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# STRATEGIC ALIGNMENT AND PERFORMANCE OF PRIVATELY OWNED MEAT PROCESSING COMPANIES IN NAIROBI COUNTY, KENYA

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#### **ABSTRACT**

This study sought to establish the effect of strategic alignment on performance of privately owned meat processing companies in Nairobi County, Kenya. The study was guided by the following specific objectives; to examine the effects of structural alignment on performance of privately owned meat processing companies in Nairobi County, Kenya and to examine the effects of cultural alignment on performance of privately owned meat processing companies in Nairobi County, Kenya. The study adopted a descriptive survey research design. The population of this study was 226 employees of Alpha fine Foods. The study's sample size was reached at using Krejcie and Morgan sample size determination formula. Therefore, the sample size for the study was 142 respondents. The 142 respondents were chosen with the help of stratified random sampling technique; the study then used simple random sampling to select respondents from each strata. The study used primary data collected using semi-structured questionnaires. The study used a total of 14 individuals for pilot test which represent 10% of study sample. Quantitative data collected was analyzed using descriptive statistics techniques such as frequency, percentages, and means and summary graphs, pie charts, and frequency distribution tables. Pearson R correlation was used to measure the strength and direction of linear relationship between variables. Multiple regression models were fitted to the data in order to determine how the independent variables influence the dependent variable. The findings were presented in tables and figures. The study concludes that structural alignment has a significant effect on performance of privately owned meat processing companies in Nairobi County, Kenya. The study also concludes that cultural alignment has a significant effect on performance of privately owned meat processing companies in Nairobi County, Kenya.

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#### **Background of the Study**

Globalization has led to today's dynamic business environment which is continuously changing because of, knowledgeable and demanding changing technology, increasing customers, intensity of competition, regulatory changes as well as mergers and acquisitions (Wing, Lenartowicz & Apud, 2018). This has resulted in markets that can be characterized as increasingly turbulent and volatile and has caused many organizations to seek competitive capabilities that enable them to exceed customers' expectations and enhance market and financial performance thus firms need to have contingencies to this change by implementing strategies that permit quick alignment and redeployment of assets to deal with environmental changes (Burnes, 2020).

The strategic alignment of an organization's business goals is seen as a critical problem (Martinez & Williams, 2019). According to Alagaraja et al., (2017), there has been a significant shift in events surrounding business and organizations, leaving them with little choice but to make active attempts to adapt. Ngonga (2017) notes that firms need to adopt strategies that would enable them maintain competitive positions in the market or risk elimination. Firms therefore need to develop capability to manage threats and exploit emerging opportunities with speed (Luftman & Derkson, 2018).

Consequently, it is becoming paramount that organizations learn to maintain strategic alignment at all the levels in order to remain competitive (Irani, 2018). The strategies employed have to be viable and creative enough to ensure steady growth of organizations. The alignment must ensure cohesion between the processes of the business and strategies for growth. Xue et al. (2018) identified that organizational efficiency is achieved once concentration is directed towards either cost efficiency or innovation through strategic alignment but not both. Strategic alignment can help organizations in the creative adoption strategies in a number of different ways: rationalizing its investment, controlling expenditure, protecting existing investments. resolving conflicting demands for limited obtaining resources, joint management/user commitment, and avoiding ad-hoc projects (Martinez & Williams, 2019).

Accordingly, researchers suggest that organizations that actively align their business and strategies witness positive impacts in terms of effectiveness (Ciborra, 2017), resulting in an enhanced performance (Cragg, 2018). However, ambiguity still exists with regard to the impact, nature and characteristics of strategic alignment and methods of linkage and integration, and remains one of the main issues facing organizations (Chan & Reich, 2017; Luftman & Ben-Zvi, 2017).

The meat industry has recently undergone changes in consumer behavior due to changing lifestyles (Velji, 2018). Despite this, the failure of strategic alignment investments is a major challenge facing the sector (Odiit et al., 2018). This failure can be attributed to a lack of clarity regarding the goals and benefits of such investments, particularly those that cannot be measured by financial indicators but rather by the achievement of social and political goals (Friesk et al., 2018).

The current research aims to examine the relationship between strategic alignment and performance in privately owned meat processing companies in Nairobi County, Kenya. The study aims to bridge the gap between theory and practice in the field, by proposing a model that links strategic alignment and business strategies to improve the performance of meat companies (Cataldo et al., 2016; Chan and Reich, 2017; Luftman & Derksen, 2016; Wilson et al., 2017). The study will focus on the privately owned meat processing companies in Nairobi County and will aim to address the identified gap in the literature by examining the relationship between strategic alignment and performance in these companies.

# **Statement of the Problem**

Today's dynamic business environment is continuously changing because of globalization, regulatory changes, increasing intensity of competition, increasingly demanding customers, new information technology, and mergers and acquisitions (Wing *et al.*, 2018). This has resulted in markets that can be characterized as increasingly turbulent and volatile and has caused many organizations to seek strategic alignment that

enable them to exceed customers' expectations and enhance market and financial performance thus firms need to have contingencies to this change by implementing strategies that permit quick alignment and redeployment of assets to deal with environmental changes (Burnes, 2020).

The meat industry in Kenya is very inefficient with high post-harvest losses occasioned by hot meat retail chain, low value addition, poor processing skills and worst of all wanting food safety standards (I Dev report – Meat Sector in Kenya 2018). Therefore, the strategies adopted by the meat processing companies are becoming highly important and critical as the competition in the sector has intensified to the extent that firms need to change their strategies in order to survive (Muthami et al, IGAD 2021). It is important in a sense that it enables the companies to be cost effective, quality conscious and highly competitive in the contemporary global market and thus in order to achieve their objectives, the companies must evaluate its internal and external factors and formulate appropriate strategy congruent to the present situation.

As the current economic environment becomes more competitive companies must find new to increase strategies their capacity and competitiveness (Lipponen et al., 2018). Building customer loyalty starts with a commitment to deliver excellence at every moment of serving the customers and must extend from management to every frontline employee (Johnson & Scholes, 2018).

The consumer has been empowered by greater knowledge and the changing needs (Mung'aho, Ondiek, & Odhiambo, 2018). A combination of these two facts implies that not only the retailer, but also the organization as a whole must make sure that it is aligned to deliver customer value, in order to ensure sustainable competitiveness and survival, manage risks and ensure acceptable returns. To address these issues, meat processing companies must be strategic and recognize the importance of positive strategic alignment as a key factor in improving their success (Wambugu, 2018). Despite the fact that empirical study has been conducted, there is little evidence to support the impact of strategic alignment on performance (McKinnon, 2017). Sebastian (2019)investigated the relationship between strategic alignment and performance in Kenya Airways and found that culture plays a significant effect in service delivery, customer satisfaction, employee engagement, and morale. Kibet (2019) investigated the impact of strategic alignment on the hotel industry's performance and discovered that some aspects of organizational culture are positively connected with performance. The effect of strategic alignment on the performance of subsidiaries of selected regional commercial banks in Kenya was studied by Oduol (2018), who discovered that for firms' performance to improve, current strategic alignment must be supportive and compatible with intended strategies and day-to-day activities of employees. Muya and Wesonga (2016) conducted research on the impact of strategic alignment on educational institution performance and discovered that the culture of an institution has a significant impact on its performance.

Little has been done to bring out the joint effects of the four traits in Handy's classification underlying strategic alignment on performance in meat processing companies. Strategic alignment research has not been effectively done in developing countries and in particular Kenya hence a major gap in relevant literature on Kenya or the developing countries at large. Therefore, this study aims to address this gap by examining the effect of strategic alignment on performance of meat processing companies in Nairobi County, Kenya.

# Objectives of the study

The general objective of this study was to establish the effect of strategic alignment on performance of privately owned meat processing companies in Nairobi County, Kenya.

The study was guided by the following specific objectives;

- i. To examine the effects of structural alignment on performance of privately owned meat processing companies in Nairobi County, Kenya.
- ii. To examine the effects of cultural alignment on performance of privately owned meat processing companies in Nairobi County, Kenya.

#### LITERATURE REVIEW

#### **Theoretical Review**

#### **Dynamic Capabilities Theory**

Dynamic Capabilities Theory was developed by Reece, Pisano and Shuen (1997). It is a theoretical framework that explores the capabilities of organizations to dynamically respond to changes in their internal and external environments. The theory posits that an organization's ability to modify and exploit its existing resources to create new capabilities is key to its competitive advantage. This can be achieved through structural alignment, which refers to the alignment of an organization's resources, processes, and systems to support its strategic objectives (Reece, Pisano, & Shuen, 1997).

In the context of the study on the effect of strategic alignment on performance of meat processing companies in Nairobi County, Kenya, Dynamic Capabilities Theory provides a useful framework for examining the role of structural alignment in the performance of these companies. The study can investigate how the alignment of resources, processes, and systems in these companies may impact their performance and competitiveness in the meat processing industry.

Critics of Dynamic Capabilities Theory argue that the theory may oversimplify the complexities of the organizational processes involved in creating and exploiting capabilities (Teece, 2007). Additionally, some researchers have argued that the theory does not fully capture the role of external factors such as market forces, government regulations, and cultural norms in shaping an organization's ability to create and exploit capabilities (Teece, 2007).

Dynamic Capabilities Theory therefore provides a useful framework for understanding the role of structural alignment in the performance and competitiveness of organizations, and can be applied to the study of the effect of strategic alignment on performance of meat processing companies in Nairobi County, Kenya. By examining the relationship between structural alignment and performance, the study can provide valuable insights into how these companies can improve their competitiveness in the industry.

# **Organizational Learning Theory**

Organizational Learning Theory dates back to the work of Chris Argyris and Donald Schön (1978). The theory explains the process of continuous improvement that occurs in organizations through the acquisition and application of new knowledge and skills. The theory argues that organizations learn through their actions, experiences, and feedback, and that this learning process can be formalized and improved through a structured approach to organizational change and development.

In the context of the study on the effect of strategic alignment on performance of meat processing companies in Nairobi County, Kenya, Organizational Learning Theory provides a useful framework for examining the role of cultural alignment in the performance of these companies. The study can investigate how the alignment of organizational culture with the company's goals and objectives can impact the performance of these companies and their competitiveness in the meat processing industry.

Critics of Organizational Learning Theory argue that it oversimplifies the complex and dynamic nature of organizational learning, and that it may not be applicable in all organizations or cultural contexts (Chalofsky, 1996). Additionally, some researchers have argued that the theory does not fully capture the role of power dynamics and political factors in shaping organizational learning (Chalofsky, 1996).

Therefore, Organizational Learning Theory provides a useful framework for understanding the role of cultural alignment in the performance and competitiveness of organizations, and can be applied to the study of the effect of strategic alignment on performance of meat processing companies in Nairobi County, Kenya. By examining the relationship between cultural alignment and performance, the study can provide valuable insights into how these companies can improve their competitiveness in the industry.

#### **Conceptual Framework**

The conceptual framework describes the relationship between the research variables. A variable is a measurable characteristic that assumes different values among subjects. An independent

variable is that variable which is presumed to affect or determine a dependent variable. Figure 1 shows the conceptual framework to be adopted by the study. In the conceptual framework, the independent variables are; structural alignment and cultural alignment and strategic leadership is moderating variable. The dependent variable is performance of microfinance institutions in Kenya.

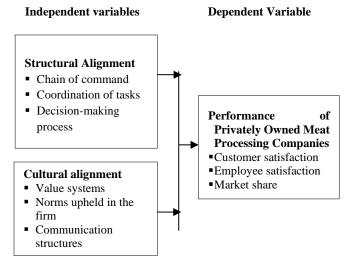


Figure 1: Conceptual Framework

# **Structural Alignment**

Structural alignment refers to the degree of fit between an organization's structure and its strategy (Kennerley & Neely, 2018). Structural alignment is an important aspect of organizational performance, as it affects the effectiveness of decision-making, resource allocation, and the execution of the organization's strategy (Kennerley & Neely, 2018).

Research has shown that organizations with high levels of structural alignment tend to have better performance outcomes, including increased efficiency, better decision-making, and improved resource allocation (Child, 2016; Galbraith, 2019; Lawrence & Lorsch, 2017). Additionally, organizations with effective structural alignment are better able to adapt to changes in their environment and respond to new market demands (Lawrence & Lorsch, 2017).

Critics of structural alignment argue that the relationship between structure and performance is not straightforward, and that there may be other factors that impact organizational performance, such as culture, technology, and the behavior of individuals within the organization (Lawrence & Lorsch, 2017). Additionally, some scholars argue

that a high degree of structural alignment can lead to rigidity and a lack of flexibility, making it difficult for organizations to respond to changes in their environment (Child, 2016).

Therefore, structural alignment is an important aspect of organizational performance, and has a significant impact on an organization's ability to achieve its goals, remain competitive, and drive performance improvement. The study of the effects of structural alignment on performance of privately owned meat processing companies in Nairobi County, Kenya can provide valuable insights into how these companies can optimize their structures to improve their performance and competitiveness in the industry.

#### **Cultural Alignment**

Culture alignment of an organization is described by Schein (2016) as the manifestation of their beliefs, expectations, common systems, philosophies, rituals, and myths. Culture can also defined as the values, beliefs, attitudes, and behaviors that are shared by an organization's members (Schein, 2019). They can inspire and be a valuable source of productivity and success for people. Saffold (2019) points out that a solid culture has nearly been utilized as a main impetus to support the confidence of laborers and to self-confidence improve employee engagement, reducing work stress and improving employee ethical behaviour. The capacity to recognize the organization's cultural characteristics offers a platform for a better comprehension of the organization's activities. When an organization's culture is aligned with its strategy and goals, it creates a strong sense of shared purpose and direction. which can lead to improved organizational performance (Cameron & Quinn, 2016).

Research has shown that organizations with strong cultural alignment are better able to create a supportive and positive work environment, which can lead to increased employee satisfaction, motivation, and engagement (Denison, 2019). Additionally, cultural alignment has been found to be positively associated with increased organizational innovation, adaptability, and competitiveness (Hatch & Dyer, 2018).

Critics of cultural alignment argue that it can be difficult to achieve, as culture is deeply embedded

in an organization and can be difficult to change (Schein, 2019). Additionally, some scholars argue that cultural alignment can lead to a lack of diversity and creativity, as organizations may become too focused on achieving specific cultural outcomes, rather than encouraging diverse perspectives and ideas (Cameron & Quinn, 2016).

Cultural alignment is an important aspect of organizational performance, and has a significant impact on an organization's ability to create a positive and supportive work environment. The study of the effects of cultural alignment on performance of privately owned meat processing companies in Nairobi County, Kenya can provide valuable insights into how these companies can optimize their organizational culture to improve their performance and competitiveness in the industry.

# Performance of Privately Owned Meat Processing Companies

Different definitions have been advanced to describe the term firm performance due to the difference of organizational goals. Moullin (2017) assert that firm performance is a means through which a firm provides value to its stakeholders and therefore is an indication of how well the managers succeed in utilizing firm resources. According to Koontz and Donnell (2019) organizational performance refers to the capacity that a firm has in order to realize such mundane objectives as high profit, increased market share, new product development, good financial results, and achieving long-term sustainability. Hence it is a measure of actions of the business firm in terms of achieving firm aims and objectives. Business firms achieve objectives if they are carrying out activities that satisfy the needs of the owners, customers and other stakeholders. Similarly, business firms attain firm objectives, if they perform in an efficient and effective way than competitors.

This study will adopt the definition of firm performance advanced by Lahiri, and Narayanan (2019), who opine that organizational performance is a factor that determines the progress and success of a firm towards achieving its strategic objective and establishes weakness and strength arising from firm operational activities and decides on how future projects are to be undertaken. Different ways are used to measure a firm's performance or

success. According to Carton (2018), successful performance of an organisation can be assessed based on what value creation it has for stakeholders. On the basis of financial performance, it is evaluated on the basis of how it has changed the financial state of an organisation. Prior studies have used different measurements of performance.

Lumpkin and Dess (2017)applied sales development, profitability, market share and total performance to gauge on firms' level of performance. Mensah (2019) utilized three approaches, stock turnover, profit, and consumer satisfaction to gauge the relationship between performance of a firm and strategic orientation. Calantone et al. (2018) utilized four performance measurements, to be specific: market share, customer satisfaction and return on capital, and general gainfulness to quantify learning orientation and organizational performance.

## **Empirical Literature Review**

#### **Structural Alignment**

Agatha (2019) study investigated the influence of organizational structure on organizations performance. A Case Study of Mbarara University of Science and Technology. Data was collected using questionnaires and interviews and during data collection simple random sampling and stratified sampling methods were used. Both quantitative and qualitative research methodologies were also used as a sample of 70 respondents was selected from the study area. The study found out that there is a relationship between organizational structure and service delivery and that the structure of Mbarara University of Science and Technology has an effect on its financial management. However, the study used a census method which results in enough respondents to have a high degree of statistical confidence in the survey results.

Mehrabi, Soltani, Alemzadeh and Jadidi (2019) study examined the relationship between organizational structure and dimensions of learning organizations. Sample size was selected through random sampling method and was equal to 140 respondents using Morgan table. Results of Pierson correlation coefficient test show there is a significant and negative relationship between organizational structure and fulfillment degree of

learning organizations. This relationship is significant about all dimensions of performance of organization. However, the study used primary data through the use of questionnaires which captures up-to-date information.

Latifi and Shooshtarian (2018) carried out a study on the effects of organizational structure on organizational trust and effectiveness. population was drawn from a sample of employees of corporations operating in medium and large industries in Fars Province in Iran. The results have shown that there is a significant relationship between organizational structure and trust effectiveness dimensions. Regarding to dimensions, there is a significant relationship between organic structure and effectiveness, and there is no significant relationship between mechanistic structure and effectiveness dimensions. However, the study focused on trust and effectiveness of medium and large industries in Fars Province in Iran.

# **Cultural Alignment**

Pawirosumarto, Setyadi and Khumaedi (2017) study examined the influence of organizational culture on the performance of employees at University of Mercu Buana. Sixty respondents were chosen as samples, determined through proportional random sampling. The results show that that there is a significant influence in partial engagement and mission on the performance of non-lecturer employees. On the contrary, two variables, consistency and adaptability, partially do not have significant influence on the performance of employees at the University of Mercu Buana. Simultaneous testing on variables, namely. involvement. consistency, adaptability and mission, has significant influence on the employee's performance. However, the study focused on employee performance at the University of Mercu Buana

A study by Nikpour (2017) investigated the impact of organizational culture on organizational performance: The mediating role of employee's organizational commitment. This study was descriptive and correlational research that was conducted through the survey method. The study population consisted of all employees in education office of Kerman province and 190 persons were selected as volume of sample by using Cochran's

formula. The findings of the research indicated that organizational culture had an indirect impact on organizational performance through the mediation of employee's organizational commitment that the extent of indirect impact was significantly higher than direct impact. However, the study used correlational research design which cannot give a conclusive finding.

A case study on telecom sector carried out by Ahmed and Shafiq (2014) focused on how organizational culture impacts organizational performance. Quantitative approach is adopted in which a questionnaire is used to collect the data. An exploratory research technique was adopted for this purpose. The findings indicate that all the dimension of the culture influence the different perspective of organizational performance. Therefore, it can be concluded that organizational culture plays an important role in achieving the organizational objective. However, the study used qualitative data which covered information from a smaller population.

#### RESEARCH METHODOLOGY

The study adopted a descriptive survey research design. Creswell and Clark (2017) note that a descriptive research design deals with what, how and who of a phenomenon which is the concern of this study. It is a method of collecting information by interviewing or administering questionnaires to a sample of individuals (Kombo & Tromp, 2006). The population of this study was 226 employees of Alpha fine Foods. The study targeted staff members from different departments which formed the basis for stratification. The target population was 226 that is total number of Alpha Fine Foods staffs on permanent and contract basis. The study's sample size was reached at using Krejcie and Morgan sample size determination formula. Therefore, the sample size for the study was 142 respondents.

The 142 respondents were chosen with the help of stratified random sampling technique. The primary data was gathered using questionnaire of both open and close ended questions during the study. Pilot study was conducted to determine if there were flaws, limitations, or other weaknesses within the data collection instrument to make the necessary revisions prior to the implementation of the study. Population of the pilot was 14 individuals which will represent 10% of the total population size

which was pre tested to all the respondents in all cadre sample population.

The study generated both qualitative and quantitative data. Quantitative data was coded and entered into statistical packages for social scientists (SPSS version 22) which was analyszed using descriptive statistics. Further the study adopted correlation analysis at 5% level of significance to study strength, direction of the relationship between the independent and dependent variable. Multiple regression models were fitted to the data to determine how the independent variables affect the dependent variable.

# DATA ANALYSIS, PRESENTATION AND INTERPRETATION

From the 142 questionnaires 136 were completely filled and returned hence a response rate of 95.8%. The response rate was considered as suitable for making inferences from the data collected. As indicated by Metsamuuronen (2017), a response rate that is above fifty percent is considered adequate for data analysis and reporting while a response rate that is above 70% is classified as excellent. Hence, the response rate of this study was within the acceptable limits for drawing conclusions and making recommendations.

#### **Descriptive Statistics Analysis**

### **Structural Alignment and Firm Performance**

The first specific objective of the study was to examine the effects of structural alignment on performance of privately owned meat processing companies in Nairobi County, Kenya. The respondents were requested to indicate their level of agreement on various statements relating to structural alignment on performance of privately owned meat processing companies in Nairobi County, Kenya. A 5 point Likert scale was used where 1 symbolized strongly disagree, 2 symbolized disagree, 3 symbolized neutral, 4 symbolized agree and 5 symbolized strongly agree. The results were as presented in Table 1.

From the results, the respondents agreed that the top management decisions are seamlessly adopted by the middle level managers for onward implementation. This is supported by a mean of 3.984 (std. dv = 0.811). In addition, as shown by a mean of 3.920 (std. dv = 0.923), the respondents agreed that the organization as decentralized

decision-making process to different divisions. Further, the respondents agreed that the organization structure is used to bridge communication gap between business units and IT department. This is shown by a mean of 3.901 (std. dv = 0.648).

The respondents also agreed that they consider their organization structure to be flexible enough to adjust to the market demands quickly. This is shown by a mean of 3.854 (std. dv = 0.928). From the results, the respondents agreed that the organization structure specifies clear reporting line which helps in implementation of strategies to be efficient. This is supported by a mean of 3.726 (std. dv = 0.711). The respondents further agreed that the organization has rationalized its management controls to hasten decision making process. This is supported by a mean of 3.675 (std. dv = 0.876).

Table 1: Structural Alignment and Firm Performance

	Mean	Std. Dev.
The top management decisions are	3.984	
seamlessly adopted by the middle level		
managers for onward implementation		
The organization as decentralized	3.920	0.923
decision-making process to different		
divisions		
The organization structure is used to	3.901	0.648
bridge communication gap between		
business units and IT department		
I consider our organization structure to	3.854	0.928
be flexible enough to adjust to the		
market demands quickly		
The organization structure specifies	3.726	0.711
clear reporting line which helps in		
implementation of strategies to be		
efficient	2	0.05.6
The organization has rationalized its	3.6/5	0.876
management controls to hasten decision		
making process	206	0.020
Aggregate	3.865	0.839

#### **Cultural Alignment and Firm Performance**

The second specific objective of the study was to examine the effects of cultural alignment on performance of privately owned meat processing companies in Nairobi County, Kenya. The respondents were requested to indicate their level of agreement on various statements relating to cultural alignment and performance of privately owned meat processing companies in Nairobi

County, Kenya. A 5 point Likert scale was used where 1 symbolized strongly disagree, 2 symbolized disagree, 3 symbolized neutral, 4 symbolized agree and 5 symbolized strongly agree. The results were as presented in Table 2.

From the results, the respondents agreed that as employees they have shared beliefs that guide their operations in the company. This is supported by a mean of 3.968 (std. dv = 0.905). In addition, as shown by a mean of 3.959 (std. dv = 0.885), the respondents agreed that the organization leadership aims at aligning all the human resources available with a view to creating a synergy. Further, the respondents agreed that all the employees of the organization are expected to behave in a certain way while undertaking their duties. This is shown by a mean of 3.900 (std. dv = 0.605).

The respondents also agreed that the entire workforce have a shared values that help in the strategic decision making. This is shown by a mean of 3.855 (std. dv = 0.981). From the results, the respondents agreed that the organization as established a shared knowledge process between different business departments and IT. This is supported by a mean of 3.786 (std. dv = 0.874). The respondents also agreed that communication channel between IT and departments has been established. This is supported by a mean of 3.703 (std. dv = 0.786).

Table 2: Cultural Alignment and Firm Performance

	Mean	Std.
		Dev.
As employees we have shared beliefs	3.968	0.905
that guide our operations in the company		
The organization leadership aims at	3.959	0.885
aligning all the human resources		
available with a view to creating a		
synergy		
All the employees of the organization	3.900	0.605
are expected to behave in a certain way		
while undertaking their duties		
The entire workforce have a shared	3.855	0.981
values that help in the strategic decision		
making		
The organization as established a shared	3.786	0.874
knowledge process between different		
business departments and IT		
Communication channel between IT and	3.703	0.786
departments has been established		
Aggregate	3.811	0.849

# Performance of Privately Owned Meat Processing Companies

The respondents were requested to indicate their level of agreement on various statements relating to performance of privately owned meat processing companies in Nairobi County. A 5 point Likert scale was used where 1 symbolized strongly disagree, 2 symbolized disagree, 3 symbolized neutral, 4 symbolized agree and 5 symbolized strongly agree. The results were as presented in Table 3.

From the results, the respondents agreed that the institution has improved its operational efficiency by embracing technology. This is supported by a mean of 3.984 (std. dv = 0.997). In addition, as shown by a mean of 3.905 (std. dv = 0.830), the respondents agreed that customers in the organization are more satisfied. Further, the respondents agreed that the market share of the company has increased. This is shown by a mean of 3.828 (std. dv = 0.563).

The respondents also agreed that the organization has improved the quality of its services offered. This is shown by a mean of 3.789 (std. dv = 0.851). From the results, the respondents agreed that the organization has attained ISO certification. This is supported by a mean of 3.786 (std. dv = 0.897). In addition, as shown by a mean of 3.717 (std. dv = 0.876), the respondents agreed that the organization has improved its management of information and feedback.

From the results, the respondents agreed that penalties and lawsuits relating to non-adherence to statutory laws have reduced over time. This is supported by a mean of 3.984 (std. dv = 0.997). In addition, as shown by a mean of 3.905 (std. dv = 0.830), the respondents agreed that customer complaints have reduced over time.

**Table 3: Performance of Privately Owned Meat Processing Companies** 

0 1		
	Mean	Std.
		Dev.
The institution has improved its	3.984	0.997
operational efficiency by embracing		
technology		
Customers in the organization are more	3.905	0.830
satisfied		
The market share of the company has	3.828	0.563
increased		
The organization has improved the	3.789	0.851
quality of its services offered.		
The organization has attained ISO	3.786	0.897
certification.		
The organization has improved its	3.717	0.876
management of information and		
feedback.		
Penalties and lawsuits relating to non-	3.675	0.786
adherence to statutory laws have reduced		
over time.		

# Aggregate 3.832 0.824

Customer complaints have reduced over 3.564 0.675

## **Inferential Statistics**

time.

# **Correlation Analysis**

The present study used Pearson correlation analysis to determine the strength of association between independent variables (structural alignment and cultural alignment) and the dependent variable (performance of privately owned meat processing companies in Nairobi County, Kenya).

**Table 4: Correlation Coefficients** 

		Firm	Structural	Cultural
		Performance	Alignment	Alignment
	Pearson	1		
Firm	Correlation			
Performance	Sig. (2-			
Periormance	tailed)			
	N	136		
	Pearson	.837**	1	
Structural	Correlation			
	Sig. (2-	.001		
Alignment	tailed)			
	N	136	136	
	Pearson	.912**	.189	1
Cultural Alignment	Correlation			
	Sig. (2-	.002	.083	
	tailed)			
	N	136	136	136

The results revealed that there is a very strong relationship between structural alignment and performance of privately owned meat processing companies in Nairobi County, Kenya (r = 0.837, p value =0.001). The relationship was significant since the p value 0.001 was less than 0.05 (significant level). The findings conform to the findings of Agatha (2019) that there is a very strong relationship between structural alignment and firm performance.

The results also revealed that there was a very strong relationship between cultural alignment and performance of privately owned meat processing companies in Nairobi County, Kenya (r = 0.912, p value =0.002). The relationship was significant since the p value 0.002 was less than 0.05 (significant level). The findings are in line with the results of Nikpour (2017) who revealed that there is a very strong relationship between cultural alignment and firm performance

#### **Regression Analysis**

Multivariate regression analysis was used to assess the relationship between independent variables (structural alignment, and cultural alignment) and the dependent variable (performance of privately owned meat processing companies in Nairobi County, Kenya)

**Table5: Model Summary** 

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.939	.882	.883	.10654	
a. Predictors: (Constant), structural alignment, and cultural					
alignm	ent				

The model summary was used to explain the variation in the dependent variable that could be explained by the independent variables. The r-squared for the relationship between the independent variables and the dependent variable was 0.882. This implied that 88.2% of the variation in the dependent variable (performance of privately owned meat processing companies in Nairobi County, Kenya) could be explained by independent variables (structural alignment, and cultural alignment).

**Table 6: Analysis of Variance** 

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	122.027	4	30.508	475.20	.001b
1 Residual	8.511	131	0.0642		
Total	130.538	135			

a. Dependent Variable: performance of privately owned meat processing companies

The ANOVA was used to determine whether the model was a good fit for the data. F calculated was 475.202 while the F critical was 2.441. The p value was 0.001. Since the F-calculated was greater than the F-critical and the p value 0.001 was less than 0.05, the model was considered as a good fit for the data. Therefore, the model can be used to predict the influence of structural alignment and cultural alignment on performance of privately owned meat processing companies in Nairobi County, Kenya.

**Table 7: Regression Coefficients** 

Model	Unstandardi zed Coefficients		Standa rdized Coeffic ients	t	Sig.	
	В	Std. Erro	Beta	_		
		r				
(Constant)	0.158	0.077		2.519	0.001	
structural	0.491	0.105	0.492	4.676	0.001	
alignment						
cultural alignment a Dependent Variab	0.450 ole: Firm	0.090 Perform	0.451 ance	5.000	0.000	

The regression model was as follows:

$$Y = 0.158 + 0.491X_1 + 00.450X_2 + \varepsilon$$

The results also revealed that structural alignment has significant effect on performance of privately owned meat processing companies in Nairobi County, Kenya,  $\beta 1$ =0.491, p value= 0.001). The relationship was considered significant since the p value 0.001 was less than the significant level of 0.05. The findings conform to the findings of Agatha (2019) that there is a very strong relationship between structural alignment and firm performance.

In addition, the results revealed that cultural alignment has significant effect on performance of privately owned meat processing companies in Nairobi County, Kenya  $\beta$ 1=0.450, p value= 0.000). The relationship was considered significant since

the p value 0.000 was less than the significant level of 0.05. The findings are in line with the results of Nikpour (2017) who revealed that there is a very strong relationship between cultural alignment and firm performance

#### **Conclusions**

In addition, the study concludes that structural alignment has a significant effect on performance of privately owned meat processing companies in Nairobi County, Kenya. Findings revealed that chain of command, coordination of tasks and decision-making process influence performance of privately owned meat processing companies in Nairobi County, Kenya.

The study also concludes that cultural alignment has a significant effect on performance of privately owned meat processing companies in Nairobi County, Kenya. Findings revealed that value systems, norms upheld in the firm and communication structures influence performance of privately owned meat processing companies in Nairobi County, Kenya.

#### Recommendations

In addition, the study found that structural alignment has a significant effect on performance of privately owned meat processing companies in Nairobi County, Kenya. This study therefore recommends that the management of privately owned meat processing companies embrace effective chain of command, coordination of tasks and decision-making process.

The study also found that cultural alignment has a significant effect on performance of privately owned meat processing companies in Nairobi County, Kenya. This study therefore recommends that the management of privately owned meat processing companies embrace effective value systems, norms upheld in the firm and communication structures.

#### **Suggestions for Further Studies**

This study focused on establishing the effect of strategic alignment on performance of privately owned meat processing companies in Nairobi County, Kenya. Having been limited to privately owned meat processing companies in Nairobi County, Kenya, the findings of this study cannot be generalized to public meat processing companies in

b. Predictors: (Constant), structural alignment and cultural alignment

Kenya. The study therefore suggests further studies on the effect of strategic alignment on performance of public meat processing companies in Kenya.

Further, the study found that the independent variables (structural alignment and cultural alignment) could only explain 88.2% of performance of privately owned meat processing companies in Nairobi County, Kenya. This study therefore suggests research on other factors affecting performance of privately owned meat processing companies in Nairobi County, Kenya.

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