

Effect of Production Strategies on Firm Performance of Equator Bottlers Company Limited in Kisumu County Kenya: The Moderating Role of Government Policy

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Abstract

Production strategies improve organization performance in many organizations. These strategies require improvement of innovation ideas. Firms are making use of production strategies in provisions of services and production activities in the business which enable them to meet market situation. The main objective for this study is to assess production strategies and firm performance in bottlers firms in Equator in Kisumu. The study employed correlation design with target population of 845 employees chosen through stratified sampling and simple techniques. The sample of 387 employees was chosen by stratified random sampling and simple sampling techniques. The major research instruments were the questionnaire for primary data. The study conducted pilot study from Eldoret bottler's limited using Cronbach alpha value of above 0.7. The study adopted both inferential and descriptive statistics using mean, and percentage presented by tables for interpretations. Correlation and regression analysis was chosen to establish relationship of variables. The findings showed that production strategy was mostly applied resulted to improve cost of returns for firm performance. Further, it was noted that strategic management of equator bottlers can review firm performance of 5 years and above.

Keywords: Strategic management • Organization • Performance • Population • Innovations

Introduction

Most organizations adopt strategic function from production strategies on performance. Production environment formulates strategies that customers can demonstrate on service delivery. These strategies are given by planned events of any association of majorly improved by strategic management of different sections of the firm. The strategic management aspects are given functional strategies that can improve performance through innovations. The process of producing goods or offering services remains strategically effective for performance in various ways are major challenges affecting functional strategies related to the firm performance. Marketing strategic management improve performance of manufacturing firms. Marketing strategies through production and pricing also improve distribution of goods or services for the customer point of receiving [1].

Production strategy on performance of firms are managed by the events of any organization is majorly enhanced by product and services offered advantageously. Production strategy enable functional strategy is heightened by intentional services continue successfully on performance. Production strategy managers in numerous sections, marketing processes comes from goods or offering services given by strategic operations on performance of firms. The production strategy and planning management aspects are given functional strategies that can improve growth through technology. Production strategies are used by planned events of any relations to the strategic management in the firm [2].

Product functional strategy is truthful by thought-out actions. The preparation strategies are given applied strategies that can develop

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presentation through spreading plans. Planning strategies are made operations for management aspects are given well-made strategies that can intensify and show concluded sit-down plans. Implementations strategies are well-thought-out by intended proceedings. The premeditated implementations are given functional strategies that can improve performance through marketing executions [3].

Firm performance of the functional strategies is measured by amount of sales made during the year. This is the return on assets increase in number of sales in the asset improvement and different operations are diplomatic besides prearranged by the obtainable policies and purpose plans. The customer fulfillment and expansion of marketplaces can progress financial growth of firms in Kenya or other viable firms [4].

Firm performance can be valuable in gauging growth of the firm. This is finished auctions and advertising growth and development of Nigeria. This is the marketplace share for increase on firm situation. The intensification in number of clients and development of business operations is composed and systematized by the accessible policies and measuring approaches. The consumer approval and extension of markets can develop monetary performance of firms in Kenya or other inexpensive firm's sales volume [5]. This is enhanced through marketing sales promotion and price in the organization for selling products and offering services for functional strategies.

Statement of the problem

Production strategies are enhancing firm performance. Then this is done through production strategies which are also poor for firm performance of Equator bottlers in Kisumu County. This was noted by profits after taxes in the 2013 and this was ksh 8.26 while 2018 profits after taxes was 6.4 decreased by 2.150 in millions. This is decreases by many related with firm performance at a given safe time.

Objectives of the study

The general objective assessed the effects of production strategies on firm performance in Equator limited company, Kisumu County in Kenya

Empirical literature

Production strategies on firm performance: Meyibe studied effects

of production strategies on firm performance in Kenya. The study used production strategies with supply chain production directions. Survey design was chosen for data collection for 23 employees working the firms. Questionnaires were used and analyzed by descriptive statistics. The correlation analysis result showed that production strategy on performance of firms is managed by organization. It is majorly enhanced by product and services offered advantageously. Production strategy is majorly heightened on performance [6].

Mbithi, muturi, and Rambo, examined effects of production strategies on performance of sugar companies. The study examined sugar companies' production with a sample size of 2000 employees of which 200 were sampled. Inferential statistics showed that production strategy affected performance. Production strategies are given by firms managed by the events of any organization is majorly improved quality of product and services offered profitably.

Keitany and Ron examined production strategies on organizational performance of firms in Kenya. The study used case study design which secondary data was adopted on the sample size of 41 respondents. Production strategy strategies are used by planned events of any relations to the strategic management in the firm. Production strategy managers in numerous sections, marketing processes comes from goods or offering services given by strategic operations on performance of firms. The production strategy is given functional strategies to improve growth through innovations.

Kyengo examined production strategies on performance of metal enterprises in Kenya. The study examined the effect of pricing strategies, and distributive marketing strategies of the enterprises. They used employed stratified sampling of 61 employees in Kenya. Secondary data was used and primary data which showed that marketing strategies are the functional strategies are shown by events of any relations to the strategic management. The production strategies are the services for performance. The production strategies for functional strategies related to the firm performance. The production strategies are deliberately affecting performance. Production strategies enable functional strategies to determine performance of firms. The customers are willing to purchase with different production strategies on firm performance [7].

Research gaps: The research gaps from the study were shown by Ogbohi who examined effect of marketing strategies on organization performance of companies in Nigeria. The study adopted product production strategies, promotion strategy and advertising strategies on the organizational performance. Cross-sectional research design was used for the study. The sample size of 245 employees was employed from the target population of 635 in which the questionnaire was given. The inferential results created the gap on innovation strategies are well to understand on performance. The change in marketing strategies affect performance in the central way was addressed.

Materials and Methods

Research design

The study used correlational research design which was adopted according to Mugenda described it as the process of analysis. According to Kothari postulated that the correlation design provides relationship of the solutions in the research question, further he argued that correlation design can be used to determine the relationship. Functional strategies and firm performance of equator bottlers are related under this study. This correlation became very important in this study [8].

Area of study

The equator limited company was chosen for the study. This is because it is a firm using functional strategies to improve performance. It is found in

Kisumu county border to Kericho, Homabay and Nandi counties. The firm is declined in its performance of the business in the current years.

Target population

Target population is the whole items or group of people under research [9]. They share similar characteristics which might be noted in one geographical area. The target population of 845 employees was high management, middle management and low management in the equator. Table 1 showed the results of the equator limited in Kisumu under the study [10].

Level of strategic management	Number of target population
Top management	10
Middle management	110
Functional level	725
Total	845

Source: Equator Bottler Limited (2022)

Table 1. Target population.

Sample size and sampling design

Sample size: The sample size is the part of the whole population under study. Mugenda and Mugenda explained sample represented the entire population of study. This was calculated by Yamane formula.

$$n = \frac{N}{1 + N(e)^2}$$

Where: n-sample size, N=target population, e=error of precision

$$n = 845 / (1 + 845(0.05)^2)$$

$$n = 387$$

The study added 10% for the sample size to cater for non-response rate of 30%. Hence, the sample size of 271 included non-responses under the study resulted to 387 respondents. This sample size was presented by Table 2.

Level of management	Number of sample size
Top management	4
Middle management	51
Functional management	332
Total	387

Source: Researcher.

Table 2. Sample size.

Sampling design: The sample design refers to the procedure for determining the right number under the study. The sample size is selected by various strategic management in this study. The study forms best survey design [11]. The study employed stratified random sampling technique for determination of the sample size.

Sampling procedure: The sample size included 387 employees in equator bottlers limited chosen by stratified random sampling technique [12]. Top level management and middle management are defined by different groups under study. The functional strategies management is that sampled for the study in each group stratified with 116 groups similar to the 30 percent of non-response rates [13].

Data collection

Data collection is that process of gathering information [14-17]. The questionnaire became very useful in this study. Closed questionnaire is used by Likert scale under survey. The Liker scale of 1=strongly disagree, 2=disagree, 3 neutral, 4=agree and strongly agree=5 using answers in the questionnaire. The researcher distributed the questionnaire personally

through drop and pick methods during research period in two months.

Validity of instrument: The validity includes the extent of good element to measure research instrument. This was measured by data collection instruments. The validity of research instrument was test by the supervisor and researchers opinion with experience under this study.

Reliability of research instruments: The research instrument is reliable when Cronbach alpha is 0.7 and more. Reliability that consistence for the instrument was effective in data collection [18].

The reliability tested after piloting was conducted in Almasi limited in Eldoret and it was chosen when they are similar firms. The researcher used 39 respondents for piloting in toedp management, middle management and functional management. The study was chosen when sample size was suitable in data analysis. This was determined at 387 respondents with 39 for piloting under study [19].

Results and Discussion

Production functional strategies

The researcher established functional strategies on firm performance of equator limited company in Kisumu. The findings were presented by Table 3.

Strategies	N	Min	Max	Mean	Std dv
Competitive advantage is achieved through production strategies in equator limited company	271	1	5	2.47	1.29
Production functional strategy is becoming expensive in the implementation in equator	271	1	5	2.45	1.063
Our company develops production strategies for new product	271	1	5	3.38	0.886
We specialize production of product through research and development of the company	271	1	5	3.32	0.979
The firm employ effective production strategy to reduce costs and expenses for the operations	271	1	5	3.41	1.028
Production strategy is made to implement functional network of improving sale	271	1	5	3.2	1.079
Valid N	271				

Table 3. Production functional strategies.

The study indicated that the equator firm limited employed effective production strategy to reduce costs and expenses for the operations with mean 3.41 with a standard deviation of 1.028. This was agreed with Mbithi, Muturi and Rambo which noted that our company develops production strategies for new product, our company develops production strategies for new product with mean 3.38 with a standard deviation of.886, and we specialize production of product through research and development of the company with mean of 3.32 with a standard deviation of .979.

Production strategy is made to implement functional network of improving sale with mean of 3.20 with a standard deviation of 1.079, competitive advantage is achieved through production strategies in equator limited company with a mean of 2.47 with a standard deviation of 1.290, production functional strategy is becoming expensive in the implementation in equator had a mean of 2.45 with a standard deviation of 1.063 [20].

Conclusion

The researcher established production functional strategies on firm performance of equator limited company in Kisumu. The study indicated that the equator firm limited employed effective production strategy to reduce costs and expenses for the operations. This is noted that our company develops production strategies for new product, our company develops production strategies for new product, and we specialize production of product through research and development of the company. Production strategy is made to implement functional network of improving sale, competitive advantage is achieved through production strategies in equator limited company, and production functional strategy is becoming expensive in the implementation in equator.

Recommendation

The study recommends that innovation costs are implemented with new technology with the changing business from firm to the other. This was agreed with innovation costs are implemented with new technology with the changing business from firm to the other. The equator bottlers limited had skilled workers in using new change in technology, the firm is improving services with change of modern technology, the advancement in technology is enhanced by top management in the firm and there is new technology used by our limited company in Kisumu in production of product. The study recommends that innovation costs are implemented with new technology with the changing business from firm to the other while there is new technology used by our limited company in Kisumu in production of product.

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