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EFFECT OF STRATEGIC MANAGEMENT PRACTICES ON PERFORMANCE OF COFFEE FACTORIES IN KIAMBU COUNTY, KENYA

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ABSTRACT

Coffee is an important commodity in the world economy but the industry faces competition, price fluctuations, changing labor markets and generally an ever changing internal and external business environment. This requires the management of coffee factories to be strategic in their approach to attain desirable performance. The researcher sought to determine the effect of strategic management practices on Coffee factories performance in Kiambu County. The study focused on two specific objectives as key strategic management practices; communication and resource mobilization. The study was anchored upon contingency theory, resource based view theory, upper echelons theory, and agency theory. The researcher adopted the descriptive statistics also referred to as diagnostic research design. The target population of interest in this study comprised of 10 coffee factories in Kiambu County. A sample of 30 respondents was selected randomly from the management team. This study used one set of self-administered questionnaires for coffee factory managers as the main tool for collecting the data. A pilot test was conducted to assist in determining if there are flaws, limitations. Cronbach's alpha used to test the reliability of the measures of the instrument. The study employed descriptive and inferential statistical methods in data analysis. The linear regression model was utilized to further give inferences to the data obtained using the Statistical Package for Social Sciences (SPSS). To support the linear regression models, the analysis of variance (ANOVA) was used to test the significance of the overall model at 95% level of significance. The findings of the study revealed the study variable were key determinant to performance of Coffee factories in Kiambu County. Resource mobilization had the strongest influence on performance then followed by Communication. Based on the finding the study concluded that poor resource mobilization and lack of proper channels of communication resulted to the poor and redundant growth of coffee factories in Kiambu County. The study recommends for adequate funding in the Coffee sector to ensure growth in production and marketing. The study further recommends for proper communication channels and structure in the coffee factories enhance awareness and implementation of set strategies to improve performance in the Coffee factories

Keywords: *Communication, Resource Mobilization, Performance*

I.1 Introduction

Coffee is an important commodity not only to the producing Countries but also to the whole world economy (Giovannucci & Koekoek, 2003). Like all agricultural commodities coffee industry suffers from sharp variations in supply that, at times can cause wide and drastic fluctuations in price (Donnet, Weatherspoon and Hoehn, 2007). The last twenty years have demonstrated the recurrent boom and bust cycles that characterize the coffee industry. Thus, related to these price fluctuations is the financial risk exposure of all coffee producers (Lewin, Giovannucci & Varangis, 2004).According to Donnet, Weatherspoon, and Hoehn (2007), during 2000 and 2001, worldwide supply caused coffee prices to drop to their lowest levels in 30 years, if adjusted for inflation. Coffee prices have plummeted below the cost of production for many coffee producers, thus, causing financial and social hardships to farmers and laborers'. The total current production of green coffee is about 115 million bags (60 kilo net). This exceeds consumption of about 105 million bags (80 million in importing countries and 25 million in producing countries). Over-production has led to the accumulation of inventories in producing and consuming countries and the drop in world prices. Meanwhile, new nontraditional markets are emerging and growing quickly, driven by the availability of cheap coffees in soluble form (Marenya and Barret, 2006). A small but viable segment of the market has emerged that focuses on quality and product differentiation (Karanja & Nyoro, 2002). In addition to these trends, income effects are proving to be a significant factor in coffee consumption. The increase in consumption is being driven by the high availability of cheap robustas which have allowed roasters to make a product available at affordable prices (Kate, *et al.*, 2008).While the supply of coffee has expanded, the quality of green coffee in some parts of the world has also been improving (Sayers, 2004).At the same time, there are growing consumer markets for gourmet and other specialty coffees (gourmet, fair-trade, organic and eco-friendly) that command a significant price premium (Donnet, Weatherspoon & Hoehn, 2007)

1.1.2 Strategic management practices

Strategic management is making decisions and taking corrective actions to achieve long-term targets and goals of an organization (Bakar et al, 2011). They are decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives (Pearce & Robinson, 2005). As a result of the increased competition, managers prove to be more and more preoccupied with the decision-making process that allows their companies to act on the market (Olsen,Ching-Yick Tze and West, 1998). The strategic options are the outcome of managers' efforts to identify the forces that determine the changes allowing them to understand the opportunities from the business environment. The ultimate goal of firm managers is to obtain the best results with minimum effort and lowest investments. All these can be accomplished only if they can choose the best strategies and thus obtain the competitive advantage and hence influence performance.

Organizational structure directs the competence of work, the enthusiasm of employees and coordination among the top management and subordinates for flow of plans and goals in the organization to sketch the future plans. Organizational structure is the way responsibility and power are allocated, and work procedures are carried out, among organizational members (Blau, 1970; Organizations that operate with a high degree of environmental uncertainty may decentralize decision-making (Ruekert et al., 1985) rely less on formal rules and policies (Jaworski, 1988), and flatten their hierarchies (Walton, 1985).Denison's organizational culture model is based on four cultural traits involvement, consistency, adaptability, and mission that have been shown in the literature to have an influence on organizational performance (Denison, 1990; Denison & Mishra, 1995) According to Denison there are four basic features of organizational culture: mission – organization purpose and direction; involvement – personal involvement of people throughout the organization in achieving the mission; consistency (homogeneity) – shared values, systems and processes that support efficiency and effectiveness in reaching goals; adaptability – employees' ability to understand what customers want, change in response to new demands learning new skills and technologies to support success. Awino (2007) found out that corporate culture requires collective identity and togetherness in order to determine day-to-day communications, acceptable/non-acceptable behaviour as well as power/status and resource allocation. These are important aspects in implementation of organizational plans. Communication is the key to gaining people's involvement and significantly reducing their level of uncertainty in the activities of an organization (Burnes, 2004).

1.2 Statement of the Problem

Employing strategic management is critical to firm's performance (Johnson *et al.,* 2008). Strategic management demands efficient systems to counter unpredictable events that can sustain their operations and minimize the risks involved (Pearce and Robinson, 2007). Over the years, the coffee market has undergone important changes in the supply side which reflects a steady increase in world production and export levels (Giovannucci & Koekoek, 2003) but also, it is direct consequence of the new structure of the market and intense competition from other players, which is exacerbating the problem for Kenyan coffee producers (Lazaro, Makindara & Kilima, 2008). With demand growing slowly and global production still at high levels and still expanding, most analysts predict that this could affect the longer-term sustainability of coffee production in Kenya (Lewin, Giovannucci & Varangis, 2004). The internationalization of coffee factories at the international markets involve a great deal of opportunities as well as risks due to volatile markets in regards to both political and economic stability of countries.

The business environment in which firms operate is dynamic and turbulent with constant and fast paced changes that often render yester-years strategies irrelevant (Ofunya, 2013). The business environment has pushed organizations to limits dictating the need to adopt strategic management practices that support plans, choices and decisions that will lead to competitive advantage and to archive profitability, success and wealth creation. Strategic management addresses the question of why some organizations succeed, others fail (Melchorita, 2013), and it covers the causes for company's success or failure (Porter 2001). Numerous studies have been carried globally and locally on the effect of strategic management practices on organizational performance. For instance, Melchorita (2013), Bakar *et al* (2011), Murimbika (2011), Dauda *et al.* (2010) and Ofunya (2013) analyzed the relationship between strategic management practices and organizational performance in different organizations but none of them investigated the effect of strategic management practices on performance of coffee sector in Kiambu County. Thus, this study aims at establishing the effect of strategic management practices on performance of coffee sector firms in Kiambu County.

1.3 Objectives of the Study

1. To establish the effect of communication on performance of coffee factories in Kiambu County, Kenya.
2. To establish the effect of resource mobilization on performance of coffee factories in Kiambu County, Kenya.

1.4 Scope of the Study

This study focused on the responses from coffee factories in Kiambu County in Kenya on strategic management practices in their firms. It also covered the ways in which strategic management practices relate to performance in the coffee industry. Demographically, the study will be limited to Kiambu County Kenya, with the assumption that the responses represented the views of other firms in the country.

2.0 LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 The Contingency Theory

Contingency theory has been one of the most influential theory applied in strategy and organizational studies which was developed by (Hofer, 1975). The contingency theory draws on the idea that there is no one or single best way or approach to manage organizations. Organizations should then develop managerial strategy based on the situation and condition they are experiencing. Thompson (1967) in his classic organization in action model portrayed the basic problem of an organization as achieving originality in an uncertain word. Organizations are created to pursue some desired outcomes, yet they are faced with technologies and environment of varying levels of uncertainty which limits their ability to plan and execute actions to achieve the desired ends. Thompson viewed organizations as open systems fundamental with environment over which they had only limited control. Thompson conceives environment in terms of several key dimensions, one being organizational domain, second being task environment which most interpedently and the third is being power and dependence relation implied by the nature of its domain and task environment. The organization domain is defined by the claims that the organization makes in terms of its range of products, the customers it serves and what services it lenders. The most relevant part of the larger system from the organization's strategic point of view comprise its external environment which are the customers or clients, suppliers of materials, labor, capital equipment and work space competitors for markets and resources and regulatory group including government, union and inter firm associations. This theory thus emphasizes on the importance of ensuring that organizational strategies are appropriate to the circumstances of the organisation including the culture operations process and external environment. Organizational strategies have to take account of the particular needs of both the organisation and its people (McGrath and MacMillan, 2000). This theory will apply in this study to measure the frequency with which firms change their strategies or if they never do so.

2.1.2 Resource based View

Resource based view was propounded by (Wernerfelt, 1984) to advance the idea that strategy of a firm is a function of the complement of the resources held. The resource-based theory (RBT) stems from the principle that the source of firms' competitive advantage lies in their internal resources, as opposed to their positioning in the external environment. That is rather than simply evaluating environmental opportunities and threats in conducting business, competitive advantage depends on the unique resources and capabilities that a firm possesses (Barney, 1995). The resource-based view of the firm predicts that certain types of resources owned and controlled by firms have the potential and promise to generate competitive advantage and eventually superior firm performance (Ainuddin et al., 2007). Thus, according to the resource-based theory, managing strategically involves developing and exploiting a firm's unique resources and capabilities and continually maintaining and strengthening those resources. The theory asserts that it is advantageous for a firm to pursue a strategy that is not currently being implemented by any other competing firm. Such resources must be either rare or hard to imitate or not easily substitutable.

2.2 Conceptual Framework

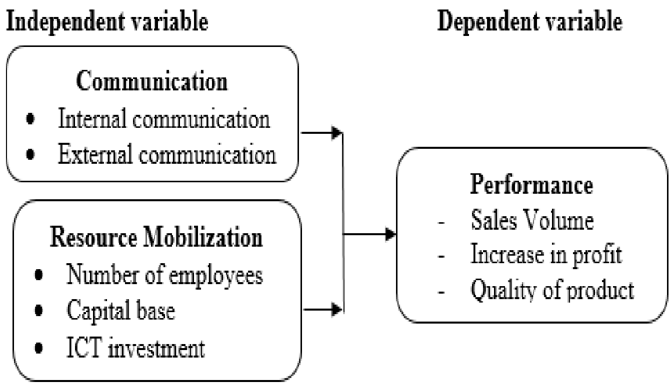

Figure 1 conceptual framework

2.3 Empirical Review

2.3.1 Communication and performance of coffee factories

Kreps (1990) defined organizational communication as the process whereby members gather pertinent information about their organization and the changes occurring within it. Generally organizational communication has two objectives. The primary objective is to inform the workforce about their tasks and the policy issues of the organization (De Ridder, 2003; Francis, 1989). Communication is viewed by (Haiemann, 2011) as the imparting of ideas and making oneself understood by others. It is also the process by which information is passed between individuals and/or organizations by means of previously agreed symbols.

According to (Mckinney *et al.,* 2004) communication is essential to effective team performance and communications for any organization is like blood flow in the human body. Therefore any organization that understands the importance of communication uses it in their organizational environment. Since, it ensures coordination of factors of production and most importantly material and human elements of organization as an efficient network of change

and advancement. According to Snavely (2001) as cited by Robins (2006), communication process is initialed through the following means the sender-encoding-the message-the channel decoding-the receiver- noise and feedback. It is estimated that managers spend over 80% of their day communicating with others. Since most of the basic management process- planning, organizing, leading and controlling – cannot be performed without effective communication.

Husain (2013) identified that the role played by communication during change in the business organizations as essential for successful change management. The employees are the key sources

to bring about change in organizations. To encourage employees for desired change, organizations must address the apprehensions and issues related with them. Job insecurity should be decreased and a sense of community should be created so that employees may feel their responsibilities.

According to Kibe (2014) investigated the effects of communication strategies on organizational

performance. descriptive research design was used in this study. 132 questionnaires were distributed employees. The findings of this research showed the importance of both the theoretical level and practical level. It concluded that for any organizational performance to be effective, an open communication environment should be encouraged. Once members of the organization feel free to share feedback, ideas and even criticism at every level it increases performance.

2.3.2 Resource mobilization and performance of coffee factories

Resource-based view (RBV) of the firm predicts that certain types of resources owned and controlled by firms have the potential and promise to generate competitive advantage, which eventually leads to superior organizational performance Miller & Ross, 2003; Morgan *et al.*, 2004; King, 2007; Sirmon *et al*., 2007. Barney (1986; 1991), examined resources and categorized them as tangible resources, (namely human, physical, organizational and financial), and intangible resources, (namely reputational, regulatory, positional, functional, social and cultural). Out of the categories of resources cited above, human resources (Adner & Helfat, 2003, physical resources such as the plant, machinery, equipment, production technology and capacity contribute positively towards organizational competitive advantage and eventually result in superior organizational performance (Morgan et al., 2004; Ainuddin *et al.,* 2007). In addition, financial resources such as cash-in-hand, bank deposits and/or savings and financial capital (e.g., stocks and shares) also help explain the level of organizational competitive advantage and performance (Morgan *et al*., 2004; Ainuddin *et al*., 2007). Furthermore, experiential resources such as product reputation, manufacturing experience and brand name can account for the variation in organizational competitive advantage and performance (Morgan *et al.,* 2004; Ainuddin *et al*., 2007). Human resources such as top and middle management, and administrative and production employees were also able to elucidate the extent of organizational competitive advantage and the resulting organizational performance (Adner & Helfat, 2003; Morgan et al., 2004; Datta et al., 2005; Ainuddin et al., 2007; Rose & Kumar, 2007).

2.4 Research gap

Njuru (2013) carried out a study using semi structured questionnaires to determine the role of coffee producer co-operative societies on productivity of coffee in Kiambu County. The study showed that the services provided by co-operatives include inputs (fertilizer), credit, extension services, processing and marketing of coffee. The study of the factors affecting the role of these co-operatives showed that poor infrastructure in terms of roads and lack of funds by co-operatives, poor management of co-operatives, insufficient trained personnel and lack of extension services initiative to the farmers by the co-operatives affect the ability of cooperatives to assist farmers increase their productivity. Kamau (2014) carried out a study to establish the factors that influence performance of the coffee cooperatives: A case of Kangema Constituency in Murang'a County, Kenya. The study found that training income of coffee farmers correlated with the performance of coffee cooperatives. The researcher will addressed the knowledge gap of effect of strategic management practices on coffee production to bridge the knowledge gap and also check whether the findings of study done elsewhere holds similarities with the study on decline in small scale coffee production in Kiambu County. Most of the studies on coffee production have focused on the role of cooperatives as determinants of coffee production with very few studies dealing with strategic management practices as the cause of the decline.

3.0 RESEARCH METHODOLOGY

This study applied descriptive research design with a survey method. Quantitative research was used to provide numerical measurement and analysis of the strategic management practices dynamics. Survey questionnaires was used for standardization purposes to allow for aggregation of the results. The target population of interest for this study comprised of 10 coffee factories in Kiambu County. The sample frame of this study consisted of 70 random selected managers from the three levels of management in the Ten (10) Coffee factories.

Primary data used for the purpose of this study. The data was collected using semi structured questionnaires containing closed ended and open ended questions to generalize the findings.

The data collected was analyzed using descriptive statistics. The descriptive statistical tool (SPSS) was used to help the researcher to analyse the data. The finding was presented using tables and graphs for further analysis and to facilitate comparison. This was generate quantitative reports through tabulations, percentages, and measure of central tendency.

The research further employ multivariate regression model to determine the effect of strategic management practices on performance of coffee firms in Kiambu County. The research applied regression method to test the nature of effect of independent variables on a dependent variable. Regression enable to estimate the coefficients of the linear equation, involving one or more independent variables, which best predict the value of the dependent variable. Therefore, the researcher used linear regression analysis to analyze the data.

In this study the following was the regression equations that were used to test the significance of the study hypotheses:

$Y = \beta_0 + \beta 1_{X1} + \beta 2_{X2} + \varepsilon$ Where:

Where;

Y = Firm Performance

$\beta 0$ = Constant Term

$\beta 1$ = Beta coefficients

X1 = Communication

X2 =Resource Mobilization

ε = Error term

4.0 RESULTS AND DISCUSSION

4.1 Descriptive statistics

4.1.1 Organizational Communication

Table 4.1 Organizational Communication

Statement related to communication	Mean	Std. Deviation
Strategic objectives a well communicated to all stakeholder and employees in the factory	4.59	1.333
Our factories adopts effective communication criteria	4.46	1.247
Styles and modes of communication in the factory are not effectives in passing information within the timeline	4.42	1.383
The successive performance in the factory are due to effective communication	4.60	1.304
Totals	4.52	1.367

The study sought to examine the respondent's level of agreement or disagreement on the various measures of organizational communication. Table 4.1, presents the relevant results which show that on a scale of 1 to 5 (where 1= strongly disagree and strongly agree=5) the means and standard deviations were; Strategic objectives a well communicated to all stakeholder and employees in the factory 4.59, Our factories adopts effective communication criteria 4.46, Styles and modes of communication in the factory are not effectives in passing information within the timeline 4.42 and The successive performance in the factory are due to effective communication 4.60.

4.1.2 Resource Mobilization

Table 4.2 Resource Mobilization

Statement related to resource mobilization	Mean	Std. Deviation
The organization allocates sufficient financial resources	4.18	1.268
The resources allocated are utilized as per the set goals	4.20	1.309
The organization provide for proper utilization of physical resources that are available.	4.13	1.289
The organization monitors and audits all the resources allocated resources by the government and other donor agency.	4.15	1.352
The organization has well trained human resource to support strategic implementation.	4.17	1.309
The organization has adapted information technology in its day to day operation.	4.16	1.200
Totals	**4.16**	**1.287**

The study sought to examine the respondent's level of agreement or disagreement on the various measures of resource mobilization. Table 4.2, presents the relevant results which show that on a scale of 1 to 5 (where 1= strongly disagree and strongly agree=5) the means and standard deviations were; the organization allocates sufficient financial resources 4.18, the resources allocated are utilized as per the set goals 4.20, the organization provide for proper utilization of physical resources that are available 4.13, the organization monitors and audits all the resources allocated resources by the government and other donor agency 4.15,the organization has well trained human resource to support strategic implementation 4.17 and the organization has adapted information technology in its day to day operation 4.16.

4.1.3 Performance

Table 4.3 Performance

Statement related to performance	Mean	Std. Deviation
There has been increase in Sales Volume	4.18	1.285
There has been Increase in profit	4.14	1.192
The factory's product demand has increased in the World market	4.19	1.190
There has been improvement in Quality of product	4.12	1.161
Our coffee has a high rating in the world market rating agency	4.17	1.184
Totals	4.16	1.202

The study sought to examine the respondent's level of agreement or disagreement on the various measures of organizational performance. Table 4.3, presents the relevant results which show that on a scale of 1 to 5 (where 1= strongly disagree and strongly agree=5) the means and standard deviations were; there has been increase in sales volume 4.18, there has been increase in profit 4.14, the factory's product demand has increased in the world market 4.19, there has been improvement in quality of product 4.12 and our coffee has a high rating in the world market rating agency 4.17.

4.2 Correlation analysis

Table 4.4 Correlation analysis

		Performance	Communication	Resource mobilization
Performance	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	54		
Communication	Pearson Correlation	0.765**	1	
	Sig. (2-tailed)	0.000		
	N	54	54	
Resource mobilization	Pearson Correlation	0.852**	0.668**	1
	Sig. (2-tailed)	0.000	0.000	
	N	54	54	54

From table 4.4 it can be observed that the correlation between the independent variables and the dependent variable was high and positive at 0.77and 0.85 for Communication and Resource mobilization respectively. The implication was that the high correlation between performance and it determinants was good for regression analysis. The correlation between the independent variables (communication and resource mobilization was found to be strongly positive).

4.3 Regression results

Table 4.5 Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.859ª	0.819	0.792	.30776288

a. Predictors: (Constant), communication, resource mobilization

From table 4.5 the values of the adjusted R square were 0.792. This value shows that there is a strong relationship between resource mobilization and communication and coffee factories performance. This indicates that strategic management practices factors causes a variation of 0.792% on coffee factories performance. The conclusion is that the four variables used only explains 79.2 % of the variation on the dependent variable, with the remaining 20.8% explained by other variables.

Table 4.6 Analysis of Variance

	Sum of Squares	df	Mean Square	F-statistic	Sig.
Regression	52.571	4	13.143	138.756	.000ᵇ
Residual	4.641	49	.095		
Total	57.212	53			

a. Dependent Variable: Performance

b. Predictors: (Constant), resource mobilization and communication

The results in Table 4.6 indicates that the overall models was a good fit since the variables; resource mobilization, culture, communication, leadership style were found to have a value of F-statistic of 138.756 and the p-value was found to be 0.000 which is less than the critical value of 0.05. This means the explanatory variables considered together in the model were found to be relevant in explaining the performance of the coffee factories in Kiambu County.

Table 4.7 Coefficients

Variables	Unstandardized Coefficients		Standardized Coefficients	t-statistic	p-value
	Beta	Std. Error	Beta		
(Constant)	2.440	0.402		6.070	0.000
Communication	0.196	0.060	0.190	3.286	0.002
Resource mobilization	0.309	0.068	0.300	4.553	0.000

a. Dependent Variable: Performance

4.3.1 Communication

From table 4.7 the regression coefficient of communication was found to be 0.196. This value shows that holding other variables in the model constant, an increase in communication by one unit causes the coffee factories in Kiambu County performance to increase by 0.196 units. The value of the coefficient is also positive. The positive effect shows that there is a positive relationship style between communication and performance.

The coefficient was statistically significant with a t-statistic value of 3.286. The p-value which indicated the probability of getting a t-statistic value bigger that than 3.286 was found to be just 0.002. The variable was also found to be the first most influential variable on the factories performance in coffee factories in Kiambu County. These finding support those of other researchers who found that communication had effect on performance. According to Kibe (2014) investigated the effects of communication strategies on organizational performance. Descriptive research design was used in this study. 132 questionnaires were distributed employees. The findings of this research showed the importance of both the theoretical level and practical level. It concluded that for any organizational performance to be effective, an open communication environment should be encouraged. Once members of the organization feel free to share feedback, ideas and even criticism at every level it increases performance.

Neves & Eisenberger (2012) reviewed that management communication was positively associated with a temporal change in POS, mediates the relationship between management communications and implications of practice. Specifically, it revealed that management communication affects performance mainly because it signals that the organization cares about the well-being and values the contributions of its employees. This study also adopted the use the perceived organization support in terms of communication as indicators on the effect of communication on organization performance.

The interpretation in this study is that communication causes the performance to increase. The coffee factories in Kiambu County communication should consider the effect of communication to their performance.

4.3.2 Resource mobilization

From table 4.7 the regression coefficient of Resource mobilization style was found to be 0.309. This value shows that holding other variables in the model constant, an increase in Resource mobilization by one unit causes the coffee factories in Kiambu County performance to increase by 0.309 units. The value of the coefficient is also positive. The positive effect shows that there is a positive resource mobilization between resource mobilization and performance.

The coefficient was statistically significant with a t-statistic value of 4.553. The p-value which indicated the probability of getting a t-statistic value bigger that than 4.553 was found to be just 0.000. The variable was also found to be the first most influential variable on the factories performance in coffee factories in Kiambu County. These finding support those of other scholars who note that different types of resources mobilization have a significant effect on performance. Barney (1986; 1991), for example, examined resources and categorized them as tangible resources, (namely human, physical, organizational and financial), and intangible resources, (namely reputational, regulatory, positional, functional, social and cultural). Out of the categories of resources cited above, human resources and physical resources such as the plant, machinery, equipment, production technology and capacity contribute positively towards organizational competitive advantage and eventually result in superior organizational performance (Morgan *et al.*, 2004; Ainuddin *et al.*, 2007). In addition, financial resources such as cash-in-hand, bank deposits and/or savings and financial capital (e.g., stocks and shares) also help explain the level of organizational competitive advantage and performance (Morgan *et al*., 2004; Ainuddin *et al*., 2007). Furthermore, experiential resources such as product reputation, manufacturing experience and brand name can account for the variation in organizational competitive advantage and performance (Morgan *et al.*, 2004; Ainuddin *et al*., 2007). The interpretation was that Resource mobilization causes the performance to increase. The coffee factories in Kiambu County should consider the effect of Resource mobilization to their performance.

5.0 SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary of the findings

5.1.1 Communication

From the results, all the measurers of communication were found to have an effect on the performance of coffee factories in Kiambu county as shown by the various mean responses from the respondents that were presented using a table. The constructs were first subjected to reliability test before actual data collection and analysis. The communication variable was found to have a positive and a statistically significant effect on performance of coffee factories in Kiambu County. This revealed that for coffee factories in Kiambu County an increase in communication causes an increase in performance.

5.1.2 Resource mobilization

It was observed that all the measurers of resource mobilization were found to have an effect on the performance of coffee factories in Kiambu County as shown by the various mean responses from the respondents that were presented using a table. The constructs were first subjected to reliability test before actual data collection and analysis. The resource mobilization variable was found to have a positive and a statistically significant effect on performance of coffee factories in Kiambu County. This revealed that for coffee factories in Kiambu County an increase in resource mobilization causes an increase in performance.

5.2 Conclusion

The findings reveal that, communication had a positive effect on coffee factories performance. This implies that an increase in communication at all levels improves the performance of coffee factories. This meant that there is need for communication network to be enhanced in the factories for better performance. The study concluded that Communication is very essential in achieving organization goals. Based on the finding the study concluded that lack of proper communication f strategies in the Coffee factories has led to the collapse and deteriorating growth in the produce of the crop.

The findings reveal that, resource allocation had a positive effect on coffee factories performance. This implies that an increase in resource allocation improves the performance of coffee factories. Therefore the study conclude that resource mobilization is a key determinant to performance of an organization. The study further concluded that resource mobilization in the coffee factories was not adequate and thus the poor performance.

5.3 Recommendation

The study recommend that the key players should ensure that resource allocation is prioritized to ensure that the coffee factories become more productive. Since the results showed that resource allocation facilitated the improvement of performance of coffee factories, those in management positions must make sure that the avenues for resource mobilization are identified and exploited for the benefit of the factories and the stakeholders.

Communication was found to be a key determinant of enhanced performance, the management team should make sure that good strategies are put in place to ensure that the communication channels within the coffee factories are put in place. Since the results showed that communication improves the performance rate in the coffee industry, those in managerial positions should come up strategies for ensuring that communication in the organization to guarantee better performance.

The study recommends for Future research to be directed towards identifying more variables that have explanatory power on performance of coffee factories in Kiambu County. More variables such as organizational structure and organizational change could be included to improve the model even further. From the regression model it was noted that the variables included were only able to explain 79.2 % of the factories performance. The remaining 20% would be explained by other variables.

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