
**MODERATING EFFECT OF FIRM SIZE ON THE RELATIONSHIP
BETWEEN STRATEGY IMPLEMENTATION DRIVERS AND
PERFORMANCE**

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Abstract

The study sought to establish the moderating effect of factory size on the relationship between strategy implementation drivers and organizational performance and was guided by Resource-Based View theory and based on a combination of descriptive survey, correlation and explanatory research designs. The target population of this study was 846 employees of five tea processing factories in Kisii County. Both stratified sampling and simple random sampling were used to obtain a sample of 271 employees based on Yamane's formula. Descriptive and inferential statistics were used in data analysis. Correlation analysis and multiple regression analysis were used to infer the relationship between the study variables. The findings of the study revealed that before moderation the four strategy implementation drivers considered had a positive effect on the performance of tea processing factories and explained 56.1% of the variation in the performance of tea processing factories. The study further established a positive and significant moderating effect of factory size on the relationship between the strategy implementation drivers and performance of tea processing factories.

Keywords: Strategy implementation, leadership, hrd, organizational culture, organizational structure, factory zise, moderating effect

1. Introduction

1.1 Strategy Implementation

Strategy implementation is the process in which organizations or companies are in a position to ask a question of what activities, what time and which process needs to be followed to achieve its objectives Mwenda (2015). Kihara et al. (2016) defined strategy implementation as the process that turns strategies and plans into actions in order to accomplish strategic objectives/goals and it focuses on the processes through which strategies are achieved. The ability to implement strategies successfully is important to any organization. Despite the importance of the implementation process within strategic management, this is an area of study often overshadowed by a focus on the strategy formulation process (Tan, 2004).

Strategy implementation is an essential area of discussion in the overall field of strategy. However, many definitions of strategy implementation exist such that it is challenging to provide an overarching definition of the concept (Guohui & Eppler, 2008). There is no clear definition of strategy implementation at present, despite the presence of numerous publications on the topic in the relevant literature (Mutua, 2015). According to the study, effective strategy implementation depends upon skills of working through others (delegation), organization, and motivation, culture, building and creating strong fits between strategy and how the organization does things and that it entails identification of measurable, mutually determined annual objectives which convert long-term objectives into specific, short-term goals (Pearce & Robinson, 2003).

A study by Fixsen, Blase, Naoom and Duda (2013) on assessing the best practices for implementation drivers in the US, defined strategy implementation drivers as those processes that can be leveraged to improve competence and to create a more hospitable organizational and systems environment for an evidence-based program or practice. They classified implementation drivers into three categories, namely; Competency, Organization, and Leadership. According to the study, competency drivers refers to those mechanisms that are designed to develop, improve and sustain one's ability to implement an intervention as intended in order to benefit children, families and communities. Organization drivers on the other hand, are mechanisms to create and sustain hospitable organizational and system environments for effective services. Leadership drivers mainly focus on providing the right leadership strategies for the types of leadership challenges.

A study by Jooste and Fourie (2009) observed that, although leadership was one of the key drivers of effective strategy implementation, most of the organizations rarely had good leadership and this made them incapable of performing well. The study observed that there was a very large gap between strategy formulation and effective strategy implementation. Further analysis revealed that there were several factors which affected effective implementation of strategy drivers and these included; the workforce does not understand the organization's strategy, poor communication of the strategies to the workforce, poor alignment of the goals, and incentives for, the workforce, inability to manage change effectively, little funds allocated to implementation of the strategy and that, human capital is not effectively developed to support strategy implementation. However, in order to have effective implementation of strategy drivers, an organization should embrace best practices such as mobile change through operative leadership; interpret the strategy to operational terms; align the organization to the strategy; inspire to make strategy everyone's job; and oversee to make strategy a persistent process (Thompson & Strickland 2010).

Ramadan (2015) analyzed the impact of strategy implementation drivers conceptualized as leadership, culture, structure and resources allocation on projects effectiveness in Non-Governmental Organizations in Poland and reported a strong positive relationship between strategy implementation drivers and projects effectiveness. Masekela (2017) looked at the drivers and hindrances of strategy execution using the balanced scorecard in Pretoria South Africa. Masekela identified drivers of strategy execution as mainly organizational and they include; people, knowledge, conditions in the work place, hindrances of human actions, complications

arising from processes or organizational culture. Organizational readiness in using the Balanced Score card execution premium (BSCEP) is therefore, an important factor in the successful implementation of strategies.

From the above studies, it is evident that there is no consensus on the conceptualization of strategy implementation drivers. The study adopts the conceptualization by Ramadan (2015) who came up with four dimensions of drivers of strategy implementation and they include: leadership, organization structure, organization culture, and HRM development.

1.2 Statement of the Problem

Tea processing factories have been for a long period considered as among the key actors in value addition. However, they are usually characterized by low performance (Irungu, 2012). There has been a drastic decline in tea prices in the world market and the supply is greater than demand and the cost of production has been escalating due to the rising cost of inputs, equipment, and labour (Chepkemoi, 2017). This has reduced the net tea earnings to the producer and particularly the small scale tea farmer. Recent studies have indicated a general decline in the produce (Ndungu, 2012). This poor performance of the sector has been attributed to poor strategy implementation drivers in tea processing factories in Kenya (Irungu, 2012). However, the study based its findings on the KTDA offices in Nairobi and Mombasa where most of the senior management offices are situated hence ignored the ground where most of the activities for the agency are carried out. Further, the study by (Irungu, 2012) employed descriptive statistics only and did not consider inferential statistics to arrive at its conclusions hence relationships might be difficult to infer. A study conducted by Fortune Magazine (2009) revealed that 90% of the strategies are unsuccessful and weak application of the strategies has been identified as the single most important cause (Kaplan and Norton, 2008). Further, Raps (2004) states that the rate of successfully implemented strategies is between 10% and 30%. Failure of strategy implementation efforts causes enormous costs in the organization. Besides wasting a considerable amount of time and resources, failure of implementation efforts cause lower productivity, lower employee morale, diminished trust and faith in senior management, inefficient use of resources, decline in performance (Sorooshian et al., 2010). Similarly, Cater and Pucko (2010) concluded that while 80% of firms have the right strategies, only 14% have managed to implement them well. It has been observed that although a lot of interventions have been done especially in the area of research in order to improve performance of tea processing factories in terms of performance, product market performance, and shareholder return. However, the strategic issues affecting performance have not been fully addressed. Strategy implementation drivers in tea factories in Kisii County, Kenya have received little attention. For instance, Kihara et al. (2016) confined to Thika region only and focused on the influence of leadership on strategy implementation by SMEs which did not include tea processing factories. Njeri (2017) researched on the influence of leadership on strategy implementation in the motor vehicle industry, Bolo et al. (2010) confined themselves to one company only to draw its conclusions, and this company is in a sector different from that of tea processing factories. Mwangi, Kirimi and Gichunge (2017) focused on the effect of resource allocation, training and development, culture and leadership on the performance of tea factories in Kericho. Their study registered very high multicollinearity between the independent variables which was ignored in

their analysis. Momanyi (2015) researched on organizational culture in the education sector whose mode of operation and management is totally distinct from that of tea processing factories. His study relied much on descriptive statistics to draw conclusions hence failed to bring out the relationship that exists between the strategy implementation drivers and performance. Despite the above mentioned studies, limited studies have been conducted to specifically analyze the moderating role of factory size on the relationship between strategy implementation drivers and the performance of tea processing factories. Therefore this study sought to fill the gap by determining the moderating effect of factory size on the relationship between the strategy implementation drivers and performance of tea processing factories in Kisii County, Kenya.

1.3 Related Literature

Mahdan, Mohamed, Kahtani and Ismael (2012) studied on the relationship between strategy implementation and performance of manufacturing firms greatly emphasized on the moderating role of formality structure. The study aimed at examining formalization in organizational structure of firms and how formalization affects the relationship between strategy implementation and performance. The results of this research showed that there was a significant relationship between strategy implementation and performance of the manufacturing firms. The results also showed that there was a moderating effect of formalized structure on the relationship between strategy implementation (program of budget and control of resources) and performance of the manufacturing firms measured by Return on Equity (ROE).

Ali (2017) carried out a study on effect of firm size on the relationship between strategic planning dimensions and performance narrowing down on establishing the moderating effect of firm size on the relationship between strategic planning dimensions and firm performance. The study revealed that strategic planning analyzed through the dimensions of management participation, functional integration, strategic orientation and strategic control were significant and positively related to firm performance. However, firm size, was not found to moderate the relationship between strategic planning dimensions and firm performance in the manufacturing firms in Kenya. Thus, emphasis on specific strategic planning dimensions that contributes positively to both large firms and small firms despite their difference in resources and development levels. These studies contradict the current study that seeks to investigate on moderating effect of firm size on the relationship between strategy implementation drivers and performance. Various studies have singled out that, size is considered as one of the most essential characteristics of firms in explaining profitability (Serrasqueiro and Nunes, 2008; Lee, 2009; Isik and Tasgin, 2017). However, as Isik, Unal and Unal (2017) realized, the question as to whether higher or lower firm size optimizes the firm's profitability continues to be discussed in the theoretical and empirical literature. Besides, the documented literature has offered varying outcomes on the implications for the size-performance relationship given the optimal size of the firm (Becker-Blease, Kaen, Etebari and Baumann, 2010). Nzioka (2013) concluded that firm size allows for incremental advantages because the size of the firm enables it to raise the barriers of entry to potential entrants as well as gain leverage on the economies of scale to attain higher profitability.

The link between firm size and performance has been contentious since the days of Gibrat (1931) hypothesis, described that firm's growth rate is independent of its size. Palangkaraya, Stierwald and Yong (2005) in their study showed that larger and older firms were less productive, but found the evidence less than conclusive. In more recent studies, however, a positive relationship has been established between the size of the firm and profit. Akinyomi et al. (2013) in their study found that firm size, both in terms of total assets and in terms of total sales, has a positive effect on the profitability in Nigerian manufacturing companies. Accordingly, Cabral and Mata, (2003) in their study of Portuguese manufacturing firms validated the view that availability of more accurate and complete data set has been adduced as the reason for the conflict between what was previously held as independent relationship between firm size and growth and new findings that there is positive relationship.

Wu (2006) and Prasetyantoko and Parmonon (2012) argued that larger firms have stronger competitive capability than the smaller ones as a result of their superior access to resources. Kannadhasan and Nandagopal (2009) examined the role of firm size as a moderator on the performance and strategy relationship and found there is a statistically significant relationship among strategy, firm size and performance of Indian automotive companies. Firm size has been acknowledged to play a moderating role for relatively smaller firms when they are internationalizing, size has its biggest impact when relatively smaller SMEs acquire international knowledge and experience. In the study, in order to identify contingent factors that interact in the strategic planning dynamics firm size was investigated as moderator in the relationship between strategic planning dimensions and performance of manufacturing firms in Kenya.

1.3. Conceptual Framework

The general objective of this study was to determine the moderating role of factory size on the relationship between the strategy implementation drivers and the performance in tea processing factories in Kisii County and whether successful implementation of strategies enhances performance. This is conceptually and diagrammatically represented in figure 1 below:

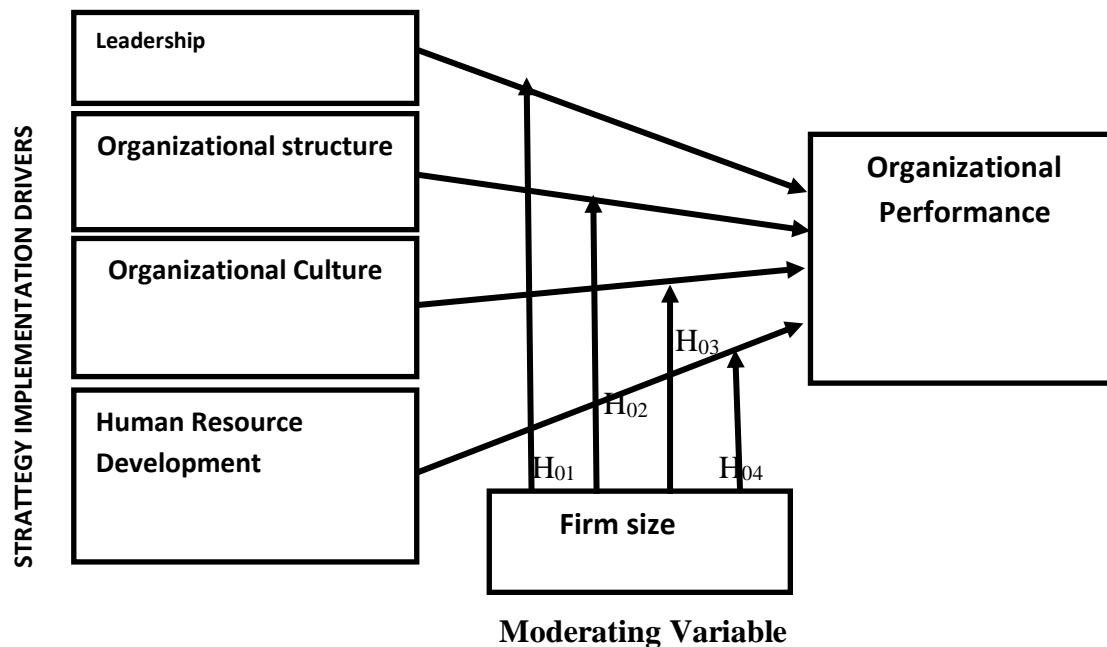


Figure 1: Conceptual framework

1.4 Study Hypotheses

Based on the conceptual framework in Figure 1, the following hypotheses were addressed.

- H₀₁: Factory size has no moderating effect on the relationship between leadership and Performance
- H₀₂: Factory size has no moderating effect on the relationship between organizational Structure and performance
- H₀₃: Factory size has no moderating effect on the relationship between organizational culture and performance
- H₀₄: Factory size has no moderating effect on the relationship between human resource development and performance.

2. Research Methodology

This study used a combination of descriptive survey research design, correlation and explanatory research designs and was based in Kisii County. The target population of the study was 846 employees of the five tea processing factories in Kisii County as at 2018 comprising 179 from Kiamokama, 120 from Itumbe, 200 from Nyankoba, 187 from Nyamache and 160 from Ogembo Tea Factory. The sample size of the study was 271 employees of the five tea factories in Kisii County comprising 57 employees from Kiamokama, 40 employees of Itumbe, 64 employees of Nyankoba, 59 employees of Nyamache and 51 employees of Ogembo tea factory. The sample size of 271 was obtained following the formula by Yamane (1967) and as contained in Simeyo et al. (2011).

$$n = \frac{N}{1 + N(e)^2} = \frac{846}{1 + 846 \times 0.05^2} = 271$$

Where n is the sample size, N is the target population and e is the level of precision such that

The study employed both stratified sampling and simple random sampling to select the required sample in which the unit for stratification was the tea factories. Primary quantitative data was collected using a structured questionnaire which was pre-tested to ensure its face validity. Cronbach’s Alpha was used to test for the internal consistency of the constructs for leadership, organizational culture, Organizational structure, Human resource development, Factory size and Performance. Respective values of Cronbach Alpha for each of the constructs were 0.809, 0.779, 0.823, 0.800, 0.741, 0.707. Since the values were all greater than 0.7, the questionnaire items were considered more reliable (Ngugi, 2013).

Multiple regression analysis models below were used to determine the quantitative association between the variables:

Direct Effects

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \dots \dots \dots \text{Model 1}$$

β0 - β5 are coefficient of regression

X1 = Leadership

X2 = Organizational Structure

X3 = Organizational culture

X4 = Human Resource development

ε = error term

Y = Performance

In determining the moderation effect of firm size, the study adopted the procedure recommended by Baron and Kenny (1986). In the first part, hierarchical regression analysis. In this case the changes in R2 and the ANOVA values, changes in the regression coefficients and changes in significance were used to determine the moderating effect of factory size.

Moderated Effects

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_1 * M + \varepsilon \dots \dots \dots \text{Model 2}$$

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_6 X_2 * M + \varepsilon \dots \dots \dots \text{Model 3}$$

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_7 X_3 * M + \varepsilon \dots \dots \dots \text{Model 4}$$

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_8 X_4 * M + \varepsilon \dots\dots\dots \text{Model 5}$$

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_1 * M + \beta_6 X_2 * M + \beta_7 X_3 * M + \beta_8 X_4 * M + \varepsilon \dots\dots\dots \text{Model 6}$$

Where

$\beta_0 - \beta_8$ are coefficient of regression

M = Factory Size (Moderator)

$\beta_5 X_1 * M - \beta_8 X_4 * M$ Are interaction terms

According to Baron and Kenny (1986), the moderator effect exists if the interaction term is statistically significant.

3. Results

3.1 Moderation Effect of factory size on the relationship between Leadership and performance of tea processing factories

The results of the Hierarchical regression analysis for model 1 and model 2 measuring the moderating effect of factory size when used as an interaction variable on the relationship between leadership and the performance of tea processing factories was as presented on Table 1.

Table 1: Moderation Results based on Models 1 and 3:

Variables	Model 1	Model 2
	Perf.	Perf.
(Constant)	1.024	2.788***
LS	.101**	-.018
OS	.062**	.057*
OC	.103**	.065***
HR	.241**	.220***
LS*M		.005***
R ²	.561	.639
F-Value	61.889***	68.379***

*p<.05, **p<.01, ***p<.001

Source: Research Study

The value of R^2 for model 3 was 0.639 which implies that the drivers of strategy implementation together with the interaction between firm size and leadership contributed 63.9% to the change in performance of tea processing factories. Compared to the R^2 of 0.561 for model 1, it is established that the inclusion of the interaction term for firm size and the leadership increases the amount of variation in performance that can be explained by the independent variables by 7.8%. The F-value shows that the model with the interaction between leadership and factory size was significant in explaining the variability of the performance of tea processing factories ($F=68.379$, $p<0.05$). There was an increase in the F-value from 61.889 to 63.639 indicating that inclusion of factory size as an interaction variable enhances the goodness of fit of the model.

Hypothesis five ($H0_1$) stated that firm size has no moderating effect on the relationship between leadership as a strategy implementation driver and performance. **Findings in Table 1 shows that** the regression coefficient of the interaction term between leadership and factory size is statistically significant ($\beta = .005, p < .05$). This finding rejected the stated null hypothesis with 95% confidence level hence it is concluded that factory size has a moderating effect on the relationship between leadership and performance.

3.2 Moderation Effect of factory size on the relationship between organizational structure and performance of tea processing factories

Hypothesis five ($H0_2$) states that firm size has no moderating effect on the relationship between organizational structure as a strategy implementation driver and performance. The results of the analysis are presented in table 2

Table 2: Moderation Results based on Models 1 and 3:

Variables	Model 1	Model 3
		Perf.
(Constant)	1.024	2.665***
LS	.101**	.079***
OS	.062**	-.042
OC	.103**	.059***
HR	.241**	.217***
OS*M		.006***
R^2	.561	.629
F-Value	61.889***	65.574***

* $p<.05$, ** $p<.01$, *** $p<.001$

Findings in Table 2 shows that the regression coefficient of the interaction term between organizational structure and factory size is statistically significant ($\beta = 0.006, p < .05$). This finding rejected the stated null hypothesis with 95% confidence level hence it is concluded that factory size has a moderating effect on the relationship between organizational structure and performance. However, the relationship between organizational structure and performance is weakened by the presence of factory size as a moderator and the nature of the effect of organizational structure is also made negative by the moderating effect of firm size.

The value of R^2 for model 4 was 0.629 which implies that the drivers of strategy implementation together with the interaction between firm size and organizational structure contributed 62.9% to the change in performance of tea processing factories. Compared to the R^2 of 0.561 for model 1, it is established that the inclusion of the interaction terms increases the amount of variation in performance that can be explained by the independent variables by 6.8%. The F-value shows that the model with the interaction between organizational structure and factory size was significant in explaining the variability of the performance of tea processing factories ($F=65.574, p<0.05$). There was an increase in the F-value from 61.889 to 65.574 indicating that inclusion of the interaction term enhances the goodness of fit of the model.

3.1 Moderation Effect of factory size on the relationship between Organizational culture and performance of tea processing factories

Hypothesis five ($H0_3$) states that firm size has no moderating effect on the relationship between organizational culture as a strategy implementation driver and performance.

Table 3: Moderation Results based on Models 1 and 4:

Variables	Model 1	Model 4
	Perf.	Perf.
(Constant)	1.024	2.431 ^{***}
LS	.101 ^{**}	.083 ^{***}
OS	.062 ^{**}	.075 ^{**}
OC	.103 ^{**}	-.022
HR	.241 ^{**}	.223 ^{***}
OC*M		.004 ^{***}
R^2	.561	.619
F-Value	61.889 ^{**}	62.767 ^{**}

* $p < .05$, ** $p < .01$, *** $p < .001$

Findings in Table 3 shows that the regression coefficient of the interaction term between organizational culture and factory size is statistically significant ($\beta = 0.004, \beta < 05$). This finding rejected the stated null hypothesis with 95% confidence level hence it is concluded that factory size has a moderating effect on the relationship between organizational culture and performance. The relationship between the interaction term between culture and firm size is positive implying that increased interaction between the two increases the performance of tea factories. However, the relationship between organizational culture as a strategy implementation driver and performance is weakened by the presence of factory size as a moderator and its effect which was positive in model 1 becomes negative in model 3.

The value of R^2 for model 4 was 0.619 which implies that the drivers of strategy implementation together with the interaction between firm size and organizational culture contributed 61.9% to the change in performance of tea processing factories. Compared to the R^2 of 0.561 for model 1, it is established that the inclusion of the interaction terms increases the amount of variation in performance that can be explained by the independent variables by 5.8%. The F-value shows that the model with the interaction between organizational culture and factory size was significant in explaining the variability of the performance of tea processing factories ($F=62.674, p<0.05$).

3.4 Moderation Effect of factory size on the relationship between Human resource development and performance of tea processing factories

Hypothesis five ($H0_4$) states that firm size has no moderating effect on the relationship between human resource development as a strategy implementation driver and performance. The results of the study are shown in table 4.

Table 4: Moderation Results based on Model 5:

Model		Unstandardized		Standardized Coefficients	t	Sig.
		Coefficients				
		B	Std. Error	Beta		
1	(Constant)	3.018	.664		4.548	.000
	LS	.076	.017	.198	4.422	.000
	OS	.058	.025	.115	2.325	.021
	OC	.056	.012	.213	4.741	.000
	HR	.052	.039	.092	1.320	.188
	HR*M	.009	.001	.499	6.826	.000

a. Dependent Variable: Perf

Findings in Table 4 shows that the regression coefficient of the interaction term between human resource development and factory size is statistically significant ($\beta = .009, p < .05$). This finding rejected the stated null hypothesis with 95% confidence level hence it is concluded that factory size has a moderating effect on the relationship between human resource development and performance.

The value of R^2 for model 5 shown in table 4 indicate that the coefficient of determination was 0.646 which implies that the drivers of strategy implementation together with the interaction between firm size and human resource development contributed 64.6% to the change in performance of tea processing factories. Compared to the R^2 of 0.561 for model 1, it is established that the inclusion of the interaction terms increases the amount of variation in performance that can be explained by the independent variables by 8.5%.

Table 5: Model Summary

Model	R	R^2	Adj. R^2	SE	Change Statistics				
					R^2 Change	F Change	df1	df2	Sig. Change
1	.804 ^a	.646	.637	.92583	.646	70.465	5	193	.000

a. Predictors: (Constant), HR*M, LS, OC, OS, HR

Table 6 shows the F-value for the model with the interaction term between human resource development and factory size. The results show that the F-value obtained was significant at 5% level of significance ($F=62.674, p<0.05$) implying that the model was a good-fit in explaining the variability of the performance of tea processing factories

Table 6: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	302.004	5	60.401	70.465	.000 ^b
	Residual	165.434	193	.857		
	Total	467.437	198			

a. Dependent Variable: Perf

b. Predictors: (Constant), HR*M, LS OC, OS, HR

3.5 Overall Moderation Effect of factory size on the relationship between Strategy Implementation Drivers and performance of tea processing factories

Model 6 combines the interaction terms between firm size and leadership, firm size and organizational structure, firm size and organizational culture and firm size and human resource development and measures the overall moderating effect of firm size on the relationship between strategy implementation drivers and performance of tea factories. The results of the study are shown in table 7.

Table 7: Moderation Results based on Model 6:

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.355	.652		5.145	.000
	LS	-.088	.076	-.228	-1.150	.252
	OS	.301	.102	.595	2.941	.004
	OC	.170	.050	.646	3.425	.001
	HR	-.212	.119	-.375	-1.792	.075
	LS*M	.009	.004	.748	2.174	.031
	OS*M	-.014	.006	-.975	-2.543	.012
	OC*M	-.006	.003	-.638	-2.442	.016
	HR*M	.024	.006	1.326	3.786	.000

a. Dependent Variable: Perf

Findings in Table 7 shows that the regression coefficient of the interaction terms between firm size and the strategy implementation drivers: leadership ($\beta_5 = .009, p < .05$), organizational structure ($\beta_6 = -.014, p < .05$), organizational culture ($\beta_7 = -.006, p < .05$), and human resource development ($\beta_8 = .024, p < .05$) were all statistically significant at 5% level of significance. This implies that factory size has a moderating effect on the relationship between the strategy implementation drivers and performance.

The value of R^2 for model 6 shown in table 8 indicate that the coefficient of determination was 0.672 which implies that the drivers of strategy implementation together with the interaction terms contributed 67.2% to the change in performance of tea processing factories. Compared to the R^2 of 0.561 for model 1 without the interaction terms, it is established that the inclusion of the interaction terms increased the amount of variation in performance that can be explained by the independent variables by 11.1%.

Table 8: Model Summary

Model	R	R ²	Adj. R ²	SE	Change Statistics				
					R ² Change	F Change	df1	df2	Sig. Change
1	.819 ^a	.672	.658	.89892	.672	48.558	8	190	.000

a. Predictors: (Constant), HR*M, LS*M, OC*M, OS*M, HR, OC, LS, OS

Table 9 shows the F-value for the model with the interaction term between the strategy implementation drivers and factory size.

Table 9: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	313.905	8	39.238	48.558	.000 ^b
	Residual	153.533	190	.808		
	Total	467.437	198			

a. Dependent Variable: Perf

b. Predictors: (Constant), HR*M, LS*M, OC*M, OS*M, HR, OC, LS, OS

The results show that the F-value obtained was significant at 5% level of significance (F=48.558, p<0.05) implying that the model was a good-fit in explaining the variability of the performance of tea processing factories. However, compared to model 1, it is established that inclusion of all the four interaction terms lowers the goodness-of-fit of the resultant model. This is a result of high variability of the model due to the many regression parameters to be estimated compared to those in model 1.

The findings of this study concurred with studies by (Serrasqueiro and Nunes, 2008; Lee, 2009; Isik and Tasgin, 2017). Who have singled out that, size is considered as one of the most essential characteristic of firms in explaining profitability. Nzioka (2013) was also in agreement that firm size allows for incremental advantages because the size of the firm enables it to raise the barriers of entry to potential entrants as well as gain leverage on the economies of scale to attain higher profitability.

However far from Factory size as a moderator in this study, Mahdan, Mohamed, Kahtani and Ismael (2012) studied on the relationship between strategy implementation and performance of manufacturing firms, greatly emphasized on the moderating role of formality structure.

4. Conclusion

The study concludes that firm size has a significantly moderating effect on the relationship between the combined strategy implementation drivers and performance. However the study concludes that firm size has different moderating effect on the relationship between individual strategy implementation drivers and performance of tea processing factories. The relationship between organizational culture and organizational structure as a strategy implementation drivers and performance are weakened by the presence of factory size as a moderator. The nature of the effect of organizational structure is also made negative by the moderating effect of firm size.

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