

European Journal of Business and Strategic Management (EJBSM)

INTERNAL ENVIRONMENT OF THE ORGANIZATION AND STRATEGIC CHOICE IN CEMENT MANUFACTURING FIRMS IN KENYA

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A hand in a blue suit sleeve points towards a glowing, circular button labeled 'Strategy' on a computer keyboard. The background is dark blue with abstract light patterns. A thick, curved graphic element in red, white, and blue arcs across the top and middle of the page.

Strategy

Internal Environment of the Organization and Strategic Choice in Cement Manufacturing Firms in Kenya

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Abstract

Purpose: The objective of this research is to look into the internal environment elements of the organization that have an impact on strategic choice in the Kenyan cement industry.

Methodology: A descriptive research design was used. The target population consisted of six Kenyan cement manufacturing firms. To collect data, a census and a questionnaire were used. The collection tool was piloted prior to the actual study to determine its validity and reliability. The arithmetic standard deviation and mean were utilized to assess central tendency and dispersion.

Findings: Research findings are expected to significantly inform cement manufacturing firms and accelerate infrastructural development in Kenya as well as East Africa. Organizational structure was also positively correlated at ($r = .368$ and $P > 0.05$), indicating a positive relationship, and organizational culture was positively correlated at ($r = .358$ and $P > 0.05$), indicating a positive (+ve) and significant relationship. At ($r = .597$ and $P > 0.05$), managerial leadership styles had the greatest positive influence on strategic choice. The results of the study on organizational resources and strategic choice in Kenyan cement manufacturing firms revealed a moderately positive relationship that was statistically significant ($r = .436$ and $P > 0.05$). According to the study, organizational structure, culture, managerial leadership style, and resources all have a positive (+ve) and significant effect on strategic choice.

Unique contribution to theory, practice and policy (recommendation): The research hopes to inform policy on the strategic importance of supporting and strengthening strategic choices through adapting dynamic organizational structures and implementation policies for Kenyan cement manufacturing and beyond. The study will further enable top management of Kenyan cement manufacturing firms unlock the value of their investment through effective strategic leadership. The study will help improve the management and development of strategic areas of capacity building and improve policies geared towards enhancing the strategic choice.

Keywords: *Internal Environment Elements, Strategic Choice, Kenyan Cement Industry*

1.0 INTRODUCTION

Strategic decisions are rooted in military activities, dating back to Sun Tzu, the fathers of military strategy, and continuing through Machiavelli, who reasoned that power, war and conflict are at the heart of any strategy (McNeilly, Mark, 2015). The third element of the strategy formulation process is strategic choice, which is at the heart of the formulation process. It refers to activities in the firm that involve understanding the fundamental bases that will guide future strategy and developing strategic options for assessment and selection. (Desai, C. 2019). They are useful in charting a course forward, committing to a cause, and rallying support within an organization. Strategic decision-making entails identifying available options and selecting the best one. Numerous factors influence the selection of strategic alternatives; The study considers the organizational characteristics influencing strategic choices in Kenyan cement manufacturing firms and attempts to demonstrate their link to strategic choice; In what ways does organizational structure influence strategic choice?, how does organizational culture influence strategic choice?, does the leadership style of top managers influence strategic choice?, and to what extent do organizational resources influence strategic choices.

Strategic decision-making entails identifying available options, evaluating the same against predetermined criteria, selecting the top option, and acting to improve performance (Nyasimi & Gitau, 2016). Good decisions identify and mobilize businesses on where to invest and how to succeed in a specific business (Kamau, Aosa & Pokhariya, 2018). The success of organizational adaptation, according to the strategic choice approach, is dependent on the prevailing coalition's observations of environmental conditions and decisions about how the organization will adapt to these circumstances (Nyaga & Litunya, 2018). Strategic choice is recognized and achieved through a process in which firm decision-makers collaborate with other internal members and external parties. A firm's operating environment is dynamic, with regular changes that necessitate effective stabilization strategies. The strategy chosen is critical in achieving the desired results (Kitainge, Bor, and Wanza 2019).

Globalization has resulted in increased interdependence among firms across national and geographical boundaries. Growing demands for dynamic and cost-effective systems that can support customer diversity have increased the intensity of competition (Nyaga & Litunya, 2018). Concerns about product safety, complex consumer demands, and changing global regulatory regimes are growing. Import limitations have been imposed on firms that do not manage their supply chain in a sustainable manner, and with the development of inter-organizational relationships, firms now have to make strategic decisions to efficiently plan and monitor their material and communication from procurement to production and marketing. Customer demands in the manufacturing industry are constantly changing and difficult to predict. Clients are accustomed to placing orders for products in a short period of time when demand exceeds the company's production capacity. To address these challenges, businesses have moved into a new era of taking into consideration the underlying forces of competitive advantage and the part played by organizational factors in determining strategic decisions (Bansal and Kumar 2016).

Furthermore, Chege (2016) observes that, in a time of global economic recession, industrial firms' survival and competitiveness are dependent on strategic decisions that influence practices and competencies to adapt to the environment caused by variations in government regulations, technology, competitors and customer preferences. (Bowen and Kimencu 2019) Organizational

factors influence strategic choices, which in turn increase resource positioning to develop competencies for creating and maintaining cost and product benefits to sustain profitability and a strong market position. It demonstrates an ability to respond to market demand, successfully outline their area of operation, manage and coordinate key enterprise functions and operations, as well as relationships with supply chain partners and customers (Maikah 2015).

The cement industry is constantly implementing new and advanced strategic options to gain customers. Global competition in the cement industry has increased, particularly in the last two decades (Nyasimi and Gitau 2016). The number of cement manufacturing firms has grown in recent years, indicating that firms must organize internal factors and develop new strategic options to give their products a competitive edge (Rono & Makori, 2015).

Internal organizational environment and strategic choice

As a complicated and dynamic socioeconomic system, the firm is open and integrated into the economy and society. Incorporating the firm into its environment not only demonstrates that the firm has a link with its environment, but also allows the organization's internal dynamism to be expressed. The activity of a firm is thus the outcome of ongoing interactions between the firm and its environment (Halmaghi, Iancu, & Băcilă, 2017).

However, attitudes toward the internal organizational environment and its role in strategic decision-making have shifted dramatically in recent years due to growth of the resource-based view of the organization as well as its developmental branch - dynamic capabilities concept (Krzakiewicz, Kazimierz Cyfert, Szymon 2017). According to various academics, managing the internal environment is difficult. They define a company's resources as "all assets, organizational processes, information, capabilities, and knowledge under the company's control that aid in implementation and increase efficiency and effectiveness." Firms which accrue rare resources that are difficult to reproduce and are not easily replaceable may have competitive advantage (Balashova and Gromova 2016). Analou and Karami (2003) define resources as the firm's assets, capabilities, processes, skills, or controlled knowledge that can provide a competitive advantage. As a result, company resources refer to the assets of the company (Hill & Jones, 2008). Intangible assets are considered more valuable today than they were in the 1960s, 1970s, and 1980s (Lev, 2001). Borici and Osmani (2015) define capability as the activation, combination, and coordination of resources to produce results within the framework of a strategy implementation process. The firm's past and present, current staff resources, technology, and physical resources, as well as employee goals, objectives, and values, all contribute to organizational culture. No two businesses have the same organizational culture since each has a distinct blend of the elements listed above. The culture of an organization governs its strategy (Halmaghi*, Iancu*, Băcilă 2017).

The organization cannot exist without proper management, which establishes the objectives, ensures the bureaucratic and structural settings required to attain the objectives, and the organization of team members' efforts and their training and motivation; Leaders, by their decisions and activities, thus influence both the firm's alteration to the macro environment and the activities and conduct of staff members in the firm. Organizations have formal structures that are built on definite principles, rules, and relationships that the members collectively accept and respect. Organizational structure is a significant component in the operation of an effective organization. It is also a prevalent lever that many managers use to increase the efficiency of their

businesses. If a company's structure does not align with its surroundings and internal systems, it will be unable to function at high levels of effectiveness and efficiency. However, there is rarely a fitting organizational structure for any given situation. Executives charged with reshaping or influencing firm design should keep the fundamental deliberations of fit, diversity and incorporation in mind as they seek to form or create organizational structures that will fit efficiently. (Clawson, 2019)

Finally, strategic decision-making is becoming increasingly fixated on the connection between strategy and the firm's internal environment. The firm's long-term competitiveness cannot be built solely on manufacturing effectiveness and the high level of risk borne by potential clones (Krzakiewicz, Kazimierz Cyfert, Szymon 2017).

Global perspective on internal organizational factors and strategic choice

Junquirea et al (2016) perceives strategic choice as a tool for organizing the current situations of many organizations in Britain based on projections of an idyllic future. This was also informed by the basic purpose of organizational factors that enables them establish priorities that leads to better service for their stakeholders (Haines, 2004). Thus, a company's strategic choice is its managements' action plan for running the firm and guiding its operations in an ever changing environment (Ling & Wang, 2019). Hence, the dynamism in a firm's environs requires the adoption of appropriate organizational factors aimed at sustaining strategic choices for competitiveness thus enhancing performance of firms.

Strategy has been linked to firms and industries performance (Rajagopalan, 2017). According to Nguyen and Bryant (2013), in an unstable context, strategic choice should be formed based on analysis of internal factors, since preferences of customers, tastes, and competitors' choices are different. Also, Nguyen and Bryant (2013) discussed that when core competences are well harnessed produce competitive advantages, many unknown and small Asian companies have remarkably grown into formidable competitors even overtaking leading western world's companies by relying on building and accumulating organizational resources into capabilities and core-competences (Rajagopalan, 2017).

There exists a link between a firm's internal organizational factors and its strategic choice in that constant performance good or bad, of a firm derives from the various action plans chosen and implemented by management (Barnejee & Homroy, 2018). In China, many firms align various strategic choices based on the organizational drivers as firms develop the capability to best achieve their intended goals. Xiao and Ramsden (2016) are of the opinion that an evaluation of a firm's activities, markets and products will reveal the concept of strategy as a common denominator that aims to define the central nature of the firm. Indeed, Wustenhagen and Menichetti (2012) observe that strategic choice has a central role in organizational factors implication and is usually related to the organizational drivers in which the firm operates.

Kenyan cement industry

The Kenyan cement industry began in the 1930's when East Africa Portland Cement (EAPC) began bring in cement imports. The firm's initial annual output was sixty thousand tons. Volumes had increased by approximately 1066.67 percent by 2015, producing 700,000 tons per year (EAPC annual report, 2015). The market capitalization of EAPC is around ten billion dollars (David

Perilli, 2017). 1951 is the year Bamburi Cement Ltd (BCL) was established with the primary shareholder being Lafarge, a French company. The initial yearly capacity of 140,000 tons of cement was increased approximately two million tons per annum with a capital of seventy billion shillings (Bamburi Cement annual report, 2015). (ARML) Athi River Mining Limited, which was founded in 1974, is primarily owned by the Paurama family. It began as a mining and processing company, and the cement division began operations in 1996. The company currently has a market capitalization of \$8.7 billion (ARML annual report, 2015). Kenya's cement companies are currently owned by six manufacturing companies headquartered in Mombasa, Nairobi's, and in Machakos County, for instance (BCL), (EAPCC) and National Cement Company Ltd (NCCL).

The Kenyan building industry has expanded rapidly in the last decade, owing to increased housing demand and the government's emphasis on super infrastructure developments e.g the standard gauge railway (SGR) and the Lamu Port (Lapsset) Corridor. Cement production and consumption have risen in lockstep with the construction industry, from a low of 154,800 tons in early 2005 to a commendable approximate high of 564,000 tons in early 2017. Encouraged by this expansion, a number of manufacturers have entered the Kenyan cement market, bringing the total number in the country to six. To meet the rise in demand, current players like Nigeria's Dangote Cement and Cemtech Sanghi from India are expanding within the East African community. Three of the six companies are already listed on the Nairobi stock exchange: Bamburi Cement, and the governments' East Africa Portland, and ARM Africa (Mwangi 2017).

The government anticipates that the development of the cement industry will contribute to the enhancement of economic progress and social unity in accordance with Vision 2030 objectives. These will support the government achieve the growth targets for the manufacturing industry stated in Kenya's vision 2030 document which requires an increase in the investment level to exceed 30% of GDP (Kenya vision 2030, 2007). Kenyan Cement Manufacturing companies mostly imports about 240,000 metric tons per annum of iron ore from the Republic of Korea, India, China, and South Africa and export their products to regional countries like Tanzania, Rwanda, Southern Sudan, Uganda, Burundi, and Democratic Republic of Congo. For these companies to retain their competitive edge in the global market, they therefore need to incorporate the best strategic choices in their management processes.

The business environment in the cement industry in Kenya is greatly changing and is today characterized by a few dominant firms. There is a lot of competition in the oligopolistic market and therefore for a company to remain profitable it must rise above the rest. Based on this stiff competition among the firms it is clear that only the strategy adopted by a company will make give them a competitive advantage over the others. The most important strategies adopted by the cement firms in Kenya include: selling a new range of products, rapid response to customer needs, investing in new technology, marketing of products, as well as improving employee morale to increase efficiency and effectiveness in service delivery.

African Cement Industry

Cement is an indispensable part of economic development and growth. Demand for cement increases as markets expand. This direct relationship covers output and general economic growth in more developed economies with the highest per capita income consumption. Cement is a critical component in the construction of basic infrastructure, ranging from ports, hospitals, rails, roads,

schools, housing, and retail outlets, making it an indicator of an economy's performance and trajectory, particularly in economies emerging from a growth slump. Given Africa's development and the need for infrastructure growth and building, cement is clearly an important strategic sector, with notable companies and more African firms capitalizing in export to other continental markets. In Africa, the average cement consumption is ninety two kilograms per person. Globally, including China, the average is five hundred and thirteen kilograms per person. With the continents economic growth rates far exceeding the global average over the last decade and as the continent's economy and population continue to rise and urbanize, cement consumption is predictable to rise in the coming years. According to the World Bank, Africa will need US\$93 billion in infrastructure investment per year for the next decade to meet both the deficit and the basic infrastructure needs of the expanding market and its populations. As a result, cement demand in Africa will follow a similar pattern to that of previously fast industrialized regions such as Southeast Asia. Despite massive lime deposits all over the continent and cement manufacturing plants being built at an unprecedented rate, Africa's anticipated demand from modernization of transportation, commerce, and housing infrastructure is likely to exceed local supply (White, L. 2015).

In summary, A few players dominate the African cement market, including Dangote of Nigeria and the South African Pretoria Portland Cement (PPC). The international majors, along with the two African players mentioned above, own the majority of manufacturing companies in better developed African markets. Smaller companies can compete in local markets - with the very little regional expansion – they however are far from having a continent wide footprint because of limitations in production capacity. Despite abundant lime deposits across the continent, Africa has traditionally relied on cement imports from low-cost Asian and North African producers (Ogango 2014).

Kenya imports roughly 2 million tons of clinker every year; this costs the country over Sh10 Billion (USD100M) in foreign exchange annually. In 2020-21, Mombasa Cement and National Cement Company, Kenya's only two clinker producers, proposed raising taxes on imported clinker from ten percent duty to a high of twenty five percent 25%, arguing that they have sufficient capacity to meet the total local demand for clinker in Kenya. (2021 Global Cement Report)

Statement of the Problem

Choosing an appropriate strategic decision remains a challenging decision that comprises a lot of thought-provoking considerations. Internal organizational factors make it difficult for companies to identify, select, and implement their strategies (Nyaga & Litunya, 2018). Several organizational factors determine the direction and achievement of strategic choices. The local cement manufacturing firms face a lot of challenges that include stiff competition from cement manufacturing firms globally, rapid evolution of technology trends, ever-changing customer needs and preferences, and wider external environment dynamics that are rapidly changing. All these create an environment that warrants effective strategies and effective implementation to survive and sustain the firms' competitive advantage. The weakest link in the growth can easily be traced to the strategic choices among many cement manufacturing firms (Oruto, 2019).

The Economic survey (2021) gives that infrastructure projects in Kenya have increased thereby increasing demand of cement. The Economic survey (2021) indicates that, infrastructural projects such as roads and houses and the standard gauge railway, has led to a 17.3% increase in the demand

for cement which doubled than previous year (RoK, 2017). However, increased domestic demand for the product hasn't led to higher profit margins for the producers. In 2016, profits for cement firms in Kenya reached an all-time low of 16 percent (ARM, 2017). According to the Kenyan Wall Street newsletter 2019, EAPC, has had dismal performance for many years including the fiscal year 2019/2020. Increased domestic demand has also resulted in insufficient profits at Athi River Mining (Nakic, Serdar, Donatello, & Cheeseman, 2017). Therefore, establishment of appropriate organizational factors can be a source of strategic choice for competitive edge for the cement manufacturing companies in Kenya (Kitainge, Bor & Wanza, 2019).

Available studies have primarily focused on the benefits of organizational factors as well as factors influencing the adoption of strategic choices (Kiilu, 2018; Nyauncho & Chirchir, 2016; Audax, 2018; Sheila & Rugami, 2018). These studies have in most cases adopted a case study approach (Rono & Makori, 2015; Nyaboke, 2017; Kitainge, 2019; Kamwara & Ismail, 2018) or descriptive research design (Sheila & Rugami, 2018; Nyaboke, 2017). The effort to achieve generalization on the relationship between organizational factors and strategic choices in cement manufacturing companies, calls for empirical verification in various environments particularly developing economies such as Kenya. This situation highlights a noticeable literature gap that exists on the topical, methodological, contextual, and conceptual phenomenon. Hence, this research wishes to empirically link the manifested gap in the literature by investigating organizational factors influencing strategic choices in Kenyan cement manufacturing firms.

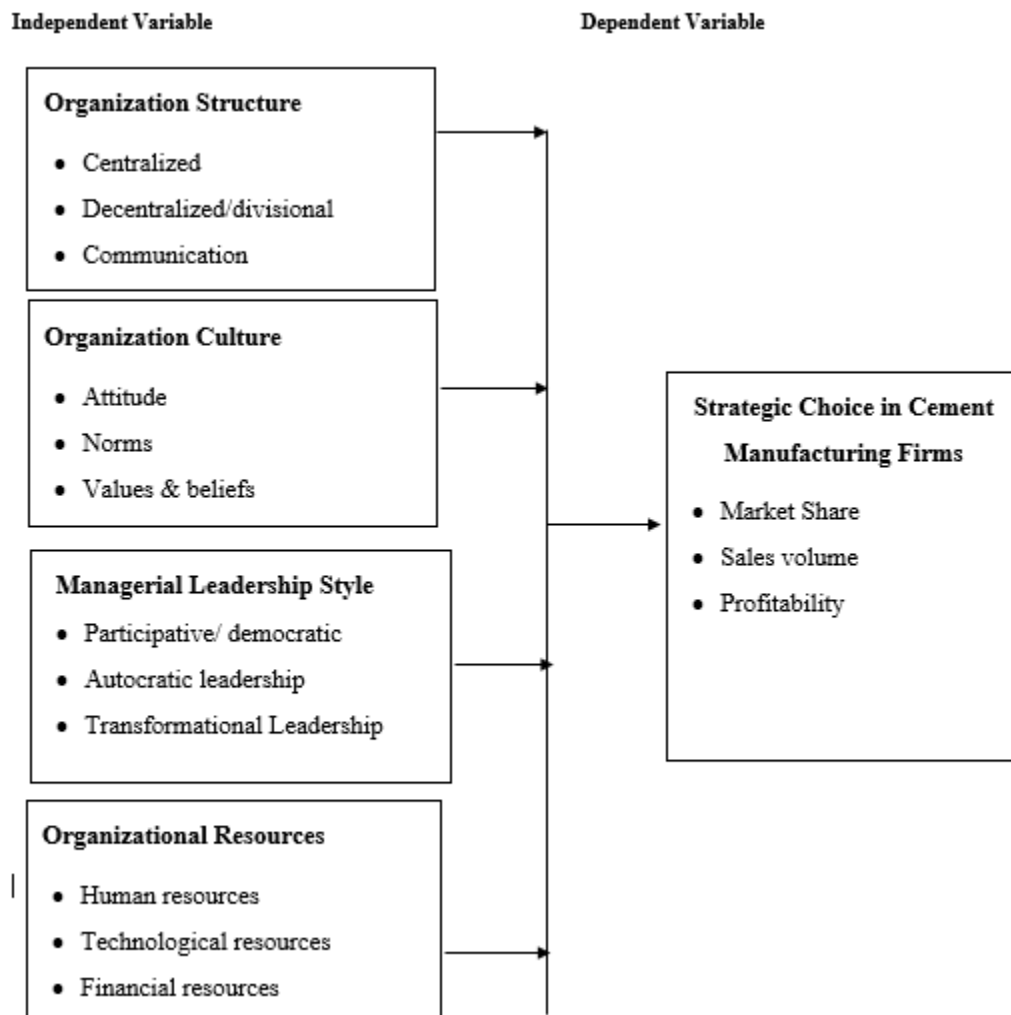


Figure 1. Conceptual Framework

Strategic choice theory

The idea behind this theory is the central role of leaders in influencing an organization’s direction and performance by decision making in an unpredictable environment (Chege, 2016). This theory provides an alternative to the shared view that organizations adopt strategic choices that are thought to be planned along their operational requirements and founded on their external environment. This theory considered the role of individuals and groups within organizations in making decisions that affect the entire organization (Kimanthi, 2015). Consideration was given to the external forces that have an impact on these employment relationships (Karanja & Wario, 2015). Variations in the external environment were used to encourage companies to change strategies. Top executives must make strategic decisions that match the turbulent environment in order for organizations to remain viable and competitive. Bowen and Kimencu (2019) argue that the assertiveness of these strategic choices should be complemented. Kamau, Aosa, and according to Pokhariya (2018) strategic choice is dependent on the extent to which organizations structure aligns with variations in the environment. The theory seeks to anchor the objective; “to examine

the relationship between managerial leadership style and strategic choice in Kenyan cement manufacturing firms.”

Knowledge gap

The literature review conducted was anchored on 3 theories namely, contingency theory, resource-based view & the strategic choice theory,. Empirical literature review on past studies was also done as per each variable of the study (structure, leadership style, culture, and resources). The review of empirical studies above provides ample evidence that internal environmental factors are important in explaining firms' choice of strategy; however, these studies suggest that it is rarely examined empirically in Kenya, particularly in an oligopolistic market such as the cement manufacturing industry. Several authors have examined the internal environmental factors separately under different concepts and contexts in terms of different industries and different geographical locations. The studies that have been reviewed used different theories to anchor their conceptual framework, for example, Kopra (2015) used Institutional theory to base his study on the “influence of organizational culture on strategy implementation at the University of Nairobi”, whereas Kamau, Stanley, and Kimathi (2015) used Stakeholders theory to base their study on factors influencing strategic choices in airlines.

Consequently, the present research aims to tackle the query of how these specific internal environmental factors (structure, leadership style, culture, and resources) influence the firms' choice of strategy in the environment of Kenyan cement manufacturing firms.

2.0 METHODOLOGY

A descriptive research design was adopted. The target population consisted of six Kenyan cement manufacturing firms. To collect data, a census and a questionnaire were used. This study gathered quantitative information. For ease of use during data analysis, the data collected was coded and classified prior to being input into appropriate statistical software. The study's quantitative data was analysed using inferential and descriptive statistics. A frequency distribution table was utilized to display numerical data together with frequencies and percentages

3.0 RESULTS

3.1 Discussion of findings

3.1.1 Organizational structure

Respondents from the six firms were also requested to rate the degree to which organizational structure manifested among the cement manufacturing firms. The table below shows the results;

Table 1: Organizational structure

	N	Mean	Standard Deviation
Strategic decision making is organized in strict systematic processes and organized hierarchies	62	3.0000	.70129
Departmental and sectional heads refer to the headquarters to deal with issues under them	62	3.1129	1.02597
The company has allowed line managers to decide on their day to day operations for efficient and effective management.	62	2.8548	.86549
Customers are able to comprehensively access goods/services from field stations	62	2.8226	.93255
Internal communication on new policies are communicated to all staff on a regular basis	62	3.0484	1.09286
There are clear systems of communication that allow staff and customers to provide feedback	62	2.8871	.74888
Average mean score		2.9543	0.894507

The results of the descriptive statistics for organizational structure showed that it manifested moderately at a mean mark of 2.9543 and 0.894507 standard deviation. Showing a low dispersion around the mean and therefore good precision of the dataset and high consistency of data to measure the research variable.

3.1.2 Organizational culture

Respondents from the six firms were also requested to rate the degree to which organizational culture manifested among the cement manufacturing firms. Below are the results.

Table 2: Organizational culture

	N	Mean	Standard Deviation
It is easy to reach consensus, even on difficult issues in departmental meetings	62	2.6129	.87506
The work environment is geared towards personal feelings of wellbeing to improve workplace relationships, collaboration, efficiency and employee health	62	2.7581	1.00304
There is an ethical code that guides our behaviour and informs us of what is right from wrong	62	2.8548	.98923
There are formal Policies, Procedure manuals and guidelines on how to deal with every operational activity/situation and these guidelines are available to staff.	62	2.7581	1.03521
There is a clear and consistent set of values that governs the way we do business	62	3.0323	.86778
These values and beliefs are internalized and practiced in the rank and file of the company without coercion.	62	2.9516	.87642
Average mean score		2.827967	0.941123

The results of the descriptive statistics for organizational culture showed that it manifested moderately at an average of 2.827967 and 0.941123 standard deviation. This shows a low dispersion around the mean and therefore good precision of the dataset and high consistency of data to measure the research variable.

3.1.3 Managerial leadership styles

Respondents were requested to rate the managerial leadership styles of the surveyed Kenyan cement manufacturing firms. Table 5 shows the results of an assessment using a set of seven items. The average mean score for managerial leadership styles dimensions is 3.451614 and 0.896994 standard deviation, according to the table results. This demonstrates a low dispersion around the mean and, as a result, good precision and consistency of data to measure the research variable.

Table 3: *Managerial leadership styles*

	N	Mean	Std. Deviation
Companywide consultation is embraced before making major decisions in various departments.	62	3.6452	.97673
The leaders cultivate staff confidence and team spirit among the staff under them.	62	3.6774	.90126
Leaders make decisions based on their ideas and judgments and rarely accept advice from staff	62	3.5484	.96966
The leaders punish subordinates for being out of compliance with the set standard	62	3.1613	.83359
There are coaching and mentorship programs in our organization to enhance personal skill	62	3.0161	.79942
The leaders provide recognition/rewards when the staff reaches their goals.	62	3.2742	.87158
The leaders in our organization are receptive to new ideas from their juniors.	62	3.8387	.92672
Average mean score		3.451614	0.896994

3.1.4 Organizational resources

Organizational resources were investigated, and respondents were asked to demonstrate how organizational resources were perceived in Kenyan cement manufacturing firms. Table 4 displays the generated results. The results show that the average for organizational resources dimensions as 3.368267 and 0.835798 standard deviation. This shows a low dispersion around the mean and therefore good precision of the dataset and high consistency of data to measure the research variable.

Table 4: *Organizational resources*

	N	Mean	Standard Deviation
Our employees have suitable skills and competencies to fulfil their jobs	62	3.7903	.83248
Turnover of highly skilled employees does affect our production or customer service	62	3.1774	.85936
The company has adequately invested in the latest technology as a tool to enhance efficiency	62	3.3387	.86732
Our technology is capable of adapting to our customer needs	62	3.2742	.81320
Management allocates adequate finances for strategic planning and implementation in the company	62	3.4032	.93141
Top management ensures that financial resources are utilized for planned activities	62	3.2258	.71102
Average mean score		3.368267	0.835798

3.1.5 Strategic choices

The study further sought to understand how strategic choices are perceived by the respondents to manifest among the Kenyan cement manufacturing firms. A set of six items was used to measure this. Table 5 summarizes the findings. According to the descriptive statistics, strategic decisions had a average of 3.1855 and 0.921607 standard deviation. This demonstrates a low dispersion around the mean and, as a result, good precision and consistency of data to measure the research variable.

Table 5: Strategic choices

	N	Mean	Std. Deviation
The business has opened branches in the last five years	62	3.5484	1.03508
Market share has increased in the last five years	62	3.0323	.86778
Our company has ventured into new markets in last five years	62	3.5323	.84383
The volume of sales has increased in the last five years	62	3.4677	.90023
Profitability has increased in the last five years	62	2.7742	.91292
The cost of production has decreased over the last five years	62	2.7581	.96980
Average mean score		3.1855	0.921607

3.2 Correlation Analysis

"The Pearson correlation coefficients range between -1 and +1. Negative values indicate negative correlation and positive values indicate positive correlation, where Pearson coefficient $r < 0.3$ indicates weak correlation, Pearson coefficient $0.3 > r < 0.5$ indicates moderate correlation and Pearson coefficient $r > 0.5$ indicates strong correlation" Samuels, Peter & Gilchrist, Mollie. (2014)." Correlation analysis was used to determine the nature of the association between the study variables, the results presented in Table 6 showing individual indicators and how they relate to each other.

Table 6: Correlation results

		Organizational structure	Organizational culture	Managerial leadership styles	Organizational resources	Strategic choices
Organizational structure	Pearson Correlation	1	.489**	.206	.083	.368*
	Sig. (2-tailed)		.001	.179	.591	.014
	N	62	62	62	62	62
Organizational culture	Pearson Correlation	.489**	1	.370*	.340*	.358*
	Sig. (2-tailed)	.001		.014	.024	.017
	N	62	62	62	62	62
Managerial leadership styles	Pearson Correlation	.206	.370*	1	.689**	.597**
	Sig. (2-tailed)	.179	.014		.000	.000
	N	62	62	62	62	62
Organizational resources	Pearson Correlation	.083	.340*	.689**	1	.436**
	Sig. (2-tailed)	.591	.024	.000		.003
	N	62	62	62	62	62
Strategic choices	Pearson Correlation	.368*	.358*	.597**	.436**	1
	Sig. (2-tailed)	.014	.017	.000	.003	
	N	62	62	62	62	62

** . Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Managerial leadership styles have the greatest positive effect on strategic choice, according to the findings “(Pearson correlation coefficient (r) =.597 and $P0.05$),” shows that the relationship is statistically significant. Following this, organizational resources (r =.436 and $P0.05$) indicated a moderately positive and significant relationship. Organizational Structure was also positively correlated (r =.368 and $P0.05$), indicating a moderately positive and statistically significant relationship. Finally, organizational culture demonstrated a statistically significant moderate positive relationship (r =.358 and $P0.05$). This implies that managerial leadership styles have the greatest influence on strategic decision-making in Kenyan cement manufacturing firms, followed by organizational resources, structure, and finally culture.

3.3 Regression results

The findings and results are documented and presented in this section. The F-test was utilized to determine the overall significance of the regression, while t-tests were used to determine each variable's independent input to the prediction of the outcome variable, a p-value greater than 0.05 indicates insignificant results. The results are outlined along with the research objectives.

The regression equation used was;

$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon_1$ where Y is the strategic choice and is a linear function of X_1 (organizational structure), X_2 (organizational culture), X_3 (managerial leadership style) and, X_4 (organizational resources), α =constant term, β_{1-4} are the regression coefficient and ε_1 = Error term.

3.3.1 Relationship between organizational structure and strategic choice

The objective was to “examine the relationship between organizational structure and strategic choice in cement manufacturing firms in Kenya.” Organizational structure was regressed against strategic choice using a simple regression analysis. This procedure was designed to put to the test the study's first objective, with organizational structure as a predictor variable and strategic choice as an outcome variable in Kenyan cement manufacturing firms. Table 9 displays the statistical results

Table 7: Regression results - effect of organizational structure on strategic choice

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.368 ^a	.135	.115	.67758		
a. Predictors: (Constant), organizational structure						
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.014	1	3.014	6.564	.014 ^b
	Residual	19.283	60	.459		
	Total	22.297	61			
a. Dependent Variable: strategic choices						
b. Predictors: (Constant), organizational structure						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.001	.376		5.317	.000
	organizational structure	.270	.106	.368	2.562	.014

a. Dependent Variable: strategic choices

The study shows a moderate, positive, and significant relationship ($R=.368$) between organizational structure and strategic choice. The coefficient of determination ($R^2 =.135$), organizational structure explains 13.5 percent of the variation in strategic choice. ($F=6.564$, $p0.05$) were the statistically significant results. The t-value in the coefficient table ($=.270$, $t=2.562$, $p0.05$) demonstrates this significant relationship. As a result, organizational structure has a +ve (positive) and significant influence on strategic choice in Kenyan cement manufacturing firms. Kihara (2017) supports this finding in his research on the “impact of strategic contingency factors on the performance of large manufacturing firms in Kenya.” Research findings indicated that organizational structure affects performance in the subject sector.

3.3 2 Relationship between organizational culture and strategic choice

The objective was to “examine the relationship between organizational culture and strategic choice in Kenyan cement manufacturing firms.” Organizational culture was regressed against strategic choice using a simple regression analysis. This procedure was designed to test the study's second objective, with organizational culture as a predictor variable and strategic choice as an outcome variable for Kenyan cement manufacturing firms. Table 10 displays the statistical results.

Table 8: Regression results - effect of organizational culture on strategic choice

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.358 ^a	.128	.107	.68038		
a. Predictors: (Constant), organizational culture						
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.854	1	2.854	6.166	.017 ^b
	Residual	19.443	60	.463		
	Total	22.297	61			
a. Dependent Variable: strategic choices						
b. Predictors: (Constant), organizational culture						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.727	.495		3.488	.001
	organizational culture	.325	.131	.358	2.483	.017

a. Dependent Variable: strategic choices

This research shows a moderately positive, significant, and statistically significant relationship between organizational culture and strategic choice ($R=.358$). According to the coefficient of determination ($R^2 =.128$), organizational culture explains 12.8 percent of variation in and strategic choice. ($F=6.166$, $p0.05$) were the statistically significant results. The t-value in the coefficient table ($=.325$, $t=2.483$, $p0.05$) demonstrates the significance of the relationship. And therefore, organizational culture has a very negligible influence on strategic choice in Kenyan cement

manufacturing firms. Arayesh et al (2017) reinforced this finding in their research on the “effect of organizational culture on the development of strategic thinking at the organizational level in Iran's Ilam Gas Refinery,” where results presented indicated that culture had a substantial effect on strategy at the corporate level.

3.3.3 Relationship between managerial leadership styles and strategic choice

The objective here was to look into the relationship between managerial leadership style and strategic choice in Kenyan cement firms. A simple regression analysis was used to compare managerial leadership style to strategic choice. This process was designed to put to the test the research third objective, which was “to examine the impact of managerial leadership styles as a predictor variable and strategic choice as an outcome variable for Kenyan cement manufacturing firm.” Table 8 displays the statistical results.

Table 8: Regression Results - effect of managerial leadership styles on strategic choice

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.597 ^a	.356	.341	.58472		
a. Predictors: (Constant), managerial leadership styles						
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.937	1	7.937	23.214	.000 ^b
	Residual	14.360	60	.342		
	Total	22.297	61			
a. Dependent Variable: strategic choices						
b. Predictors: (Constant), managerial leadership styles						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.139	.382		2.983	.005
	managerial leadership styles	.574	.119	.597	4.818	.000

a. Dependent Variable: strategic choices

The study discovered a significant and strong positive relationship ($R=.597$) between managerial leadership styles and strategic choice. According to the coefficient of determination ($R^2=.356$), managerial leadership styles explain 35.6 percent of the variation in strategic choice. ($F=23.214$, $p<0.05$) were the statistically significant results. The t-value in the coefficient table ($=.574$, $t=4.818$, $p<0.05$) demonstrates the significance of the relationship. As a result, the managerial leadership styles of Kenyan cement manufacturing firms are critical in determining their strategic choice. Jabbar and Hussein (2017) back up these findings in their study on “the role of leadership in strategic management.” The study suggests that the firm's leadership need to be at the forefront of inspiration, motivation, initiative and vision.

3.3.4 Relationship between organizational resources and strategic choice

The objective here was to examine the relationship between organizational resources on strategic choice in Kenyan cement manufacturing firms. Organizational resources were regressed against strategic choice in a simple regression analysis. This procedure was designed to test the fourth objective; “to investigate the relationship between organizational resources as a predictor variable and strategic choice as an outcome variable for cement manufacturing firms in Kenya.” The table below displays the statistical results.

Table 9: Regression results - effect of organizational resources on strategic choice

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.436 ^a	.190	.171	.65580		
a. Predictors: (Constant), organizational resources						
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.233	1	4.233	9.843	.003 ^b
	Residual	18.063	60	.430		
	Total	22.297	61			
a. Dependent Variable: strategic choices						
b. Predictors: (Constant), organizational resources						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.407	.495		2.840	.007
	organizational resources	.449	.143	.436	3.137	.003

a. Dependent Variable: strategic choices

The research shows a moderate, positive, and significant relationship ($R=.436$) between organizational resources and strategic choice. The coefficient of determination ($R^2 =.190$), organizational resources explain 19.0 percent of variation in and strategic choice. ($F=9.843$, $p0.05$) were the statistically significant results. The t-value in the coefficient table ($=.449$, $t=3.137$, $p0.05$) demonstrates the significance of the relationship. As a result, organizational resources are important in determining the strategic choice of cement manufacturing firms in Kenya. This is supported by Ahdil Imane's 2017 study on Strategic management for organizational performance: from which come strategic decision-making errors. According to him, it is impossible to implement a strategic choice that imposes resource requirements that are beyond the firms' ability to meet, emphasizing the importance of organizational resources in strategic decision-making.

3.3.5 Overall relationship between organizational factors and strategic choice

The research looked at the overall impact of organizational factors on strategic decision-making. Table 10 shows the outcomes.

Table 10: Regression results - overall effect of organizational factors on strategic choice

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.650 ^a	.422	.363	.57469		
a. Predictors: (Constant), organizational resources, organizational structure, organizational culture, managerial leadership styles						
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.416	4	2.354	7.128	.000 ^b
	Residual	12.881	39	.330		
	Total	22.297	43			
a. Dependent Variable: strategic choices						
b. Predictors: (Constant), organizational resources, organizational structure, organizational culture, managerial leadership styles						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.495	.540		.917	.365
	organizational structure	.180	.104	.244	1.729	.092
	organizational culture	.032	.136	.035	.236	.815
	managerial leadership styles	.467	.166	.486	2.813	.008
	organizational resources	.071	.177	.069	.402	.690

a. Dependent Variable: strategic choices

The research found a strong and significant relationship between organizational factors and strategic choice ($R=.650$). Coefficient of determination ($R^2=.422$) implying that organizational factors that is; organizational structure, culture, resources and managerial leadership style combined influence strategic choice by 42.2%. Also the overall model is significant ($F=7.128$, $p<0.05$). The coefficient values shows that each variable had a significant contribution on strategic choice with organizational structure ($\beta=.180$) implying that a unit change in organizational structure leads to .180 change in strategic choice. Organizational culture had ($\beta=.032$) implying that a unit change in organizational culture leads to 0.032 change in strategic choice. Further managerial leadership styles had ($\beta=.467$) implying a unit change in organizational leadership styles leads to .467 change in strategic choices and finally organizational resources had ($\beta=.071$) implying that a unit change in organizational resources leads to 0.071 change in strategic choice.

Built on the outcomes of the regression analysis results, the model becomes

$$Y = .495 + .180X_1 + .032X_2 + .467X_3 + .071X_4$$

Where Y is the strategic choice and is a linear function of X₁ (organizational structure), X₂(organizational culture), X₃(managerial leadership style) and, X₄ (organizational resources)

The coefficient values shows that each variable had a significant contribution on strategic choice with organizational structure ($\beta=.180$) implying that a unit change in organizational structure leads to .180 change in strategic choice. Organizational culture had ($\beta=.032$) implying that a unit change in organizational culture leads to 0.032 change in strategic choice. Further managerial leadership styles had ($\beta=.467$) implying a unit change in organizational leadership styles leads to .467 change in strategic choices and finally organizational resources had ($\beta=.071$) implying that a unit change in organizational resources leads to 0.071 change in strategic choice.

4.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary of findings

Overall the objective was to examine the relationship between organizational structure, organizational culture, managerial leadership styles, organizational resources, and strategic choice in Kenyan cement manufacturing firms. The descriptive cross-sectional design was utilized to guide this research; with the goal being to establish associations between the study variables. As a result, the 6 Kenyan cement manufacturing companies were used as the unit of analysis.

The first objective was “to examine the relationship between organizational structure and strategic choice in Kenyan cement manufacturing firms.” Pearson correlation results revealed that organizational structure was also positively correlated at ($r =.368$ and $P>0.05$), implying a moderate but statistically significant positive relationship. Using a simple linear regression analysis model, the research revealed a statistically significant relationship between organizational structure and strategic choice.

The second objective was “to examine the relationship between organizational structure and strategic choice in Kenyan cement manufacturing firms.” The Pearson’s correlation results showed organizational culture as +ve (positively) correlated to strategic choice ($r =.358$ and $P >0.05$) implying a moderate positive and significant relationship that is statistically significant. Using a simple linear regression analysis model, the research shows a statistically significant relationship between organizational culture and strategic choice.

The third objective was “to examine the relationship between managerial leaderships style and strategic choice in Kenyan cement manufacturing firms.” Pearson's correlation results revealed that managerial leadership styles had the greatest positive influence on strategic choice ($r =.597$ and $P0.05$), indicating that the relationship is statistically significant. Using a simple linear regression analysis model the study revealed a statistically significant relationship between managerial leadership styles and strategic choice.

The fourth objective was “to examine the relationship between organizational resources and strategic choice in Kenyan cement manufacturing firms.” Pearson's correlation results revealed a statistically significant moderate positive relationship ($r=.436$ and $P0.05$). Using a simple linear

regression analysis model the study showed a statistically significant relationship between organizational resources and strategic choice.

Conclusions

The research examined the effect of organizational structure on strategic choice. A weak relationship between organizational structure and strategic choice was established. Coefficient of determination indicated that organizational structure explained 13.5 % of variation in strategic choice. Further the results were significant as depicted by F value. The relationship was further demonstrated by a significant t-value in the coefficient table. This therefore depicts that organizational structure is a moderate determinant of strategic choice in Kenyan cement manufacturing firms.

The second objective was “to examine the relationship between organizational culture and strategic choice in Kenyan cement manufacturing firms.” Organizational culture was regressed against strategic choice using a simple regression analysis. The research discovered a moderately positive (+ve) and significant association between organizational culture and strategic choice, with organizational culture explaining 12.8 percent of the variation in strategic choice, implying that organizational culture is not a major factor in determining strategic choice among Kenyan cement manufacturing firms.

The third objective was “to examine the relationship between managerial leadership style and strategic choice in Kenyan cement manufacturing firms.” The study discovered a strong link between managerial leadership styles and strategic decision-making. According to the coefficient of determination, managerial leadership styles explained 35.6% of the variation in strategic choice. Furthermore, the results were significant, as evidenced by the F value. The significant relationship was further demonstrated in the coefficient table by the significant t-value. As a result, managerial leadership styles are critical in determining strategic choices in Kenyan cement firms.

The last objective was “to examine the relationship between organizational resources and strategic choice in Kenyan cement manufacturing firms.” A straightforward regression analysis was used, with organizational resources regressed against strategic choice. The study discovered a moderately positive relationship between organizational resources and strategic choice, with organizational resources explaining 19.0 percent of strategic choice variation, indicating that organizational resources are moderately considered in determining strategic choice in Kenyan cement manufacturing firms.

Recommendations

The significance of the study hopes to inform policy on the strategic importance of supporting and strengthening strategic choices through adapting dynamic organizational structures and implementation policies for Kenyan cement manufacturing and beyond. The study will further enable senior management of Kenyan cement manufacturing unlock the value of their investment through effective strategic leadership. The study will help improve the management and development of strategic areas of capacity building and improve policies that will be geared towards enhancing the strategic choice of cement manufacturing.

It is critical to align organizational culture with multi-branch strategic decisions. The main task in strategic choice, within these Kenyan cement manufacturing firms varying in size, is to develop

strategic policies that generate work support strategies and a high accomplishment motive, encourage common values, and define ethical criteria in the organization. Cement companies need to have a culture-strategy fit that enables strategy implementation by providing clear guidance on roles, procedures and responsibilities and encourages strong employee identification with the company and a obligation to the company's vision, strategy, and performance targets. Logical approaches should be used as an important component of bureaucratic culture because they will help an organization achieve its strategic goals. Furthermore, leaders in various capacities should be recognized for their efforts to serve as coaches by providing general direction while also encouraging individual decision-making and initiative to determine operational details. Organizations should demonstrate entrepreneurial business culture by treating employees with respect and by providing the necessary support for a energetic and sustainable corporate culture. It is important for the leadership and specifically for the CEO to communicate with clarity on the strategic direction of the firm in order to achieve its strategic objectives and remain competitive in the market.

To summarize, running a successful business entails more than just having high-quality merchandise or choosing an appropriate market. It's also about employing effective strategies, such as strategic leadership, to reach out to the market and transform them into long-term clients or customers. Thus, policymakers, shareholders, and stakeholders in cement firms should use the study's findings to benefit from the execution of the right strategies while putting in place the right organizational structure, culture, and organizational resources to maximize their strategic choices.

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