INFLUENCE OF STRATEGIC MANAGEMENT APPROACHES ON CORPORATE PERFORMANCE AT EAST AFRICAN BREWERIES LIMITED

BY

NYUKII ESTHER MUMBI

A Dissertation Submitted To The Faculty Of Business & Communication Studies In Partial Fulfillment Of The Requirements For The Award Of Master Of Business Administration Degree (Strategic Management And Leadership Option) Of St. Paul's University

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DECLARATION

This dissertation is my original work and has not been presented for any academic work or other award in any other University. No part of this dissertation should be reproduced without authority of the author or/and of St Paul's University.

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DEDICATION

This dissertation is dedicated to my Parents Mr. and Mrs. Nyukii for their support and encouragement throughout the dissertation.

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LIST OF ABBREVIATIONS AND ACRONYMS

EABL	East African Breweries Limited
GTI	General Theory of Innovation
KBL	Kenya Breweries Limited
RBV	Resource Based View
SWOT	Strengths, Weaknesses, Opportunities and Threats
UBL	Uganda Breweries Limited
NACOSTI	National Commission of Science Technology and Innovation

ABSTRACT

The purpose of this study was to establish the influence of strategic management approaches on corporate performance at East African Breweries Limited. The study was guided by three specific objectives: to determine the influence of strategic out-sourcing, to evaluate the influence of strategic resource management and to assess the effect of innovation in achieving Corporate performance. The study was supported by general theory of innovation, resource dependence theory and resource based view theory. The study adopted a case study research design. A sample size of 132 was drawn from the targeted population of 1700 employees. The study adopted a simple random sampling technique. The data collection procedures used was a "drop- and- pick later" technique and by use of a semi-structured questionnaire. Due to the data being qualitative and quantitative in nature, the study used content analysis, descriptive statistics; frequencies and percentages; and inferential statistics to show relationship between the study variables. Data was presented in form of tables and figures for easy understanding of the results. The study found all the independent variables positively related to the dependent variable. The study recommends that since strategic outsourcing was established as a critical factor affecting corporate performance, the top management of East Africa Breweries Ltd should ensure its full implementation for corporate performance. The human resource departments need to strengthen their strategic human resource components.

CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

Strategic management is a concept that was crafted for individual competitive firms (Knights & Morgan 2000). Strategic management is rooted from the military parlance of the eighteenth century. Clausewitz (1956) argued that war and business competition have the commonality of: attacking a clear exposure, overwhelming a selected market segment, building a bridge head in that market and, regrouping and expanding from that base to dominate wider areas. Clausewitz posited that strategy has the interest of defeating enemies. Neumann and Morgenstern (1947) were the first modern scholars to develop the concept of strategy for business, applying the tools of game theory to model interactions among small numbers of firms. Ansoff (1965), in an early effort to provide coherence to strategy as field of scholarly study, viewed it as the necessary extension of managerial control from the internal to the external environment.

Strategic management decisions concern with the way organizations choose to manage resources (Barney, 1991) in regards to a changing environment through a co-evolutionary process (Lewis & Volberda 1999) in order to achieve long term performance. The businesses of the twenty first century irrespective of its size, is affected by social change, events and pressures from around the world (Ofunya, 2013). This is so because the business environment, in which firms operate in, is dynamic and turbulent with constant and fast paced changes.

A dynamic environment refers to degree of market variation and processes of product and technology development (Buganza, Dell'Era & Verganti, 2009). A turbulent environment is one which the results of organizations' actions cannot be predicted (Stigter, 2002). The consequences of changes in the business environment are rendering yester-years strategies irrelevant (Olanipekun, 2014). Olanipekun, Abioro, Akanni, Arulogun & Rabiu (2015) contend that the discontinuous and turbulent nature of business environment makes it important for organizations to adopt strategic management approaches to be at alert to environmental turbulence.

In recent years, as argued by Melchorita (2013), the hypercompetitive business environment has pushed organizations to limits, dictating the need to adopt strategic

management and strategic management approaches that support plans, choices and decisions that can result in success, profitability, wealth creation and competitive advantage. Sharabati & Fuqaha (2014) opined that in the globalization era, strategic management has been considered as the most important practice which distinguishes organizations from each other. In conclusion, Sharabati & Fuqaha (2014) point out that any organization, whatever they are or/and whatever they do, should have strategic management practices to ensure that they fit within their environment. O'Reagan, Sims & Gallear (2008) further opined that a turbulent environment requires unique strategies for organizations to survive the relentless changes faced in terms of performance.

Afonina (2015) point out that numerous literature and findings have focused on the relationship between strategic planning and performance but only few studies look at the relations between strategic management approaches and performance. Indiatsu, Mwangi and Mandere (2014) on the other hand argue that utilization of strategic management and its approaches influences organizational performance. On contrary, Efendioglu & Karabulut (2013) point out that there is no clear relationship between strategic management techniques and organizational performance. It is in view of this fact that this study puts an effort to fill gaps in the literature.

1.1.1 Strategic Management

Strategic management is the process of making and implementing key decisions of an organization guided by its mission and targeted towards achieving its vision and the set objectives (Kwame, 2012). Strategy helps an organization gain competitive advantage by being different– delivering unique value, geared towards the customer, having a clear, measurable and legal view of how to position the organization uniquely in an industry (Porter, 1996). It is the art and science of formulating; implementing and evaluating cross-functional decisions that enable an organization achieve its objectives. Therefore, strategic management is the key process to achieve organizational vision, strategy and objectives.

In the globalization era, strategic management is deemed as an important practice which distinguishes organizations from each other's (Sharabati & Fuqaha, 2014). Strategic management addresses three fundamental areas: strategy formulation, implementation, and evaluation and control (Hofstrand, 2013). Strategic management entails a series of

managerial decisions made and implemented in order to ensure long-term performance of a company (Aremu & Oyinyole, 2014). It requires reasonable flexibility as too much rigidity may stifle a company that fails to change with the dynamic business environment and emerging technology. An organization's goal of strategic management is to gain competitive advantage and increase their corporate performance. In order to achieve this, the organization needs to provide products and services that have value for money and satisfies consumers' needs. Thinking through the overall mission of a business is the prime task of strategic management (Drucker, 1974).

Strategic management approach (s) is a subsection of an organization that is part of the entire capabilities and systems of an organization that aligns itself with other subsections for complete functioning (Woods, Sterns, Ricks & Bitsky, 1998): it includes an analysis of strategic internal resources, skills, abilities and core competencies. Microscopic analysis of individual subsections of an organization is important in order to recognize the capabilities that enhance performance (French, 1974). Strategy should comprehensively encompass all organizational activities form management to operations/production (Chandler, 1962). The key obstacles in adopting full-fledged strategic management approaches in the organization includes inflexible senior staff, difficulties in motivating people to follow the strategies in a culture where everything is expected to be initiated from the top due to insufficient skill and knowledge to implement the strategic management plans, and insufficient environment assessment. The emphasis in strategic management approaches tends to be more focused on a future time horizon. The set of managerial decisions and actions determine the long-term performance of the firm (Wheelen & Hunger 2006). Ideally, strategic management attempts to achieve future goals by linking strategic initiatives to operational processes. Strategic management approaches require commitment to a long-term organizational perspective.

Frequent changes in government policy, incapable staffs and resources constraints are the obstacle in adopting strategic management and its approaches in private firms. There should be a combination of end goals and the means to get there (policies) in a firm (Porter, 1980). As with every industry, strategic management approaches in the brewing industry requires brainstorming and research, a thorough environmental analysis and ways of mitigating risk and threats. Following this, decisions are made on which way is suitable not only for the industry but companies within the industry. Strategic

management and its approaches are proactive as it predicts impending change and caters to it beforehand (Hofstrand, 2013).

1.1.2 Corporate Performance

Performance can be defined as meeting a goal (Daft, 2000). It is the accomplishment of a given task measured against present known standards. Its measure is used to evaluate the relative success of a firm. Yuchtman and Seashore (1967) defines corporate performance as the ability of an organization to secure scarce and valued resources. Performance outcomes result from success or market position achieved. Corporate performance continues to be a theme in recurrent research in terms of how it is measured and its definition (Barney, 1991). How well an organization implements its policies and programs and accomplishes its strategic intent in terms of its mission and vision is of paramount concern. Corporate performance is equal to how efficient and effective a certain activity in an organization is (Javier, 2002). Corporate performance means attainment of ultimate objectives of the organization as set out in the strategic plan. Corporate performance is a vital build to strategic management (Combs, Crook & Shook 2005).

Managers in both private and public organizations are becoming increasingly aware that a critical source of competitive advantage often come from indigenous product and services, best public relations strategy state-of-the-art technology and having an appropriate system of attracting and managing the organizations human resources. Profit maximization and wealth creation remain the main aim of any business entity. Kirika (2013) states that most firms prefer to measure their performance by financial indicators. Kantor (2001) on the other hand looked at the measure of performance in a firm is indicated by market share, satisfaction of the stakeholder, profitability, growth, competition position and productivity. However, the financial bit of a firm cannot be said to be the only element that will measure corporate performance. Internal processes need to integrate well for the benefit of the firm, the human relations, the rational goals put in place and the systems that variables work in (Chesbrough, 2010).

1.1.3 Alcoholic Beverage Industry in Kenya

Alcoholic beverage companies play a role in a country's economic growth. They generate revenue to the government through taxes; create employment to the locals

in the product manufacturing, packaging and distribution to the retail outlets. The alcoholic beverages companies have significantly grown in Kenya. This has resulted to stiff competition as each company wants to dominate; as it results to profitability, higher market share and growth (Mwangulu, 2014). Companies have therefore been forced to craft strategies in order to sustain or grow their market share, expand to new territories or markets, acquire new technologies, and reduce costs and risks (Oliver, 1995).

Kenya has 9 alcoholic beverage companies that deal with the production of beer both locally and imported brands; with East African Breweries Limited being the dominate player in the beer production industry (Beershara, 2016). It has not been an easy task for EABL. There is continued prediction of the future through continuous scanning of the environment. This scanning involves studying and interpreting social, economic, ecological, legal, cultural and technological events. Environmental scanning raises a manager's awareness of potential developments that could have an impact on industry posing opportunities and threats.

Kenya is self-sufficient in beer and barley and has remarkably invested in all the East African countries commanding the highest market share within the region. This has been possible due to strategic management and strategic management approaches adopted as a way of confronting stiff competition (Dugguh & Terzungwe, 2014). Jorge & Rabechini (2011) posited that operational excellence is a product of Innovation and innovation processes. Innovation describes how inputs (what they are, what they cost, where they come from, how they got to us) are processed (by technologies, by whom; human capital, with what quality, in what timeframe, with what economy) into those outputs (of what variety and quality, at what cost, how they get to the customer). The choices involved are myriad and they are important, as these very decisions determine the quality, cost and delivery of the product (Holweg, 2015). Davenport and Prusak (1998) also noted that the greatest driver for sustained Competitive advantage and good performance in a firm is the resource management that the firm owns. Due to the increasing number of alcoholic beverage industries, the industries tend to lean on outsourcing for operational reduction of costs (Rodrigo 2016).

1.1.4 East African Breweries Limited

The inception of the brewing industry in Kenya can be attributed to two British brothers back in 1922 when they brewed their first beer and decided to make their brewing business public. Before the British Brother went into brewing the Alcoholic Beverage, consumption of traditionally made brew is what was consumed. This company went on to become East African Breweries Limited and remains the largest brewing company in Kenya while also occupying significant market share in the African region. EABL is based in Kenya and manufactures branded spirits, beer and some non-alcoholic beverages. The company has its headquarters in Ruaraka; Nairobi, Kenya. It also has subsidiaries in Tanzania, South Sudan and Uganda and has partnerships with brewing companies in Rwanda, Burundi and Democratic Republic of Congo.

EABL was initially known as Kenya Breweries Limited. It was upon their acquisition of Tanganyika Breweries that it changed to EABL in 1936 (East Africa Breweries Limited, 2017). Over the years, the holding company has continued to expand and have increased market share. EABL is known for its main brand 'Tusker' which is consumed largely both in the local market and international market. Tusker is an alcoholic beverage that contains more than a minimal amount of Ethanol or Ethyl alcohol. A process called fermentation is what is used to make the beer by adding yeast; fermentation results in two substances i.e. ethanol and carbon dioxide. It got (Tusker) international recognition in 1925 through advertisements (posters and newspapers) and also cinema slides used back in the day. EABL became a Public company in 1934 due to the increased number of shareholders with the first bonus share being issued in 1931. From 1937 to- date it went on being the top brewery facing competition both locally and internationally; forming mergers (Allsopps East Africa Limited) (EABL, 2018).

It has been named 'The Most respected company in East African Region' for five years on running between 2000-2005: It has been named most transformed company in the Diageo Global 'Plant of the Year' awards just to mention but a few of the awards. EABL is owned by Diageo; being the majority shareholder and Nairobi Stock Exchange; and other individual parties (EABL, 2018). Composition of EABL runs from Board of Directors (both executive and non-executive), Board committees, senior management and lower level management. Appendix II shows the Board of Directors structure

1.2 Statement of the Problem

Corporate performance is a sensation which must be attended to and managed well if organizations are to have long-term survival and thrive. Change in technology, quality of products and consumption rates and workforce demographics have had adverse effects in the product, processes and services. The culmination of these forces has resulted to unpredictability in organization performance and existence (Burnes 2004). Organizations nowadays are operating in a turbulent environment and as such are in the constant quest for measures that will assure them of progressive corporate performance (Dodds 2003). Corporate performance is unique to each organization. It is based on the idea that an organization will voluntary associate itself to that which it considers productive and has value creation (Alchain & Demsetz, 1972; Barney, 2002).

EABL is not exempted from this turbulence. A turbulent environment requires strategies that solve the problems to specification (Drucker, 1974). In the aim to fully understand the stakes operations of a business, defining the market and business is important. Cook (2010) stated that there is need to modify processes and procedures in business in order to achieve corporate performance and stay ahead of competitive surroundings. EABL operates in a dynamic environment and turbulent environment. It is faced with change in customer needs, change in technology and ecological changes that affects its objectives. Dynamicity in a business environment influences the need for rapid change due to unpredictable performance estimation (Rob, 2013).

For change, management needs to learn more about its capabilities. EABL needs to fully understand the turbulent environmental changes that would affect performance. Continuous learning ensures long-term organizational performance (Jafarnejhad & Shahaei, 2007). The need for EABL to leverage its resources is crucial. Concentration towards innovation, resource management and provision of high quality products is crucial in order to excel in a turbulent environment (Hendor, 2010). Innovation in the products, processes and strategy is crucial to stay ahead of competition and deliver quality products to the consumers. For relevance and survival, innovation is a critical measure (Kirika, 2013).

Turbulent environment provides both challenges and opportunities in organizations. The success will depend on the organizations ability to adjust to the relevant environment (Wren & Bedeian 2009). Turbulence represents a process that alters the impact of the independent variables on the firm's performance (Wang & Fang 2012): it also moderates the relationship between strategic management, strategic management approaches and a firm's performance. It is in this view that this study sought to find the influence of strategic management approaches on corporate performance in EABL?

1.3 Research Objectives

1.3.1 General Objective

To investigate the influence of strategic management approaches on corporate performance at East African Breweries Limited.

1.3.2 Specific Objectives

The objectives of the study were:

i. To determine the influence of strategic outsourcing on corporate performance of East African Breweries Limited.
ii. To evaluate the influence of strategic resources management on corporate performance of East African Breweries Limited.
iii. To assess the influence of innovation on corporate performance of East African Breweries Limited.

1.4 Research Questions

This study was guided by the following research objectives.

i. What is the effect of strategic out-sourcing on corporate performance of East African Breweries Limited?
ii. How does strategic resources management affect corporate performance of East African Breweries Limited?
iii. What is the effect of innovation on corporate performance of East African Breweries Limited?

1.5 Significance of the Study

The study would be of importance to a number of interest group starting off with the management of EABL. The study would enable the management to have an in-depth understanding of their activities and would act as a reference point as well as for recommendation of areas they can improve on.

The outcome of this study would be helpful to the Practitioners in the alcoholic beverage industry; and as a reference point (via thorough scanning the organizations ,investigation and analysis of their own systems) to other organizations on various strategies that best fit them, that would increase corporate performance and record desirable performance.

The study would also be useful to Researchers and Academicians, in providing useful information to help in acquiring a better understanding of strategic management, strategic management approaches and corporate performance in Kenyan organizations. By complementing already existing literature on the subject of strategic management, the study would be a useful platform for anyone interested in undertaking further research on the subject. The study would also provide useful information that could either prove or disprove the various theories discussed in the literature review in the following chapter.

The study would be beneficial to suppliers in learning the strategic direction of a company for improve-on-relation purposes. In addition, they could also learn how the strategies would impact them, certainties and threats posed to them. Lastly, the results of this study would provide a reference point to assist policy makers in the brewing industry, and the Government. In assessing the current policies on alcoholic beverages, they would be able to amend those that may be repressing the industry or hindering its growth while not necessarily benefitting the citizenry.

1.6 Scope of the Study

The study aimed to find out how the strategic management approaches; (strategic outsourcing, strategic resource management and innovation) would lead to corporate performance. Through this, the researcher was able to have an in-depth understanding of the strategic management approaches on corporate performance of East African Breweries Limited.

1.7 Limitations of the Study

The researcher foresaw a limitation with the respondents withholding information due to the study being qualitative and quantitative in nature; the respondents might feel like the study targets to know them personally with the questionnaire. However, the researcher was clear with the intended purpose of the study which was for academic purposes. The information was handled with utmost confidentiality.

Information gathered would neither be used to intimidate the respondent nor print a negative image about them or the organization. The researcher planned to handle this problem by carrying an introduction letter from the University and assured the respondents that the information they gave was to be treated with confidentiality and it was used purely for academic purposes.

The research was solely about EABL; thus, it could not be generalized as ideas that would work for other organizations that are in the alcoholic industry, venturing into the industry and organizations that want to increase corporate performance using the variables in this study. Ideas used in this research may not favor other organization as well as they favor EABL, thus they have to adopt their own strategies to enhance their performance.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This section reviews literature on various strategic approaches used by companies to improve their corporate performance. It will address theoretical foundations, strategic approaches and the challenges that EABL has experienced over the years.

2.2 Theoretical Review

Theoretical review aims at understanding and incorporating distinct phenomena, which allow for complete understanding of the core aspects of events. Thus, a theory can be defined as a network of paradigms that are related to one another, aimed at establishing a relationship between two or more variables (Mahoney, 2004).

The choice of a company to venture into various markets that are likely to have different economic environments as well as cultures takes a lot of thought and consideration due to the possible repercussions and long-term implications as well as the many factors that affect this. Various strategy formulation theories have been advanced on strategic management. A theory can be thus classified based on the difference in risk that it presents, the resources and level of commitment required and most importantly, the return on investment that they guarantee or promise. This study will look at three theories: General theory of innovation, Resource-based view theory and Resource dependency theory.

2.2.1 General Theory of Innovation

An organization should have the ability to adapt to both internal and external change (Burns & Stalker 1961, Hull & Hage 1982). Innovation stresses more on the ability of the organization to promote the strategy/ systems, products and processes. Innovation cannot be a one-sided understandable concept of making decisions in the firm only. Rather, it involves the interaction between a firm and its environment, with the environment being seen in levels of: interaction between; firms, and firms and its network of customers and suppliers (Kemp, 2000).

The General Theory of Innovation (GTI) was conceived in 1987 by Greg Yezersky while its foundation was laid out in 1988. The name General Theory of Innovation was

suggested by Dr. Noel Leon Rovira and adopted in 2005. The theory work was aimed at understanding the mechanisms that enable success and survival of organizations. “If one does not know to which port one is sailing, no wind is favorable”-Lucius Annaeus Seneca (AD 54-62). The aim of any business is value creation while creating a niche in the environment for sustainability. It is thus important for an organization to know which way they are sailing and what they are aiming at. Learned, replicated innovation results from analysis, systemic review and hard work (Drucker, 2008).

GTI was based on the principles that an organizations system (products, processes, systems/strategy) evolve overtime no matter how complex and rigid they are. This means that firms cannot ignore environmental demands thus have to adjust their direction (products, processes, strategy) for future changes. Under this theory, Yezersky in his study of GTI uncovered that for the evolution to take place there must be ‘Driver’ forces for the process to take place, including the Enablers. For the purpose of this research the ‘driving’ forces of change would be; turbulent environment, rising customer expectations in regards to quality of product, rise of many alcoholic industries and community needs for sustainable development. Enablers include Individuals (employees), Organization, Environment, Innovation projects. It is thus therefore important for firms and organizations to create a conducive culture for innovation to take place (Hamel, 2000).

Innovation is the basis and instrument which an organization uses to gain a competitive advantage against other firms and organizations. It can be defined as the technological, scientific, commercial and organizational activities necessary to create and implement and market new/improved products and processes. The Technology push theory supports the GTI theory. Technology push theory stipulates that technology pushes innovation (processes and products) in an organization. Herstatt and Lettl (2004) gave a definition of technology push theory as the change and introduction of new technology that acts as the driving force which organization use to have innovative products, processes and strategies which are solutions for market challenges.

“Why do we need Innovation?” One might ask; it is value creation. An organization that creates any great value for its respective market prospers while the competitors get what is left for them. It is not an easy task to stay afloat of competition thus the necessity of innovation in an organization. Innovation is a continuous process. No organization has the capacity to say that they have reached the peak of innovation and are satisfied with

the products, processes and strategies in place. They are in the constant quest to look for more ways to improve their products, processes and strategies so as to meet the needs of the consumers and have the profitability gaps that they have set. It is important for organizations to absorb more inputs in order to squeeze out more outputs (Fiol, 1996). Environmental scanning increases the absorptive capacity of an organization, it is by this the organization will be able to generate new ideas on products, processes and strategy innovation (Cohen & Levintahl 1990).

General Theory of Innovation supports the study because innovation is the basis that EABL has used since it became operational to gain a competitive advantage that leads to corporate performance. Their product, processes and strategies have evolved and keep evolving to fit the current environment so as to meet the demand that leads to corporate performance.

2.2.2 Resource-Based View Theory

A firm should be concerned with realizing how it can strategically fit in the environment (Porter, 1980). The exploitation of rare valuable resources in a firm is seen to be the main contributor to gaining a competitive advantage edge which in turn contributes to its performance (Newbert, 2008). Performance of a firm is determined by the resource that it has, which works for or against the firm in creating a sustainable competitive advantage (Hoffer & Schendel 1978). The basis of this theory is that competition of firms is done according to their resources and capabilities (Petraf, 1993).

Founded by Penrose (1959), it seeks to understand how competitive advantage is gained through exploitation of human asset. Penrose ascertained that it is the heterogeneity of resources that make each firm different from each other. The theory was later advanced by Barney (1991) who viewed resources as capabilities, processes, attributes, information and knowledge that a firm uses to achieve their strategic goals. It supports the concepts of resources in an organization (Wernerfelt, 1984). The theory suggests that a company makes profits and is able to sustain itself by using the resources in their possession. Barney (1991) states that resources are diverse in nature and they are imperfectly moveable. He also argued that firms that posses resources that are valuable, rare, inimitable and non-substitutable have the upper hand when trying to gain sustainable competitive advantage. RBV theory offers a firm a basis of competitive advantage primarily in the application of a bundle of valuable tangible (finance or physical) or

intangible (knowledge, skills, procedures and policies, brand name and reputation) resources at the firm's disposal (Kostopoulos, Spanos & Prastacos 2006).

RBV has gained much influence as a strategy because it strategically positions a company in a vantage position in the industry in which it competes (Roy&Aubert2001) .When applying RBV to a business, one should identify the key resources that a firm has and its internal capabilities. In identifing these resources, it determines the difference in organizational perfomance within the same industry .For a firm to fully benefit, exploit and enjoy these resources it should be well organized. EABL has a well organized structure to exploit these resources. It is with this that EABL ensures they are protected and harnessed in order to optimize organizational performance.The Resource Based Theory is a popular theory of performance providing a firm's management the important task of identifying, developing and deploying key resources in order to maximize on returns.EABL uses this to its advantage in creating a competitve advantage against other firms in its environment. The essential elements of resource based view is sustained competitive advantage and superior perfomance to other firms in te same line of production. Evaluation of firm's resources could lead to insights that differ from the traditional perspectives (Wenerfelt, 1984).An organization well-found with vast skilled resources will invest in strategic innovation(Lynch, 2007). RBV theory in this study has been used as it complements the variable strategic resource management and how EABL fully exploits its resources to have superior performance against it rival companies.

2.2.3 Resource Dependency Theory

Resource dependency theory came as a result of studying the composition of a board and how those that run an organization use their power and influence to manage their inter-organizational relations and dependence (Pettigrew, 1992). Having 'roots' from the open system theory, RDT states that organizations have an unpredictable dependence degree on the external environment particularly for the resources they require to operate. This unpredictability and dependence leads to the proactive management of the environment by an Organization (Pfeffer & Salancki 1978).

The purpose of the Dependency Theory can be said to explain the concept; a business relationship is that of exchange of resources with mutual dependency among the exchange partners. This means that the growth and survival of an organization would largely depend on the ability to secure critical resources from the external. (Pfeffer

&Salancki 1978); The Resource Dependency Theory was developed by the American business theorist Jeffrey Pfeffer and the American organizational theorist Gerald R. Salancki in the year of 1978; who further added more information for the previous scholars; (Emerson 1962, Blau 1964 & Jacobs 1974).

The relationship between the organizations is not free; there is an agreed upon transactional cost principle. Both the concept of dependency theory and transaction cost theory recognize the interdependency between exchange partners. The board is seen to be the means in management of the external dependency (Pfeffer & Salancki, 1978), reducing environmental uncertainty (Pfeffer, 1972) and the transactional costs associated with the environmental interdependency (Williamson, 1984). The prediction in the two is that it helps the organization when it comes to make- or –buy decision; the make-or-buy decision is influenced by an organization's power over its suppliers, the dependency of the organization on its suppliers, and the criticality of the resources sources from these suppliers (Malatesta & Smith, 2014).

An assessment is done for the make-or a buy- decision that enables an organization to determine whether the in-need resources have few suppliers leading to dependency of the resources providers'. It is important also for the organization to determine whether there is necessity to outsource the said resources due uncertainty of the existence and supply (Rodrigo, 2016). When an organization comes to the decision of outsourcing, it is critical that they choose a resource that has many suppliers and has no uncertainty. However, if the resource is scarce and only few suppliers have the access to it, it is important for organizations to come up with an alliance between the supplier (alliance partnership) guarded by policies and regulations that fit them both. The strategy management should asses the importance of the resource, comparing it to the financial implications on the organization and the availability of the suppliers.

It is crucial for an organization to have unique strategies when selecting and coping with suppliers. This is to reduce the rate of dependency and the risk of exploitation by either of the parties harming the relationship and not forgetting the repercussions. An organization should select a supplier that is of equal strength with the organization. Example, in this case study, EABL cannot choose a small scale supplier.one is stronger (EABL) than the other (small scale supplier). EABL would look for means and ways to exploit the supplier. The weak supplier will be forced to meet the demand of the buying organization

even when they are being manipulated. It is the duty of the board to form a strong link with the dependent supplier and in securing preferential access to critical resources (Selznick, 1949)

EABL employs the resource dependency theory as it depends on the external environment for resources whether tangible example maltings or/and intangible example skill or/and intangible (Human capital). There is commitment in out sourcing local raw materials ensuring supplies have sustainable partnership between farmers and the agri-business community (EABL, 2018). It outsources through careful scanning of the available suppliers in order to attain the best and not easily replicable resources for the production of their products. Resource Dependency Theory supports the study and the variable Strategic out sourcing.

2.3 Empirical Review

An organization's Corporate Performance cannot be measured only based on its popularity ignoring other strategic factors and the key performance indicators, for it to be seen as a top performer and actually 'feel it'; internal and external factors are taken into account. There is no Organization that can openly say that they it has a single strategy that they have not had to abort and adopted another for the company's benefit. This study looked at the following approaches in strategic management; strategic out-sourcing, strategic resources management and innovation.

2.3.1 Strategic Out-Sourcing and Corporate Performance

The term outsourcing has gone through a historical evolution in its definition from different scholars. Brookes, Haines and Wachira (2016) define it as the moving of an organizations, responsibilities, decisions and internal activities to outside provider. It is the delegation of operations or/and jobs to a third party who can do it better, faster and cheaper (Tayauova, 2012). Padron-Robaina and Rodriguez (2006) term it as the strategic decision that involves external contracting of business processes necessary for the manufacture of goods and services guided by agreements or contracts with higher capability firms to undertake those activities with the aim of improving competitive advantage.

Strategic out-sourcing has seen a shift from the tactical and non-essentials activities like payroll, security to strategic business operations such as manufacturing and logistics that are deemed to be vital in the performance of the organization (Chung, Jackson & Laseter 2007). Cost efficiency and production re-organization are considered to be the major drivers of strategic outsourcing (Franceschini, Galetto, Pignatelli & Varetto, 2003) with globalization shifting the way things were done in the past. Business operations like engineering, research and development, and design were never thought to be among services that could be out-sourced but in today's business they are (Deholff & Sehgal 2007). The underlying factor for strategic out-sourcing is the re-investment of the resources that could have been initially used. Strategic out sourcing is seen to be beyond the focus on cost reduction, and is seen to be an enabler of business growth and innovation (Cuoto & Davakaran, 2007).

With the help of globalization, the service industry has drastically grown incorporated with technological advancements that have created a new business competitive environment. Thus, there has been the buyer-supplier relationship/partnership which has increased performance and management capabilities (Lahiri, Kedia & Mukherjee, 2012). The close relationship between the buyer and supplier is seen to have the sharing of rewards and risk. For the buyer, it reduces the risk of having to spend a lot of money in buying its own products example transportation and services like security, and maintenance bit of it. This is done through an agreed upon contract. Organizations that rely on quality partnership with their suppliers are seen to be better prepared to adapt to unforeseen changes. They become in a better position of identifying and producing better solutions in the organization.

Even as organizations maintain and strengthen the buyer –supplier relationship, the overall goal should shift from being about just cost saving and finding a way of integrating this relationship with other activities and company strategies together has a great effect on the performance of the organization. For example, an organization will make the decision to have a certain consultancy firm as one of the advisors when they have projects that they cannot decipher, on a contractual basis under strict confidential policies and regulations. When a company has this information sharing between them, they have mutual understanding that make them evaluate and re-evaluate their strategies individually which prevent loses from either of the organization. It is thus a win-win

situation and symbiotic relationship. Symbiotic relationship is a crucial concept for organizations in surviving the competitive pressure that the environment has. EABL does strategic out-sourcing for its operations and as such has been able to remain a top performing organization among the alcoholic beverage industry in Kenya and East Africa. Strategic out-sourcing enables EABL not only to have a large network of raw materials, components, systems and modules, but also reduces the cost of production in terms of operations and inventory. Organizations that out-source enjoy high performance and subsequently have a competitive edge against other firms (Jain, Girotra & Netessine 2014).

2.3.2 Strategic Resource Management and Corporate Performance

Resources allow a business to achieve strategic goals and therefore generate sustainable competitive advantage which in turn has an effect on the performance of the organization (Hutchison-Krupat & Kavadias, 2012). Resources in an organization include human resource, financial resource and physical resource. Resources permit an organization to execute their strategy. They include core competencies, financial resources and assets, systems, employees, critical raw materials, intellectual property, positioning, and related assets that support their value chain. Hutchison-Krupat and Kavadias (2012) argues that when senior managers make the critical decision of whether to assign resources to a strategic initiative, they have less precise initiative-specific information than managers who execute such initiatives.

Musyoka (2014) argues resource management exercise in the organization is a core determinant of corporate performance. In the strategic resource allocations process, a firm embarks on resource planning and management to determining what resources such as materials, people and equipment are needed and the required quantities of each resource needed to implement various strategies successfully. It includes; cost estimating of the resources needed to accomplish each step of strategic implementation; cost budgeting which deals with allocating all cost estimates to stages and finally cost control aimed at controlling changes occurring to a budget. Kalondu (2013) argues without adequate resources management, the entire strategic process of an organization would not proceed as planned.

Musyoka (2014) emphasizes human resource as a key contributor to firm's bundle of resource and capabilities. Musyoka acknowledges that the most important resource of an organization is its people hence the need to be appropriate and have adequate human capital with goodwill to the strategy formulation and implementation. In allocating resources for strategic management, organizations need to commit the most appropriate people who have the proper expertise and skills for the task.

Hanin and Dania (2014) investigated efficient and strategic resource management for sustainable development. They recommend that resources should be managed and allocated according to priorities and objectives concept, objectives that are predetermined and integrated with a holistic vision. A review of the work of Choti (2016) on the effect of Strategic Planning on Performance of Healthcare Institution in Kenya revealed that strategic resource management affects performance and aids in understanding the functioning of a system while bringing to surface underutilized and unexploited potential areas in an organization.

2.3.3 Innovation and Corporate Performance

Peter Schumpeter is regarded to be the earliest and most significant person to engage with the concept of Innovation in 1934. Schumpter regarded innovation as the creative implementation of the new against a resistive force that is an everyday activity. Today's era, consumers are able to access information on the competing trends, features and quality without relying on the individual manufactures (Kotler, 2001). Consumers specify the kind of products they want; the prices and will also wait for the most eager seller to respond (Kotler, 2000). Innovation according to Drucker (1985) "Is change that creates a new dimension on performance." Thus, Innovation is the implementation of new ideas on products and service in order to come up with new ideas that satisfy the growing needs of consumer/customer who are crucial in the survival of the organization. It is a new method of /or a significantly improved way mode of operation.

There is a positive relationship between innovation and corporate performance (Loof& Heshmatt 2013). Corporate performance is measured by sales, return of assets and productivity in relation to innovation of new products, processes and strategies. Firms prone to innovation enjoy outstanding performance as compared to those that don't (McAdam & Keogh, 2004). Innovation plays a crucial role in achieving outstanding

performance, it doesn't matter whether an organization is big, medium, small or/micro (WladawskyBerger, 2008). It is an effective means in progressing business productivity should there be limitation in resources (Ruttan, 1984).

As the business world continues to grow and change, no entity can ignore the need for constant innovation and if they do they will be left behind in competition which in turn affect the profitability of the organization and put its existence into jeopardy. The core business and competitive weapon in a firm is innovation (Kemp, 2003). A business should aim at gaining a competitive edge by exploiting new aspects through product, process and strategic innovation (Polevoi, 2013). There is no one time in the past or in the future where the market will be forgiving to business rivalry.

Due to the rise in the Kenyan Economy, there is an increase in the brewing of alcoholic beverages (Wachira, 2016). This thus in turn makes competition stiff hence the need to be innovative. Product innovation is the introduction and creation of a new product/idea or an improved version of the existing product. It entails the exploiting of new ideas (Ruttan, 1984). It is the re-design of the goods and services to make it more accommodative with the aesthetic and satisfaction factor in mind. This means that the specifications i.e. technicalities, raw materials and components, the product/service being user friendly, and software incorporated are improved. Process Innovation has to do with how the service/good is being produced, delivered and consumed. Performance is greatly influenced by product innovation (Rosli & Sidek 2013). In process innovation there is significant improved equipment/skill and method to execute the mode of production (Cooper, 2009). It is the re-engineering and improvement of internal business operational processes (P.A, 1995). It also involves notable improvement of day to day activities of an organization in the: human resources, research and design, management and commercial activities. Bwisa (2013) linked new technology to the good performance. He found out that new technology influenced performance and thus came to the conclusion that process innovation is highly linked to good performance.

Strategic Innovation has to do with the organization having new methods in their practices both internal and external. The intention of these strategies is to increase performance, while reducing unnecessary costs and improving workplace satisfaction (productivity and labor). In response to a competitive and changing environment, firms

have to have strategic innovation response that will make the firm environmentally fit (Kambutho, 2012). Strategic innovation is aimed at gaining more knowledge that helps the organization to stay ahead of evolving demands and increase in cost of supply. This leads to fulfillment of organizations vision and mission. Innovation requires a lot of efforts and research from the Research and Development section, it is fundamental that it is fully equipped and supported. Innovation is a continuous process.

2.3.4 Corporate Performance

In today's business world, companies that don't question their strategies versus the competition are bound to be left out in having outsized results. Corporate performance contributes to business sustainability; it can be termed as the assessment of the organizations important parameters which influence market share (shareholders, profits). As much as organizations' goal is profit maximization, corporate performance is not just a financial agenda; it's about process efficiencies, risk management, growth (branches) and strategy management.

Customer satisfaction is defined as a customer's overall evaluation of the performance of an organization (Johnson & Fornell 1991). Customer satisfaction has an effect on customer loyalty on the product and services an organization is producing. It is what that will dictate whether an organization should continue to produce or they should make changes in the products/services. Sustaining an 'Audience' is hard; as such consistency is important in customer satisfaction. It requires the attention of top level management, the navigation of proper communication skills and channels to the subordinates. Customer interaction with the organization is important. It helps the organization understand the customer and their discrete need which enables the organization have a Customer-Consistency journey that influences the performance. The customer –consistency journey will actually put all the elements of production, delivery and consumption together and even come up with a better product than the initial intent of the company (custom product/service).

Customer satisfaction leads to a satisfaction-retention relationship with the organization. Organizations should have a goal to provide insight into the drivers of retention using data from surveys. Satisfaction has a strong positive effect on the organization which affects revenue and performance. Emotional attachment to the organization's brand is key

to customer satisfaction –retention relationship (Ofunya, 2013). In the customers' world, the decision and behavior exhibited when buying a product is mostly based on the emotion individuals have towards the product. Organizations should keep up with Customer trends especially with the advancement of digital communication and interaction, so as to be able to predict and keep up with the curve in environmental needs and changes.

Market share is the percentage which the company holds in a certain market. It is the measure of consumers' preference in the market in comparison to the similar product. High market shares equate to higher profits and a strong barrier of entry to competitors and also mean less effort when it comes to selling the product. Market share and profitability cannot be separated as both have effect on each other; there is a widely held belief that market share and profitability are strongly related (Buzzell & Gale 1987; Simon 2010). If an organization cannot have high market share in a market they should think about investing in another market or coming up with a product service suitable for the specific market demand. Management has to learn that high market share is associated with profitability. Economies of scale dictates that an organization cost position is dependent on the market share thus the larger the market share the lower the business unit in comparison to competition, thus higher profitability(Drucker, 2008).

For market share, profitability and growth to be made a reality in organizations, incorporation of good strategy (internally and externally) should be considered. Resources should be spent not in raising market share but in improving effective practices in the organization. Performance will depend on the strategies adopted with organization. Corporate performance will influence whether the organization will have a good and bad relationship between market share and profitability. The success of a company makes it gain market shares with superior performance, not with low or aggressive prices or promotions.

2.3.5 Strategic Management Approaches and Corporate Performance

Strategic management and corporate performance has evolved from the times of Fulmer and Ruel 1974 who had concluded that profitability is not a product of good strategic management. But further studies by Ryme 1963 shows that firms who have effective and efficient strategic management systems not only benefit in profitability terms but also

achieve corporate performance. Ryme also concluded that such firms exhibit long-term success and outperform those that do not plan.

Strategic Management and Corporate Performance hypothesize (Nmadu, 2007). This is motivated by changes in the dynamic economic environment. Economic environment is changing rapidly and this change is characterized by such phenomena as the globalization, changing customer and investor demands, ever-increasing product-market competition to dominate successfully in this environment, organizations continually need to improve their performance by reducing cost, innovating products and processes and improving quality, productivity and speed to market (Garad, Abdullahi & Bashir, 2015).

Due to the rapid changes in the environment, it can be said that companies may no longer rely on a 5-year strategy without introducing updates and changes within the period. One cannot rely over emphasize on the need for strategic management for good performance of a firm (Carter, 2008). The performance of any business entity is strongly influenced by the strategic management practices that match the entity's structure and norms of the employees (Ekpo, 2008). One can easily differentiate a successful and an unsuccessful firm just by looking at the strategy that has been put in place (Higgins & Vineze 2000).

Therefore, strategic management is an ongoing process that evaluates and controls the business and the industries in which the company is involved, assesses its competitors and set goals and strategies to meet all existing and potential competitors, and then reassess each strategy annually or quarterly i.e. regularly to determine how it has been implemented and whether it has succeeded or needs replacement by a new strategy to meet charged circumstances, new technology, new competitors, a new economic environment, or a new social, financial or political environment so as to monitor its performance.

2.4 Research Gaps

Organizations' strategy (s) is to infinity and a certain strategy can be working well in one organization but fail in another in the same segment of business. Thus, different organizations work with what is working for them, to counter non-existence. Previous studies were done on strategy and performance in general; for maximum results, organizations cannot de-link the two as one determines the other and one is measured using the other. Below is a table showing the research gaps.

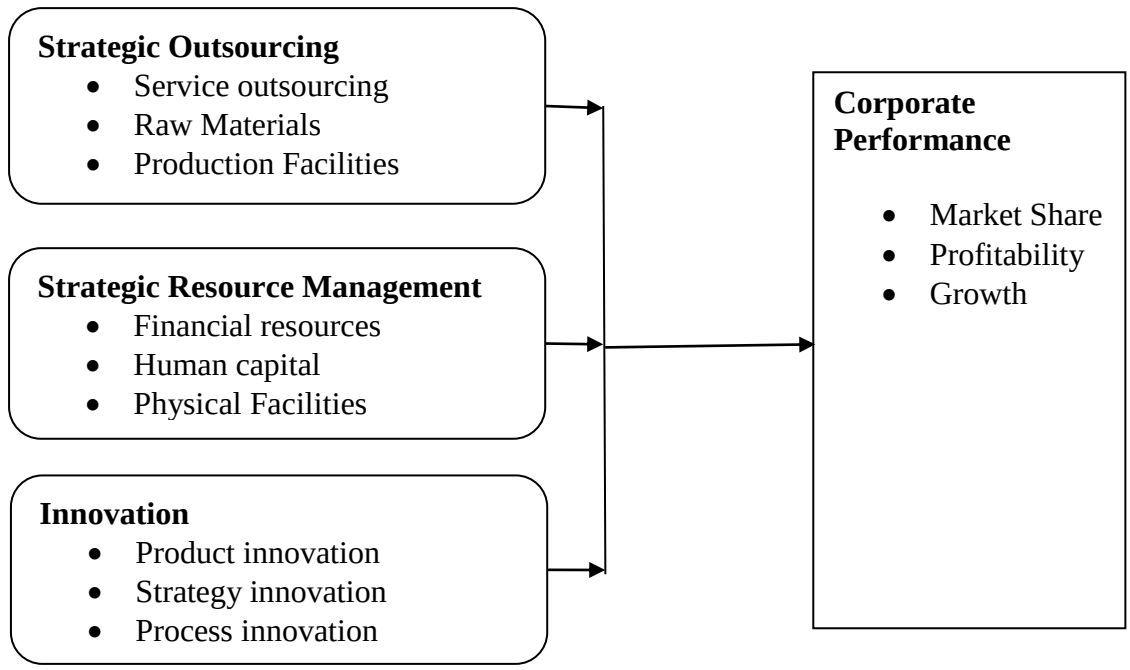
Table 2. 1: Research Gaps

Author	Title	Findings	Research Gap	Closing the Gap
Fendo (2016)	Effects of Global sourcing practices on operational performance of textiles and apparels manufacturing firms in Kenya.	Sourcing has a positive effect on the Firm's operational performance	Considers sourcing as the only independent variable that determines the firm's operational performance	This study has three independent variables. The focus is corporate performance
Kaingu (2016)	Operations Innovation and Performance of Courier firms in Kenya	Innovation strategies have great positive effect on the performance of the firm.	Focuses on Innovation only as a means to achieve great performance in the firm.	This study focuses on 3 variables for a firm to achieve great performance.
Mcharo (2016)	Effect of Strategic management practices on performance of Kenya Prison Service	Top –down approach of strategy formulation, implementation, evaluation and monitoring through set indicators and targets helped achieve good performance	Lacks a conceptual framework. Success of an organization is not solely dependent on input from senior management only.	Study focuses on three variables which have no restriction to idea contribution to the firm.
Ngothi (2015)	Strategies adopted by EABL in enhancing sustainable competitiveness in Kenya	Product differentiation and innovation enable the firm to stay ahead of competition.	Strategies enable for competitiveness but doesn't tell much of performance as compared to the firm's set parameters to ensure that competitors don't catch up to them	Study shows how they stay ahead of competitors in terms of performance.
Musia	Factors influencing	Focused on Innovation only	Innovation is as the only variable to	Innovation is an

(2013)	Competitive Advantage by EABL within beer manufacturing sector	as a means to gain competitive advantage.	gain competitive advantage and it was neither a dependent variable of an independent variable.	Independent variable that influences performance.
Nyariki (2013)	Strategic Management as a competitive tool in enhancing performance of SMEs in Kenya	Focus is on Strategy as a competitive tool for performance.	Lacks a conceptual framework. It is not known what is being measured against.	Presence of a conceptual framework that shows the relationship between variables.
Azengele (2011)	Application of performance contracting as a strategic management tool in Kenya Post Office Savings Bank	Performance contracting lies in strategic planning and training of stake holders.	Strategy is seen as a tool dependent on performance.	Strategy influences performance in this study.

2.5 Conceptual Framework

A conceptual framework is an illustration that captures and portrays the association linking the dependent variable and the independent variable (Mugenda and Mugenda 2003 as cited by Karanja, 2013). In this research, the dependent variable is corporate performance, while the independent variables are strategic outsourcing, strategic resource analysis and innovation. A conceptual framework has been drawn to illustrate the association between the independent variables and dependent variable.



Source: Author (2018)

Figure 2.1: Conceptual Framework

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This Chapter describes the methodology to be used in collection and analysis of data. Areas covered in this chapter are research design, study population, sample design and technique, sample size, data collection procedure and instrument, validity, reliability, data analysis and ethical considerations.

3.2 Research Design

This study employed a case study design. According to Kothari (2004), a case study is considered as an authoritative procedure which helps in performing an in-depth investigation objectively regardless of phenomenon being studied. A case study research design approach gave an understanding and exploration of the phenomenon of the study. It answers the questions why, who, when, which, how (Trochim, 2000). Therefore, a case study design enabled an in-depth account of the variables discussed and their relationship with each other as well as providing a comprehensive insight on the phenomenon strategic management approaches on corporate performance of East African Breweries Limited.

3.3 Target Population

A target population can be said to be a set of elements about which information is wanted from. It is the entire group of individuals, events or objects having a common observable characteristic (Mugenda & Mugenda 2008). A population can be defined as the investigation of households, or a well- defined set of people, service, elements, group of things and elements (Ngechu, 2014). EABL has a total population of 1700 employee (EABL, 2013). The study targeted 440 respondents of the Ruaraka head office. This number was inclusive of senior level of management, middle level and lower level.

3.4 Sample Design and Technique

Ogula (2005) describes sampling as a procedure, process or technique of choosing a sub-group from a population to participate in the study. The process involves selecting a number of individuals for a study in such a way that they, (individuals selected) represent the large group from which they were selected. Each member or case in the sample is

referred to as respondent or interviewee. The quality of any research is influenced by suitability of the sampling strategy that has been adopted (Manion 2001). This study adopted a simple random sampling. Simple random sampling is a sampling design in which subsets are selected from the number of items in the population in such a way that every possible combination of items is equally likely to be the sample selected (Thompson, 2012). Simple random sampling was ideal for this study because corporate performance involves everyone in the organization and every case of the population has an equal probability of inclusion in sample.. There is homogeneity in the population of interest which provided information to precision which was unbiased.

3.5 Sample Size

Oso and Onen (2008) defined a sample size as the number of items to be selected for observations in order to get accurate information about the subject matter. The bigger the sample size, the more represented the population would be (Mugenda & Mugenda 2008). In this study, the sample size was 132 respondents out of the targeted 440. The ideal standard of a sample size is 30% or more (Mugenda& Mugenda 2003). A sample of 132 respondents was used for this research as it falls in the 30% recommended by Mugenda and Mugenda.

3.6 Data collection Instrument and Procedure

The study used a semi-structured questionnaire. Each item in the questionnaire was developed to address a specific item as outlined in the conceptual framework in Chapter Two: this approach is recommended by Mugenda and Mugenda (2003). This enabled respondents to give an in-depth opinion about the subject matter. The questionnaire covered the general information of the respondents and the strategic management approaches that have been put in place to achieve corporate performance. The questionnaire contained two types of questions: closed and open-ended questions. Closed questions contained a Likert scale of strongly agree, agree, not certain, disagree and strongly disagree. Open questions were used to give the respondents the freedom to express themselves regarding the subject matter The questionnaire was administered through a “drop-and-pick- later method” which ensured that respondents had adequate time to fill-in the questionnaire: with the aid of permits from the School and National Commission for Science, Technology and Innovation (NACOSTI).

3.7 Pre-Test

A pre-test study provides ground work for in research projects. Pre-testing was conducted with aim to ascertain the appropriateness and feasibility of the research questions, approximate time it would take the respondents to complete the study, and the simplicity in the language used. The purpose of the pre-test was to test the validity of the research instrument and if there are any problem areas and deficiencies in order to modify the research questions and the research instrument to foster reliability and validity. Pre-testing was done using a population of 5 respondents from the EABL who were not included in the main study. The time taken for the pre-test process was a week.

3.8 Validity and Reliability of the Instruments

Accuracy is important as it lays base so as to quantify a certain phenomenon. Once one has measured the assigned numbers and information, it is important to measure the validity and reliability of the instrument used to collect information.

3.8.1 Validity

Validity can be defined as the Extent to which a research instrument measures what it is supposed to measure so as to come up with meaningful results and allow the researcher to draw good conclusions (Leedy, 1997). Validity thereby points out the purpose of the test and the population for whom it is intended. This study adopted content, face and expert validity. Content validity ensured that the results obtained are reflected accurately and cover what it is intended to cover adequately (Mbwesa 2006). Content validity was achieved thorough piloting to check on their level of ease understanding the terms and appropriateness of the responses provides. It was also achieved by ensuring that the instruments were harmonized with the objectives of the study.

The appearance of a questionnaire should have clarity of language used. Oluwatayo (2012) refers to face validity as the researchers' subjective assessments of the presentation and relevance of the measuring tool, as to whether the items in the instrument appear to be unambiguous, reasonable and relevant. Face validity evaluates the appearance of the questionnaire in terms of readability, consistency of style and formatting and feasibility. This study achieved face validity through the supervisors who gave guidance in formulating the questionnaire as they have vast experience in the field under study having supervised a number of academic researches before.

3.8.2 Reliability

Reliability is the degree to which the results obtained in the research by an instrument can be replicated on repeated trials (Gay, 1992). Reliability is more about the content/measurements as opposed to the Person. A research instrument is reliable if it gives consistent results (Kothari, 2004). It is further proof of validity. Reliability is about the information given by person (s) than about the person themselves. A questionnaire was used to test the reliability of this study. The study used Cronbach's Alpha to test the reliability of the instruments. Cronbach's Alpha was the most important measure of internal consistency that refers to the degree in which the questions of the questionnaire measure the variable or characteristic (Zohori, 2008). A 0.7 alpha range is the minimum accepted rule of thumb that indicates good reliability (Kombo & Tromp 2009). The study was found to be reliable with an aggregate score of 0.815 Cronbach's Alpha. See Table 3.1

Table 3.1: Reliability Results

Variable	Cronbach's Alpha	Number of Items	Comments
Corporate Performance	0.873	6	Reliable
Strategic Outsourcing	0.739	5	Reliable
Strategic Resource Management	0.881	6	Reliable
Innovation Practices	0.767	7	Reliable
Aggregate Score	**0.815**	**24**	**Reliable**

Source: Research Data (2018)

3.9 Data Analysis

Data analysis is the exploitation of intellect in order to comprehend and decipher information recorded (Zikmind, 2003). It is the calculation of specific measures so as to find their connectivity (Kothari, 2004). The nature of data to be collected is qualitative and quantitative in nature. Qualitative data analysis was used to analyze data which aims at describing the relationship between phenomenon in greater detail so as to make in-depth meaning and understanding of It (Flick, 2014). Thus, for qualitative data analysis, the researcher used content analysis. According to Mugenda and Mugenda (2003), Content analysis is the analysis of qualitative variables objectively. Qualitative research generates voluminous data thus is needed to be organized and analyzed so as to answer the research questions (Mugenda & Mugenda, 2008). Content analysis was used as it

gave more insight in a systematic qualitative depiction of what is comprised in the variables of the study. It involved scanning through the power in which certain wordings or points of view have been used. Quantitative data analysis on the other hand, involved the measurement of the variables parametrically (Michel, 1999). This analytic approach allowed the reporting of the results in numerical terms thus giving a specific level of confidence. The approach was helpful when the data has been collected in some structured way and there is the attempt to draw meaningful results from a large body of qualitative data (Abeyasekera & Lawson-McDowall, 2000).

To analyze quantitative data, descriptive statistics and inferential statistics were employed. Descriptive analysis included frequencies; percentages mean, and standard deviation, while inferential statistics included correlation and multiple regressions were used to test the nature of the relationship between management and corporate performance. Figures and tables were used to present the findings for ease interpretation. The data obtained from the questionnaire was assessed and established on the basis of what strategic management approaches implemented led to achieving corporate performance in EABL. The adopted regression model took the following form;

$$\mathbf{Y = \beta 0 + \beta 01X1 + \beta 02X2 + \beta 03X3 + \varepsilon}$$

Whereby:

Y=Corporate performance

X1=Strategic Outsourcing

X2= Strategic Resource Management

X3=Innovation

ε = Error term/Erroneous variables

β0 = the minimum change in Y when the rest of the variables are held at a constant zero

β = measure of the rate of change i.e. β1 measures the rate of change in Y as a result of a unit change in X1.

3.10 Ethical Considerations

Research ethics can be defined as the moral code of conduct and principles that guide research from its commencement to completion, and publication of results obtained (Oladipo *et al.*, 2015). Qualitative research is subject to scrutiny from the ethic

committee. There is the notion that the respondents might reveal more than is required and may face prejudices or suffer adverse consequences during the course of the study.

As much as the study was geared towards getting results, the protection of the welfare of the respondents was also major priority while carrying out the study. If the respondents do so wish to give out personal information pertaining the study, it was done with the utmost confidentiality. The researcher guaranteed of privacy and explained the purpose of the research which was for academic purposes only. The respondent had the free will to answer, decline or withdraw from questions voluntarily. The respondents got the final copy if they wished to.

CHAPTER FOUR
DATA ANALYSIS, INTERPRETATION AND PRESENTATION

4.1 Introduction

This chapter presents findings from the primary data collected, conclusions and recommendations that the researcher found fit for this study. The study collected both qualitative and quantitative data where quantitative data was analyzed using descriptive (means, standard deviation and frequency distributions) and inferential statistics (regression, correlation analysis). Content analysis was used in analyzing the qualitative data.

4.2 Response Rate

The researcher sampled out 132 respondents and issued out questionnaires to them. Out of these questionnaires, 105 of them were dully filled and returned to the researcher. This represented a response rate of 79.5%. Babbie (2010) viewed a response rate of 70% and above as sufficient for analysis. Thus this study's response rate was sufficient for further data analysis. Figure 4.1 summarizes this finding.

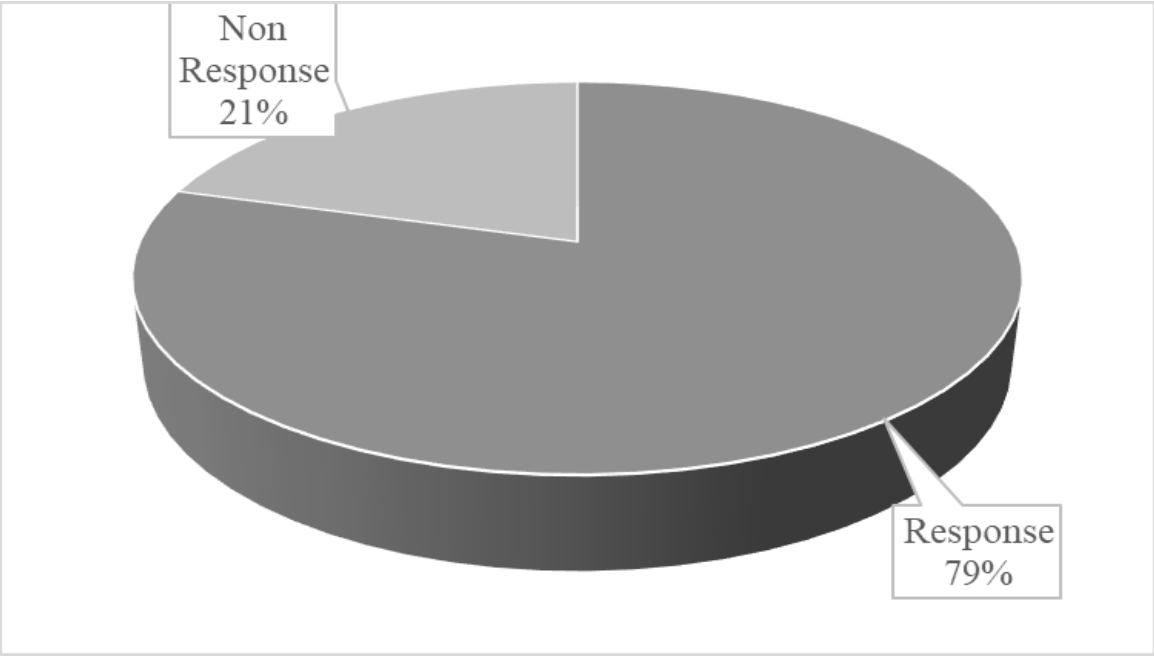


Figure 4.1: Response Rate
Source: Research Data (2018)

4.3 Reliability Results

A pilot study was done to determine reliability of the research instruments. Cronbach's alpha coefficients were computed to aid the analysis and interpretations. See Table 4.1.

Table 4.1: Reliability Results

Variable	Cronbach's Alpha	Number of Items	Comments
Corporate Performance	0.873	6	Reliable
Strategic Outsourcing	0.739	5	Reliable
Strategic Resource Management	0.881	6	Reliable
Innovation Practices	0.767	7	Reliable
Aggregate Score	**0.815**	**24**	**Reliable**

Source: Research Data (2018)

From Table 4.1, corporate performance had Cronbach's Alpha coefficient of 0.873, strategic outsourcing had 0.739, strategic resource management had 0.881 and innovation practices had 0.767. Cronbach's Alpha coefficients of above 0.7 are generally deemed to represent reliable results from the research instruments (Cronbach's, 1951). This is consistent with the established findings in Table 4.1.

4.4 General Information

Several categories of general information that described respondents of the study were identified by the study. An analysis of this information to draw meaningful conclusions is presented in subsequent sections.

4.4.1 Gender of Respondents

The first aspect of the general information sought to assess gender distribution of the respondents who participated in the study. Consider Table 4.2.

Table 4.2: Gender of Respondents

Gender	Frequency	Percentage
Male	57	54.3
Female	48	45.7
Total	105	100.0

Source: Research Data (2018)

From Table 4.2, most of the respondents 54.3% were male while 45.7% were females. Based on this finding, there was no biasedness on gender inclusivity. There was equity in the study as neither gender was below one third of the entire response rate. 4.2.2 Management Level

The second element of general information examined the management levels held by respondents of the study. Figure 4.2 gives a summary of the findings.



Figure 4.2: Management Level

Source: Research Data (2018)

Based on the findings in Figure 4.2, most of the respondents 52.4% held the lower level positions, 29.1% were middle level and 18.1% were top level. This finding thus tells us that respondents of the study were drawn across the established levels of the organization.

4.2.3 Years of Experience

The third section of the general information investigated the number of years that respondents had worked in their current organization. Table 4.3 gives a summary of the findings on this aspect.

Table 4.3: Years of Experience

Years	Frequency	Percentage
1-3 Years	12	11.4
4-6 years	30	28.6
7-9 years	43	41.0
above 10 years	20	19.0
Total	**105**	**100.0**

Source: Research Data (2018)

As shown in Table 4.3, majority of respondents, 41% had worked in their respective organization for 7-9 years, 28.6% for 4-6 years, 19% for over 10 years and 11.4% for 1-3 years. A notable implication of this finding is that respondents who participated in the study had worked in the organization for a longer period of time and therefore were deemed to be skilled, knowledgeable and proficient with how strategic management approaches affected corporate performance of their organization. As such, informed findings were sought from these respondents.

4.2.4 Level of Education

The last part of the general information determined the levels of education of respondents. Figure 4.3 gives a breakdown of the findings on this aspect.

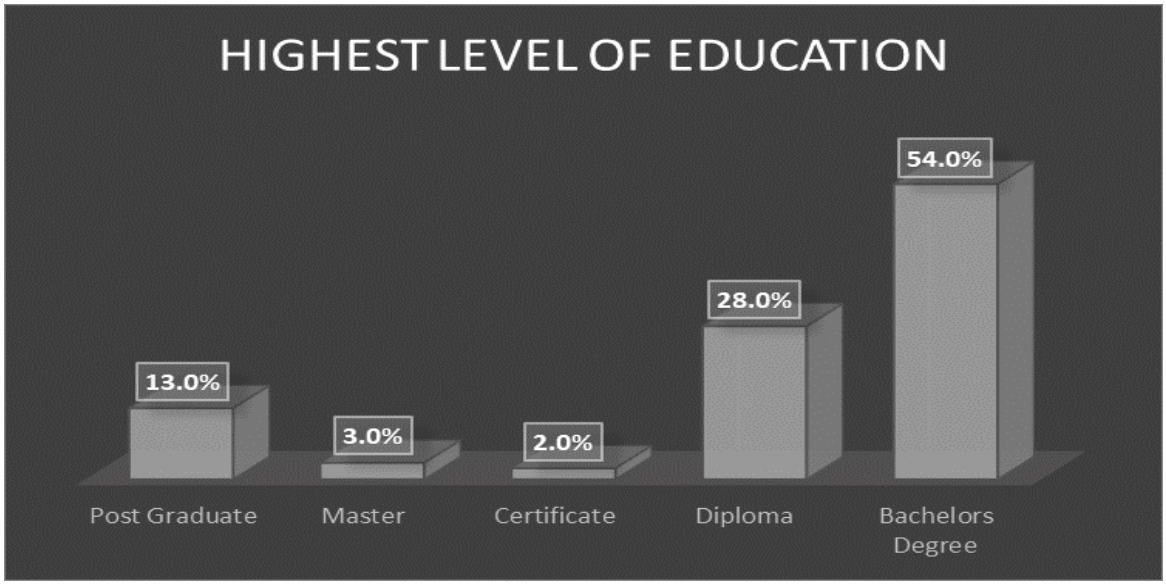


Figure 4.3: Level of Education

Source: Research Data (2018)

As indicated in Figure 4.3, a vast majority of respondents 54% had bachelor's degrees, 28% had diplomas, 13% had post graduate diplomas, 3% had masters and 2% had certificates. A quick inference drawn from this finding is that respondents of the study were learned and were therefore better placed to read and interpret research questions sought by the study.

4.3 Corporate Performance

The researcher established several statements on corporate performance of East Africa Breweries Ltd (EABL). These statements were structured on a Five-Point Likert scale of

1-5 where; Agree- (SA)=5, Agree (A)=4, Not Certain (NC)=3, Disagree(D)=2 and Strongly Disagree (SD)=1. Table 4.4 gives a summary of the findings.

Table 4.4: Corporate Performance

Corporate Performance	N	Min	max	Mean	Std. Dev
The firm's market share has increased geographically	105	1	5	2.42	0.617
The firm's sales have been growing steadily	105	1	5	2.86	0.683
The firm's corporate performance has steadily increased	105	1	5	3.92	0.84
The firm has experienced growth in coming up with diverse products	105	1	5	3.67	0.849
The firm has experienced growth in employee numbers	105	1	5	4.33	0.957
The firm has experienced growth in increase of branches	105	1	5	4.2	1.100
Aggregate Score				**3.567**	**0.841**

Source: Research Data (2018)

From Table 4.4, the firm has; experienced growth in employee numbers (M=4.33, SD=0.957), has experienced growth in increase of branches (M=4.20, SD=1.10), the firm's corporate performance has steadily increase (M=3.92, SD=0.840) and has experienced growth in coming up with diverse products (M=3.67, SD=0.849). The study further revealed that the firm's sales have been growing steadily (M=2.86, SD=0.683) and its market share has increased geographically (M=2.42, SD=0.617).

From the above findings, the most significant factors of corporate performance of EABL that was greatly affected by strategic management approaches included number of employees, branches and diversified products. This thus is in line with Kantor (2001) who stipulated that performance in a firm is indicated by the market share, stakeholder satisfaction, profitability, growth, competition position and productivity.

The study sought further to establish the parameters (criteria) set in the firms for ensuring Competitors don't catch up in terms of corporate performance. Most of the respondents indicated that the firm leveraged on human resources to ensure corporate performance. Employees were seen as a valuable resource that contributed towards corporate performance.

4.4 Strategic Out Sourcing

The study assessed the influence of strategic outsourcing on corporate performance of East African Breweries Limited. To achieve this objective, questions were established on a Five-point Likert scale of 1-5; where Strongly Agree- (SA)=5, Agree (A)=4, Not Certain (NC)=3, Disagree(D)=2 and Strongly Disagree (SD)=1. The findings are indicated in Table 4.5.

Table 4.5: Strategic Out Sourcing

Strategic Out sourcing	**N**	**Min**	**max**	**Mean**	**Std. Dev**
Efficient service outsourcing leads to good performance	105	1	5	3.62	0.801
Outsourcing raw materials ensures best quality in final products	105	1	5	3.51	0.755
Outsourcing helps cut cost for the firm	105	1	5	4.25	0.808
Productions facilities are well maintained	105	1	5	4.29	0.897
Production facilities are as per the number of employees	105	1	5	3.91	1.29
Aggregate Score				**3.916**	**0.910**

Source: Research Data (2018)

As indicated in Table 4.5, productions facilities were well maintained (M=4.29, SD=0.897), outsourcing helped cut cost for the firm (M=4.25, SD=0.808) and that production facilities are as per the number of employees (M=3.91, SD=1.29). Outsourcing raw materials ensured best quality in final products (M=3.51, SD=0.755) and efficient service outsourcing led to good performance (M=3.62, SD=0.801).

Based on the above findings, strategic outsourcing affected corporate performance of EABL by proper maintenance of facilities and cutting down costs. The findings are in line with Franceschini, Galetto, Pignatelli and Varetto (2003) who established that cost efficiency and production re-organization are considered to be the major drivers of strategic outsourcing. Similarly, Jain, Girotra and Netessine (2014) noted that strategic out-sourcing enables EABL not only to have a large network of raw materials, components, systems and modules, but also reduces the cost of production in terms of operations and inventory.

The study further looked at how the role of strategic-out sourcing in terms of achieving corporate performance. Varied responses were established from the study responses. However, the key ones were that strategic outsourcing results into access of more qualified experts in diverse fields at a lower cost. It leads to a reduction in operation costs for the company EABL hence higher profitability. Strategic out sourcing facilitates an efficient production process. It reduces incidences and accidents in the company hence low litigation costs. It allows for good relationships with the stakeholders. It allows the company to focus on its core business of beer production. It facilitates production reorganization. It allows reinvestment of resources over and above the amount paid to the outsource firm and the budgeted figures. Finally, it facilitates business growth innovation

4.5 Strategic Resource Management

The study sought to examine the influence of strategic resources management on corporate performance of East African Breweries Limited. The findings of the Likert scale of 1-5 are indicated in Table 4.6.

Table 4.6: Strategic Resource Management

Strategic Resource Management	N	Min	max	Mean	Std. Dev
The firm has vast financial resources	105	1	5	3.21	0.748
Financial resources are equally distributed across all departments involved with production	105	1	5	2.31	0.835
All sections in the firm have adequate employees	105	1	5	3.24	1.030
All departments in the firm have well skilled and equipped employees	105	1	5	4.24	0.704
Physical facilities in the firm are in good condition and serve intended purpose.	105	1	5	3.96	0.783
There is regular check- up and maintenance of physical facilities	105	1	5	4.28	0.817
Aggregate Score				**3.540**	**0.820**

Source: Research Data (2018)

As indicated in Table 4.6, there was regular check- up and maintenance of physical facilities (M=4.28, SD=0.817), All departments in the firm had well skilled and equipped employees (M=4.24, SD=0.704) and Physical facilities in the firm were in good condition and serve intended purpose (M-=3.96, SD=0.783). Table 4.6 further reveals that all sections in the firm had adequate employees (M=3.24, SD=1.03), financial resources

were equally distributed across all departments involved with production (M=2.31, SD=0.835) and the firm had vast financial resources (M=1.91, SD=0.748).

In line with these findings, strategic resource management affected corporate performance of EABL by ensuring regular checks and availing skilled and equipped staffs across major departments. These findings are in tandem with Musyoka (2014) who acknowledged that the most important resource of an organization is its people hence the need to be appropriate and have adequate human capital with goodwill to the strategy formulation and implementation.

Respondents were asked to indicate how strategic resource management facilitated corporate performance of their organization. From the responses, strategic resource management leads to reduction of wastages, optimized resource utilization, consistent quality and enables future planning for continuity (managerial changes). It also facilitates industry comparison, resources facilitate strategy execution, allows optimal resource allocation, allows for cost budgeting, allows allocation of resources according to priorities and objectives and it permits system assessments.

4.6 Innovation Practices

The study investigated the influence of innovation on corporate performance of East African Breweries Limited. Consider Table 4.7.

Table 4.7: Innovation Practices

Innovation practices	N	Min	Max	Mean	Std. Dev
The firm constantly reviews its products to ensure quality delivery	105	1	5	3.31	0.785
The firm constantly aims at coming up with new products	105	1	5	3.42	0.637
The firm reviews its strategies to ensure environmental changes (competition) doesn't affect it	105	1	5	3.62	0.932
The firm involves all levels of management when implementing strategies	105	1	5	4.23	0.596
The firm has strategies unique to other organizations that ensure outstanding performance	105	1	5	4.09	0.802
Process innovation ensures efficiency in productions of products	105	1	5	3.15	1.680
Process innovation ensure that products are made to precision	105	1	5	4.01	1.010
Aggregate Score				**3.69**	**0.920**

Source: Research Data (2018)

As shown in Table 4.7, the firm involved all levels of management when implementing strategies (M=4.23, SD=0.596), has strategies unique to other organizations that ensure outstanding performance (M=4.09, SD=0.802) and process innovation ensured that products are made to precision (M=4.01, SD=1.01). The firm reviewed its strategies to ensure environmental changes (competition) doesn't affect it (M=3.62, SD=0.932). Process innovation ensured efficiency in productions of products (M=3.15, SD=1.68). The firm constantly aimed at coming up with new products (M=2.51, SD=0.637) and the firm constantly reviewed its products to ensure quality delivery (M=1.83, SD=0.785).

From these findings, it can be inferred that innovation practices affected corporate performance majorly through managerial involvement, formulation of unique strategies and putting in place process innovation. According to McAdam and Keogh (2004), firms prone to innovation enjoy outstanding performance as compared to those firms that don't. WladawskyBerger (2008) similarly argued that innovation plays a crucial role in achieving outstanding performance, it doesn't matter whether an organization is big, medium, small or/micro.

The study determined the role of innovation in achieving corporate performance. In view of the findings, the study noted that innovation resulted into new product development and product quality improvement for example Guinness. Innovation helps in aligning operations to a changing business environment. It allows the firm to sustain competitive advantage. EABL is keen on environmental conservation (sustainability). It leads to process innovation which is a speedy production that ensures quality, is time bound, efficient and ensures that they stay ahead of competition. It may saves company from obsolesce. Finally, managerial innovation allows the firm to adapt to a dynamic environment.

4.7 Inferential Statistics

The researcher used correlation and regression analysis to draw meaningful inferences and conclusion on how strategic management approaches affected corporate performance at East African Breweries Limited.

4.7.1 Correlation Analysis

Correlation analysis was used to establish relationship between strategic management approaches and corporate performance at East African Breweries Limited. The correlation coefficients with respective p values are indicated in Table 4.8.

Table 4.8: Correlation Analysis

		Corporate Performance
Corporate Performance	Pearson Correlation	1
	Sig. (2-tailed)	
	N	105
Strategic Outsourcing	Pearson Correlation	.767**
	Sig. (2-tailed)	.000
	N	105
Strategic Resource Management	Pearson Correlation	.715**
	Sig. (2-tailed)	.000
	N	105
Innovation Practices	Pearson Correlation	.646**
	Sig. (2-tailed)	.000
	N	105

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

Source: Research Data (2018)

From correlation results in Table 4.8, strategic outsourcing (r=0.767, p=0.000<0.05) had a positive and significant and positive relationship with corporate performance, Yeboah (2013) notes that making profits is the main for any business and in order for a firm to make profits they it has to put measures that will lead to reduction of operational costs. Thus strategic out sourcing is an objective used in the contemporary business world to improve performance (Masinga & Kiarie 2014). Strategic resource management (r=0.715, p=0.000<0.05) a positive and significant and positive relationship with corporate performance. According to Musyoka (2014) resource management in a firm highly determines corporate performance. Choti (2016) revealed that strategic resource management has an impact on performance and aids in understanding the functioning of a system, exposing the unexploited, underutilized and mismanaged areas of an organization. Innovation practices (r=0.646, p=0.000<0.05) had a positive and significant relationship with corporate performance. According to Kirika (2013), innovation in products, processes and strategy is critical in staying lead of competition and delivery of quality products to the consumers. Bwisa (2013) posits that new technology influenced

performance, thus the conclusion that process innovation is highly linked to good performance.

4.7.2 Regression Analysis

Regression analysis was used to establish the effect of strategic management approaches on corporate performance at East African Breweries Limited. The coefficient of correlation R and the coefficients of determination R square is shown in Table 4.9.

Table 4.9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.790[a]	.625	.613	1.55521

a. Predictors: (Constant), Innovation Practices, Strategic Resource Management, Strategic Out-sourcing

Source: Research Data (2018)

The findings, the coefficient of correlation R is 0.790. This signifies that strategic management approaches have a strong and direct bearing influence on corporate performance at East African Breweries Limited. The coefficient of determination R square is 0.625, implying that 62.5% change in corporate performance of EABL is explained by strategic management approaches (innovation practices, strategic resource management, strategic out-sourcing). From the coefficient of determination, it can be inferred that there are other factors explaining 37.5% change in corporate performance that were not covered in the current study.

Analysis of Variance ANOVA

Analysis of Variance (ANOVA) was conducted at 5% level of significance. The findings are established in Table 4.

Table 4.10: ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	406.512	3	135.504	56.024	.000[b]
Residual	244.288	101	2.419		
Total	**650.800**	**104**			

a. Dependent Variable: Corporate Performance

b. Predictors: (Constant), Innovation Practices, Strategic Resource Management, Strategic Outsourcing

Source: Research Data (2018)

The value of F calculated is 56.024 while $F_{(3,101)}$ critical is 2.694. Since F calculated is greater than F critical, this shows that the overall regression model significantly predicted the effect of strategic management approaches on corporate performance at East African

Breweries Limited. The p value is 0 .000 showing that at least one of the independent variable has significant effect on corporate performance of EABL.

Table 4.11: Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients		
	B	**Std. Error**	**Beta**	**T**	**Sig.**
(Constant)	5.720	1.230		4.651	.000
Strategic Outsourcing	.404	.117	.441	3.449	.001
Strategic Resource Management	.268	.091	.293	2.943	.004
Innovation Practices	.085	.071	.119	1.200	.233

a. Dependent Variable: Corporate Performance

Source: Research Data (2018)

Established equation becomes;

Corporate performance = 5.720 + 0.404 strategic outsourcing+ 0.268 strategic resource management + 0.085 innovation practices

This shows that holding other factors constant, corporate performance of EABL would be at 5.720. A unit increase in strategic outsourcing other factors constant would result into 0.404 increases in corporate performance. Units increase in strategic resource management other factors constant would lead to 0.268 increases in corporate performance. A unit increase in innovation practices would lead to 0.085 increases in corporate performance of EABL.

In terms of the p values, strategic outsourcing ($p=0.001<0.05$) and strategic resource management ($p=0.004<0.05$) all significantly influenced corporate performance of EABL. According to Hutchison-Krupat and Kavadias (2012), businesses achieve strategic goals and generate sustainable competitive advantage through resource exploitation, which in turn has an effect on the performance of the organization. Innovation practices ($p=0.233>0.05$) however did not significantly affect corporate performance of EABL. This finding contradicts with Loof and Heshmatt (2013) who posited that there is a positive relationship between innovation and corporate performance. The insignificance is brought about in the difference between innovation and branding.

4.8 Qualitative Analysis

The qualitative data collected from open ended questions was analyzed using content analysis and grouped in line with study themes as illustrated in the Table 4.12 below:

Table 4.12: Qualitative Data Analysis

Statement by Respondents on Corporate Performance	**Theme**
Market for EABL has not significantly increased geographically	Market Share
The firm has put in place measures to ensure consistency in profitability achieved through forecasts and trend analysis	Profitability
The firm has opened up more branches to facilitate its growth for competitiveness and has employed more personnel	Growth
Statement by Respondents on Strategic Out sourcing	**Theme**
Access of more qualified experts in diverse fields at a lower cost	Service Outsourcing and corporate performance
Optimal utilization of raw materials in operations of the firms	Influence of raw materials on corporate performance
Efficiency in production process ensures reduction of incidences and accidents at the work place and thus reduction in costs of litigation. Production reorganization at EABL. Strategic outsourcing allowed for reinvestment of resources over and above the amount paid to on the outsource firm/s and the budgeted figures. A lot of attention is paid on the production facilities in terms of maintenance and are as per the number of employees	Influence of Production facilities on corporate performance
Statement by Respondents on Strategic Resource Management	**Theme**
Optimized financial resource utilization	Influence of Financial resources on corporate performance
Allocation of human resources according to priorities and objectives	Influence of Human capital on corporate performance
There was optimal use of physical facilities in production of quality products	Influence of physical facilities on corporate performance
Employees are well skilled and trained as need be	Human capital
New product development and product	Influence of product innovation on quality

quality improvement for example Guinness	improvement
Process innovation led to a speedy production, quality, time bound production, efficiency and staying ahead of competition	Influence of process innovation on corporate performance
Strategy innovation leads to corporate performance and involves all levels of management when implementing strategies	Influence of Strategy innovation on corporate performance
The firm constantly ensures quality of products through reviews from the marketing department this ensures that products are made to precision.	Product Quality
The firm reviews its strategies as environmental changes demand to ensure that other competitive firms do not imitate/catch up with them.	Competition

4.3.1 Qualitative Analysis of Corporate Performance

The study sought further to establish the parameters (criteria) set in the firms for ensuring Competitors don't catch up in terms of corporate performance. Most of the respondents indicated that the firm leveraged on human resources to ensure corporate performance. Employees were seen as valuable resources that contributed towards corporate performance. These findings are supported by the Resourced Based View Theory (RBV) formulated by Penrose (1959) and later advanced by Barney (1991). Performance according to Hoffer and Schendel (1978) in the RBV is determined by resource a firm is endowed with. Employees have been identified as one of the resources that a firm is endowed with. Therefore, the contribution of employees (who are important resources of an organization) to performance of an organization is better explained in this Resource based view theory.

4.4.1 Qualitative Analysis of Strategic Outsourcing

Respondents were requested to indicate the role of strategic outsourcing in terms of achieving corporate performance. From the findings, a significant number of respondents indicated that strategic outsourcing results into access of more qualified experts in diverse fields at a lower cost. Musyoka (2014) argued that allocation of resources for strategic management, organizations need to go out for the most appropriate people who have the proper expertise and skills for the task.

The study noted that strategic outsourcing resulted into reduction in operation costs of EABL and this led to increased profitability. Respondents indicated that strategic

outsourcing facilitated an efficient production process through reduction in incidences and accidents at the work place and therefore reduction in costs of litigation. The findings are consistent with Franceschini, Galetto, Pignatelli and Varetto (2003) who posited that the major driving strengths of strategic out sourcing are cost efficiency and production re-organization. Similarly, Cuoto and Davakaran (2007) stated that enablers of business growth, innovation and cost reduction are not the only focus of strategic outsourcing.

The study found out strategic outsourcing allowed for good relationships with stakeholders. An important relationship is between the company and its suppliers that is the buyer-supplier relationship. This buyer-supplier relationship/partnership according to Lahiri, Kedia and Mukherjee (2012) has increased performance and management capabilities. Respondents noted that because of strategic outsourcing, the company was able to focus on core business practices of producing bear for customers.

Strategic outsourcing resulted into production reorganization at EABL. Strategic outsourcing allowed for reinvestment of resources. The finding is in line with Cuoto and Davakaran (2007) who stated that the prime factor of strategic out sourcing is resource re-investment that could have been initially used.

4.5.1 Qualitative Analysis of Strategic Resource Management

The study assessed how strategic resource management facilitated corporate performance of their organization. Most of the respondents said that strategic resource management led to increase in resource utilization while reducing wastage. According to Kalondu (2013), proper planned adequacy in resource management leads to smooth strategic process of an organization. Respondents indicated strategic resource management resulted into consistent quality and enabled future planning for continuity (managerial changes). Musyoka (2014) deemed that in the strategic process of resource allocations, a firm starts on resource planning and management so as to determine the resources such as materials, human capital, and equipment are needed, and the required amount of each resource needed so as to implement various strategies successfully.

The study established that strategic resource management facilitated industry comparison, strategy execution while at the same time allowing for optimal resource allocation. According to Hofstrand (2013), strategic management in the brewing industry requires brainstorming and research, a thorough environmental analysis and ways of mitigating

risk and threats. Respondents indicated that strategic resource management allowed for cost budgeting, allocation of resources according to priorities, objectives and goals, and permitted system assessments. Resource management practices according to Musyoka (2014) include cost estimating of the resources needed to accomplish each step of strategic implementation; cost budgeting which deals with allocating all cost estimates to stages and finally cost control aimed at controlling changes occurring to a budget.

4.6.1 Qualitative Analysis on Innovation Practices

The study determined the role of innovation in achieving corporate performance. In view of the findings, most of the respondents said that innovation resulted into new product development and product quality improvement for example Guinness. Innovation according to Drucker (1985) is a change that creates a new dimension on performance. The author further argues that innovation is the implementation of new ideas on products and service in order to come up with new ideas that satisfy the growing needs of consumer/customer who are crucial in the survival of the organization. It is a new method of /or a significantly improved way mode of operation.

The findings of the study indicated that innovation practices allowed the firm to have sustainable competitive advantage. EABL is keen on environmental conservation (sustainability). Innovation practices can be viewed as strategies and according to Porter (1996), a strategy aids in the gaining of an organizations competitive advantage by being different– delivering unique value geared towards the customer, having a clear, measurable and legal view of how to position the organization uniquely in an industry.

Process innovation leads to speedy production, quality, time bound production, efficiency and staying ahead of competition. Process innovation has been defined differently by scholars. According to Rosli and Sidek (2013), process innovation has to do with the production, delivery and consumerism of services/. Product innovation greatly influences performance. Cooper (2009) argued that in Process innovation there is great noticeable improved equipment/skill and method to execute the mode of production.

Respondents indicated that innovations saved the company from obsolesce, allowed production through the latest technology and enabled managerial adaptation to dynamic environments. Garad, Abdullahi and Bashir (2015) stated that the economic environment is rapidly changing and this change is characterized by such phenomena as the

globalization, changing customer and demands from investors, ever-increasing product-market competition to dominate successfully in this environment, organizations continually need to improve their performance by reducing cost, innovating products and processes and improving quality, productivity and speed to market

CHAPTER FIVE
CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The focus of this chapter is the summary of findings and conclusions drawn from the findings based on the objectives of the study. Relevant recommendations for policy, conclusions of the study and recommendations for further studies in relation to corporate performance are represented in this chapter.

5.2. Strategic Out Sourcing

First objective was to determine the influence of strategic outsourcing on corporate performance of East African Breweries Limited. From the findings, productions facilities were well maintained, outsourcing helped cut cost for the firm and that production facilities are as per the number of employees. Outsourcing raw materials ensured best quality in final products and efficient service outsourcing led to good performance. The findings of correlation analysis indicated that strategic outsourcing had positive and significant relationship with corporate performance. From regression results, strategic outsourcing significantly influenced corporate performance of EABL with an aggregate score of 3.916. This result interpreted on a Likert scale of 1-5 used by the respondents in this study shows that they Agree that corporate performance of EABL is influenced by strategic outsourcing.

5.3 Strategic Resource Management

Second objective was to evaluate the influence of strategic resources management on corporate performance of East African Breweries Limited. The findings of the study indicated that there was regular check- up and maintenance of physical facilities, all departments in the firm had well skilled and equipped employees and Physical facilities in the firm were in good condition and serve intended purpose. All sections in the firm had adequate employees financial resources were equally distributed across all departments involved with production and the firm had vast financial resources. Correlation analysis indicated that strategic resource management had positive and significant relationship with corporate performance. Regression results revealed that strategic resource management significantly influenced corporate performances of EABL with an aggregate score mean of 3.540 which is interpreted on a Likert Scale is Agree.

5.4 Innovation Practices

Third objective of the study was to assess the influence of innovation on corporate performance of East African Breweries Limited. The study found out that the firm involved all levels of management when implementing strategies and that the organization has strategies unique to other organizations that ensure outstanding performance. Process innovation ensured that products are made to precision. The firm reviewed its strategies to ensure environmental changes (competition) don't affect it. Process innovation ensured efficiency in productions of products. The firm constantly aimed at coming up with new products and the firm constantly reviewed its products to ensure quality delivery. The findings of correlation analysis showed that innovation practices all had positive and significant relationship with corporate performance. Regression results indicated that innovation practices inevitably affect corporate performance of EABL with an aggregate mean score of 3.690 which interpreted on a mean computation Likert Scale is Agree.

5.5 Conclusion

The first objective of the study was to determining the influence of strategic outsourcing on corporate performance of EABL. Outsourcing significantly influenced corporate performance. Outsourced productions facilities were well maintained. Outsourcing helped cut cost for the firm. Production facilities were as per the number of employees. Since outsourcing is done by top level management, the findings are supported by the Resource Dependency Theory, which came as a result of studying the composition of a board and how those that run an organization use their power and influence to manage their inter-organizational relations and dependence.

On evaluating the influence of strategic resource management on corporate performance, there was a strong positive relationship with firm having proper management to avoid wastage. There was regular check- up and maintenance of physical facilities. All departments in the firm had well skilled and equipped employees. Physical facilities; office spacing that factors in mobility, partitioning, windows and air conditioning; serve the intended function and are well maintained.

Innovation practices had positive relationship with corporate performance. The firm involved all levels of management when implementing strategies. The firm has strategies unique to other organizations that ensure outstanding performance. Process innovation ensured that products are made to precision. The firm reviewed its strategies to ensure environmental changes (competition) don't affect it. These findings on Innovation are supported by the General Theory of Innovation; that innovation is indeed as a result of materializing a novel idea. Institutions capture the creative idea and ensure its maturation as a useful object in improving the products, processes and strategy.

The study concludes that corporate performance is indeed a crucial factor in the survival of an organization and it is important to ensure that the components of an organization work hand in hand. A non-working factor in one component is bound to affect the totality of the firm whether it is in production or office. It is as such that a microscopic dissection of the firm in crucial in predicting unforeseen conflict.

5.6 Recommendations of the Study

Based on these findings, strategically outsourcing raw materials ensured best quality in final products and efficient service outsourcing led to good performance; the study recommends other firms in the brewing industries to adopt strategic out sourcing by fully adopting and implementing it and factor in strengthening the relationship between the suppliers through policy formulation that protects parties from potential risks, operational risks and strategic risks.

Strategic resource management was identified as a critical factor affecting corporate performance. Based on this finding, the study recommends those organizations in the brewing industries and other organizations to strengthen their Human resource component. This could be done through ensuring adequate number of skilled staffs, equal distribution of financial resources across departments of production as some sections in the firm had less financial support compared to others. Managers should have clear communication in the organization so as to have a smooth relationship between them and employees. Top management should employ more resources in terms financial resources, more physical facilities and human resource so as to enhance performance.

5.7 Recommendations for Further Studies

This study was carried out in East African Breweries Limited, the findings are only related to EABL and cannot be said that they would apply to other organizations in or/and not in the same industry. Further, the study focuses on three variables/factors that accounted for 62.5%, meaning that there are other variable/factors that where not captured in the study. A similar study can be done in the same, in the other industries to verify the findings that are in this study. Similar studies should also be carries out in other related industries/firms in order to have further knowledge which will widen the understanding of corporate performance as an area of study.

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APPENDICES

APPENDIX I: QUESTIONNAIRE

The information gathered through this questionnaire is meant for academic purposes only. It will be treated with utmost confidentiality and will not be distributed to any parties whatsoever. Do not write your name anywhere on this

questionnaire. Kindly tick where appropriate/ fill in the required information on the space provided.

SECTION ONE: GENERAL INFORMATION

1. Gender of respondent: [ ] Female [ ] Male
2. Please indicate your job title in the organization.
   Junior Level [ ] Middle Level [ ] Senior/Managerial Level [ ]
3. How many years have you worked at the East African Breweries Limited?
   1-3 Years [ ] 4-6 years [ ] 7-9 years [ ] 10 years and above [ ]
4. What is the highest level of education you have achieved?
   Certificate [ ] Diploma [ ] Bachelor's Degree [ ] Postgraduate diploma [ ]
   Master's Degree [ ] PHD [ ]
   Others (specify)……

SECTION TWO: STRATEGIC MANAGEMENT APPROACHES ON CORPORATE PERFORMANCE AT EAST AFRICAN BREWERIES LIMITED

To what extent do strategic management approaches lead to Corporate Performance on a scale of: Strongly Agree- (SA)=5, Agree (A)=4, Not Certain (NC)=3, Disagree(D)=2 and

Strongly Disagree (SD)=1

Corporate Performance	**SD**	**D**	**NC**	**A**	**SA**
The firm's market share has increased geographically					
The firm's sales have been growing steadily					
The firm's corporate performance has steadily increased					
The firm has experienced growth in coming up with diverse products					
The firms has experienced growth in employee numbers					
The firm has experienced growth in increase of branches					

i) In your own view, what parameters (criteria) have been set in the firm to ensure that competitors don't catch up in terms of corporate performance?

……

……

……

SECTION THREE

To what extent does **Strategic Out sourcing** influence corporate performance on a scale of: Strongly Agree- (SA)=5, Agree (A)=4, Not Certain (NC)=3, Disagree(D)=2 and Strongly Disagree (SD)=1

Strategic Out sourcing	**SD**	**D**	**NC**	**A**	**SA**
Efficient service outsourcing leads to good performance					
Outsourcing raw materials ensures best quality in final products					
Outsourcing helps cut cost for the firm					
Productions facilities are well maintained					
Production facilities are as per the number of employees					

i)In your own view, what is the role of strategic-out sourcing in terms of achieving corporate performance?.....

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SECTION FOUR

To what extent does **Strategic Resource Management** influence corporate performance on a scale of: Strongly Agree- (SA)=5, Agree (A)=4, Not Certain (NC)=3, Disagree(D)=2 and Strongly Disagree (SD)=1

Strategic Resource Management	**SD**	**D**	**NC**	**A**	**SA**
The firm has vast financial resources					

Financial resources are equally distributed across all departments involved with production					
All sections in the firm have adequate employees					
All departments in the firm have well skilled and equipped employees					
Physical facilities in the firm are in good condition and serve intended purpose.					
There is regular check- up and maintenance of physical facilities					

i) In your own view, how has strategic resource management facilitated in corporate performance?

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SECTION FIVE

To what extent does **Innovation** influence corporate performance on a scale of: Strongly Agree- (SA)=5, Agree (A)=4, Not Certain (NC)=3, Disagree(D)=2 and Strongly Disagree (SD)=1

Innovation practices	**SD**	**D**	**NC**	**A**	**SA**
The firm constantly reviews its products to ensure quality delivery					
The firm constantly aims at coming up with new products					
The firm reviews its strategies to ensure environmental changes (competition) doesn't affect it					
The firm involves all levels of management when implementing strategies					
The firm has strategies unique to other organizations that					

ensure outstanding performance					
Process innovation ensures efficiency in productions of products					
Process innovation ensure that products are made to precision					

i) In your own view, what is the role of Innovation in achieving corporate performance?

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THANK YOU FOR YOUR RESPONSE

APPENDIX II: EABL BOARD OF DIRECTOR STRUCTURE

BOARD OF DIRECTORS	**BOARD OF COMMITEES (Members are Non-Executive Directors)**	**SENIOR MANAGEMENT**
Group chairman Mr. Charles Muchene	**Corporate Governance** Dr. A. Shonubi, Ms. C. Musyoka	**Managing Director/C.E.O** Mr. Andrew Cowan
Managing Director/C.E.O Mr. Andrew Cowan	**Audit and Risk Management** Mr. N. Mchechu (Chairman) Mr. J. Katto Mr. P. Gallagher**.**	Jane Karuku **| MD KBL** Mr. Mark Ocitti Ongom | **MD UBL** Mr. Peter Vogtländer | **Group Supply Chain**

		Director Mr.Gyorgy Geiszl | **Group Finance Director** Wambui Kosgey | **Group Legal Director**
Group Finance Mr.Gyorgy Geiszl	**Nomination and Remunerations** Mr. J. O'keeffe Dr. A. Shonubi Ms. C. Musyoka.	
Non-executive Directors Dr. Paul Gallagher Dr. Allan Shonubi Jane Karuku Mr. Japheth Katto Mr. Nehemiah Mchehu Mr. John O'Keeffe Ms. Carol Musyoka Mr. Martin Oduor-Otieno		