

**INFLUENCE OF FUNCTIONAL LEVEL STRATEGIES ON PERFORMANCE OF
MANUFACTURING FIRMS IN KENYA**

By

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18/06700

**MASTER OF BUSINESS ADMINISTRATION (HUMAN RESOURCE MANAGEMENT)
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**A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL
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DECLARATION

I declare that this dissertation is my original work and has not been previously published or submitted elsewhere for award of a degree. I also declare that this contains no material written or published by other people except where due reference is made and authors duly acknowledged.

Sign..... Date.....

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Supervisor Declaration

This dissertation has been submitted for examination with my approval as University Supervisor.

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ABSTRACT

Functional level strategies in manufacturing firms are specific plans and actions designed to improve the performance of various functional areas within a manufacturing organization. Functional level strategies are essential in manufacturing firms as they provide a clear direction and focus for the firms. This study sought to determine the effect of functional level strategies on performance of manufacturing firms in Kenya. The specific objectives were to examine the influence of human resource functional level strategy, finance functional level strategy marketing functional level strategy, operations functional level strategy on performance of manufacturing firms in Kenya. The theories informing the study are Porter Generic Theory, Management Theory and Resource-Based View Theory. This study was conducted in Kenya and particularly Nairobi region which has the highest concentration of large manufacturing firms. The population was the 50 large manufacturing firms in Nairobi County. A General manager, HR manager and Finance manager was selected from each of the 50 manufacturing firm and thus a sample size of 150 respondents. Primary data was collected using questionnaire. The data was analyzed using descriptive and inferential statistics. The diagnostics tests included normality test, multicollinearity and heteroscedasticity. The analysis revealed that the human resource functional Level strategy had a positive relationship with performance, with a coefficient of 0.257 (Beta = 0.273) and a significant t-value of 5.742. Similarly, the finance functional Level strategy showed a positive association, with a coefficient of 0.269 (Beta = 0.264) and a high t-value of 6.621. The Marketing functional Level strategy exhibited a strong positive relationship, with a coefficient of 0.392 (Beta = 0.416) and a substantial t-value of 9.309. Lastly, the Operations functional Level strategy contributed positively, with a coefficient of 0.112 (Beta = 0.115) and a statistically significant t-value of 3.099. The study concludes that well-defined strategies in human resources, finance, marketing, and operations significantly influence the performance of manufacturing firms in Kenya. Manufacturing firms in Kenya are advised to invest in strategic human resource management practices, aligning with organizational goals and fostering a conducive work environment. Similarly, prioritizing effective financial management, including comprehensive planning, monitoring, and investment alignment, can lead to improved outcomes. Developing and implementing targeted marketing strategies, informed by thorough market research and continuous adaptation, is recommended, as is optimizing operational processes through technology, innovation, and collaboration for enhanced performance.

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DEDICATION

I dedicate this thesis to my family who bore the demands of this course. I wish to appreciate my friends for their constant prayers for me and bringing me up the way they did.

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ABBREVIATION AND ACRONYMS

EAC: East Africa Community

KAM: Kenya Association of Manufacturers

PLS: Partial Least Square

SEM: Structural Equation Modeling

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Functional level strategies are a crucial component of strategic management, encompassing the comprehensive corporate strategy developed for diverse functional domains within the organizational framework, including but not limited to production, marketing, finance, human capital, and sales. According to Mark and Nzulwa (2018), managers are aided in directing a company's activities towards its primary functional domains of strategy. Functional level strategies represent a more sophisticated iteration of the fundamental approach adopted by an organization. The objective of the aforementioned procedure is to address the matter of prioritization, such as the allocation of resources towards human capital, and to establish a distinctive approach by taking into account the diverse employee cohorts present within the organization (Nasution, Mariatina & Zahreni, 2018). Goldstein, Pulakos, Passmore, and Semedo (2017), DeNisi and Murphy (2017), and Rubin and Edwards (2018) have identified that the primary functional level strategies include human resource functional level strategy, finance functional level strategy, marketing functional level strategy, and operations functional Level strategy.

Functional level strategies in manufacturing firms are specific plans and actions designed to improve the performance of various functional areas within a manufacturing organization (Massingham & Tam, 2020). These functional areas include operations, supply chain management, marketing, finance, human resources, and information technology. Functional level strategies in manufacturing firms are deemed critical for achieving business objectives and improving performance (Goldstein, Pulakos, Passmore & Semedo, 2017). Tien (2019) posits that by aligning

these functional level strategies with the overall business strategy, manufacturing firms can improve their performance and sustain long-term success.

From a global standpoint, it can be observed that functional level strategies implemented in the United States are characterized by a significant level of formalization, coupled with a robust comprehension of management principles (Rozario, Venkatraman & Abbas, 2019). The establishment of unambiguous sets of protocols and structured management training initiatives is evidenced by Goldstein, Pulakos, Passmore, and Semedo's (2017) research. According to Boudreau and Ramstad (2017), the United States has established a dominant position in determining the definition of functional level strategies and identifying effective strategies.

From a regional standpoint, the swift alterations in external variables are compelling African organizations to devise novel strategies and adopt fresh business methodologies. The recruitment and retention of suitable personnel by leaders is imperative for driving organizational change and maintaining relevance, as posited by Assan and Hunt (2018). The development of functional level strategies in Africa poses significant challenges, as many organizations struggle to identify appropriate approaches (Sarah, Sang & Ngure, 2018). This phenomenon may be attributed, in part, to the various limitations in available resources (Oaya, Ogbu & Remilekun, 2017). Massingham and Tam (2020) assert that functional level strategies refer to a set of decisions made in various functional areas of an organization that typically complement the business level strategies. These strategies are employed to achieve the objectives and strategies of a firm by optimizing all available resources (Akter & Husain, 2016).

According to Msengeti and Obwogi (2017), there is a higher probability of functional level strategies achieving success when organizations align their internal environment strategies with the external environment at the local level. Marketing managers are responsible for making

decisions regarding product awareness, advertising strategies, and customer engagement with available products and services. According to Kariuki's (2017) assertion, the implementation of functional level strategies can foster employee motivation by ensuring equitable compensation and ultimately lead to improved performance. According to Ngure's (2016) findings, there is a positive correlation between functional levels and performance. Maengwe and Otuya (2016) have reported that public and private organizations in Kenya have been employing various strategies, including restructuring, to manage expenses and maintain competitiveness. According to Muturi and Odollo's (2019) research, a commonly employed approach in Kenyan organizations to minimize expenses, enhance productivity, and attain optimal outcomes is the implementation of marketing turnaround time strategies.

1.1.1 Functional Level Strategies in Manufacturing Firms

Functional level strategies refer to the methodologies that a business function employs to optimize resources and attain corporate and business unit objectives and goals. The strategies have been formulated in accordance with the directives provided by the upper echelon of management, as outlined by Sablok et al. (2017). The functional level strategy pertains to the decision-making process at the operational level, which is commonly referred to as tactical decisions, for diverse functional domains such as production, marketing, research and development, finance, and personnel (Sarah, Sang & Ngure, 2018; Kwon & Cho, 2020). The functional level strategy outlines the tasks, methods, timing, personnel responsible, and serves as a directive for functional level managers and staff within distinct business units (Semwal & Dhyani, 2017). In addition, in order to accomplish this objective, it is necessary to divide strategies into feasible plans and policies that operate in conjunction with one another (Satish, 2020). Goldstein, Pulakos, Passmore, and Semedo (2017), DeNisi and Murphy (2017), and Rubin and Edwards (2018) have identified that the

primary functional level strategies include human resource functional Level strategy, finance functional Level strategy, Marketing functional Level strategy, and Operations functional Level strategy.

The concept of human resource functional Level strategy pertains to the systematic approach that an organization employs to foster the growth and advancement of its workforce, while also ensuring that the employees are provided with conducive working conditions that enable them to make meaningful contributions to the organization, as well as their personal development (Semwal & Dhyani, 2017). According to Rubin and Edwards (2018), it is imperative to carefully choose the most suitable employees for a given task or job. The HR function encompasses a range of activities, including recruitment and selection, training and development, performance management, compensation and motivation, employee retention, and industrial relations management. This has been noted by various scholars, including Massingham and Tam (2020), Semwal and Dhyani (2017), and Kwon and Cho (2020).

Ramirez (2017) asserts that finance functional Level strategy encompasses various aspects of financial management, including but not limited to, financial resource planning, acquisition, utilization, and control within an organization. The aforementioned tasks encompass a range of financial management activities, such as securing funds, developing financial plans, determining the origin and allocation of funds, identifying investment opportunities, acquiring assets, managing working capital, disbursing dividends, and computing the overall value of the enterprise (Heywood, Jirjahn & Struewing, 2017). The functional level strategy of finance pertains to the formulation of a structured plan or framework that delineates the management of a firm's financial resources in order to attain its overarching business goals. Ramirez (2017) argues that

incorporating financial decisions into an organization's corporate strategy is a crucial element that ensures alignment with the broader goals of the business.

The Marketing functional Level strategy encompasses a range of endeavors aimed at recognizing the demands of customers and endeavoring to fulfill those demands by offering the products and services they seek, in exchange for compensation (DeNisi & Murphy, 2017). According to Sarah, Sang, and Ngure (2018), the marketing mix is a crucial component of a company's Marketing functional Level strategy as it encompasses all the measures that can be implemented to enhance the demand for its goods or services. The marketing mix comprises seven key elements, namely product, price, place, promotion, people, process, and physical evidence, as identified by Khalid and Nawab (2018). Varadarajan (2020) posits that a meticulously crafted Marketing functional Level strategy can facilitate a company in accomplishing its business goals by means of product or service differentiation from competitors, fostering brand recognition and loyalty, augmenting sales and revenue, and enhancing customer contentment.

Operations functional Level strategy is a functional level strategy that focuses on the planning, design, and management of the processes, resources, and activities that are necessary for the production and delivery of goods and services (Bordoloi, Fitzsimmons & Fitzsimmons, 2019). It is a key element of an organization's overall business strategy and helps to ensure that the organization's resources are used effectively and efficiently to achieve its goals (Goldstein, Pulakos, Passmore & Semedo, 2017). An Operations functional Level strategy involves the development of plans and policies that govern the use of resources such as labor, materials, equipment, and technology, as well as the design of processes that are used to produce goods and services (Hill, 2020). This includes decisions about the location and layout of facilities, the selection of suppliers and vendors, the development of quality control processes, and the

management of inventory and supply chains. an Operations functional Level strategy is focused on the creation of efficient and effective processes and systems that support the organization's business goals. It helps to ensure that the organization is able to meet customer demands, minimize costs, and maintain high levels of quality and service (Tien, 2019).

1.1.2 Performance

The ability of an organization to achieve its goals and objectives in a manner that is both efficient and effective is the definition of performance. It is a measurement of how well an organization is performing in relation to the mission, vision, and values that it has set for itself. The performance of an organization can be evaluated using a variety of different indicators and metrics in a variety of different ways.

The comparison of an organization's actual outputs, objectives, or goals with those organization's intended outputs, objectives, or goals is how the effectiveness of an organization is determined. This is what most people mean when they talk about performance. According to Severgnini, Vieira, and Galdamez (2018), performance is defined as the evaluation of an organization's tangible achievements and consequences in relation to its predetermined aims and objectives. The evaluation of a company's efficiency takes into account two separate spheres of results: the financial performance, which refers to metrics like profitability and market share, and the non-financial performance, which refers to factors like customer perspectives, growth, and learning. Both of these spheres are referred to as the financial and non-financial performance, respectively. According to Rehman, Mohamed, and Ayouf (2019), the achievement of a common goal in an organization is dependent upon the efficient utilization of productive assets, specifically human, physical, and capital resources, which in turn determines the performance of the organization.

The methodology of the balanced scorecard, which was developed by Kaplan and Norton in 2001, has been increasingly utilized by various organizations in order to manage their performance. This strategy entails keeping track of and measuring performance across a number of different dimensions, including financial performance (such as shareholder return), customer service, social responsibility (such as corporate citizenship and community outreach), and employee stewardship. According to Armstrong (2017), the framework of the Balanced Scorecard is intended to identify the metrics used for the purpose of monitoring, reviewing, and evaluating performance. This was done in order to facilitate the process. The implementation of the Balanced Scorecard framework encourages organizations to comprehend how to address the needs of their stakeholders from a financial perspective, how their customers perceive their business from a customer perspective, which internal operations to prioritize for optimal performance from an internal perspective, and how to continuously enhance and generate value to foster growth, according to the learning and growth perspective proposed by Kaplan and Norek. These four perspectives are broken down into four subcategories: financial, customer, internal, and learning and growth. The implementation of the Balanced Score For the purpose of conducting performance evaluations, the current study used the balanced scorecard framework's various dimensions.

1.1.3 Manufacturing Companies

The Kenya Association of Manufacturers (2021) asserts that the manufacturing industry holds a significant position in the Kenyan economy, ranking as the fourth largest sector after agriculture, transport, and communication. This statement is in accordance with the findings of the Kenya Association of Manufacturers. The following industries are included in this category: commercial food and allied, building, engineering and electrical, footwear and personal use, leather, medical equipment, metal welding, mining, paper and paper board, plastics and rubbers, textiles, and

timber. Even though it is the most industrially advanced nation in East Africa, Kenya's manufacturing sector only accounts for 10% of the industrial sector's contribution to the country's GDP. This is despite the fact that Kenya is the most industrially advanced nation in East Africa. According to Vernon (2017), the manufacturing sector has been singled out as a crucial catalyst for achieving a consistent annual GDP growth rate of 10% as outlined in the Kenya Vision 2030 plan. This growth rate is intended to be achieved by the end of the year 2030. According to Agbiogwu, Ihendinihu, and Okafor (2016), the vast majority of active manufacturing firms in Kenya are owned by Kenyan citizens. These firms account for approximately 87% of the total number of firms registered in the sector.

Researchers and academics have classified the manufacturing companies in Kenya based on the various characteristics that set them apart from one another. According to a report published by KAM in 2021, the manufacturing industries in Kenya that add value to products are almost entirely made up of small, medium, and large businesses, with KAM membership accounting for forty percent of the total in this sector. The total value of their assets is used to establish the scale of the penalty they must pay. The total assets of a company can be used to place it into one of three distinct categories, according to the categorization criteria that have been established. Companies that have total assets that are greater than are considered to be large-sized. 500 million, medium-sized firms have total assets ranging between Kshs50 million and Kshs200 million, and small firms are those with assets below Kshs50 million. 500 million, and medium-sized firms have total assets ranging between Kshs50 million and Kshs200 million.

The proportion of manufactured goods that were imported by the East African Community (EAC) from Kenya dropped from 9% in 2019 to 7% in 2020, as reported by the World Bank (2021). This represents a decrease from the previous year's figure of 9%. The East African

Community (EAC) received the most exports of manufactured goods from Kenya than any other country. According to Vernon (2020), the market share of a variety of products, including chemicals, paper, and plastics, has been decreasing over the past few years. According to the findings of Vernon's (2020) study, the presence of uncertainties in the operating environment, combined with a lack of readiness to adapt and manage the dynamic environment, is the primary factor that has a negative impact on manufacturing companies.

1.2 Statement of the Problem

Statistics from World Bank (2020) indicate that Kenyan manufacturing firms have registered stagnation and declining profits for the last five years. It is estimated that large manufacturing companies have lost 70 per cent of their market share in East Africa. According to the Kenya National Bureau of Statistics (KNBS), the manufacturing sector's contribution to Kenya's GDP was 7.5% in 2020. (KNBS Economic Survey 2021). In a survey conducted by the Kenya Association of Manufacturers (KAM) in 2021, it was found that 65% of manufacturing firms cited competition as a significant challenge affecting their performance (KAM Manufacturing Survey 2021). Despite the efforts to enhance the manufacturing sector, challenges persist. These challenges include global economic fluctuations, changes in consumer preferences, technological advancements, and competition from both domestic and international players (Sarah, Sang & Ngiro, 2018). To address these challenges and achieve improved performance, manufacturing firms may consider to adopt effective strategies at the functional level.

The organization's success relies heavily on strategies that have abilities in leadership, trained, experienced and knowledgeable in their area of expertise, committed expertise, committed to the mission and vision of the organization, skills and knowledge set, talent, career development, workforce optimization, agility and learning capacity (Global Human Capital Trend, 2022). If the

functional level strategies aspects of the organization are not strategically managed, the consequences to the company includes major loses, high turnover, loss of customers, toxic culture, lack of agility, poor products or services, and organization closing down. Functional level strategies are essential in manufacturing firms as they provide a clear direction and focus for the company (Msengeti & Obwogi (2017). These strategies are specific to each functional area of the organization, such as marketing, operations, finance, and human resources, and help to achieve the overall goals of the company. By implementing effective functional level strategies in each functional area, firms can improve their operations, increase revenue, and enhance their overall performance.

Further, studies have been conducted in this area. Manggis, Yuesti and Sapta (2018) study focused on career development and was intervened by work motivation while the current study expounded to recruitment, career development, compensation and performance appraisals and moderated by work environment. In addition, the study presents a methodological gap as Structural Equation Modeling (SEM) based on Partial Least Square (PLS) was adopted while the current study used descriptive research design. A contextual gap is created by the study by Kariuki (2017) on the effect of performance appraisal on employees' performance conducted in the banking sector while the current study was conducted in manufacturing firms in Kenya. To bridge the gap, this study sought to determine the influence of functional level strategies on performance of manufacturing firms.

1.3 General Objective

The general objective of the study was to determine the effect of functional level strategies on performance of manufacturing firms in Kenya.

1.3.1 Specific Objectives

The study was guided by the following specific objectives;

- i) To determine the influence of human resource functional level strategy on performance of manufacturing firms in Kenya
- ii) To establish the influence of finance functional level strategy on performance of manufacturing firms in Kenya
- iii) To find out the influence of marketing functional level strategy on performance of manufacturing firms in Kenya
- iv) To determine the influence of operations functional level strategy on performance of manufacturing firms in Kenya

1.4 Research Questions

The study was guided by the following research questions;

- i) What is the influence of human resource functional level strategy on performance of manufacturing firms in Kenya
- ii) What is the influence of finance functional level strategy on performance of manufacturing firms in Kenya
- iii) What is the influence of marketing functional level strategy on performance of manufacturing firms in Kenya
- iv) What is the influence of operations functional level strategy on performance of manufacturing firms in Kenya

1.5 Significance of the Study

The research holds importance for manufacturing firm management in formulating strategic decisions aimed at enhancing performance. The implementation of functional level strategies by managers facilitates the planning process for strategic people management and future planning. This research emphasizes the significance of operational tactics, including human resource functional Level strategy, finance functional level strategy, marketing functional level strategy, and operations functional level strategy.

This study is expected to provide valuable insights to managers and the field of management in general, regarding the utilization of functional level strategies as a means of achieving optimal performance within the manufacturing industry. Significantly, the research will provide educational value to stakeholders in understanding the status of functional level strategies and performance within the manufacturing industry.

This research will provide valuable insights for academics and scholars interested in investigating functional level strategies. The rationale behind conducting this study is to contribute to the current body of knowledge by proposing effective strategies for enhancing performance. Furthermore, this will expand the current body of literature while providing additional perspectives to the existing knowledge. Additionally, it can serve as a scholarly resource for institutions of higher education.

1.6 Scope of the Study

The study focuses on determining the effect of functional level strategies on performance of manufacturing firms in Kenya. This is by use of key functional level strategies that is human resource functional Level strategy, finance functional Level strategy, Marketing functional Level

strategy and Operations functional Level strategy. The study was conducted in the large manufacturing companies. The unit of observation was the General manager, HR manager and Finance manager.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter delves into the theoretical foundations that support the study, as well as the functional level strategies that encompass human resource functional Level strategy, finance functional Level strategy, and Marketing functional Level strategy. The subsequent chapter provides an empirical analysis, a conceptual framework, and a delineation of the variables' operationalization.

2.2 Theoretical framework

The theoretical framework provides guidance and support for a study as it sought to address fundamental inquiries. The utilization of a structure aids in the comprehensive examination of a subject matter. The study is underpinned by three theoretical frameworks, namely Porter's Generic Theory, Management Theory, and Resource-Based View Theory.

2.2.1 Porter's Generic Theory

The theory developed by Porter (1980) posits that the performance level of an industry is determined by a multifaceted interplay among suppliers, customers, substitute products, and the potential for new competitors to enter the market. The theory posits that the level of commitment to strategic planning within a given industry segment is contingent upon the existing level of performance, and that such commitment is necessary. In a fiercely competitive business landscape, companies are compelled to seek out a competitive advantage in order to ensure their survival. According to Porter's (1985) proposition, organizations vying for market share within a particular industry must undertake a multitude of distinct activities that contribute to both cost and value creation for their clientele. Through the implementation of functional level strategies, a company

endeavors to establish a sustainable and profitable market position in response to the prevailing industry forces.

According to Porter's (1985) assertion, there exist fundamental business strategies, namely differentiation, cost leadership, and focus. The optimal performance of a company is achieved by selecting and concentrating on a single strategy. Several scholars hold a contrasting perspective that a company's optimal chance of achieving performance may lie in the integration of these strategies (Karnani, 1984; Miller and Friesen, 1986; White, 1986; Hill, 1988). The alignment of a business strategy with the company's goals and objectives is crucial for achieving optimal performance.

Porter emphasized the notion that a firm should adopt a singular strategy, as failure to do so may result in being stuck in the middle. The individual presented the notion that implementing multiple strategies can lead to a loss of organizational focus, thereby hindering the establishment of a clear trajectory for the future. The argument was grounded on the premise that differentiation entails expenses for the firm, which is in direct opposition to the foundation of a low-cost strategy. Conversely, products that are relatively standardized and possess features that are satisfactory to a broad range of customers do not entail differentiation. Therefore, cost leadership and differentiation strategies are incompatible with one another. The pursuit of low-cost leadership and differentiation as primary objectives can create a conflict, leading to a lack of clear strategic direction for a firm. Miller challenges the concept of being situated in an intermediate position. The individual asserts that a feasible compromise exists between the various approaches. Numerous corporations have adopted a strategy of initially entering a market as a niche participant and subsequently expanding their operations. Baden-Fuller and Stopford (1992) posit that the most prosperous corporations are those capable of reconciling the paradox of opposing forces. Reeves

and Routledge (2013) conducted a study on entrepreneurial spirit and found that it is a crucial element for organizational success. The study also revealed that differentiation and cost leadership were comparatively less significant factors.

The theory is subject to criticism regarding the necessity of attaining a substantial market share to effectively implement a cost leadership strategy, as stated in the initial segment. According to Porter (1998), achieving a low overall cost position typically necessitates a high relative market share or other advantageous factors, such as favorable access to raw materials. Nevertheless, what strategies can be employed to attain a substantial market share initially? According to Datta (2009), there is a scholarly debate regarding the means by which market share leaders attain their position. Some scholars argue that market share leaders achieve their position through differentiation strategies, such as offering higher quality products or more attractive packaging, rather than through cost leadership.

The theory of Porter's Generic Competitive Strategies holds relevance in informing the examination of strategies implemented for achieving optimal performance. In a fiercely competitive environment, organizations are compelled to seek out a competitive advantage in order to ensure their survival. Enterprises vying for market share within a particular sector are required to execute a multitude of tasks that generate expenses while simultaneously generating benefits for their clientele. Through the implementation of a functional level strategy, organizations aim to establish a sustainable and profitable position in response to the various forces that influence the industry.

2.2.2 Management Theory

The theory is subject to criticism due to its stipulation that a high market share is necessary to attain a cost leadership strategy, as stated in the initial segment. According to Porter, the term

Management Theory was introduced by Elizabeth and her colleagues in the year 1998. As per the theoretical framework, the utilization of Management Theory is recommended for devising business strategies and integrating it into the day-to-day operations of the entire organization. The responsibility of attracting and retaining employees cannot be exclusively delegated to the human resources department. Instead, it should be implemented across all levels of an organization. According to Lippke (2020), it is imperative that the business strategy incorporates the obligation of line managers to enhance the competencies of their direct subordinates. It is imperative for different divisions within an organization to engage in transparent information sharing with one another, as this facilitates the acquisition of comprehensive knowledge regarding the overarching goals of the company by its employees. The matter at hand pertains to the observation that a considerable number of organizations allocate significant resources towards the recruitment of personnel, yet fail to prioritize the retention and cultivation of skilled individuals (Widyawati, Sujana & Sukadana, 2018).

According to Oduma and Were (2014), Management Theory suggests the methodical recognition of crucial roles that have varying impacts on the long-term effectiveness of the organization. The authors Cherian and Jacob (2013) propose the creation of a talent pool consisting of individuals who exhibit high potential and performance, with the aim of filling key positions within an organization. Additionally, they suggest the implementation of a specialized human resource architecture to facilitate the recruitment of competent individuals for these positions, as well as to ensure their ongoing dedication to the organization. Nonetheless, the A player approach faced criticism as some organizations that implemented it heavily depended on financial incentives to lure and retain crucial personnel, rendering the approach costly, lacking in strategic direction, and susceptible to replication (Mensah & Lebbaeus, 2013).

Cropanzano et al. (2017) assert that the initial step in establishing management systems is to identify pivotal organizational positions or roles that are essential to the mission. This presupposed a disposition that recognized the presence of strategic positions within entities as opposed to non-strategic ones. This approach presupposes the need to cultivate talent pools for the purpose of staffing these positions. Consequently, the management of recruitment was contingent upon the specific demands of the position in question, and was executed through a blend of internal advancement and external hiring. Yin (2018) suggests that it is imperative for organizations to foster work motivation and organizational commitment among their employees in order to optimize their talent and minimize turnover.

Critics of Management Theory contend that it affords employees insufficient agency over their work lives, engenders excessive dependence and passivity, and fosters working conditions that are conducive to psychological distress (Lippke, 2020). Individuals were subjected to treatment akin to that of infants, rather than being regarded as capable human beings. The dynamics of the relationship and its outcomes are subject to variation based on fluctuations in factors such as structure, form, volume, and complexity, which may result in increased fluidity. This may challenge the fundamental assumption that the specified conditions remain constant over time and in different locations. The occurrences and circumstances are influenced and dictated by the actualities of the surroundings in which they transpire. Hence, circumstances exhibit variability contingent upon the surroundings and temporal factors within a particular setting. The resolution of problematic scenarios is contingent upon the specific circumstances at hand, as well as the environmental factors that impact them, and the constraining conditions that govern their existence (Brewster, 2022).

2.2.3 Administrative Management Theory

This is a theory in the field of classical management, which was introduced by Henry Fayol in the year 1916. The six management functions were identified by Henry Fayol and include forecasting, planning, organizing, commanding, coordinating, and monitoring.

According to Hickson and Pugh (2009), the process of forecasting involves making predictions about future events and devising a corresponding course of action. Maryanne (2014) posits that the process of restructuring is impacted by labor demand and supply forecasting, as it facilitates the identification of the appropriate quantity and quality of personnel required subsequent to the restructuring exercise. In the context of organizational restructuring, talent management assumes a critical role in ensuring the alignment of individual talent with the organization's requirements for achieving success. This assertion is supported by Dessler (2011). According to Armstrong (2009), the primary aim of forecasting is to ascertain the human resource needs of an organization. The annual work plan of the organization facilitates the determination of the forthcoming budget subsequent to the process of restructuring. Subsequent to the restructuring process, the department/section level activities are identified and prioritized, followed by a determination of the quantity to be executed by the organization.

Fayol's perspective posits that organizing entails the optimal arrangement of resources, systems, procedures, processes, and services to enhance output (Rebelo, Santos & Silva, 2016). Smart working is a viable concept that organizations may employ to restructure work during periods of organizational change. CIDP (2008) proposes an organizational strategy that seeks to enhance work efficiency and effectiveness in achieving job outcomes. This approach involves a combination of flexibility, autonomy, and collaboration, alongside the optimization of tools and working environments for employees. The implementation of smart working practices allows for

increased employee autonomy, thereby decreasing the necessity for supervisory roles. Organizations have observed that the utilization of virtual teams, outcome-based approaches, high-performance standards, flexible work arrangements, advanced communication technologies like teleconferencing equipment, remote work options, and alignment of work with business objectives have resulted in enhanced trust and the attainment of organizational goals by employees. According to Torre and Sarti (2019), the implementation of smart working as a job redesign strategy during organizational restructuring has the potential to facilitate optimal employee performance.

According to Godwin, Handsome, Ayomide, Enobong, and Johnson (2017), Fayol employs the concept of command to elucidate the duty of a manager to guide subordinates towards the attainment of organizational objectives. According to Loku and Gogiqi's (2016) description, an organization is a collective of individuals who operate within established parameters and constraints in order to attain a common objective. Typically, the group is structured and formalized in a specific manner. Fayol suggests that managers should strive to achieve coherence among all the activities and endeavors of the organization in order to sustain the synergy of its functions. According to Abbas and Asghar (2010), organizational restructuring involves the arrangement and guidance of a collective of individuals in order to achieve shared objectives. According to Godwin et al. (2017), Fayol acknowledges the significance of control within an organization as it facilitates adherence to established regulations. According to Fayol, the process of controlling enables managers to operate within predetermined parameters and constraints. According to Day, Crown, and Ivany (2017), the implementation of organizational restructuring can effectively manage and direct individuals towards the successful execution of a program.

According to Fayol (1949), the principles of management serve as the foundation of management theory, as stated on page 19 of his work. Fayol (1949) outlines a set of 14 principles that are essential for effective management. These principles include the division of labor, authority and responsibility, discipline, unity of command, unity of direction, remuneration of personnel, centralization and decentralization, chain of command, order, stability of staff tenure, initiative, and unity among employees (p. 20). Fayol postulated that an organization can readily attain performance excellence through the application of espoused theories and principles by its leaders.

This study is supported by the Administrative Management Theory due to the significance of the functions and principles inherent in the theory in the context of organizational restructuring, which is essential for achieving success within an organization (Dessler, 2011). According to Rebelo, Santos, and Silva (2016), optimization of operations is crucial for attaining the intended outcomes.

2.2.4 Resource-Based View Theory

The theoretical framework known as Resource Based View (RBV) was introduced by Wernerfelt and Rumelt in the year 1984. The Resource-Based View (RBV) theory directs attention towards an organization's internal resources as a mechanism for organizing processes and achieving optimal performance. The perspective under consideration emphasizes the significance of external factors affecting the firm, including but not limited to entry barriers, growth-share matrix, and product-market activities, in elucidating the exceptional performance of organizations (Wernerfelt, 1984). Presently, there has been a paradigm shift towards elucidating the variation in firms' performance through the resource-based view, which accentuates the internal environment of organizations as a pivotal determinant of performance (Wang, 2014; Gaya, Struwig, & Smith,

2013). During the 1960s, Chandler and Ansoff significantly contributed to the development of the resource-based view by emphasizing the importance of a firm's physical, financial, and human resources as crucial factors in determining performance (Wang, 2014). The term resource-based view was originally introduced by Wernerfelt in 1984. The resource-based view theory highlights the significance of a firm's competitive advantage over its competitors by virtue of the resources it possesses, as well as the manner in which it deploys and utilizes them. This notion has been supported by various scholars, including Wernerfelt (1984), Wang (2014), and Kiveu (2017).

According to Wernerfelt's (1984) definition, a resource is any entity that can be regarded as a source of strength for a firm. He explains that an organization's resource portfolio includes all tangible and intangible assets that are at least temporarily tied to the firm. Scholars over the years have argued that intangible resources are a better source of performance (Wang, 2014). According to Wang's (2014) findings, the notion of resources has undergone a transformation to encompass the knowledge, organizational processes, attributes, and capabilities of a firm, which facilitate the implementation of strategies that enhance its efficiency and effectiveness. Only resources that are valuable aid in actualizing strategies; rare- not commonly available to competitors and inimitable- hard to replicate or substitute, are a source of a firm's performance (Kiveu, 2017). According to Wernerfelt's (1984) observations, resources possess an inherent appeal insofar as they impede competitors from catching up. The author demonstrates that the accumulation of resources can establish a barrier to entry and subsequently be leveraged to gain a competitive advantage.

The integration of employee engagement practices within a firm's functional level strategies can be viewed through the lens of the Resource-Based View. This approach suggests that such integration can enable a firm to leverage the potential of its staff and gain a competitive advantage over its rivals. According to Gichohi (2014), employees who are actively involved in

their work are a valuable resource for organizations. This is because they are capable of generating innovative solutions that can improve production efficiency, thereby creating a competitive advantage that is difficult for competitors to replicate. According to Gaya, Struwig, and Smith (2013), a hotel has the potential to generate value for its customers by leveraging its committed workforce to offer low-cost deals, differentiate its services, and prioritize customer satisfaction. According to Wernefelt's (1984) argument, firms found it comparatively less challenging to acquire customers by taking the lead, as opposed to lagging behind and attempting to win them over from competitors. The aforementioned assertion underscores the significance of customer loyalty as a valuable resource that confers a competitive edge. The utilization of the resource-based view theory serves as a suitable point of reference for both the independent and dependent variables in the present investigation. The resource-based view posits that strategists opt for the most suitable strategy or competitive stance that effectively leverages the internal resources and capabilities vis-à-vis external opportunities. Given that strategic resources represent a complex network of inter-related assets and capabilities, organizations can adopt many possible competitive positions (McIvor, 2014).

The Resource-Based Theory has faced criticism regarding the notion that resources may result in performance. However, it is important to note that this subsequently determines pertinent competitive frameworks, which consequently defines the significance of a valuable resource (Fahy, 2000). The RBV theory has faced criticism due to the challenge of conducting an empirical study that can effectively measure performance. The heterogeneity of the companies poses a challenge in compiling a homogeneous sample, which may prove to be difficult or even unfeasible. Additionally, the Resource-Based View (RBV) fails to take into account the demand aspect of the market.

The relevance of the theory lies in the fact that the resources encompassed within the VRIO framework are instrumental in generating performance. According to the theory, a firm can achieve long-term success by employing functional level strategies that utilize resources possessing the attributes of value, rarity, immutability, and non-substitutability. The aforementioned resources possess the potential to establish a fundamental basis for the development of robust capabilities, which may ultimately result in the attainment of superior performance in the long run.

2.3 Empirical Review

The section presents past literature review on human functional level strategy and performance; finance functional level strategy and performance; marketing functional level strategy and performance; operations functional level strategy and performance.

2.3.1 Human Functional Level Strategy and Performance

Human resource functional Level strategy pertains to the systematic approach that an organization employs to foster the growth and advancement of its workforce, while also ensuring that the employees are provided with conducive working conditions that enable them to make meaningful contributions to the organization, as well as their personal development (Semwal & Dhyani, 2017). According to Rubin and Edwards (2018), it is imperative to carefully choose the most suitable employees for a given task or job. The HR function encompasses a range of activities, including recruitment and selection, training and development, performance management, compensation and motivation, employee retention, and industrial relations management. This has been noted by various scholars, including Massingham and Tam (2020), Semwal and Dhyani (2017), and Kwon and Cho (2020).

Boselie, Paauwe and Richardson (2013) study examined the impact of human resource management (HRM) practices on performance across three different sectors: hospitals, hotels, and local government. The findings revealed that HRM practices that promote employee development, involvement, and commitment are positively associated with performance in all three sectors. The findings of this study highlight the generalizability of the relationship between HRM practices and performance across diverse sectors. It suggests that organizations can achieve improved performance outcomes by implementing HRM practices that foster employee development and commitment.

Jackson, Schuler and Jiang (2014) study proposed an aspirational framework for strategic human resource management (SHRM), highlighting the impact of HR practices on performance. It emphasizes the importance of aligning HR practices with the organization's strategic objectives. The study suggests that organizations with well-aligned HR strategies are more likely to achieve superior performance outcomes. The findings of this study emphasize the significance of strategic alignment between HR practices and organizational goals. By integrating HR strategies into the overall strategic planning process, organizations can enhance their performance and gain a competitive edge.

Delery and Doty (2016) study examined different modes of theorizing in strategic human resource management (SHRM) and their impact on performance. It compared the universalistic, contingency, and configurational approaches to SHRM. The findings indicated that the configurational approach, which focuses on the fit and alignment of HR practices, was more strongly associated with performance than the other two approaches. The findings of this study suggest that the configurational approach to SHRM, which emphasizes the coherence and fit

among HR practices, is more effective in enhancing performance. This highlights the importance of considering the interdependencies among HR practices when formulating HR strategies.

The impact of human resource functional Level strategy on performance was investigated by Nasution, Mariatina, and Zahreni (2018). The research employed the method of conducting interviews and discovered that the provision of employee services was subject to various factors, including but not limited to the human resource functional Level strategy and the organizational culture. This study investigated the impact of human resource functional Level strategy and organizational culture on the performance of an organization. The findings of the statistical analysis indicated that both development and organizational culture exerted a positive and significant impact on the performance of the organization. The research centered on the impact of human resource functional Level strategy and organizational culture on performance. However, the present study has extended its scope to encompass the effects of human resource functional Level strategy, finance functional Level strategy, and Marketing functional Level strategy on performance.

The impact of human resource functional Level strategy on performance in Kenya was investigated by Mark and Nzulwa (2018). The results of the regression analysis indicate that talent management programs accounted for 34.9% of the variance in performance. The previous investigation had a narrow scope, examining solely the impact of human resource functional Level strategy and organizational culture on performance. Conversely, the present study aims to broaden the scope by delving into the effects of human resource functional Level strategy, finance functional Level strategy, and Marketing functional Level strategy on performance.

Owaka (2018) conducted a study that examined the perceived impact of human resource functional Level strategy on the performance of professional nurses in facilities owned by the

Ministry of Health in Nairobi County. The research was conducted in health facilities located in Nairobi City County that are under the ownership of the Ministry of Health. The results of the research study indicate that nurses perceive continuing professional development to have a positive impact on their job. The study participants expressed a strong belief that pursuing professional development has significantly aided them in overcoming their challenges and improving their competencies and skills. These two factors were deemed more significant than performance improvement alone, with a mean score of 3.24. Overall, the nurses who participated in the research study expressed a strong belief that engaging in talent development initiatives has a positive effect on their job performance. However, this phenomenon was observed to be more prominent among nurses aged between 30-39 years and those with over 15 years of professional experience. Consequently, it is imperative to identify the factors that would positively impact the performance of both younger and older nurses, thereby enabling them to operate at higher levels. The previous study centered on the impact of talent management on performance, whereas the present study aims to provide a more comprehensive analysis by examining the effects of human resource functional Level strategy, finance functional Level strategy, and Marketing functional Level strategy on performance.

The study conducted by Makhamara et al (2016) investigated the influence of human resource functional Level strategy on performance within the healthcare industry in Kenya. The study examined various indicators and found that recruitment, selection, and human resource processes in county hospitals lacked fairness and transparency. These figures denote an approximate score of 88%. The study also revealed that the utilization of standardization tests in the process of employee recruitment and selection was found to be ineffective. This variable exhibited the greatest proportion. The employee experience score was not significantly influenced

by promotion within the sector. The investigation further unveiled the absence of employment evaluations, including aptitude, skill, and mental/cognitive tests, in the county health facilities. Moreover, despite the existence of a recruitment and selection policy in the respective healthcare institutions, its implementation was non-functional, leading to a significant prevalence of employee turnover.

2.3.2 Finance Functional Level Strategy and Performance

Finance functional Level strategy encompasses various aspects of financial management, including but not limited to, financial resource planning, acquisition, utilization, and control within an organization. The aforementioned tasks encompass a range of financial management activities, such as securing funds, developing financial plans, determining the origin and allocation of funds, identifying investment opportunities, acquiring assets, managing working capital, disbursing dividends, and computing the overall value of the enterprise (Heywood, Jirjahn & Struewing, 2017). The functional level strategy of finance pertains to the formulation of a structured plan or framework that delineates the management of a firm's financial resources in order to attain its overarching business goals. Ramirez (2017) argues that incorporating financial decisions into an organization's corporate strategy is a crucial element that ensures alignment with the broader goals of the business.

The study conducted by Mmbusa (2019) investigated the impact of financial strategy on the public healthcare sector within Nairobi City County. The study conducted revealed that factors such as reasonable salaries, incentives, non-monetary compensation, and rewards had a significant and positive influence on the performance of employees. The findings of the research study indicate that a salary package that is reasonably priced can have a positive impact on employee motivation, leading to a reduction in employee turnover and an increase in productivity.

Additionally, the implementation of motivational plans can serve as a catalyst for employees to achieve higher levels of efficiency. The implementation of indirect payment can enhance workflow and methods. Indirect payment refers to non-monetary benefits provided to employees by the company in recognition of their services. Proper recognition of employee performance through indirect payment has been found to increase employee engagement.

The impact of financial strategy on performance was examined by Akter and Husain (2016). The assessment revealed that the implementation of appropriate methodology and a remuneration system based on predetermined objectives can augment the productivity of employees. Employees exhibit the highest level of motivation to achieve optimal performance when they are provided with a compensation scheme that is appropriate for the current market conditions and is consistently maintained by their employers. Therefore, the settlement of finances has a noteworthy influence on performance. The results of the quantitative analysis indicate a significant and positive correlation between compensation and work efficiency. The previous study centered on the correlation between compensation and performance, whereas the present study aims to elaborate on the impact of human resource functional Level strategy, finance functional Level strategy, and Marketing functional Level strategy on performance.

The research conducted by Massingham and Tam (2020) examined the relationship between functional level strategies, value creation, and rewards. The findings suggest that in order to increase employee engagement, satisfaction, commitment, and loyalty, compensation should be commensurate with the difficulty, excitement, and interest level of the job. The postulation is that there exists a positive correlation between employee rewards and performance, as corroborated by the social exchange theory. In certain circumstances, there exist employees who receive lower compensation yet exhibit high levels of job satisfaction, dedication, allegiance, drive, and

efficiency, thereby generating disparities in distributive justice. The previous investigation centered on the generation of value and incentives in relation to performance, whereas the present inquiry aims to elaborate on the impact of human resource functional Level strategy, finance functional Level strategy, and Marketing functional Level strategy on performance.

The study conducted by Msengeti and Obwogi (2017) aimed to assess the effects of remuneration and working conditions on employee retention within the hospitality industry in Mombasa County. The study's results revealed that remuneration exhibited a feeble effect on employee retention, whereas the work environment exerted a significant and robust influence. The results suggest that the work environment has a noteworthy impact on employee retention, while the salary level alone does not appear to be a determining factor in retaining employees. In order to maintain competitiveness within the hotel industry, it has been recommended that companies operating within this market must undertake a re-evaluation of the existing weaknesses associated with remuneration. The present investigation aims to extend the scope of the prior research, which concentrated on the impact of remuneration and workplace atmosphere on employee retention in the hospitality sector. Specifically, this study will delve into the influence of human resource functional Level strategy, finance functional Level strategy, and Marketing functional Level strategy on performance.

The study conducted by Aly and El-Shanawany (2016) aimed to examine the impact of financial strategy on the motivation levels of nurses and their work outcomes in critical care and toxicology units. This study revealed that registered nurses were disappointed with the less inspired in their job. A recent study has revealed that the satisfaction of nurses with performance evaluation has a significantly positive impact on their intrinsic motivation and job outcomes. The present research study posited that the intrinsic motivation of nurses was found to have a highly

significant positive correlation with the work outcomes of registered nurses. Furthermore, nurses have expressed that both supervisory and organizational pressures could potentially hinder their satisfaction with the implementation of the knowledge management strategy.

2.3.3 Marketing Functional Level Strategy and Performance

The Marketing functional Level strategy encompasses a range of endeavors aimed at recognizing the demands of customers and endeavoring to fulfill those demands by offering the products and services they seek, in exchange for compensation (DeNisi & Murphy, 2017). According to Sarah, Sang, and Ngure (2018), the marketing mix is a crucial component of a company's Marketing functional Level strategy as it encompasses all the measures that can be implemented to enhance the demand for its goods or services. The marketing mix comprises seven key elements, namely product, price, place, promotion, people, process, and physical evidence, as identified by Khalid and Nawab (2018). Varadarajan (2020) posits that a meticulously crafted Marketing functional Level strategy can facilitate a company in accomplishing its business goals by means of product or service differentiation from competitors, fostering brand recognition and loyalty, augmenting sales and revenue, and enhancing customer contentment.

Chen and Huang (2019) study examined the relationship between Marketing functional Level strategy and performance in Taiwanese manufacturing firms. The authors employ a quantitative research design and analyze data from a sample of 200 manufacturing firms. The findings indicate that a well-defined and effectively implemented Marketing functional Level strategy positively influences performance, as measured by sales growth, market share, and profitability.

Ramezani and Gamble (2018) research investigated the impact of Marketing functional Level strategy on firm performance among manufacturing firms in Australia. The authors employ

a mixed-methods approach, combining quantitative analysis of survey data from 150 manufacturing firms with qualitative interviews. The results demonstrate a positive relationship between strategic marketing orientation and firm performance, with strategic marketing efforts significantly contributing to improved sales growth, market share, and profitability.

Todorović, Petrović, Mihić and Obradović (2018) study explored the influence of Marketing functional Level strategy on business performance in Serbian manufacturing firms. The researchers analyze the relationship between Marketing functional Level strategy components (market segmentation, product positioning, promotional activities) and firm performance measures (sales growth, market share, and profitability). The findings highlight the positive impact of a customer-oriented Marketing functional Level strategy on the overall performance of manufacturing firms.

Wu, Chuang and Hsu (2017) research investigated the influence of Marketing functional Level strategy on business performance among small and medium enterprises (SMEs) in Taiwan's manufacturing sector. The authors utilize survey data from 200 SMEs and analyze the relationship between Marketing functional Level strategy dimensions (product strategy, pricing strategy, promotion strategy) and business performance indicators (sales revenue, market share, and profitability). The findings reveal a significant positive association between Marketing functional Level strategy and business performance outcomes.

The study conducted by Manggis, Yuesti, and Sapta (2018) aimed to investigate the impact of Marketing functional Level strategy on performance, with the mediating variable of work motivation. The findings of the research study indicate that the implementation of marketing strategies has a significant and positive impact on employee motivation, while growth initiatives have a positive and significant effect on employee performance. Additionally, the study reveals

that the mediation of job motivation variables has an indirect impact on the relationship between marketing strategies and partial performance, as well as the influence of an imbalanced direct organizational culture on performance being partial. The research employed Structural Equation Modeling (SEM) utilizing Partial Least Square (PLS) through the utilization of the SmartPLS software. Conversely, the present study utilized a regression model to examine the impact of human resource functional Level strategy, finance functional Level strategy, and Marketing functional Level strategy.

Gateka (2019) conducted a study to determine the effect of marketing strategies on the sales performance of banks located in Bujumbura, Burundi. The study aimed to survey a total of 337 individuals, of which a sample of 183 respondents was obtained. The research methodology employed in the study involved the utilization of both questionnaires and key informant interviews. The analysis of both quantitative and qualitative data involved the utilization of descriptive and inferential statistics, as well as manual coding of transcripts. The impact of marketing strategies on sales performance was analyzed, and it was found that product and price had an insignificant effect, whereas promotion and place had a significant effect. The present study centered on the performance of the organization rather than that of sales. The results of the present investigation indicate that the bank employed financial tactics in order to enhance its profitability.

The study conducted by Agwu and Onwuegbuzie (2017) examined the effectiveness of functional level strategy in attaining the objectives of an organization. Drawing upon extant literature and theoretical frameworks, this study formulated and tested four hypotheses by conducting a survey of strategic business units within a sample of financial institutions. The study's results indicate a correlation between marketing tactics and customer contentment, as well as the cost of a commodity and its consumption by the buyer. The findings suggest that facilitating the

productivity of a firm's resources can contribute to its expansion. The study suggests that organizational managers should possess strategic awareness in order to enhance competitiveness. This involves effective control of the various functional departments within the organization, which enables the organization to be cognizant of customer needs. Consequently, the organization can offer unique products and services that effectively satisfy such needs.

Njogu and Kipkorir (2022) conducted a study on functional level strategies and performance. The study examined the impact of marketing, finance, and human resource management tactics on performance. The research employed a descriptive research design and had a target population of 205 individuals. The results of the study revealed that the implementation of marketing, finance, and human resource management strategies had an impact on the overall performance of the organization. The study found a lack of significant correlation between marketing and human resource management strategies, with a negative trend observed. The study found a positive but statistically insignificant correlation between operational and finance strategies. The study found that the implementation of finance, marketing, and human resource strategies did not have a statistically significant impact on performance.

2.3.4 Operations Functional Level Strategy and Performance

The study conducted by Bosire and Owour (2018) aimed to investigate the impact of operation strategies on the performance of the automotive industry in Kenya. The study findings showed positive correlation between customer driven strategies, product development strategies, personnel development strategies, performances strategies and organization performance. The research findings indicate that organizations employ diverse customer-driven strategies to attract new customers, resulting in a broader market reach, improved performance, and increased customer loyalty. Additionally, the adoption of flexible product offerings and the delivery of superior

customer value have a positive impact on performance. The researcher suggested that organizations ought to implement novel customer-centric strategies to both acquire new customers and retain existing ones, thereby expanding the organization's market reach.

Huang and Wang (2021) assessed linking Operations functional Level strategy and performance in Chinese manufacturers. The study conducted a survey of 120 Chinese manufacturing firms to examine the relationship between Operations functional Level strategy and performance. They measured Operations functional Level strategy using three dimensions (cost, quality, and flexibility) and performance using three measures (financial, customer satisfaction, and employee satisfaction). The study found that firms with a cost-focused Operations functional Level strategy had better financial performance, while those with a quality-focused strategy had better customer satisfaction and employee satisfaction. They also found that firms with a flexible Operations functional Level strategy had better financial and customer satisfaction performance.

Kinyua, Karanja and Munene (2017) assessed the impact of Operations functional Level strategy on the performance of Kenyan manufacturing firms. This study used a survey research design and collected data from 80 manufacturing firms in Kenya. The data was analyzed using structural equation modeling. The study found that the adoption of an Operations functional Level strategy had a positive impact on the performance of manufacturing firms in Kenya. The adoption of an Operations functional Level strategy was found to lead to improved quality, delivery, and cost performance.

Chepkemai and Kibet (2019) studied the influence of Operations functional Level strategy on the performance of small and medium enterprises in Kenya. This study used a survey research design and collected data from 120 small and medium enterprises (SMEs) in Kenya. The data was analyzed using regression analysis. The study found that the adoption of an Operations functional

Level strategy had a positive impact on the performance of SMEs in Kenya. The adoption of an Operations functional Level strategy was found to lead to improved efficiency, effectiveness, and customer satisfaction.

2.4 Research Hypotheses

The study test the following research hypotheses;

H₀₁: Human resource functional level strategy has no significant effect on performance of manufacturing firms in Kenya

H₀₁: Finance functional level strategy has no significant effect on performance of manufacturing firms in Kenya

H₀₁: Marketing functional level strategy has no significant effect on performance of manufacturing firms in Kenya

H₀₁: Operations functional level strategy has no significant effect on performance of manufacturing firms in Kenya

2.5 Conceptual Framework

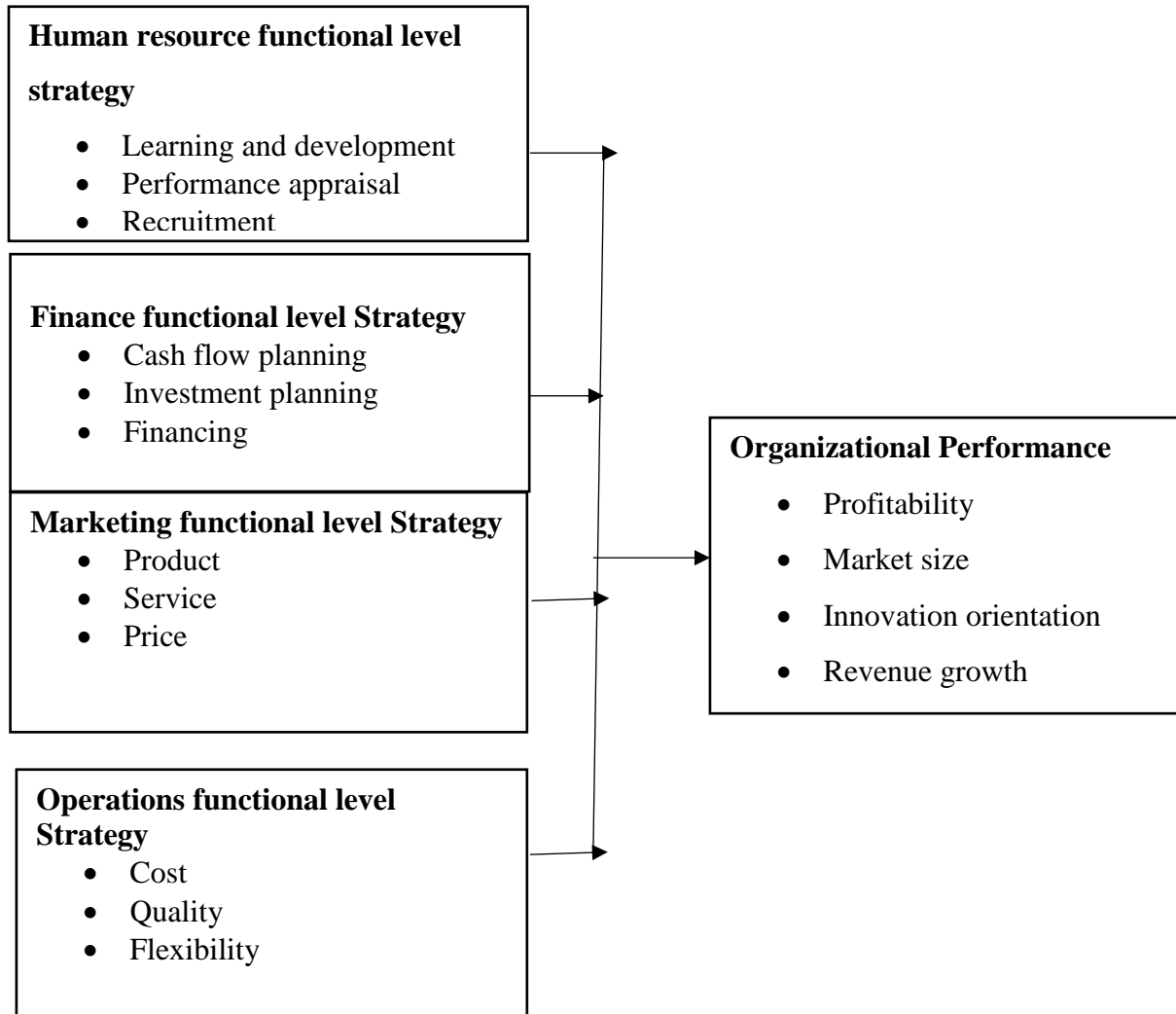
The conceptual framework is the relationship between functional level strategies and its components human resource functional Level strategy, finance functional Level strategy, Marketing functional Level strategy and Operations functional Level strategy on performance. This is as shown in Figure 1.

FIGURE 1

Conceptual Framework

Independent Variables

Dependent Variable



2.6 Operationalization of Variables

TABLE 1

Operationalization of Variables

Variables	Operational Indicators	Measure	Type of Scale
Human resource functional level strategy	<ul style="list-style-type: none"> • Recruitment • Learning and development • Performance appraisal 	5-point Likert Type Scale	Interval Scale
Finance functional level Strategy	<ul style="list-style-type: none"> • Investment planning • Cash flow planning • Financing 	5-point Likert Type Scale	Interval Scale
Marketing functional level Strategy	<ul style="list-style-type: none"> • Product • Service • Price 	5-point Likert Type Scale	Interval Scale
Operations functional level Strategy	<ul style="list-style-type: none"> • Cost • Quality • Flexibility 	5-point Likert Type Scale	Interval Scale
Performance	<ul style="list-style-type: none"> • Profitability • Market size • Innovation orientation • Revenue growth 	5-point Likert Type Scale	Interval scale

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The present section delineates the methodology that was employed to conduct the investigation. The study encompassed various components such as the research design, population, sample size, sampling procedure, data collection method, and data analysis and presentation.

3.2 Research Design

The term research design pertains to a systematic blueprint that delineates the approach for acquiring information, encompassing the identification of data collection techniques, selection of instruments, their administration, and the organization and analysis of data, as stated by Kisilu et al. (2006). The research utilized a descriptive research design as it provides a precise depiction of circumstances (Saunders et al., 2009). The present investigation was formulated with the aim of delineating the features that are of interest to the researcher. The descriptive research design is a scientific approach that entails the observation and depiction of a subject's conduct without any intervention (Cooper & Schindler, 2008). The proposed design aims to acquire additional information pertaining to variables within a specific domain of inquiry. The objective of this is to present an authentic depiction of a given scenario as it unfolds in reality. The study employed a descriptive research design as it aims to provide a depiction of a single variable within a population of manufacturing companies. The research aim was unambiguously articulated and a precise delineation of the study sample was provided.

3.3 Target Population

According to McBurney and Theresa's (2010) definition, a population refers to the complete collection or entirety of individuals, entities, or items that meet a specific set of criteria. Furthermore, Ngechu (2004) posits that population refers to a clearly defined group of individuals, objects, or elements that are subject to investigation. The population for this study consisted of 50 large manufacturing enterprises that are registered with KAM as documented in Appendix III of the year 2020. The unit of analysis pertains to the manufacturing enterprises, whereas the unit of observation pertains to the General manager, HR manager and Finance manager. Therefore, a total of 150 respondents was used in the study as shown in Table 2.

Table 2: Target Population

Category	No.	Number of Manufacturing Firms	Total
General manager	1	50	50
HR manager	1	50	50
Finance manager	1	50	50
Total			150

3.4 Sample and Sampling Techniques

This research employed the census technique, which involves utilizing the entire population of 150 participants for the study. McMillan and Schumacher (2014) define a census as a research method that involves the participation of all members, objects, or things in a given population. According to Blumberg, Cooper, and Schindler (2014), the census technique is appropriate in cases where a high degree of precision and dependability is necessary for the study. Furthermore, the utilization of a census is recommended in cases where the population size is relatively small. In contrast to a

sample survey, which involves the selection of a subset of elements for inclusion and enumeration, a census typically does not exhibit sampling error (Rominger, 2018).

3.5 Research Instrument and Data Collection

The methodology employed for data collection involved the use of a questionnaire as the primary instrument. The administration of the questionnaires was facilitated through the utilization of the drop and pick later technique. According to Blumberg, Cooper and Schindler (2014), the use of structured questions on the questionnaire allowed for uniformity of responses to questions.

The survey comprised two distinct sections. Section A contained demographic information and section B questions to capture perception on functional level strategies. The primary factors under consideration comprise the independent variables, namely the strategies pertaining to human resources, finance, marketing, and operations. Utilizing questionnaires as a data collection method allows for the acquisition of responses from a large number of participants in a relatively brief period. This approach also affords respondents the freedom to provide pertinent information, as they are guaranteed anonymity, as noted by Dalati and Gómez (2018) and Rominger (2018).

The process of obtaining subjects and gathering necessary information for a research study is commonly known as data collection. The methods employed for data collection may differ based on the specific research design being utilized (Kothari, 2012). The study employed primary data collection through the use of a structured questionnaire. The research employed both traditional and digital survey methods to distribute the questionnaire. Additionally, prearranged telephone conversations was employed to monitor the progress of respondents' questionnaire responses.

3.6 Pilot Study

The primary objective of conducting a pilot test is to enhance the questionnaire's efficacy by ensuring that respondents can answer the questions with ease, thereby mitigating any potential issues in data collection. Furthermore, it facilitates the acquisition of an evaluation of the question's validity and reliability prior to commencing the primary data gathering process. An initial examination of the pilot test data can be conducted to ascertain whether the data gathered is sufficient to address the research inquiries (Saunders, Lewis & Thornhill 2012). Mugenda and Mugenda (2003) have indicated that the pretest sample size varies between 1% to 10% based on the overall sample size. In this study, 10% of the sample size was used for the pilot test. In light of a sample size of 150, a pilot study was conducted by administering 15 questionnaires, which accounts for 10% of the total sample size. These questionnaires were distributed to participants who were included in the final study sample.

3.7 Validity and Reliability of Research Instrument

According to Saunders, Lewis, and Thornhill (2012), validity pertains to the precision and significance of deductions that are drawn from research findings. The present investigation employed the method of content validity. To ensure content validity, the questionnaire was subjected to thorough examination on some randomly selected project supervisors. The participants were requested to assess the statements presented in the questionnaire with regards to their pertinence.

According to Cronbach's (1951) definition, reliability refers to the degree of consistency exhibited by a collection of measurement items. Cronbach's alpha was used to test the reliability of the measures in the questionnaire (Cronbach, 1995). The research employed a pilot test, utilizing a sample size of 10% of the total sample. Consequently, a set of 10 questionnaires underwent a

pilot test by administering them to participants who were not selected as part of the ultimate study population. Upon completion, the responses from the questionnaire was inputted into the statistical software known as the Social Sciences Package (SPSS). Subsequently, the Cronbach's alpha coefficient was computed to evaluate the reliability of the data. According to Sekaran (2006), a higher degree of internal consistency reliability is indicated by a Cronbach's alpha coefficient that approaches 1. As per the recommendation of Cronbach (1951), a coefficient of 0.7 was utilized. The results are as shown in Table 3.

TABLE 3

Reliability Test

Variables	Items	Cronbach Alpha
Human resource functional Level strategy	6	0.813
Finance functional Level strategy	6	0.815
Marketing functional Level strategy	6	0.776
Operations functional Level strategy	6	0.812
Performance	6	0.801

The results indicated that the statements under human resource functional Level strategy, finance functional Level strategy, Marketing functional Level strategy, Operations functional Level strategy and performance had a Cronbach alpha of above 0.7 and thus the statement were considered reliable.

3.8 Data Processing and Analysis

Kothari (2012) posits that data analysis encompasses a series of interrelated procedures that aim to condense the gathered data and structure them in a way that addresses the research inquiries.

Prior to conducting data analysis with SPSS, it is necessary to perform data cleaning, editing, accuracy verification, and coding. Data was analyzed using descriptive and inferential statistics. The study employed quantitative methodology to gather data through a questionnaire. The data was analyzed using descriptive statistics with the aid of the Statistical Package for Social Sciences (SPSS). The results was presented in the form of percentages, means, standard deviations, and frequencies.

A regression model was used to establish the effect of functional level strategies on performance. This facilitated the assessment of the associations between the reliant and autonomous variables of the investigation. The regression was:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3+ \beta_4X_4+ \varepsilon$$

Where;

Y = Performance

X₁ = Human resource functional Level strategy

X₂ = Finance functional Level strategy

X₃ = Marketing functional Level strategy

X₄ = Operations functional Level strategy

3.9 Diagnostic Tests

The research performed tests for normality, multicollinearity, and heteroscedasticity. The diagnostic procedures was implemented to prevent the occurrence of spurious outcomes in the regression analysis.

3.9.1 Multicollinearity

Multicollinearity is a phenomenon that occurs when there exists a high degree of linear correlation among more than two explanatory variables within a multiple regression model. The assessment of multicollinearity shall be conducted through the utilization of the variance inflation factor (VIF). The presence of multicollinearity can be detected when the Variance Inflation Factor (VIF) value exceeds 10. Bryman and Bell (2013) have stated that the presence of multi-collinearity can be indicated when the value of VIF is greater than or equal to 10. In cases where the values exceed 10, the issue of multicollinearity can be addressed by eliminating independent variables that exhibit high correlation.

3.9.2 Heteroscedasticity

According to Williams' (2016) assertion, the presence of heteroscedasticity leads to an equal weighting of all observations, thereby causing discrimination of standard errors and ultimately resulting in an erroneous conclusion during hypothesis testing. Breusch-Pagan was used to check for existence of heteroscedasticity in the data collected. According to convention, it is assumed that the data exhibits homoscedasticity and was subjected to a significance level of 0.05 for testing. If the p-value is larger than the critical 0.05, then we concluded that the data does not suffer from heteroscedasticity.

3.9.3 Normality test

According to Field (2009), the utilization of the normality assumption facilitates precise statistical inferences in hypothesis testing. The normality of the residuals was tested in this study using the Jarque-Bera test statistic, as proposed by Bera and Jarque in 1982. The rule of thumb is that the

data is normal. If the p-value was above the critical 0.05, then we concluded that the data is normally distributed.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.0 Introduction

This chapter focused on data analysis, findings and interpretation. Results were presented in tables and diagrams. The analyzed data was arranged under themes that reflected the research objectives.

4.1 Response Rate

The response rate was analyzed to show the representative from the sample size. A response rate is very important to the credibility of the research results. The study administered 150 questionnaires and 122 questionnaire were filled as shown in Table 5.

Table 5: Response Rate

Response	Frequency	Percent
Returned	122	81.33%
Unreturned	28	18.67%
Total	150	100%

According to Mugenda and Mugenda (2003) and Kothari (2004), a response rate of above 50% is adequate for a descriptive study. Babbie (2004) also asserted that return rates of above 50% are acceptable, 60% is good and 70% is very good. Thus, the response rate of 81.33% under this study was very good for study.

4.2 Demographic Characteristics

This section consists of information that describes basic characteristics including gender, age, highest level of education and the duration of general managers, HR managers and finance managers in the manufacturing firms.

4.2.1 Gender

The respondents were asked to indicate their gender and the results are as shown in Table 6.

TABLE 6
Gender of Respondents

Gender	Frequency	Percent
Male	63	51.6
Female	59	48.4
Total	122	100.0

Out of the total 122 respondents, 63 were identified as male, which constitutes 51.6% of the total sample. On the other hand, 59 respondents were identified as female, making up the remaining 48.4% of the sample. This suggests a relatively balanced gender distribution among the participants, with a slight overrepresentation of males. The study's gender distribution is significant as it impacts the generalizability of the findings. A balanced gender representation increases the likelihood that the results can be applied more broadly, while an imbalance might lead to potential biases in the conclusions drawn from the study. This demographic information provides context for understanding the perspectives and experiences of both male and female respondents, and

researchers should consider potential gender-related factors that might influence the responses to the survey questions.

4.2.2 Age

The respondents were asked to indicate their age bracket and the results are as shown in Table 7.

TABLE 7

Age of Respondents

Age	Frequency	Percent
31-40 years	42	34.4
41-50 years	61	50.0
Above 50 years	19	15.6
Total	122	100.0

In the first age bracket, which ranges from 31 to 40 years, a total of 42 respondents fell within this category. This represents approximately 34.4% of the total 122 respondents. It is noteworthy that this age group constitutes a significant portion of the participant pool, indicating that individuals within this age range are actively engaged in the manufacturing industry and are willing to contribute their insights to the study. The second age bracket, spanning from 41 to 50 years, encompasses 61 respondents. This group constitutes the largest proportion in the study, accounting for about 50% of the total respondents. The fact that a substantial number of respondents fall within this age range suggests that professionals with a wealth of experience might have been inclined to participate. Their contributions could be invaluable in understanding the relationship between functional-level strategies and performance, given their potentially extensive experience in the manufacturing sector.

Lastly, the Above 50 years age bracket comprises 19 respondents, making up around 15.6% of the total respondents. This demographic subset offers a perspective from individuals with more mature careers and potentially long-standing involvement in the manufacturing domain. Their presence in the study provides a diverse range of perspectives that can contribute to a more comprehensive understanding of how functional-level strategies impact performance. Collectively, the distribution of respondents across these age brackets signifies that professionals from various career stages are invested in the study's subject matter. The varying levels of experience and perspectives brought by respondents in different age groups enrich the study's findings, providing a well-rounded analysis of the influence of functional-level strategies on the performance of manufacturing firms in Kenya.

4.2.3 Education Level

The respondents were asked to indicate their highest level of education and the results are as shown in the Table 8.

TABLE 8

Highest Level of Education

	Frequency	Percent
Diploma	9	7.4
Bachelor's	54	44.3
Master	51	41.8
PhD	8	6.6
Total	122	100.0

In terms of educational distribution, the majority of respondents hold a Bachelor's degree, accounting for 44.3% of the total sample. This indicates that a substantial portion of the participants have completed an undergraduate program, which could imply a reasonable level of

knowledge and training in their respective fields. Following closely behind are respondents with a Master's degree, constituting 41.8% of the sample. This suggests that a significant proportion of the participants have pursued advanced studies beyond their initial Bachelor's education, potentially equipping them with specialized knowledge and skills. The percentage of respondents with a Diploma is comparatively lower at 7.4%. This might suggest that a smaller fraction of participants possess a diploma-level qualification, which could signify that a majority of the respondents have pursued higher levels of education beyond the diploma level. The representation of respondents with a PhD stands at 6.6%, indicating that a relatively smaller portion of the sample holds the highest level of academic achievement. This suggests that a few individuals within the study population have pursued extensive academic research and have attained the highest level of expertise in their chosen fields.

The demographic statistics from Table 8 provide a comprehensive overview of the educational backgrounds of the participants. The high percentages of Bachelor's and Master's degrees imply that a significant portion of the respondents have pursued higher education, potentially influencing their understanding of the topics related to functional-level strategies and performance in the manufacturing sector in Kenya.

4.2.4 Duration

The respondents were asked to indicate how long they have been in manufacturing sector and the results are as shown in the Table 9.

TABLE 9

Duration

Duration	Frequency	Percent
2- 4 years	10	8.2
5-7 years	50	41.0
8-10 years	33	27.0
Above 10 years	29	23.8
Total	122	100.0

The majority of the respondents have experience ranging from 5 to 7 years, accounting for 41.0% of the total sample. This suggests that a significant portion of the participants has spent a considerable amount of time working within the manufacturing sector. The second most common experience range is 8-10 years, representing 27.0% of the respondents, indicating that a notable portion of the participants has been in the industry for a moderately extended period. Moreover, the table reveals that respondents with experience above 10 years constitute 23.8% of the sample, indicating the presence of a substantial number of individuals who possess a relatively extensive understanding of the manufacturing sector. On the other hand, the group with the least representation is the one with 2-4 years of experience, accounting for 8.2% of the respondents.

The demographic statistics provided in Table 9 highlight the diversity of experience levels among respondents in the manufacturing sector in Kenya. The data indicates a relatively balanced distribution across the different experience ranges, with a higher concentration of individuals falling within the 5 to 7 years and 8 to 10 years categories. This range of experience levels suggests that the study captures insights from a broad spectrum of professionals within the manufacturing industry, enhancing the credibility and robustness of the findings related to the influence of functional level strategies on the performance of manufacturing firms in Kenya.

4.3 Descriptive Statistics

This section presents the descriptive results on human resource functional Level strategy, finance functional Level strategy, Marketing functional Level strategy and Operations functional Level strategy on performance. The Likert scale was strongly (5) agree, agree (4), Neutral (3), disagree (2) and strongly disagree (1).

4.3.1 Human Resource Functional Level Strategy

The first objective of the study was to determine the influence of human resource functional Level strategy on performance of manufacturing firms in Kenya. The study evaluated the respondents' level of agreement with the various statements on human resource functional Level strategy. The findings are as illustrated in Table 10.

TABLE 10**Descriptive Statistics Outputs on human resource functional Level strategy**

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	S.D
The recruitment process in our organization effectively attracts competent candidates.	9.0%	8.2%	8.2%	41.0%	33.6%	3.82	1.24
Our organization uses a comprehensive selection procedure to hire the right employees.	9.0%	4.1%	14.8%	32.8%	39.3%	3.89	1.23
The recruitment strategies in our organization align with the organizational goals and objectives.	9.8%	4.9%	7.4%	45.9%	32.0%	3.85	1.21
Our organization provides sufficient training opportunities for employees.	5.7%	11.5%	9.8%	36.9%	36.1%	3.86	1.19
The learning programs in our organization are relevant to employees' job roles.	15.6%	9.0%	9.8%	37.7%	27.9%	3.53	1.39
Our organization has a well-defined performance appraisal system.	9.0%	9.8%	8.2%	35.2%	37.7%	3.83	1.28
Average						3.80	1.26

Approximately 41.0% of respondents agreed that the recruitment process effectively attracts competent candidates, while 33.6% strongly agreed. On the other hand, 17.2% had a neutral stance, and a combined 17.2% disagreed or strongly disagreed with the statement. The mean score for this statement was 3.82, indicating a generally favorable perception of the recruitment process. The majority of respondents (32.8%) agreed and 39.3% strongly agreed that their organization employs a comprehensive selection procedure to hire the right employees. Conversely, 13.1% had a neutral view, and a smaller proportion disagreed (13.1% combined). The mean score for this statement was 3.89, reflecting a positive sentiment toward the selection process.

A significant portion of respondents (45.9%) agreed that their organization's recruitment strategies align with its goals and objectives, with 32.0% strongly agreeing. Conversely, 14.7% had a neutral stance, and a combined 14.7% disagreed or strongly disagreed. The mean score for this statement was 3.85, indicating a generally positive perception of alignment. About 36.9% of respondents agreed and 36.1% strongly agreed that their organization provides sufficient training opportunities for employees. Conversely, 17.2% had a neutral view, and a combined 17.2% disagreed or strongly disagreed. The mean score for this statement was 3.86, reflecting a favorable perception of training provisions.

While 37.7% of respondents agreed and 27.9% strongly agreed that learning programs in their organization are relevant to employees' job roles, 24.6% had a neutral stance, and a combined 24.6% disagreed or strongly disagreed. The mean score for this statement was 3.53, indicating a somewhat positive perception of program relevance. A substantial proportion of respondents (35.2%) agreed and 37.7% strongly agreed that their organization has a well-defined performance appraisal system. Conversely, 18.0% had a neutral stance, and a combined 18.0% disagreed or strongly disagreed. The mean score for this statement was 3.83, reflecting a generally positive perception of the appraisal system.

Overall, the descriptive statistics suggest that the respondents generally viewed the various aspects of human resource functional Level strategy in a positive light. The mean average of all the statements was 3.80, indicating a moderate to strong level of agreement with the statements on average. The standard deviation (S.D) values ranged from 1.19 to 1.39, indicating varying levels of dispersion around the mean scores for each statement.

4.3.2 Finance functional Level strategy

The second objective of the study was to determine the influence of Finance functional Level strategy on performance of manufacturing firms in Kenya. The study evaluated the respondents' level of agreement with the various statements on Finance functional Level strategy. The findings are as illustrated in Table 11.

TABLE 11

Descriptive Statistics Outputs on Finance functional Level strategy

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	S.D
The company has a well-defined investment plan.	9.8%	9.8%	9.8%	41.8%	28.7%	3.7	1.259
The company considers long-term profitability while making investment decisions.	11.5%	11.5%	9.0%	38.5%	29.5%	3.63	1.325
The company has an effective cash flow management strategy.	13.9%	8.2%	9.0%	36.9%	32.0%	3.65	1.372
The company forecasts and monitors cash inflows and outflows regularly.	4.9%	12.3%	13.1%	42.6%	27.0%	3.75	1.132
The company has a well-defined financing strategy.	15.6%	4.1%	6.6%	38.5%	35.2%	3.74	1.389
The company seeks appropriate sources of funding for business operations.	13.9%	7.4%	9.0%	39.3%	30.3%	3.65	1.354
Average						3.69	1.31

Starting with the first statement, the company has a well-defined investment plan, the findings reveal that 28.7% of respondents strongly agree, 41.8% agree, 9.8% are neutral, 9.8% disagree, and 9.8% strongly disagree with this statement. The mean for this statement is 3.7, with a standard deviation of 1.259. This suggests that a significant portion of respondents express positive

sentiments regarding the presence of a well-defined investment plan within the companies under consideration. Moving on to the second statement, The company considers long-term profitability while making investment decisions, the data indicates that 29.5% of respondents strongly agree, 38.5% agree, 9.0% are neutral, 11.5% disagree, and 11.5% strongly disagree. The mean for this statement is 3.63, with a standard deviation of 1.325. These results imply that a substantial majority of respondents acknowledge the consideration of long-term profitability in investment decisions.

In relation to the third statement, the company has an effective cash flow management strategy, the findings demonstrate that 32.0% of respondents strongly agree, 36.9% agree, 9.0% are neutral, 8.2% disagree, and 13.9% strongly disagree. The mean for this statement is 3.65, with a standard deviation of 1.372. This indicates that a notable proportion of respondents perceive the presence of an effective cash flow management strategy within the companies studied.

The fourth statement, the company forecasts and monitors cash inflows and outflows regularly, elicits responses showing that 27.0% of respondents strongly agree, 42.6% agree, 13.1% are neutral, 12.3% disagree, and 4.9% strongly disagree. The mean for this statement is 3.75, with a standard deviation of 1.132. These results suggest a general agreement among respondents regarding the regular monitoring and forecasting of cash flows. Moving on to the fifth statement, The company has a well-defined financing strategy, the data reveals that 35.2% of respondents strongly agree, 38.5% agree, 6.6% are neutral, 4.1% disagree, and 15.6% strongly disagree. The mean for this statement is 3.74, with a standard deviation of 1.389. These results imply that a substantial majority of respondents perceive the presence of a well-defined financing strategy within the companies analyzed.

Lastly, the sixth statement, the company seeks appropriate sources of funding for business operations, generates responses indicating that 30.3% of respondents strongly agree, 39.3% agree,

9.0% are neutral, 7.4% disagree, and 13.9% strongly disagree. The mean for this statement is 3.65, with a standard deviation of 1.354. This suggests that a significant portion of respondents agree that the companies actively seek appropriate funding sources for their operations.

In summary, the descriptive statistics presented in Table 11 provide insights into respondents' perceptions of Finance functional Level strategy within manufacturing firms in Kenya. The overall means and standard deviations reflect varying degrees of agreement among respondents regarding the different aspects of Finance functional Level strategy and their influence on performance.

4.3.3 Marketing functional Level strategy

The third objective of the study was to determine the influence of Marketing functional Level strategy on performance of manufacturing firms in Kenya. The study evaluated the respondents' level of agreement with the various statements on Marketing functional Level strategy. The findings are as illustrated in Table 12.

TABLE 12**Descriptive Statistics Outputs on Marketing functional Level strategy**

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	S.D
The marketing strategies positively influence the quality of their products.	8.2%	9.8%	13.9%	32.0%	36.1%	3.78	1.26
The marketing strategies adopted help in differentiating their products from competitors.	11.5%	7.4%	9.8%	44.3%	27.0%	3.68	1.27
The marketing strategies ensure prompt and efficient after-sales service.	9.0%	9.0%	9.0%	41.8%	31.1%	3.77	1.24
We effectively address customer queries and concerns through their marketing efforts.	9.8%	6.6%	4.9%	44.3%	34.4%	3.87	1.24
The pricing strategies of manufacturing firms in Kenya offer good value for money.	5.7%	10.7%	13.1%	32.8%	37.7%	3.86	1.20
We use effective pricing strategies to gain a competitive advantage in the market.	9.8%	10.7%	13.1%	32.0%	34.4%	3.70	1.31
Average						3.78	1.25

For the statement the marketing strategies positively influence the quality of their products, the majority of respondents (68.1%) agreed (sum of Agree and Strongly Agree), with a mean score of 3.78 and a relatively moderate standard deviation of 1.26. This suggests that a significant proportion of participants perceived a positive impact of marketing strategies on product quality. Similarly, for the statement the marketing strategies adopted help in differentiating their products from competitors, a larger portion (71.3%) of respondents agreed, with a mean score of 3.68 and

a standard deviation of 1.27. This indicates that participants generally recognized the role of marketing strategies in setting their products apart from competitors.

In terms of after-sales service, the statement the marketing strategies ensure prompt and efficient after-sales service received agreement from 72.9% of respondents, with a mean score of 3.77 and a standard deviation of 1.24. This suggests that a significant number of participants believed that marketing strategies played a role in enhancing after-sales service quality. For addressing customer queries and concerns, the statement We effectively address customer queries and concerns through their marketing efforts garnered agreement from 79.9% of respondents, with a mean score of 3.87 and a standard deviation of 1.24. This indicates a strong perception among participants that marketing efforts contribute to effective customer interaction.

Regarding pricing strategies, the statement the pricing strategies of manufacturing firms in Kenya offer good value for money found agreement from 70.5% of respondents, with a mean score of 3.86 and a standard deviation of 1.20. This suggests that a considerable proportion of participants believed that the pricing strategies provided satisfactory value for customers.

The final statement, we use effective pricing strategies to gain a competitive advantage in the market, received agreement from 66.4% of respondents, with a mean score of 3.70 and a standard deviation of 1.31. This implies that a notable portion of participants perceived the role of pricing strategies in achieving a competitive edge.

In summary, the descriptive statistics indicate a generally positive perception among participants about the influence of marketing strategies on various aspects of performance for manufacturing firms in Kenya. The mean scores, along with the percentage agreements, provide insights into the extent to which these strategies are perceived to contribute to product quality, differentiation, after-sales service, customer interaction, and competitive advantage. The standard

deviations also highlight the degree of variability in responses, suggesting a range of opinions among the participants.

4.3.4 Operations functional Level strategy

The third objective of the study was to determine the influence of Operations functional Level strategy on performance of manufacturing firms in Kenya. The study evaluated the respondents' level of agreement with the various statements on Operations functional Level strategy. The findings are as illustrated in Table 13.

TABLE 13

Descriptive Statistics Outputs on Operations functional Level strategy

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	S.D
Our Operations functional Level strategy aims to minimize production costs.	10.7%	10.7%	11.5%	39.3%	27.9%	3.63	1.287
We actively seek cost-saving opportunities in our manufacturing processes.	11.5%	8.2%	8.2%	44.3%	27.9%	3.69	1.28
Our Operations functional Level strategy focuses on producing high-quality products.	4.9%	18.0%	9.8%	35.2%	32.0%	3.71	1.23
We have quality control measures in place to ensure consistent product standards.	8.2%	9.8%	11.5%	32.8%	37.7%	3.82	1.266
Our Operations functional Level strategy enables us to quickly adapt to changes in market demand.	12.3%	2.5%	7.4%	42.6%	35.2%	3.86	1.275
We have the capability to adjust our production processes to accommodate varying product specifications.	9.8%	9.0%	13.9%	33.6%	33.6%	3.72	1.287
Average						3.74	1.27

Looking at the first statement, which pertains to minimizing production costs through the Operations functional Level strategy, the findings indicate that 10.7% of respondents strongly disagreed, 10.7% disagreed, 11.5% remained neutral, 39.3% agreed, and 27.9% strongly agreed. This suggests a varying range of perspectives within the respondents, with a significant proportion showing agreement that their Operations functional Level strategy aims to minimize production costs. The mean value of 3.63 with a standard deviation of 1.287 reflects this diversity in responses. The second statement focuses on seeking cost-saving opportunities in manufacturing processes. The distribution of responses indicates that 11.5% strongly disagreed, 8.2% disagreed, 8.2% were neutral, 44.3% agreed, and 27.9% strongly agreed. The higher percentage of agreement suggests a relatively stronger consensus among respondents regarding their active pursuit of cost-saving opportunities. The mean value of 3.69 and a standard deviation of 1.28 underline the relatively consistent agreement in this aspect.

Moving on to the third statement, which pertains to the Operations functional Level strategy's emphasis on producing high-quality products, the distribution of responses shows that 4.9% strongly disagreed, 18.0% disagreed, 9.8% were neutral, 35.2% agreed, and 32.0% strongly agreed. While there is a range of perspectives, the sizeable proportion agreeing and strongly agreeing highlights a substantial focus on quality in the Operations functional Level strategy. The mean value of 3.71 with a standard deviation of 1.23 indicates a moderate level of agreement. The fourth statement relates to the presence of quality control measures to ensure consistent product standards. The distribution of responses demonstrates that 8.2% strongly disagreed, 9.8% disagreed, 11.5% were neutral, 32.8% agreed, and 37.7% strongly agreed. This indicates a significant agreement among respondents regarding the implementation of quality control

measures. The mean value of 3.82 with a standard deviation of 1.266 suggests a relatively higher level of agreement in this aspect.

The fifth statement focuses on the Operations functional Level strategy's adaptability to changes in market demand. The distribution of responses reveals that 12.3% strongly disagreed, 2.5% disagreed, 7.4% were neutral, 42.6% agreed, and 35.2% strongly agreed. The considerable percentage of agreement suggests a strong perception of the strategy's capability to adapt to market demand changes. The mean value of 3.86 and a standard deviation of 1.275 highlight a notable agreement in this regard.

Lastly, the sixth statement concerns the capability to adjust production processes for varying product specifications. The distribution of responses indicates that 9.8% strongly disagreed, 9.0% disagreed, 13.9% were neutral, 33.6% agreed, and 33.6% strongly agreed. This suggests a balanced perspective among respondents on the Operations functional Level strategy's flexibility in accommodating different product specifications. The mean value of 3.72 with a standard deviation of 1.287 reflects a moderate level of agreement.

The descriptive statistics provide insights into the perceptions and agreements of respondents regarding the Operations functional Level strategy's influence on performance among manufacturing firms in Kenya. The analysis suggests varying degrees of consensus on different aspects of the strategy, highlighting the complexity and multifaceted nature of operational decisions in these firms.

4.3.5 Performance

The dependent variable was to determine the performance of the manufacturing firms. The study evaluated the respondents' level of agreement with the various statements on the performance. The findings are as illustrated in Table 14.

TABLE 14

Descriptive Statistics Outputs on Performance

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	S.D
Our organization consistently achieves high levels of profitability.	12.3%	9.8%	12.3%	40.2%	25.4%	3.57	1.305
Our organization effectively manages costs and expenses to maximize profits.	5.7%	12.3%	9.0%	36.9%	36.1%	3.85	1.204
Our organization has a significant market share in the industry.	6.6%	9.8%	5.7%	32.0%	45.9%	4.01	1.23
Our organization effectively targets the needs of our target customers.	9.0%	11.5%	5.7%	34.4%	39.3%	3.84	1.307
Our organization encourages innovation throughout the company.	11.5%	10.7%	9.8%	32.0%	36.1%	3.7	1.359
Our organization regularly introduces new products or services to the market.	7.4%	5.7%	9.0%	41.8%	36.1%	3.93	1.162
Average						3.82	1.26

The first statement, our organization consistently achieves high levels of profitability, received varying levels of agreement. While 40.2% of respondents agreed, 25.4% strongly agreed, indicating a generally positive sentiment towards the organization's profitability. On the other

hand, 12.3% disagreed, and 9.8% strongly disagreed, suggesting that a portion of respondents did not perceive consistent high profitability. The second statement, our organization effectively manages costs and expenses to maximize profits, had a higher agreement level. A substantial percentage (36.9%) agreed, while 36.1% strongly agreed, showcasing a strong consensus on the organization's effective cost management practices. Conversely, only 5.7% disagreed, and 12.3% strongly disagreed, indicating a relatively favorable perception of cost management.

The third statement, our organization has a significant market share in the industry, garnered positive responses. A notable portion (45.9%) strongly agreed, and 32.0% agreed, indicating that a significant majority of respondents believed the organization held a substantial market share. Only a small percentage (6.6%) disagreed, highlighting a generally positive view of market share. Regarding the fourth statement, our organization effectively targets the needs of our target customers, there was agreement among respondents. Approximately 34.4% agreed, and 39.3% strongly agreed, indicating that a majority perceived the organization as effectively meeting customer needs. Meanwhile, 9.0% disagreed, and 11.5% strongly disagreed, indicating a relatively smaller proportion of dissenting opinions.

The fifth statement, our organization encourages innovation throughout the company, received mixed responses. While 32.0% agreed, and 36.1% strongly agreed, a notable percentage (10.7%) disagreed, and 11.5% strongly disagreed, suggesting that some respondents might not perceive the organization as strongly encouraging innovation. The sixth statement, our organization regularly introduces new products or services to the market, demonstrated positive sentiment. A substantial 41.8% agreed, and 36.1% strongly agreed, indicating that many respondents believed the organization consistently introduced new offerings. Conversely, 7.4%

disagreed, and 5.7% strongly disagreed, reflecting a relatively low proportion of dissenting opinions.

In summary, the overall mean of 3.82 suggests a moderately positive average agreement across all statements, indicating that respondents generally held favorable views regarding various aspects of performance. The standard deviation of 1.26 indicates variability in respondents' opinions around the mean.

4.4 Diagnostic Tests

The diagnostic tests conducted included Multicollinearity Test, Test for Heteroscedasticity and Normality Test.

4.4.1 Multicollinearity Test

Multicollinearity test was conducted to determine if two or more of the predictor (independent) variables in the regression model was highly correlated. Variance inflation factor (VIF) were used to test multicollinearity and VIF of below 10 indicated acceptable limits. If the VIF value of exploratory variables are greater than 10, then variables were regarded as highly collinear.

TABLE 15

Multicollinearity Test Using Tolerance and VIF

Collinearity Statistics		
	Tolerance	VIF
Human resource functional level strategy	0.263	3.804
Finance functional level Strategy	0.374	2.677
Marketing functional level Strategy	0.298	3.354
Operations functional level Strategy	0.43	2.327

From the findings above all the variables had tolerance values >0.2 and VIF values <10 as shown in Table 15 and thus according to Myres (2015) who indicated that where $VIF \geq 10$ indicate presence of Multicollinearity, there was no multicollinearity among the independent variables.

4.4.2 Test for Heteroscedasticity

Heteroscedasticity is the circumstance in which the variability of a variable is unequal across the range of values of a second variable that predicts it. Running a regression model without accounting for heteroscedasticity would lead to unbiased parameter estimates. To test for heteroscedasticity, the Breusch-Pagan/Godfrey test was used. Heteroscedasticity test was run using Breusch-Pagan / Cook-Weisberg test in order to test whether the error terms are correlated across observations in the cross sectional of the data (Long & Ervin, 2000). The hypothesis was that;

H_1 : The data is Homoscedastic.

If the p-value is less than 0.05, the hypothesis is rejected.

The Breusch-Pagan results are presented in Table 16.

TABLE 16

Heteroscedasticity Results

Breusch-Pagan / Cook-Weisberg test for heteroscedasticity

H₀: Constant variance

Variables: fitted values of Performance

chi2(1)	=	73.35
Prob > chi2	=	0.065

Source: Field Survey Data (2022)

Results in Table 13 show that the p-value is greater than the 5%. Then the hypothesis was not rejected at a critical p value of 0.05 since the reported Chi2 (1) = 73.35 and p-value was 0.065 > 0.05 and thus the data did not suffer from heteroscedasticity.

4.4.3 Normality Test

Test for normality determines if the data is well modeled and normally distributed (linear). To test the normality of the variables, Shapiro–Wilk test was used as it has the highest power among all tests for normality. The hypothesis was tested at a critical value at 0.05, where the rule is that reject H₀ if the probability (P) value is less than 0.05 or else do not reject. The dependent variable should be normally distributed because the study was analyzed using a multiple regression model where the condition of normality must be satisfied (Quataroli & Julia, 2012). The hypothesis was that;

H₁: The data is normal.

The results for normality are as shown in Table 17.

TABLE 17**Normality Outputs**

	Shapiro-Wilk		Sig.
	Statistic	df	
Human resource functional level strategy	0.743	122	0.054
Finance functional level Strategy	0.836	1222	0.059
Marketing functional level Strategy	0.724	122	0.068
Operations functional level Strategy	0.862	122	0.073
Performance	0.925	122	0.078
a Lilliefors Significance Correction			

Source: Field Survey Data (2022)

The results indicated that using the Shapiro-Wilk test of normality, the data is normal since the p-values are above 0.05 for all the variables and thus we do not reject the alternative hypothesis (H_1). Therefore, the variables on human resource functional level strategy, finance functional level strategy, marketing functional level strategy, operations functional level strategy and performance are normal in distribution and hence subsequent analysis can be carried out.

4.5 Correlation Analysis

Correlation analysis was conducted to establish the association between the independent and dependent variables. The correlation analysis represent the relationships between different functional level strategies and performance among manufacturing firms in Kenya. Correlation coefficients (r) are used to quantify the strength and direction of these relationships. A correlation coefficient ranges from -1 to 1, with positive values indicating a positive relationship, negative values indicating a negative relationship, and values closer to 0 indicating a weaker relationship. The correlation matrix is presented in Table 18.

TABLE 18**Correlation Matrix**

	Perfor mance	Human resource functional Level strategy	Finance functional Level strategy	Marketing functional Level strategy	Operations functional Level strategy
Performance	1.000				
Human resource functional Level strategy	.883** 0.000	1.000			
Finance functional Level strategy	.848** 0.000	.441** 0.000	1.000		
Marketing functional Level strategy	.909** 0.000	.390** 0.000	.456** 0.000	1.000	
Operations functional Level strategy	.751** 0.000	.441** 0.000	.478** 0.000	.473** 0.000	1.000

Human resource functional Level strategy, has a strong positive correlation ($r = 0.883$) with performance ($p < 0.001$). This indicates that when manufacturing firms implement effective human resource strategies, their performance tends to see notable improvements. Similarly, finance functional Level strategy shows a significant positive correlation ($r = 0.848$) with performance ($p < 0.001$), suggesting that well-planned financial strategies contribute to enhanced performance in the manufacturing sector.

Marketing functional Level strategy also displays a strong positive correlation ($r = 0.909$) with performance ($p < 0.001$). This finding highlights the significance of effective marketing

strategies in driving better performance outcomes for manufacturing firms. Lastly, the Operations functional Level strategy is positively correlated ($r = 0.751$) with performance ($p < 0.001$), indicating that efficient operations strategies positively influence the overall performance of manufacturing firms in Kenya.

The correlation statistics underscore the importance of functional level strategies in shaping the performance of manufacturing firms in Kenya. The positive correlations observed between human resource, finance, marketing, and operations strategies suggest that a well-rounded and integrated approach to these functional areas can lead to improved overall performance outcomes for these firms.

4.6 Regression Analysis

The study carried out regression analysis to establish the statistical significance relationship between the independent and dependent variables. The results presented in Table 19 present the fitness of model used of the regression model in explaining the study phenomena.

TABLE 19

Model Fitness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.765 ^a	.730	.728	.18196

The regression model demonstrates a good fit to the data, as indicated by the high coefficient of determination (R-squared) value of 0.765. This implies that approximately 76.5% of the variability in performance can be explained by the linear combination of the predictor variables used in the model. The Analysis of Variance (ANOVA) results are shown in Table 20.

TABLE 20**Analysis of Variance**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	51.738	4	12.934	390.660	.000 ^b
Residual	3.874	117	.033		
Total	55.612	121			

The findings further confirm that the regression model is significant and supported by F= 390.660, p<0.000) since p-values was 0.000 which is less than 0.05. The study conducted a regression of coefficient analysis to establish the statistical significance relationship between the independents variables on the dependent variable. The regression of coefficient results are as shown in Table 21.

TABLE 21**Regression of Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.213	.091		2.350	.020
Human resource functional Level strategy	.257	.045	.273	5.742	.000
Finance functional Level strategy	.269	.041	.264	6.621	.000
Marketing functional Level strategy	.392	.042	.416	9.309	.000
Operations functional Level strategy	.112	.036	.115	3.099	.002

Human resource functional Level strategy has a coefficient of 0.257 with a standard error of 0.045. The standardized coefficient (Beta) is 0.273. This indicates a positive relationship between the human resource functional Level strategy and performance. The t-value of 5.742 ($p < 0.001$) implies a statistically significant impact of the human resource functional Level strategy on performance. Similarly, the finance functional Level strategy shows a coefficient of 0.269 with a standard error of 0.041 and a standardized coefficient (Beta) of 0.264. This highlights a positive association between the finance functional Level strategy and performance. The high t-value of 6.621 ($p < 0.001$) indicates the statistical significance of the relationship.

The Marketing functional Level strategy, with a coefficient of 0.392 and a standard error of 0.042, exhibits a strong positive relationship on performance. The standardized coefficient (Beta) of 0.416 reinforces this relationship. The substantial t-value of 9.309 ($p < 0.001$) underscores the statistical significance of the impact of the Marketing functional Level strategy on performance. Lastly, the Operations functional Level strategy contributes to performance with a coefficient of 0.112 and a standard error of 0.036. The standardized coefficient (Beta) of 0.115 indicates a positive relationship. The t-value of 3.099 ($p = 0.002$) establishes the statistical significance of the connection between the Operations functional Level strategy and performance. The regression analysis reveals that each functional-level strategy—human resources, finance, marketing, and operations—holds a statistically significant and positive influence on the performance of manufacturing firms in Kenya.

4.7 Discussion of Findings

The objective of this study was to determine the effect of functional level strategies on performance of manufacturing firms in Kenya. The variables of interest were human resource functional level strategy, finance functional level strategy, marketing functional level strategy, operations

functional level strategy and performance. The pre-estimation tests conducted on Multicollinearity Test, Heteroscedasticity and Normality Test indicated that the underlying assumptions were fit for regression analysis.

4.7.1 Human resource functional Level strategy

The first objective of the study was to determine the influence of human resource functional Level strategy on performance of manufacturing firms in Kenya. Correlation results indicated that Human resource functional Level strategy, has a strong positive correlation ($r = 0.883$) with performance ($p < 0.001$). This indicates that when manufacturing firms implement effective human resource strategies, their performance tends to see notable improvements. Regression results indicated that Human resource functional Level strategy has a coefficient of 0.257 with a standard error of 0.045. The standardized coefficient (Beta) is 0.273. This indicates a positive relationship between the human resource functional Level strategy and performance. The t-value of 5.742 ($p < 0.001$) implies a statistically significant impact of the human resource functional Level strategy on performance. Thus, hypothesis H01 was rejected.

The findings are consistent with Boselie, Paauwe and Richardson (2013) whose findings revealed that HRM practices that promote employee development, involvement, and commitment are positively associated with performance in all three sectors. Jackson, Schuler and Jiang (2014) study suggested that organizations with well-aligned HR strategies are more likely to achieve superior performance outcomes. The findings of this study emphasize the significance of strategic alignment between HR practices and organizational goals Delery and Doty (2016) findings of this study suggest that the configurational approach to SHRM, which emphasizes the coherence and fit among HR practices, is more effective in enhancing performance. This highlights the importance of considering the interdependencies among HR practices when formulating HR

strategies. Makhamara et al (2016) revealed that the utilization of standardization tests in the process of employee recruitment and selection was found to be ineffective. This variable exhibited the greatest proportion.

4.7.2 Finance functional Level strategy

The second objective of the study was to determine the influence of Finance functional Level strategy on performance of manufacturing firms in Kenya. Correlation results indicated that finance functional Level strategy shows a significant positive correlation ($r = 0.848$) with performance ($p < 0.001$), suggesting that well-planned financial strategies contribute to enhanced performance in the manufacturing sector. Regression results indicated that the finance functional Level strategy shows a coefficient of 0.269 with a standard error of 0.041 and a standardized coefficient (Beta) of 0.264. This highlights a positive association between the finance functional Level strategy and performance. The high t-value of 6.621 ($p < 0.001$) indicates the statistical significance of the relationship. Thus, hypothesis H02 was rejected

The findings agree with Mmbusa (2019) who indicated that a salary package that is reasonably priced can have a positive impact on employee motivation, leading to a reduction in employee turnover and an increase in productivity. Additionally, the implementation of motivational plans can serve as a catalyst for employees to achieve higher levels of efficiency. The study by Akter and Husain (2016) revealed that the implementation of appropriate methodology and a remuneration system based on predetermined objectives can augment the productivity of employees. Employees exhibit the highest level of motivation to achieve optimal performance when they are provided with a compensation scheme that is appropriate for the current market conditions and is consistently maintained by their employers. Massingham and Tam (2020) findings suggest that in order to increase employee engagement, satisfaction,

commitment, and loyalty, compensation should be commensurate with the difficulty, excitement, and interest level of the job Msengeti and Obwogi (2017) results revealed that remuneration exhibited a feeble effect on employee retention, whereas the work environment exerted a significant and robust influence. The results suggest that the work environment has a noteworthy impact on employee retention, while the salary level alone does not appear to be a determining factor in retaining employees.

4.7.3 Marketing functional Level strategy

The third objective of the study was to determine the influence of Marketing functional Level strategy on performance of manufacturing firms in Kenya. Correlation results indicated that Marketing functional Level strategy also displays a strong positive correlation ($r = 0.909$) with performance ($p < 0.001$). This finding highlights the significance of effective marketing strategies in driving better performance outcomes for manufacturing firms. Regression results indicated that Marketing functional Level strategy, with a coefficient of 0.392 and a standard error of 0.042, exhibits a strong positive relationship on performance. The standardized coefficient (Beta) of 0.416 reinforces this relationship. The substantial t-value of 9.309 ($p < 0.001$) underscores the statistical significance of the impact of the Marketing functional Level strategy on performance. Thus, hypothesis H03 was rejected

The findings are consistent with Khalid and Nawab (2018). Varadarajan (2020) who posits that a meticulously crafted Marketing functional Level strategy can facilitate a company in accomplishing its business goals by means of product or service differentiation from competitors, fostering brand recognition and loyalty, augmenting sales and revenue, and enhancing customer contentment. Ramezani and Gamble (2018) results demonstrate a positive relationship between strategic marketing orientation and firm performance, with strategic marketing efforts significantly

contributing to improved sales growth, market share, and profitability. Todorović, Petrović, Mihić and Obradović (2018) findings highlight the positive impact of a customer-oriented Marketing functional Level strategy on the overall performance of manufacturing firms. Manggis, Yuesti, and Sapta (2018) findings of the research study indicate that the implementation of marketing strategies has a significant and positive impact on employee motivation, while growth initiatives have a positive and significant effect on employee performance. Agwu and Onwuegbuzie (2017) results indicate a correlation between marketing tactics and customer contentment, as well as the cost of a commodity and its consumption by the buyer. The findings suggest that facilitating the productivity of a firm's resources can contribute to its expansion.

4.7.4 Operations functional Level strategy

The third objective of the study was to determine the influence of Operations functional Level strategy on performance of manufacturing firms in Kenya. Correlation results indicated that Operations functional Level strategy is positively correlated ($r = 0.751$) with performance ($p < 0.001$), indicating that efficient operations strategies positively influence the overall performance of manufacturing firms in Kenya. Regression results indicated that Operations functional Level strategy contributes to performance with a coefficient of 0.112 and a standard error of 0.036. The standardized coefficient (Beta) of 0.115 indicates a positive relationship. The t-value of 3.099 ($p = 0.002$) establishes the statistical significance of the connection between the Operations functional Level strategy and performance. Thus, hypothesis H04 was rejected

The findings agree with Huang and Wang (2021) who found that firms with a cost-focused Operations functional Level strategy had better financial performance, while those with a quality-focused strategy had better customer satisfaction and employee satisfaction. They also found that firms with a flexible Operations functional Level strategy had better financial and customer

satisfaction performance. Kinyua, Karanja and Munene (2017) found that the adoption of an Operations functional Level strategy had a positive impact on the performance of manufacturing firms in Kenya. Chepkemoi and Kibet (2019) study found that the adoption of an Operations functional Level strategy had a positive impact on the performance of SMEs in Kenya. The adoption of an Operations functional Level strategy was found to lead to improved efficiency, effectiveness, and customer satisfaction.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the study findings, its conclusions and recommendations, presented in consideration to the study objective on how functional level strategies on performance of manufacturing firms in Kenya.

5.2 Summary of Findings

5.2.1 Human resource functional Level strategy

The first objective of this study was to examine the impact of human resource functional Level strategy on the performance of manufacturing firms in Kenya. The analysis revealed a noteworthy correlation between the implementation of effective human resource strategies and the improvement of overall performance. The findings suggested that manufacturing firms that strategically focused on their human resource management witnessed considerable enhancements in their performance outcomes. These results imply that a well-structured human resource functional Level strategy plays a pivotal role in driving positive changes within the organization. The subsequent regression analysis reinforced this relationship by indicating a statistically significant impact of the human resource functional Level strategy on performance. This underscores the importance of aligning human resource practices with organizational goals to achieve better performance outcomes in the manufacturing sector.

5.2.2 Finance functional Level strategy

The second objective of this research was to explore the influence of finance functional Level strategy on the performance of manufacturing firms in Kenya. The study unveiled a significant

positive correlation between well-formulated financial strategies and enhanced performance. It became evident that manufacturing firms that strategically managed their financial resources experienced more favorable performance outcomes. This correlation highlighted the importance of financial planning, budgeting, and resource allocation in driving positive performance. The subsequent regression analysis further strengthened this relationship, revealing a positive association between finance functional Level strategy and performance. The high t-value observed in the analysis emphasized the statistical significance of this impact, showcasing the substantial role that financial strategies play in shaping organizational success within the manufacturing sector.

5.2.3 Marketing functional Level strategy

The third objective of this study was to investigate the impact of Marketing functional Level strategy on the performance of manufacturing firms in Kenya. The analysis uncovered a robust positive correlation between the implementation of effective marketing strategies and improved performance outcomes. The findings underscored the significance of well-designed marketing approaches in driving better performance. It became evident that manufacturing firms that strategically promoted their products and services experienced enhanced results. The subsequent regression analysis provided additional support to this relationship, emphasizing a positive connection between Marketing functional Level strategy and performance. The substantial t-value that emerged from the analysis underscored the statistical significance of this impact, highlighting the crucial role that marketing strategies play in influencing the success of manufacturing firms.

5.2.4 Operations functional Level strategy

The final objective of this study was to assess the influence of Operations functional Level strategy on the performance of manufacturing firms in Kenya. The analysis unveiled a positive correlation

between the implementation of efficient operations strategies and overall performance. The results indicated that manufacturing firms that streamlined their operational processes experienced positive effects on their performance outcomes. This correlation underscored the importance of optimizing manufacturing processes, supply chain management, and production methods to drive improved performance. The subsequent regression analysis reinforced this relationship, revealing a positive association between Operations functional Level strategy and performance. The statistically significant t-value emphasized the strong connection between effective operations strategies and the success of manufacturing firms in Kenya.

5.3 Conclusion

The study concludes that a well-defined and effectively implemented human resource functional Level strategy holds substantial significance in influencing the performance of manufacturing firms in Kenya. The strong positive correlation observed between human resource functional Level strategy and performance suggests that strategic management of human resources can lead to notable improvements in overall organizational outcomes. This finding underscores the importance of aligning HR practices with organizational goals, fostering employee development, and creating a conducive work environment. By recognizing the pivotal role of human resource functional Level strategy, manufacturing firms can enhance their competitive advantage and achieve sustained growth in the dynamic business landscape of Kenya.

In conclusion, the study highlights the critical role of finance functional Level strategy in shaping the performance of manufacturing firms in Kenya. The significant positive correlation identified between finance functional Level strategy and performance signifies that effective financial management practices contribute to improved performance outcomes. The findings underscore the importance of prudent financial planning, resource allocation, and risk management

in achieving organizational success. By embracing sound financial strategies, manufacturing firms can optimize resource utilization, navigate uncertainties, and drive positive financial and operational outcomes.

The study concludes that Marketing functional Level strategy plays a pivotal role in influencing the performance of manufacturing firms in Kenya. The robust positive correlation found between Marketing functional Level strategy and performance underscores the significance of strategic marketing practices in driving better performance outcomes. The results emphasize the importance of understanding customer needs, creating effective marketing campaigns, and positioning products and services in the market. By harnessing the power of strategic marketing, manufacturing firms can enhance brand visibility, customer engagement, and ultimately achieve improved organizational success.

The study affirms the significant influence of Operations functional Level strategy on the performance of manufacturing firms in Kenya. The positive correlation observed between Operations functional Level strategy and performance highlights the importance of optimizing production processes, supply chain management, and operational efficiency. The findings underscore the value of continuous improvement, technology adoption, and streamlined operations in achieving enhanced performance outcomes. By strategically aligning operations with organizational goals, manufacturing firms can drive cost savings, quality improvements, and overall organizational success.

5.4 Recommendations

Drawing from the study's conclusion on the importance of human resource functional Level strategy, it is recommended that manufacturing firms in Kenya invest in strategic human resource management practices. Firms should align their HR strategies with overall organizational goals,

focusing on employee development, talent acquisition, and retention. Creating a conducive work environment that promotes employee engagement, well-being, and professional growth is crucial. Regular training programs, performance assessments, and recognition initiatives can further enhance the positive impact of human resource strategies on performance. By prioritizing human resource management, manufacturing firms can foster a skilled and motivated workforce that contributes to improved performance outcomes.

Based on the study's finding regarding the influence of finance functional Level strategy, manufacturing firms should prioritize effective financial management practices. It is recommended that firms develop comprehensive financial plans that encompass budgeting, resource allocation, and risk assessment. Regular monitoring of financial performance and adjustments to strategies in response to changing market conditions are essential. Firms should also consider exploring investment opportunities that align with their strategic goals. By adopting sound financial strategies, manufacturing firms can ensure prudent resource utilization, manage uncertainties, and achieve more favorable financial and operational outcomes.

In light of the study's emphasis on Marketing functional Level strategy, manufacturing firms should place a strong emphasis on developing and implementing effective marketing strategies. It is recommended that firms conduct thorough market research to understand customer needs, preferences, and trends. This knowledge can inform the design of targeted marketing campaigns that resonate with the target audience. Firms should also focus on brand building, creating a unique value proposition, and enhancing customer engagement through various channels. Regular assessment and adaptation of marketing strategies based on feedback and market dynamics will further enhance their impact. By prioritizing strategic marketing, manufacturing firms can enhance their visibility, customer loyalty, and overall organizational success.

Building upon the study's insights into Operations functional Level strategy, manufacturing firms should actively optimize their operational processes to drive better performance outcomes. It is recommended that firms invest in technology and innovation to streamline production, improve supply chain efficiency, and enhance overall operational effectiveness. Continuous improvement initiatives, such as lean practices and Six Sigma methodologies, can help identify and eliminate inefficiencies. Collaboration between different departments and stakeholders should also be encouraged to ensure seamless operations. By adopting efficient operations strategies, manufacturing firms can achieve cost savings, higher quality standards, and improved overall performance.

5.5 Limitations of the study

In conducting the study on the influence of functional level strategies on the performance of manufacturing firms in Kenya, several limitations were encountered. Data collection was a major constraint, as some firms were unwilling to share sensitive information related to their strategies and performance metrics. Additionally, the study was limited by time and financial resources, which restricted the scope and depth of research. The findings are also specific to the manufacturing sector in Kenya and may not be generalizable to other sectors or countries. Lastly, the rapidly changing business environment could mean that strategies that were effective during the period of study may evolve, affecting the long-term applicability of the study's findings.

5.6 Areas for Further Research

Further research could involve a comparative analysis of human resource strategies across various manufacturing firms in different industries within Kenya. This study could delve into how different HR strategies impact performance outcomes and whether certain strategies are more effective in specific contexts. Examining factors such as organizational size, industry type, and geographical

location could provide deeper insights into tailoring HR strategies for optimal performance enhancement. A potential avenue for future research is to investigate the long-term implications of financial strategies on the performance of manufacturing firms. This study could explore how financial decisions made in the short term impact the firm's financial health and performance over extended periods. Analyzing the relationship between strategic financial planning and long-term sustainability could offer valuable insights for manufacturing firms aiming to achieve consistent growth and stability.

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APPENDICES

Appendix I: Introduction Letter

KCA UNIVERSITY

SCHOOL OF BUSINESS AND PUBLIC MANAGEMENT

TO WHOM IT MAY CONCERN

Dear sir/Madam

RE: Esther Wanjeri Kamau

Dear Respondent,

As a researcher affiliated with KCA University, I am currently conducting a study aimed at investigating the impact of functional strategies on the performance of manufacturing firms in Kenya. This study is being conducted as a prerequisite for the completion of my master's degree. The research is solely intended for academic pursuits, and all answers provided will be handled with utmost confidentiality. You will be required to respond to the questions from Section A Section to D. Your honest response will be highly appreciated.

Any assistance accorded her will be highly appreciated

Esther Wanjeri Kamau

Reg No: 18.06700

Appendix II: Questionnaire

This questionnaire is to collect data for purely academic purposes. The study seeks to assess the influence the Influence of Functional Strategies on Organizational Performance of Manufacturing Firms in Kenya.

Section A: Background of Respondents

1. What is your gender?

- i. Male [] Female []

2. What is your age?

- i. Below 25 years []
- ii. 26-30 years []
- iii. 31-40 years []
- iv. 41-50 years []
- v. Above 50 years []

3. What is your highest level of education?

- i. Diploma []
- ii. Bachelor's []
- iii. Master []
- iv. PhD []

4. How many years have you been in the manufacturing sector?

- i. Less than 1 year []
- ii. 2- 4 years []
- iii. 5-7 years []
- iv. 8-10 years []
- v. Above 10 years []

Section B: Human resource functional Level strategy

Statement	1	2	3	4	5
The recruitment process in our organization effectively attracts competent candidates.					
Our organization uses a comprehensive selection procedure to hire the right employees.					
The recruitment strategies in our organization align with the organizational goals and objectives.					
Our organization provides sufficient training opportunities for employees.					
The learning programs in our organization are relevant to employees' job roles.					
Our organization has a well-defined performance appraisal system.					

Section C: Finance functional Level strategy

Statement	1	2	3	4	5
The company has a well-defined investment plan.					
The company considers long-term profitability while making investment decisions.					
The company has an effective cash flow management strategy.					
The company forecasts cashflows regularly.					
The company has a well-defined financing strategy.					
The company seeks appropriate sources of funding for business operations.					

Section D: Marketing functional Level strategy

Statement	1	2	3	4	5
The marketing strategies positively influence the quality of their products.					
The marketing strategies adopted help in differentiating their products from competitors.					
The marketing strategies ensure prompt and efficient after-sales service.					
We effectively address customer queries and concerns through their marketing efforts.					
The pricing strategies of manufacturing firms in Kenya offer good value for money.					
We use effective pricing strategies to gain a competitive advantage in the market.					

Section E: Operations functional Level strategy

Statement	1	2	3	4	5
Our Operations functional Level strategy aims to minimize production costs.					
We actively seek cost-saving opportunities in our manufacturing processes.					
Our Operations functional Level strategy focuses on producing high-quality products.					
We have quality control measures in place to ensure consistent product standards.					
Our Operations functional Level strategy enables us to quickly adapt to changes in market demand.					
We have the capability to adjust our production processes to accommodate varying product specifications.					

Section F: Performance

Statement	1	2	3	4	5
Our organization consistently achieves high levels of profitability.					
Our organization effectively manages costs and expenses to maximize profits.					
Our organization has a significant market share in the industry.					
Our organization effectively targets the needs of our target customers.					
Our organization encourages innovation throughout the company.					
Our organization regularly introduces new products or services to the market.					

Appendix III: KAM List of Large Manufacturing firms

No	Manufacturing Firm
1.	Abu Engineering Ltd
2.	Acme Container Ltd
3.	Adhesive Solutions Africa Ltd
4.	Africa Oil Kenya B.V
5.	African Cotton Industries Ltd
6.	Ali Glaziers Ltd
7.	Alpha Dairy Products Ltd
8.	Athi River Mining Ltd
9.	Bamburi Cement Ltd
10.	BIDCO Oil Refineries
11.	British American Tobacco Kenya Ltd
12.	Chloride Exide Kenya Limited
13.	Colgate-Palmolive(East Africa) Ltd
14.	Commercial Motor Spares Ltd
15.	Creative Fabric World Co Ltd
16.	Crown Paints Kenya
17.	East Africa Glassware Mart Ltd
18.	East African Breweries Limited
19.	Eveready East Africa Limited
20.	Foam Mattress Ltd.
21.	Geomatic Services Ltd.
22.	Kapa Oil Refineries Limited
23.	Kenya Electricity Generating Company Limited.
24.	Kenya Fluorspar Company Ltd (KFC)
25.	Kenya Grange Vehicle Industries Ltd
26.	Kenya Petroleum Refineries Ltd
27.	Kenya Solar
28.	Lake Turkana Wind Power Limited
29.	Limited Blue Triangle Cement
30.	Magadi Soda Company
31.	Metal Crown Ltd
32.	Octagon Express (Kenya) Limited
33.	Orbit Chemical Industries Ltd
34.	Packaging Industries Ltd
35.	Patco Industries Ltd
36.	Polythene Industries Ltd
37.	Print Fast Kenya Ltd.
38.	Pwani Oil products Limited
39.	PZ Cussons East Africa Ltd.
40.	Ramco Printing Works Limited
41.	Rhino Special Products Ltd
42.	Sameer Group

43.	Sanpac Africa Ltd
44.	South Hill Motor Spares Ltd
45.	Steel Structures Limited
46.	Tamoil Africa Holdings Limited
47.	Unga Group Ltd.
48.	Unilever Kenya Limited
49.	Williamson Power Ltd
50.	Wines Of The World Limited

Kenya Association of Manufacturers Directory (2023)