy, there is slight agreement (mean = 3.33, SD= 1.11). From the collected information, it was revealed that the respondents agreed that the level of output produced per employee was high (mean=3.24, SD= 076). It can also be revealed that the firms were accountable, responsible and dependable as shown by a mean value of 3.20. It was also revealed that the price the firms charged covered operational costs (means=3.14, SD= 0.72). The respondents also agreed that the products and services of offered by the firm met the minimum requirements of the market (mean=3.09, SD= 0.92). This is also supported by Skinner (1996) who noted that appropriate operations strategy practices should involve product upgrading and lowering of prices. This is in line with a previous study that argues that diversification is the most risky of the growth strategies since it requires both product and market development and may be outside the core competencies of a firm (Chaneta, 2012).

It is also clear that the respondents slightly agreed that the performance of their firm was guided by implementation of competitive strategies (mean=2.99, SD=1.06). These findings also concur with those by Skinner (1996) who found that the key to developing an effective operations strategy lies in understanding how to create or add value for customers through competitive priority or priorities that are selected to support a given strategy. It was further established that the level of efficiency in production in the firms was high (mean = 2.48, SD= 0.70). It is also evident that the respondents slightly disagreed that the operations strategies in their firm helped to cut down on cost (mean= 2.07, SD=1.03).

From these findings, it can be argued that to a great extent the product innovation in the firms had superior attributes, the firm took initiative to meet customers' needs, the success of their organizational performance came from the way their firm acquired and deployed its resources, the firm created the cheapest product in the market, a firm should have a strategic business plan that guided organizational performance (Green, Covin & Slevin, 2008). However, there is also evidence that the organizational performance of the ailing firms was not fully guided by implementation of competitive strategies and the level of efficiency in production in the firms was high, the operations strategies in their firm helped to cut down on cost (Skinner, 1996).

4.5 Operations Strategy Practices and Organizational Performance

The study set out to determine the influence of operational strategy practices on organizational performance of ailing firms in Kenya. This section presents the results on the relationship between operations strategy practices and organizational performance. Pearson correlation analysis was used to establish the association between the variables. The findings are as presented in table 4.

Table 4: Operations Strategy Practices and Organizational Performance

		Operations Strategy Practices	
Organizational Performance	Pearson Correlation	.107	
	Sig. (2-tailed)	.19	
	N	90	

The findings indicated the existence of a positive relationship (r=.107, p=.19) between operations strategy practices and organizational performance of ailing firms in Kenya. However, the relationship was not statistically significant at p<.05 level of significance. On the basis of this association the researcher observed that organizational performance of the ailing firms in Kenya did not entirely depend on operations strategy practices. However, Ofunya (2013) agrees that alignment of operational strategies with availability of resources could ensure effective implementation of operational strategies. Consequently, the use of operations strategy practices is an important tool to gauge a firm's strength and leverage against potential opportunities as well as guard against threats and counter weaknesses in order to realize improved organizational performance.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summaries of the study findings and the conclusions drawn from the study findings. The chapter also presents the recommendations made and areas suggested for further research.

5.2 Summary Findings

The summary of findings is presented in line with the objective of the study. The objective of the study was to examine the influence of operations strategy practices on organizational performance of ailing firms in Kenya. Results on the demographic characteristics of the respondents show that slightly more than half of the respondents were male. Majority of respondents held bachelor's degree. Also majority of the respondents were operations managers and accountants who had worked in the ailing firms in Kenya for less than 5 years. In regard to operations strategy practices competitive cost leader, competitive differentiation, superior efficiency, superior quality as reliability, superior innovation, outsourcing, continuous process improvement, technological innovations and superior customer responsiveness were applied in ailing firms in Kenya.

Concerning the operations strategy practices there was a higher response rate in regard to whether all the operations strategy practices employed adhered to government regulations and policies, complied with the best standards and practices, emerging markets was an area of focus, and whether the ailing firms embraced information technology. It is also evident that the ailing firms carried out their activities in line their mission and vision, the firms were operating under core competencies and competitive priorities, operations strategy practices used responded to the needs of the clients, and there was equity in resource allocation. It is also evident that the ailing firms though implemented several operations strategy practices; they were not competitive enough to improve on the organizational performance.

The findings also show that product innovation in the firms had superior attributes; the ailing firms took initiative to meet customers' needs, organizational performance stemmed from the way the ailing firms acquired and deployed its resources and by creating the cheapest product in the market. From the findings it is also evident that the firms had a strategic business plan that guided organizational performance, the product/market development strategies affected the organizational performance and the operations strategy led to business performance, thereby positioning the operations strategy, there is low agreement. The findings indicated the existence of a positive relationship between operations strategy practices and organizational performance of ailing firms in Kenya. However, the relationship was not statistically significant.

5.3 Conclusion

Based on the study findings, it was concluded that the main operations strategy practices used by the ailing firms were superior customer responsiveness and technological innovations were the main operations strategy practices applied by ailing firms in Kenya. However, all the other practices were used to try and influence organizational performance of ailing firms. The researcher concludes that the operations strategy practices employed in the firm adhered to government regulations and policies, complied with best standards and practices, emerging markets was an area of focus in our firm, and the ailing firms embraced information technology. It is also concluded that the ailing firms carried out their activities in line their mission and vision, operated under core competencies and competitive priorities, the operations strategy practices used in the firms responded to client and there was equity in resource allocation. The operations strategies adopted affect organizational performance in ailing firms in Kenya. It is evident that the product innovation in the firms had superior attributes, the firm took initiative to meet customers' needs, the success of their organizational performance could come from the way their firms acquired and deployed its resources and the ailing firms still created the cheapest product in the market. This suggests that there was a positive relationship ($r=.107$, $p=.19$) between operations strategy practices and organizational performance of ailing firms in Kenya. However, the relationship was not statistically significant at $p<.05$ level of significance. This means all the operations practices employed by ailing firms were not competitive for their markets and led to those firms becoming vulnerable.

5.4 Recommendations

In relation to the influence of operations strategy practices on the performance of ailing firms, the level of success largely depends on the expertise of management, financial, technical and organizational process flows that, to a large extent, forms a firm's strategy. It is therefore the recommendation from the researcher to emphasis on automation and process management be regarded as high priority to achieve increased operational efficiency and consequently improve the organizational performance of ailing firms n Kenya.

In relation to the strategies employed at the business level and the adoptability of corporate level practices that influence the performance of the ailing firms firm, it is the recommendation of this research that every ailing firms firm develop a business strategy looking at the core strategic pillars of strategic planning, strategic choice and strategic implementation, encompassing the three critical levels of the firm, that is, the corporate, business and operational levels of the firm.

The use of operations strategy practices within the ailing firms industry ensures that the holistic view of performance is pegged on strategic planning, strategic choice and strategic implementation and does not only concentrate on measures of success on the traditional pillars of cost, quality and time. These practices are directly related to the strategic objectives set as the core nature of business entities is to perpetuate success through a robust and successful road map chartered through the firm's mission and vision. It therefore involves the development of a framework upon which performance measures can be developed and implemented as to identify the degree to which an organisation is able to implement its strategy.

As per the study finding, the researcher recommends that the firms operations managers should initiate and use a combination of operations strategy practices to counter the challenges their ailing firms face to enhance financial performance.

The study recommends competence staff profiling based on the requirement of operations strategy practices. The study also recommends that the ailing firms should strengthen their operations strategy practices in order to enhance organizational performance within various departments. The study also recommends that ailing firms should establish a strategy for improving the generation of more finances for the operations of the firms' departments. Finally, the study recommends that there should be a deliberate attempt by the management of the ailing firms to strengthen the management's commitment towards the implementation of operations strategy practices.

5.5 Limitation of the Study

This was restricted to ten ailing firms in Kenya. Other ailing firms not captured in this study were therefore not covered; hence, the outcome may not give a conclusive picture of all ailing firms in Kenya. This limitation was addressed by use of appropriate sampling techniques and instrumentation. Some of the respondents were reluctant to reveal information on issues deemed controversial; such as organizational performance. However, this was overcome by assuring the respondents that the study was purely for academic purposes. The researcher also guaranteed the respondents of confidentiality of the information given. Also some respondents found the study sensitive and therefore became suspicious of the findings. The researcher assured them that the findings of the study would not be reported on the basis of individual firm but rather on the overall reports of all the ailing firms involved in the study. There were also some respondents who expressed only socially acceptable views thus compromising the outcome of the study. To overcome this, the researcher assured them that the data obtained from them would be treated with confidentiality. The researcher also carried a pilot study to establish the possible cause of non compliance in filling the questionnaires and adjusted them accordingly. Also the researcher encouraged the respondents to participate in the study without holding back the information they had.

5.6 Suggestions for Further Research

The research was carried out to establish the influence of operations strategy practices in the organizational performance of ailing firms in Kenya. From the findings, there is still a gap as to the extent to which operations strategy practices enhance performance in general. There is still an opportunity to carry out further research. Much still needs to be explored in the public sector arena where firms are not on an upward growth. Further areas of research may include the operations strategy practices used to govern public parastatals in relation to organizational performance. Also as an area of further research, the exploration of private entities that finance ailing firms and the strategic practices they execute to govern the role the play as financiers and legitimate stakeholders to ailing firms is suggested. Consequently further studies are suggested in the following areas: A study on the factors determining operations strategy practices in ailing firms in Kenya. There is need to conduct more studies on factors affecting the implementation of not only operational strategies but other strategies in all sectors. It should also be replicated in other firms not necessarily ailing firms in Kenya.

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APPENDICES

Appendix I: Questionnaire

Please take a few minutes to fill this questionnaire. All information will be treated with utmost confidentiality and will strictly be used for the purpose of this study. Thank you.

SECTION A: DEMOGRAPHIC DATA

1. Gender: Male ( ) Female ( )
2. Level of education: Diploma ( ) Bachelor ( )Masters ( ) PhD ( ) Others ( )
3. Please indicate your job description __________________________
4. Work Experience: Below 5 Yrs ( ) 6-10 yrs ( ) 11-15 yrs ( ) above 15 yrs ( )

SECTION B: OPERATIONS STRATEGY PRACTICES

5. The following are operations strategy practices. Which one is frequently applied in your firm? Tick where applicable.

Operations Strategy Practices	**Tick**
Competitive Cost Leader	
Competitive Differentiation	
Superior Efficiency	
Superior Quality as Reliability	
Superior Innovation	
Superior Customer Responsiveness	
Continuous Process improvement	
Technology Decisions	
Outsourcing	

6. What is your level of agreement with the following statements relating to the operations strategy practices of your firm? Scale 5=strongly agree 4= agree 3= moderate 2= disagree 1=strongly disagree.

Indicators	**SA**	**A**	**N**	**D**	**SD**
All the operations strategy practices employed in my firm adhere to government regulations and policies					
Operations strategy practices comply with best standards and practices					

My firm is guided by best practices in its strategy operations					
Operations strategy practices focuses on business expansion					
Operations strategy practices aim at expanding market					
Operations strategy practices used in my firm respond to client needs					
My firm caries out its activities in line its mission and vision					
Emerging markets is an area of focus in our firm					
My firm gives employee involvement a grater consideration					
Supply chain management guidelines are important consideration in our firm					
Customer satisfaction is the main goal of our firm					
Operations strategy practices used in my firm increase geographic coverage					
In my firm there equity in resource allocation					
My firm has embraced information technology					
My firm is operating under core competencies and competitive priorities					

SECTION C: ORGANIZATIONAL PERFORMANCE OF AILING FIRMS

7. What is your level of agreement with the following statements relating to the organizational performance of your firm? Scale 5=strongly agree 4= agree 3= moderate 2= disagree 1=strongly disagree.

Indicators	**SA**	**A**	**N**	**D**	**SD**
My firm creates the cheapest product in the market					
The products and services of my firm meet the minimum requirements of the market					
The price my firm charges covers operational costs					
Level of efficiency in production in my firm is high					
The level of output produced per employee is high					
Product innovation in my firm has superior attributes					
Success of my organizational performance comes from the way my firm acquires and deploys its resources					
My firm has a strategic business plan that guides organizational performance					
Operations strategies in my firm helps to cut down on cost					
My firm take initiative to meet customers' needs					
My firm is accountable, responsible and dependable					
Operations strategy leads to business performance, thereby positioning the operations strategy					
Product/market development strategies affect performance of my firm					
The performance of my firm is guided by implementation of competitive strategies					

Appendix II: List of Ailing Firms

1. British Petroleum Kenya
2. Shell Kenya.
3. Eveready Kenya Ltd.
4. Kenya Airways Ltd.
5. Jetlink Airways Ltd.
6. Uchumi chain of supermarkets, Kenya.
7. Imperial bank Kenya Ltd.
8. Chase Bank-Kenya Ltd.
9. Kenya meat Commission.
10. East African Portland Cement