

## **FUNCTIONAL BACKGROUND OF TOP LEVEL MANAGERS AND STRATEGY EXECUTION: A CASE OF MANUFACTURING FIRMS UNDER EPZA, NAIROBI AND MACHAKOS COUNTY**

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©2019

**International Academic Journal of Innovation, Leadership and Entrepreneurship (IAJILE) | ISSN 2518-2382**

**Received:** 30<sup>th</sup> August 2019

**Accepted:** 6<sup>th</sup> September 2019

Full Length Research

**Available Online at:**

[http://www.iajournals.org/articles/iajile\\_v2\\_i2\\_246\\_264.pdf](http://www.iajournals.org/articles/iajile_v2_i2_246_264.pdf)

**Citation:** Kithumbu, S. M., Muraguri, C. & Kahuthia, J. (2019). Functional background of top level managers and strategy execution: A case of manufacturing firms under EPZA, Nairobi and Machakos County. *International Academic Journal of Innovation, Leadership and Entrepreneurship*, 2(2), 246-264

## **ABSTRACT**

Strategy execution still faces challenges in many organizations not only globally but also regionally and locally. The purpose of carrying out the study was therefore to establish the effect of functional background of top level managers on strategy execution among manufacturing firms under EPZA. The study was guided by four theories namely Upper Echelon Theory, Resource Based View Theory, Strategic Leadership Theory and Organizational Culture Theory. A sample size of  $n = 333$  was selected from a target population of  $N = 2000$  employees in the selected firms. Primary data was collected by self-administered semi-structured questionnaire. Reliability of the instrument was checked by using Cronbach's alpha which was 0.75 and above for the key constructs of the study hence meeting the requirements for reliability.

Study employed descriptive research design so as to give a complete and accurate description of a situation at hand especially ones that focus mainly on ingredients that lead to successful strategy execution. Data analysis was carried out by use of SPSS statistical software where mean and standard deviation were used as descriptive statistics, while multiple linear regression analysis was used as inferential statistics. From the regression coefficients it was established that the independent variable had a positive influence on strategy execution. The study findings therefore offer meaningful insights regarding the effect of functional background of top level managers on strategy execution.

**Key Words:** *functional background, top level managers, strategy execution, manufacturing firms, EPZA, Nairobi, Machakos County*

## **INTRODUCTION**

The idea of strategy execution is one that has been explored widely in strategic management literature in various corners of the world, with the aim of highlighting the importance of ensuring that strategies are brought to their successful completion. An even more meaningful discussion relating strategy execution necessitates addressing the question what is strategy execution? Accordingly, studies have given varying definitions of the term strategy execution. For instance, Nagayoshi (2015) contend that strategy execution is the process of implementation of plans aimed at achievement of goals in organizations. Recently, Yang (2019) pointed out that strategy execution can simply be defined as the ability to achieve strategies.

Studies conducted in the Western Hemisphere also revealed the importance of making sure that the process of strategic implementation is a key component in the strategic management in organizations. An empirical survey conducted in the US by Tawse, Patrick and Vera (2019) highlighted the fact that the process of strategy implementation is of critical importance and made recommendation for top management to focus more on the aspect of implementation rather than formulation. Scholarly publications have also revealed how various European countries

have been successful in strategy management especially by laying more emphasis on the aspect of strategy execution. While using a case of Mediolanum Bank in Italy, Annushkina and Invernizzi (2018) lay emphasis on the need to properly understand the process of strategy execution especially so as to make an outreach to new clients as well as ensure that existing ones are kept.

Furthermore, studies conducted in various parts of Asia clarify the need for organizations to embrace strategic execution as an important aspect of strategic management in organizations. For instance, a study conducted in Malaysia by Rahman *et al.* (2018) put emphasis on the fact that strategic orientation is measured by capability to not only create strategies but also execute them effectively. Furthermore, a survey conducted recently in China by Yang (2019) articulated the importance of strategy execution and further pointed out that this process can be classified in three major categories namely strategic management, attitude of the members as well as various mechanisms in the organization.

Studies conducted in various parts of Africa also bring to light the fact that strategy execution is an important component in the whole series of activities related to strategy implementation in organizational setting. In Ghana, Appiah-Adu and Amoako (2016) whose focus was majorly on execution of marketing strategies stressed on the importance of a strategic management process that ensures strategy effective strategy execution. Recently, a qualitative survey conducted in South Africa by Burgers (2018) stressed the importance of impressing project management skills in the process of strategy execution in organizations.

In East Africa some studies have identified a strategy exploration as important aspects in the chain of activities relating to strategy implementation in organizations. Salum, Gakure and Othiambo (2017) used a case of Tanzanian public sector to highlight the importance of role played by stakeholders in ensuring successful implementation of Strategic plans. In Kenya, studies have been carried out in diverse organizations to highlight why the process of strategy execution is important component in the whole strategy implementation endeavor. Omesa, Gachunga, Okibo and Ogutu (2019) used a case of Kenyan County governments to highlight the importance of organizational culture as a key determinant of strategy execution in organizations. Other than filling relevant research gaps, the findings of the study therefore crucial especially due to the fact that they would assist to determine how successful strategy execution in manufacturing firms would contribute towards achievement of organizational goals.

## **STATEMENT OF THE PROBLEM**

Substantive amount of literature in strategic management has stressed the need for organizations to focus more on the process of strategy execution as an important link in implementation of strategies in such organizations. Paquette (2013), Kinicki and Wilhams (2013) and Mingjian Zhou (2014), bring to light the fact that strong departmental level management is an important driver of strategy execution and more so, it is fundamental in providing clear direction to an integrated

strategy execution process and control. Progressively, studies even in the recent past have highlighted the importance of ensuring successful strategy execution by employing various mechanisms. Annushkina and Invernizzi (2018) for instance provide evidence of how Mediolanum in Italy was able to balance the equation of keeping existing customers and exploring into new Markets by keeping much emphasis on strategy execution. Caine and von Rosing (2018) point out that much focus of the management should be on ensuring completeness of the project lifecycle strategy life cycle in order to realize successful execution of strategies. Nevertheless, it has been observed in various scholarly publications that the process of strategy execution is one area that has been least successful in organizations for considerable amount of time. This has been evidenced in studies such as one carried out by Allio (2012) who admitted that strategy execution is even more demanding than the process of strategy formulation. In a study by Childress (2013), the findings of the study indicated that in 197 companies that participated in the survey, despite the fact that 97% of the directors had the right strategic vision, only 33% reported significant strategic success. Yet another recent study by Gassmann, Schuhmacher, von Zedtwitz and Reepmeyer (2018) corroborate these findings by bringing to light the fact that the annual McKinsey surveys show that only 30% of strategic initiatives truly succeed while 70% fail. Recently, yet another empirical survey by Caine and von Rosing (2018) articulated that the process of strategy execution has always had an alarmingly poor historical track record, a position which is shared by Tawse, Patrick and Vera (2019) who observed that most top managers put more focus on the process of Strategic planning rather than strategy implementation. Locally, a number of studies have been conducted to point out the criticality of strategy execution in organizations. Omesaet *al.* (2019), after conducting a survey on Kenyan County Governments established a positive linkage between culture of the organization and strategy execution. Katana (2018) used a case of shipping companies to investigate the determinants of strategy execution. To date, not much is captured in literature regarding determinants of strategy execution in the conduct of manufacturing Industries working under EPZA in Nairobi and Machakos Counties, hence this necessitated the study to be carried out in order to shed light on the kind of relationship that exist between functional background of top level managers and strategy execution, and other than filling the research gaps, the study will provide meaningful insights for various manufacturing industry stakeholders in the process of strategy execution.

## **GENERAL OBJECTIVE**

To establish the effect of functional background of top level managers on strategy execution among manufacturing firms under EPZA.

## **THEORETICAL FRAMEWORK**

One of the important areas when conducting a research study especially on the aspect of result of literature is to be guided by some form of theory. Accordingly, the term theory has been

conceptualized variously in scholarly literature Gray (2019) pointed out that theory has to do with the set of concepts as well as statements that present a view of a phenomenon. Zeuner (2019) present the view that a theory can be seen as a system of intersubjectively verifiable and methodically obtained and in a consistent context from method statement about a different subject area. Theoretical framework guides the study by determining variables that was measured by the study and their existing statistical relationship (Cohen, West& Aiken, 2013). It guides the study in determining what to be measured and the statistical relationship the study is looking for (Creswell, 2015). Several problems have been identified to affect strategy execution; lack of communication, poorly documented strategies, unaligned organizational systems and resources, poor coordination and sharing of responsibilities, weak management role in strategy implementation, poor reward system, poor cultural and structural alignment and uncontrollable environmental variables (Siddique&Shadbolt, 2016). This section explored existing theories relevant to the current study.

### **Upper Echelon Theory**

Upper Echelon Theory has gained prominence in the recent past especially when it comes to understanding the process of implementing strategies in organizations. Wu, Tang and Guan (2018) for instance propose utilization of the theory especially in situations where implementation of organizational strategy requires attention on the type of demographic attributes of the top management in an organization. Yet another study conducted in the recent past by Habersanget *al.* (2019) put emphasis on the role of demographic aspects of top leadership in an organization in ensuring improvement of chances of success in the process of strategy implementation. This position is also corroborated by Vanderkerkhof, Steijvers, Hendricks and Voordeckers (2019) who were able to point out the relevance of Upper Echelon Theory especially in ensuring successful outcomes in any organizational endeavours such as organizational strategy implementation

A comparative study conducted recently in Chinese and Australian organizations by Zhao, Sheehan, De Cieri and Cooper (2019) put emphasis on the success of strategic decision-making especially by focusing on the fact that the background of the chief executive officer as well as the top management team play an important role in success of implementation of strategies in these organizations. It is a matter of fact that implementation and execution of organizational strategies require adequate support from leadership in such setting. Accordingly, the theory finds relevance in the current study especially due to the fact that various demographic attributes of the top management can play an important role in ensuring successful limitation of the study especially the educational issues such as a determination to see the success of strategy execution in the organization.

## **Resources Based View Theory**

The resource-based view Theory is rooted in the notion that organizations can be in a position to gain competitive advantage with efficient utilization of organizational resources. This position is supported by Yuetsi, Suardhika and Sudja (2018) who contend that the theory is key in explaining strategic processes in organizations and how organizational resources can be mobilized in order to achieve a competitive advantage for the organization. Aidar (2018) while conducting empirical study on Brazilian hotel industry highlighted the importance of Resource based view especially in the efforts to understand how performance can be improved by mobilization of organisational resources especially the human resource aspect. Pervan, Curak and PavicKramaric (2018) also supported this opinion by highlighting the fact that the theory is crucial when it comes to having an improved organisational performance by mobilization of relevant resources. Furthermore, this position is also shared by Verreynne, Williams, Ritchie, Gronum and Betts (2019) who view the Resource Based Theory as an important aspect that can help organizations to gain competitive advantage over the others.

The ever-growing works of scholarly literature especially in the context of Africa have also provided evidence that adoption of resource based view has been successful in ensuring improved competitiveness in organizations. Davis and Simpson (2017) who used the context of a few organizations in Africa pointed out the essence of using resource based view in sustaining competitive advantages. The theory therefore is critical as far as the current study is concerned especially due to the fact that the selected organizations need to pull together all the necessary resources that can help them to execute strategies that will see an increase in their competitiveness.

## **Strategic Leadership Theory**

It has also been pinpointed in considerable amount of scholarly literature that Strategic Leadership Theory plays an important role especially in trying to have an understanding of the issue of execution of strategies in organization. Rowe (2014) points out that the theory is crucial in explaining the role played by top executives in organisations in the efforts to successfully implement strategies. Najmaei, Quazi and Behnia (2017) contend that the theory is crucial especially in emphasizing the important role played by top management in providing strategic leadership to oversee implementation of strategies in organisations. Jaleha and Machuki (2018) highlighted the fact that the purpose of the Strategic Leadership Theory is to bring understanding of how much influence the senior executives in an organization have especially on the area of performance. The theory was also recently advocated by Shao (2019) by pointing out the fact the theory is concerned with how decisions made by senior management in an organization play an important role especially in the process of implementation of strategies

The theory therefore plays an important role in understanding the process of strategy execution in the context of manufacturing Industries especially due to the fact that the presence or absence



of strategic leadership can determine whether there will be successful implementation and execution of strategies in the context of manufacturing industries.

### **Organizational Culture Theory**

Parker (2019) maintains that this is one important theory in the area of strategic management within organizational setting. It was pointed out recently by Gorondutse and Hilman (2018) that the theory plays an important role especially focusing on the collective behavior of humans who form part of an organization that directs individuals to have unified way of achievement of organizational goals and objectives. More emphasis on the same was laid down by Li (2019) who provided the view that organizational culture theory can help individuals in organizations to improve their work efficiency and even have a better healthy lifestyle at workplace.

It is a matter of fact that organizational culture theory has been of crucial importance especially in diverse organizations to provide some important insights with regards to execution of strategies. Brenneman (2018) who used the context of institutions of higher learning to emphasized the relevance of organizational culture theory in the process of implementation of important organizational strategies. Consequently, the theory finds relevance in the context of the current study especially by considering the fact that the culture needs to be an enabler in execution of strategies within the manufacturing Industries working under EPZA in Nairobi and Machakos counties.

## **EMPIRICAL REVIEW**

### **Functional Background and Strategy Execution**

Scholarly publications in the field of strategic management have indicated that functional background in terms of organizational structure is an important aspect which in one way or the other might have an influence on the execution of strategies in organizations. Even more importantly is to have a clear understanding of the notion of the “functional background”. Sitar and Škerlavaj (2018) define organizational structure as configuration of relationships with respect to the allocation of tasks, responsibilities as well as authority. Hagerer and Hoppe (2019) on the other hand were of the opinion that organizational structure has to do with systems of Rules to adjust the behavior of the members of the organization to a specific superordinate goal.

Subsequently, studies in various parts of the world have made deliberate efforts to point out the kind of linkage that exists between organizational structure and strategy executions. In a survey conducted in Pakistan by Masood (2018), it was clearly highlighted that bureaucracies in organization need to focus more on the strategic initiatives that will enhance the process of strategy execution. Studies conducted in various parts of Africa have highlighted the importance of Strategic organizational structure in ensuring successful execution of strategies. Nwachukwu, Hieu, Chládková and Fadeyi (2019) used a case of Nigerian telecommunications industry to

highlight the important role played by organizational structure in ensuring successful implementation of strategies in such organizations. Some studies however have failed to establish a significant relationship between organizational structure and strategy execution. For instance, a study conducted in Kenya by Katana (2018) on shipping companies in Kenya however found a statistically insignificant relationship between organizational structure and strategy execution.

### **Strategic Processes and Strategy Execution**

The idea of strategic processes is one that has been articulated in literature as an important component in the chain of activities leading to strategy execution in organizations. There has been considerable amount of conceptualizations of the idea of strategic processes leading to various definitions of the term. But perhaps the most important question to address is answering the question what is influence of strategic processes on execution or strategies in organizations? Li, Guohui and Eppler (2010) contribute to this discourse by highlighting that the fact that execution of strategies is a separate process for formulating strategies or part of the overall process of forming strategies. Srivastava (2015) stressed on the importance of putting in place effective organizational structure in order to realize successful execution of strategies. This position has been affirmed recently by Wiraeus and Creelman (2019) who articulated and emphasized on the importance of strategic processes in organizational strategy implementation.

More and more studies in various parts of the world have indicated the importance of ensuring that organizations put in place various strategic processes and mechanisms in order to guarantee successful implementation of strategies. Baumgartner and Mangematin (2019) contend that organizational leadership need to allow people to understand the strategic direction as an important strategic management process that would guarantee successful strategy execution. In Asia, a study conducted in Indonesia by Omsa, Ridwan and Jayadi (2018) who focused on small and medium enterprises (SMEs) highlighted the importance of ensuring all the strategic processes such as making sure that there is sufficient strategy formulation and setting of corporate missions in order to realize successful execution of strategies. Mugo (2018) used the case of insurance industries in Kenya to highlight the importance of Strategic processes in the implementation of execution of organizational strategies.

### **The Competitive Environment and Strategy Execution**

It has been noted in various scholarly publications that competitive environment is an important determinant of execution of strategies in organizations. Moreover it has been observed that the atmosphere where business environments are playing today, has experienced a continuous change that stimulates managers to keep updating new information, creative energy, innovations and technologies. According to Zamecnik and Rajnoha (2015) firms might measure, monitor, and analyze their performance with the aim to re-evaluate its competitive advantage. It is for this



reason that for instance Zamecnik and Rajnoba as cited in Vuksic (2013) stressed on the importance of what was referred to as Strategic Performance Measurement Systems (SPMS) which aimed at supporting the process of planning, measurement as well as control, the purposes for which the SMPS are designed might have a strong influence in their outcomes. Anwar and Hasnu (2016) after conducting a survey on multi Industries in Pakistan presented an argument that gaining a competitive edge especially on the aspect of financial well-being of an organization plays an important role in execution of strategies.

Progressively, studies conducted in various parts of the world have revealed the need for organizations to take adjust accordingly in the face of competition in order to successfully execute strategies. Recently, a study conducted in Japan by Yoshikuni and Albertin (2018) stressed on the importance of the linkage between competitive environment and execution of strategies in organizations. Adobor (2019) whose study was conducted in the US highlighted the importance of coming up with favorable policies in the face of stiff competition in order to successfully implement strategies in organizations. In a survey conducted in China by Yang (2019), the authors point out the importance of organizations being in a position to capture information regarding the competitive environment in order to be able to successfully implement strategies. Locally, Mbithe and Kilika (2017) conducted a survey on Equity Bank Kenya Limited, where after analysis of the findings it was clearly recommended that in the of competitive environment, customer focus strategies that that focus on employees and customers need to be efficiently executed in order for them to be beneficial to organizations.

### **Organizational Culture and Strategy Execution**

There has been a considerable articulation in the strategic management literature regarding how organizational culture is instrumental in the process of strategy execution. It is therefore important that further discussion on the concept of organizational culture necessitates a clear understanding of the term where studies have revealed various definitions of this concept. Dai, Chan and Yee (2018) contends that organizational culture is a unique set of shared characteristics beliefs and norms that reflect an organizational goals and practices. Barczyk, Rarick, Klonowski and Angriawan (2019) on the other hand believe that organizational culture has to do with shared social knowledge within an organization with regards to rules, norms and values that goes some way towards shaping the attitudes and behaviors of the employees.

Accordingly, the key question to address however is to establish the linkage between organizational culture and execution of strategies in organizations. Linnenluecke and Griffiths (2010) contribute to this discourse by pointing out that cultural values help organizations to respond quickly to customer needs and thus make it strategically relevant. Aryasri and Aijaz (2013) who used the case of South Western Airlines to point out how organizational culture of employees commitment was critical in ensuring successful execution of strategies in the low-cost airline carrier. Hogan and Coote (2014) uses the case of automobile manufacturer Toyota and how it has excelled in the industry by having a counter off continuous improvement thus creating

a workforce that seeks to ensure efficiency of processes is continuously improved to the best at a time. Kargas, Varoutas and Nisar (2015) opine that all effective organizational culture are closely related to business strategy and promote adaptation to the dynamic environment in order to maintain a healthy and profitable organization. Recently, Omesaet *al.* (2019) conducted a study on Kenyan County governments highlighted the importance of culture of the organization in the process of execution of strategies.

## **RESEARCH METHODOLOGY**

### **Research Design**

Descriptive case study design was the research design to be used for the purpose of this study. Kothari (2004) define research design as plan, a road map and a blue print research strategy designed to provide feedback on research issues. Accordingly, the study made use of descriptive case study research design. Sarstedt and Mooi (2019) contend that descriptive research mostly focuses on describing a certain phenomena, characteristics or functions of interest. Thus, descriptive research design was chosen especially so as to be able to gain much more information regarding functional background of top level managers and strategy execution in the selected industries.

### **Target Population**

According to Denscombe (2014) population refers to the entire group of persons, events or objects having a common observable characteristic. The population of this study was 2000 Departmental Heads of the 61 firms that operate under EPZA.

### **Sample Size and Sampling Technique**

According to Saunders and Lewis (2012) sampling is the process of selecting a sufficient number of elements from the population to enable a study of the selected sample to adequately represent the population and also understand its properties and characteristics so that such properties and characteristics can be generalized. Sampling design is the method used by a researcher to determine the target population members or items to be included in the study. This research used both convenience and purposive sampling techniques. Convenience sampling techniques was used because the manufacturing firms in Nairobi and Machakos County are conveniently accessible to the researcher. Purposive sampling techniques are those which are selected on the basis of what an expert thinks a group is representative of the population. Purposive sampling technique was used because the researcher perceives the manufacturing firms are the best example of industries that execute strategies to make them sustainable and competitive and would make for an excellent example for future reference. The sample size for the study was

guided by Yamane (1967) sampling formula where a total of 333 respondents were drawn from the target population of close to 2000 employees working firms under EPZA.

### **Data Collection Procedure and Tools**

The current study made use of primary data, which according to Windle and Silke (2019) is the data collected firsthand for the specific purpose of addressing the research question especially as opposed to secondary data which is collected by other people or other agencies with other purposes in mind. Semi structured questionnaires and interview guides were used in the process of collection of primary data. According to Creswell (2012), interviews and questionnaires produce good results, when the questions are both authentic and relied on. Validity refers to the ability of the instrument to test what it is supposed to test. Reliability measures the accuracy and precision of the questions included in the questionnaire (Creswell, 2012). Porchia, Lara-Solis, Torres-Rasgado, Gonzalez-Mejia, Ruiz-Vivanco and Pérez-Fuentes (2019) advocate for the use of questionnaires especially due to the fact that they are easy to administer. The questionnaires were self-administered and for those who were not available they were sent via electronic mail. Prior to the distribution of the questionnaires the researcher sought requisite permission from the relevant authorities and made necessary appointments.

### **Data Analysis**

Once the data has been collected, it was analyzed by the researcher both qualitatively and quantitatively which was analyzed using descriptive statistics whereby standard deviation and mean was used to analyze data and inferential analysis to perform the Multiple Regressions analysis. Data analysis was carried out using SPSS version (22.0) because of its ability to analyze data conclusively. Data is a collection of figures and facts relating to a particular activity under study (Mingala, 2002). Data cannot be of help unless it is analyzed in order to give answers to the problems of research. The researcher employed the multiple regression models that incorporated all the variables under study both dependent and independent.

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Where: **Y** - Successful strategy execution; **B<sub>0</sub>** - Constant term of the regression model; **X<sub>1</sub>** - Functional Background; **ε** - Random error term

### **RESEARCH RESULTS**

Yet again, the purpose of conducting multiple linear regression analysis was to establish the strength of linear relationship between the independent variables which were functional background, strategic processes competitive environment and organizational culture on strategy execution as the dependent variable. Prior to utilization of the multiple linear regression model, a number of preliminary tests were conducted in order to establish whether data was fit to be used

for multiple linear regression analysis. Some of the preliminary test included tests for normality, heteroskedasticity among others. Table 1 below provides a model summary where the value of r squared is 0.547, which is also referred to as the coefficient of determination.

**Table 1: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.740 <sup>a</sup>	.547	.542	.6571

a. Predictors: (Constant), functional background

From the results of the model summary table above it can be observed that the value of r squared was 0.547, which therefore clearly indicates that 54.7% of variations in the dependent variable were caused by variations in the independent variable a situation that is referred to as explained variation while 45.3% was caused by other factors what is referred to as unexplained variation.

The purpose of displaying analysis of variance (ANOVA) table is to show whether there was a statistically significant proportion of sources of variation in relation to the regression model as well as the error terms or the residuals. The result for this test were therefore summarized in the table below:

**Table 2: Analysis of Variance (ANOVA)**

Source of variation	Sum of Squares	df	Mean Square	F	Sig.
Regression	171.167	4	42.792	99.111	.000 <sup>b</sup>
Residual	141.616	328	.432		
Total	312.783	332			

a. Dependent Variable: Strategy execution

b. Predictors: (Constant), Functional background

From the result of analysis of variance summarized in table 2 above it was clear that the p-value was far less than 0.05 or 5% the level of significance indicating that the model was fit to be used to predict the relationship between independent and dependent variables of the study.

Table 3 provides a summary of the regression coefficients for the constant term as well as their independent variables. Clearly, one of the most important aspects of the model is to check for statistical significance which is shown the use of the Sig column which is also referred to as the p-value. The interpretation of the value is such that whenever the p-value is less than 0.05, the level of significance we reject a null hypothesis that would state that there is no statistically significant relationship between independent and dependent variables.

Accordingly, since the p-values for functional background is less than 0.05, this indicated that the variable had a statistically significant influence on strategy execution in the selected companies.

**Table 3: Summary of Regression Coefficients**

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.282	.181		1.555	.121
Functional background	.117	.059	.113	1.985	.048

a. Dependent Variable: Strategy execution

The study findings summarized in the regression table above clearly show that the independent variable of the study had a positive value of coefficients which gave an indicator that a unit increase in functional background by one unit was associated with an increase in strategy execution by 0.117. One more important observation as far as these values were concerned was the fact that the respective p value  $p = .048$ , was less than 0.05 or 5% the level of significance hence showing that there was a statistically significant influence of functional background on strategy execution in the selected industries.

The empirical findings from the current study therefore lead to the following overall multiple linear regression to model the relationship between functional background and strategy execution as the dependent variable within the context of manufacturing firms working under EPZA in Nairobi and Machakos counties summarized in the following analytical model:

$$\text{Strategy Execution} = .282 + .117 \text{ Functional Background}$$

A keen look at the results presented above clearly indicated that several factors play an important role when it comes to strategy execution especially while considering manufacturing firms under EPZA. Accordingly, the objective of the study which sought to determine the effect of function of the ground on the successful strategy execution among manufacturing firms under. After conducting multiple linear regression analysis, it was established that functional background was among the factors that associated significantly with successful strategy execution. Accordingly therefore, the findings of the study with regards to the notion of functional background especially on aspects such as structure corroborate Wheelen and Hunger (2006), who clearly revealed that organizational structure plays an influential and strategic function in the successful implementation of organizational strategies. Furthermore, the study findings also confirm what was observed by Olson *et al.* (2005) who after conducting an empirical survey on more than 200 businesses established that various aspect of the company’s structure play an important role when it comes to the notion of execution of strategies in organizations.

## CONCLUSIONS

The findings of the study clearly established a positive linkage between functional background and execution of strategies. More importantly, it can be concluded that key aspects of functional background especially with regard to innovative practices included effective communication, social orientation and formulation were among the factors that most respondents felt they played

an important role in strategy execution, furthermore, the realization that issues such as the presence of the culture of honesty and transparency played an important role in execution of strategies. Yet another important conclusion from the findings of this study is the fact that whenever most of the focus is on individual performances and group performance the process of strategy execution is always derailed.

It can also be concluded from the study findings that whenever organizations carefully designed their strategies there was a high likelihood of realising a success in the process of execution of such strategies. Yet another important conclusion from the current study was the fact that successful implementation of strategies requires that some of the strategies needed a people friendly together with ensuring that proper mechanisms of ensuring that there is less bureaucracy as it was a general feeling among them respondents that these had a negative influence on the execution of strategies together with making sure that the decision making regarding execution of strategies need to have representatives from the employees.

## **RECOMMENDATIONS**

The findings of the study clearly show that the aspect of functional backgrounds plays an important role for organizations to execute strategies as far as the case of manufacturing industries in Machakos and Nairobi countries that were sampled are concerned. Clearly, some of the aspects of innovative practices that are encouraged in such organizations are issues such as ensuring effective communication as well as social orientation which were observed to have high number of responses from the respondents.

On further investigation from respondents regarding some of the issues that were critical whenever strategic execution was concerned, it was established that issues such as honest, sincere and transparent culture were among the important aspects the respondents felt that they played an important role in the process of strategy execution. This therefore means important that every effort must be made by the organizations especially considering the context of manufacturing industries in Nairobi and Machakos counties to put in place measures and mechanisms that would ensure that the aspects of honesty and transparency is strongly adhered to by each and every employee especially in the efforts to realize smooth execution of strategies in these organizations.

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