THE ROLE OF ORGANIZATIONAL POLICIES IN THE RELATIONSHIP BETWEEN COST MANAGEMENT STRATEGIES AND ORGANIZATIONAL PERFORMANCE OF SELECTED TEA PROCESSING FIRMS IN KENYA

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DEDICATION

To my Wife, Nancy; my Children, Sharon, Frank, and Shantel; and my Father, Johnson Mitema.

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ABSTRACT

Cost management is concerned with the effective and efficient management of an organization's assets, liabilities, revenues and cash flow to ensure that organizational goals are achieved. Cost management involves effective; low material cost, efficient manpower, low energy cost and better equipment maintenance policy. In recent years, the organizational performance of the tea manufacturing sectors has been declining, which has resulted in poor bonus payments to growers. The study's objective was to assess the role of organizational policy in the relationship between cost management strategies and the organizational performance of manufacturing firms, specifically, the tea factories. The specific objectives were: To examine the effect of material cost strategy on organizational performance in manufacturing firms in Kenya, to assess the effect of manpower cost strategy on organizational performance of tea manufacturing firms in Kenya, to assess the effect of energy cost strategy on manufacturing firms' performance in Kenya, to establish the effect of equipment maintenance cost strategy on organizational performance of tea processing firms in Kenya and to investigate the moderating role of organizational policies in the relationship between cost management strategies and organizational performance of tea manufacturing firms in Kenya. The study was based on the cost leadership theory, value chain analysis model and theory of manpower planning. The study used positivist research philosophy. This is the study of phenomena in which an environment takes main point to the acknowledgement of scientist understudy. The research design used in the study was descriptive. The study focused on 1928 workers from all the factories in the KTDA zones that were chosen. Top management, directors, extension officers, supervisors, and junior workers made up the 474-person sample. To choose the sample size for the investigation, stratified random sampling and straightforward random sampling methods were used. A questionnaire was used to obtain the data. The validity of the research instruments was confirmed by the supervisors of the researchers, and the reliability of the instrument was examined by a pilot test using Cronbach's Alpha. A statistical tool called SPSS version 22 was used to analyze the acquired data and produce both descriptive and inferential statistics. Data were displayed using tables and figures. The association between the variables was determined using inferential statistics. The findings indicate that there is a significant relationship between cost management strategies and tea processing firm's organizational performance, where cost management strategies had a positive and significant effect on the firm's organizational performance. It was also established that organizational policies significantly moderate the relationship between cost management strategies and organizational performance of tea manufacturing firms, in Kenya with 1.3% effect. The study concludes that tea-processing firms will benefit in formulating new organizational policies intended to transform the sector into a value creation engine for economic growth. The study recommends that tea firms should minimize unnecessary purchases, do proper staffing and training to achieve cost effectiveness that will spur organizational performance, use new technology, focus the uniqueness of cost through planning and development to reduce the cost of energy, adopt prevention maintenance policy, do timely and regular servicing of machinery so as to curb production costs and enhance tea firm's performance.

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LIST OF ABBREVIATIONS

ACBF	African Capacity Building Foundation
FDI	Foreign Direct Investment
ST	Strategic cost
KTDA	Kenya Tea Development Agency
KIPPRA	Kenya Institute for Public Policy Research and Analysis

LIST OF ACRONYMS

GOK: Government of Kenya.

KTDA: Kenya Tea Development Agency

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Organizational performance is a company's ability to gather and make the best use of its limited resources and assets in order to achieve its operational objectives (Kaufman et al., 2003). If strategic profit planning is available and effectively implemented, organizations will have little to no issue adapting to external changes. If organizations are to thrive, they must perform well in the face of unpredictable, uncontrollable environmental forces that could dramatically affect decision-making (Owolabi, 2012).

Manufacturing companies' management methods for cost management primarily cut expenses in relation to operating operations, but there is still a need to strategically plan cost measures in their production capacity in terms of sales volumes and goal profits. Manufacturing companies manage costs in a different way to boost yearly returns. However, managers are attempting to describe cost dynamics in terms of their cost spent per unit, such as maintenance expenses. Strategic cost management is still a difficulty in connecting cost dynamics to performance (Khalid, 2012).

The idea that tests corporate culture, cost-cutting methods, and business-to-bank implementation is the focus of cost management strategy. A survey at America State College found that how well cost management methods use resources has an impact on performance. The cost management strategies and technique are the foundation of the strategic management, which is used to assess performance. The two elements' effects on business bank execution were examined and econometrically modelled using the traditional least relapse technique. Information gathering was carried out using survey design (Wellman, 2018).

Separating variable expenses from fixed costs, such as truck fuel, packaging, and direct labor, as well as permanent costs like power, rent, and management overheads, is the first step in any cost management approach. However, the dynamic growth of businesses has not been attained by applying diverse logistical costs to client needs that are fitted to minimize supply chain costs. In the United States of America, the effectiveness of cost-cutting strategies is assessed using a variety of cost factors, with a focus on reducing the extra costs encountered in most industries. These cost components include labor (indirect, direct, and temporary staffs as well as permanent workers), loss of stock, costs of distributing, packing, the prize of low production, and the prize of low quality utilities (water and power, and heat). Because of this, the management of the factory does not fully adopt cost ways to increase efficiency and control various expenses such as preventive maintenance, energy reduction costs, and machinery cost ideas. Cost estimation and controls to save costs are testing the performance of the company (Dyian, 2015).

The financial performance of many Nigerian listed deposit banks is improved by cost control practices. Cost management procedures accurately predict the financial performance of the Nigerian deposit money institutions featured in the study. The listed Nigerian deposit money banks' profit before tax was directly and dramatically increased through activity-based costing. On the other hand, the target costing reduced earnings of listed deposit money banks in Nigeria. The key to improving efficient cost control and expense reduction and, consequently, enhanced financial performance, is to provide ongoing training and seminars for their team on new and modern cost management practices (Erasmus, 2021).

Manufacturing companies have had insufficient profit due to insufficient cost reduction dynamics. The likelihood of a company achieving its profit goals is better if its cost structure is acceptable. Since a manufacturer's primary goal is to generate a profit, prices of goods gradually rise. Additionally, given the increased competition, the majority of producers have decided that producing or packaging high-quality goods will raise their profit margin. Every company's

bottom line is determined by its ability to reduce costs and increase profitability (Adeleke, 2014).

The development of manufacturing companies in Tanzania's eastern region has been hampered by ineffective cost management tactics, particularly cost advantage and investing money to achieve cost effectiveness. However, the manufacturing sector has undergone significant changes in terms of employment costs and sector growth throughout time. This has long been seen as essential for cost management. The majority of manufacturing companies are still having difficulty implementing cost adjustment methods to fight the effects of the current financial crisis (Njambi &Allan, 2017).

The costs incurred that are under management's control and related to the goals of the business are specified by cost management techniques and approaches. It is a useful technique for concentrating on desired outcomes. Due to this, manufacturing companies had to alter their cost strategies, which could be done by concentrating on a number of cost measures meant to improve and enhance changes in returns on their investments. By developing low cost value chains including infrastructure, human resource management, technology improvement, supply chain, budget policy, and cost-saving trends, the company can substantially borrow from generic techniques, which leads to cost-reduction strategies. There is a critical need to better handle the dynamics of cost management strategies as part of the firms' strategic directions (Namu, 2014).

When organized, hierarchical businesses first appeared in the 19th century, cost management techniques had their beginnings. At this point, the necessity for increased manufacturing efficiency became apparent. Hierarchical organizations emerged as a result of factory owners hiring staff on a long-term basis in a centralized setting. Operations at factories were frequently dispersed from the corporate headquarters. This called for cost control that would boost organizational performance (Waweru, 2010).

All of the approaches for cutting costs are applicable to for-profit businesses, non-profit organizations, and service providers because every organization needs to reduce costs by enhancing both quality and quantity. The items are created using value-based cost management, which links expenses to product quality. For example, European enterprises have adopted renewable energy to reduce the cost of energy used in production, such as wind energy and marine energy as alternative energy in cost of productions. Energy costs in manufacturing firms are also high for performance in terms of reduction strategy. It is necessary for businesses to use manufacturing cost sharing strategies to increase returns (Carbon, 2013).

The key topic of discussion for every management of manufacturing enterprises in Kenya right now is cost management plan. They face particular difficulties from high-tech startups that cause fierce rivalry due to cost reductions and high pricing in the competitive market environments typical of cost-based competitions. Budget policies within approved budgets, the process of resource planning, cost estimating, budgeting cost, and cost management have all highlighted the need to improve cost control. Material costs not indicated in strategic cost reductions are added up evenly by overall cost allocations or cost conversions. Manufacturing companies have had trouble figuring out ways to cut costs and increase performance relative to their products. Various tactics have been employed or established by various scholars, but they have not been successful in achieving organizational goals based on performance (Alireza & Mahdi, 2012).

The presentation of cost containment measures in Kenya's processing firms emphasizes the necessity for management to learn how to reduce unnecessary costs. The goal of employed techniques, such as personnel reduction, is to control labor costs. In order to achieve good performance, the cost reduction plan is handled with dynamic modifications without considerable expansion. Research has been done in Kenya to address the problems with cost reduction, however

more study is still needed on cost reduction in manufacturing (Ted, 2015).

Strategies for cost control have an impact on how tea is produced and distributed to the market. This is further supported by the fact that, despite Kenya leading the world in the production of the highest-quality teas, local consumption of tea is on the decline in the nation and is getting less expensive. It is tough for the sector to perform in the global markets because of the problem of cost management to satisfy international standards. As a result, tea companies are under pressure to maintain low costs while anticipating high earnings (Mwangi, 2017).

However, manufacturing firms in Kenya use modern cost management in terms of stock cost management, labor cost, selling and distribution costs. Cost reduction strategies concentrate on techniques for minimizing costs in order to achieve minimal fixed costs and variable costs related to critical activity. As a result, this research aims to evaluate how cost management approaches affect how manufacturing firms perform (Wanjiku, 2014).

Cost-cutting tactics are essential in the modern erratic and turbulent market, with a few sector exceptions. The manufacturing enterprises have been influenced by urgent financial needs, inadequate strategic material costs, cost monitoring, and difficult market conditions, in contrast to the service industries. Furthermore, in a developing industry, notably in Kenya, where many manufacturing companies have departed the market due to poor cost-cutting tactics, performance is crucial for a company to succeed (Adam, 2018).

In order to expand market access through processing, packaging, branding, and distribution of agricultural products, cost management strategy is essential. In the region where tea is produced, factories have produced jobs that have benefited local residents' worth of living and the growth of the local infrastructure (Nyayo Tea Zone development corporations, 2016).

Cost management dynamic is challenging in terms of manufacturing firm towards efficiency, competence and productivity. Manufacturing companies are using their financial advantage to deliver cost efficiency. In Kenyan tea manufacturers, it's difficult to connect cost management and cost reductions. In factories, the cost management technique is not used, which results in low production. Due to bad strategic cost decisions, the performance of countries that produce tea has decreased as a result (Sagimo, 2012).

Cost reduction strategies are employed to control any operation costs of saving incurred. Hence there is no research that has established quantitatively the cost management strategy in Kenya. It is against this gap, that this research seeks to assess the role of organization policies on the association between the cost management strategies on organizational performance of tea processing firms in Kenya (Deno, 2014).

Due to problems with cost management, many goods produced in the nation go unused by consumers and eventually expire in the hands of the sellers. Poor cost management is another issue that causes overstocking and slows the firm's operating capital. Another issue that some or most manufacturing companies are dealing with is the implementation of an ineffective plan to minimize production costs in order to maximize profit, i.e. (making use of low-quality raw material). The goal of any company organization is to turn a profit, and the majority of business owners think that the best method to turn a profit is to boost sales, which creates a new problem. Because of the growing amount of work needed, there needs to be a matching growth in costs so that there is increase in sales. It is essential to bring down the costs that are going up (Ogwoka, 2015).

The necessity to concentrate on control and reduction of costs as a way of achieving goals, including maximizing of profit and shareholder value, has been driven by the excessive cost of

doing business in Kenya. Many businesses do not now view cost management as a significant concern. As a result, shareholders frequently make complaints about small earnings on their investment. Some Kenyan business enterprises have been forced to transfer because of inability to regulate or bring down costs, with an adverse influence on their profits. This is done because of the belief that the prize of conducting commercial activities in the bordering countries will be smaller than in Kenya. Though the economic disaster has caused an important test for business enterprises, some opportunities have arisen. Business enterprises were under piling weight to inspect all aspects of their operating processes to get new possibilities for efficiency. Accordingly, strategic cost management came up as an approach to view as a competitive defense for business survival during the current economic downturn (Gorman, 2016).

Another difficulty has been the material cost strategy's effects on the function of quality management at Harvard Business School in Boston. The implementation of cost estimating strategy and technique has a significant and advantageous impact on business. For banks that are considered as performing both normally and at a high expense, whereas for smaller and underperforming banks. Performance was found to be impacted by cost (ZeynepTon, 2009).

Material cost reduction strategies aim at improving activities of supply chain that are dire to all industries. They save money, enhance throughput, bring down inventory levels and brings up returns, hence, enhancing financial status of an organizations. Normally, organization realigns their activities such that costs are minimized whereas revenues are maximized and minimize cost. Effectives material cost management ensures reduced operational costs, procurement costs, advertising costs, and lower distribution costs (Ainapur, Singh, & Vittal, 2011).

Material cost dominates the product manufacturing expenses. Minimizing material cost involves obtaining materials at a reduced cost and use of less material in processing. Purchasing

raw material in large quantities reduces the cost of the material. Acquiring right and proper material plays a key role in cost reduction and leads to production of quality goods. Proper materials also, ensures that wastages of materials are minimized through perfect training and tooling (Choudhari, 2018).

Material cost management strategy is used in optimizing performance and meeting customer service requirements by reducing expenses and making the best utilization of accessible resources. Effective materials management strategy ensure that the right items are acquired and veiled forprocessing at the appropriate moment, at the precise place and at the smallest possible price which would prevent insufficient plans for material properties, hence stalling general performance. A continuous supplies takes less lead times, inventories that not obsolete and surplus, enhanced cooperating and communicating, minimal duplication of effort, reducing in material prices, improving control of

quality, improving status control, and faster identifying of complications are the major benefits of material management approaches in a firm (Brutus & Chiyem,2015).

Material costs management strategy involves purchasing price, price of marketing, outmodedness and waste as the numerous costs involved in materials. Managing of these material costs are key in the reduction costs incurred during material management. Materials costs account for over 50% percent of the annual turnover in manufacturing firms. Hence, managing of materials in firms to evade needless costs is key (Ogbadu, 2009).

Efficient managing of material costs in organizations comprise of complete installing and maintaining of inventories control systems ranging from chain purchasing to warehousing. Stock valuation is critical in effective material management contributes to inbuilt worthiness of company's share. Poor management of material especially inability to control lead time leads to

failure of many firms. Acquisition of material and delivery time to the firm is an important element of a firm performing well. The real output of a firm is used tomeasured success against expected output (Okoro, 2019).

Efficient management of materials is essential to the firms because it saves a lot of project costs. Procuring material earlier early, locks up capital and interest charges may accumulate due to surplus account of materials. This makes Materials decrease their value during storage or lost through theft, damage from natural hazards unless put under special care which may attract more storage costs. On the other hand, late procurement of material lead to extra expenses if required to carry out given tasks are not readily available (Atieno & Wanyoike, 2015).

An effective strategic material cost of strategy can be got from workers' knowledge of the thinking and standard of strategic material cost. Furthermore, if workers are conscious of approach, the data and reporting of control of quality prepared by staff members should be easy to discover the actual facts and in this way, might be used to rectify quality mistakes, instantly and effectually (Ogwoka, 2015).

Material cost efficiency as seen the introduction of Continuous Fermentation Units (CFUs) in all factories. These are computerized "intelligent machines" that have literally changed the fashion in which tea is processed by removing human interference in the fermentation process. Since one CFU replaced almost 40 employees, it has improved uniformity in the quality of tea produced, increased production efficiency, and reduced labor expenses. E-procurement software packages streamline the purchasing process by removing manual data handling and replacing paper documents such asking quotations, purchase orders, order acceptances, and shipping notices with electronic communication (Kimathi & Muriuki, 2012).

A product's material cost is the sum of money used to produce it. Items that have material costs

would be things like food ingredients or machine parts. This expense is separate from the price of the labor used to make the product. A high rate of inflation, fierce rivalry through capacity building, and value addition describe the current business environment in which Kenyan manufacturing companies operate. Due to the listed factors, majority of business enterprises find it difficult to sustain enough incomes in contexts where expenditure is rising but price rises get difficult to put into practice (Mwangi, 2017).

The KTDA's effective use of material cost approach increases Kenya's tea production by 60%. Although effective production procedures have been developed, KTDA-managed factories continue to have high operating costs, which negatively affect their performance. Poor cost management practices of KTDA operated factories are the cause of the low performance and deteriorating yield in KTDA plants. When effective cost management techniques are used, KTDA factories can adopt them, enable them to compete competitively, and close performance disparities, (Ogwoka, 2015)

Inadequate commitment to timely funding of material acquisition, bad planning of materials, poor control of inventories, buying issues, issues on control of quality, store control issues, material mobility, and even issues with surplus disposal result from ineffective material cost management approaches. This was the cause of the death_of KCC. Stabilizing the supply of materials and economic growth depends on effective materials management strategy (Mutwol, 2013).

The majority of firms struggle with manpower cost strategy, which is part of cost management. It has been found that there is no consistent link between cost management and performance. Numerous studies showed that cost control provided the most benefits to the firm. It has been determined that there are erratic relationships between strategic performance management and cost management. Performance has a significant impact on the advantages realized in the organizations' cost-management methods. The modern organization strives to make decisions that can manage sustainability on a global scale. Cost management is still a challenging and

tumultuous aspect of organization operations (Gofin, 2016).

Providers of low-cost labor are meticulous in capturing the advantages of learning and experience effects. Due to the corporate staff's experience, the cost effects are realized. While some firms prefer to keep all of their employees, others decide to keep only the top performers. Staff turnover tends to be lower during economic downturns and higher during economic upturns. It might be argued that a certain amount of staff turnover is required to periodically invigorate organizations with new blood in order to prevent them from growing stale and stunted. The fresh perspectives and experiences that new faces bring to an organization make it more vibrant. Additionally, a certain amount of turnover will enable managers to maintain tighter control over labor expenditures than would otherwise be possible. Some employee turnover is "functional" as opposed to "dysfunctional," as it leads to the departure of underperformers and their replacement by workers who are more productive. The tea factories also benefit from their favorable location. This location advantage benefits both farmers and industry (John & Richard, 2007).

One of the best cost-cutting tactics over the previous two decades is outsourcing human resources. Government and business partners have determined that outsourcing enables an organization to cut expenditures on routine, ancillary, and non-strategic tasks. Outsourcing of human resources, cost cutting, and company strategy are all directly related. The breadth of outsourcing human resources has expanded in this competitive world, and the majority of businesses now outsource the majority of their activities (Mansor, Nasir, Missnon, Abu, & Kamil, 2015).

Manpower strategy involves staff recruitment, selection, training and Retention. This is what is applied to determine actual performance through cost management. Training cost is a function of cost expenditure regarding employee’s effort, employee skill, at random effects.

Included in the random effects are errors in performance cost measurement, inefficiencies brought about by coworkers' need for cost-adjacent workspaces, illness, and production issues. The cost of hiring new employees is characterized in terms of salary paid, resources available, and where and how they will be most cost-effective. Organizational vacancies are regarded as a management expense and filled internally, creating "international labor markets," while others prefer to publicly post all openings and evaluate both internal candidates and anyone applying from outside the business (Raiborn, Michael & Janice, 2006).

Labor costs incurred during hiring and training of new entry level employees in an organizationare 2.4 times more than their annual salary. Thus, retaining employees for a long period is keyin reducing labor costs (Twiname, Samujh, & Rae, 2011).

Labor cost especially recruitment are the mandatory payroll expenses. Discretionary costs include employee benefits, perks and other human resource expenditure like advertising of jobs, employment fairs,background checking, testing on drugs, employee reference bonuses, job subscriptions, salaries for recruiters and for human resource officers, auxiliary workers, development and training costs, sponsorship on visas, litigation costs and human resource and or recruiting overheads, like accommodation costs, communication and other provisions (Tanoli,2016).

Labour cost saving strategy involves implementation of rationalizing approaches to capitalize on theoperating efficiency without jeopardizing employee emotions. The use of outsourcingstrategies helps to reduce cost; however, it may negatively affect employees. Labour costs canalso be cut by avoiding hidden HR charges. Human resource reducing costs begins from compensating the price of worker commitment (Kinyua, 2015).

Equipment maintenance strategies such as preventive maintenance together with reliability analysis gives firms a chance to reduce costs and productivity improvements at the same time. Predictive maintenance is a good concept but it's not fully implemented because of low investment and elementary tools. Repairing root are crucial and needs to be monitored because they avoid failures. This gives superior equipment availability whereas enhancing product quality (Bascur & Kennedy, 2019).

Equipment maintenance management involves planning, organizing, implementing, monitoring and controlling so as maintain a given level of availability, value and reliability of systems and assets and ability to work at standard level of quality. The choice of maintenance management approach chosen and utilized has greater effects of firm's performance. Operational performance of firms can be determined by dependability, maintainability, output, efficiency, obtainability and production per unit cost (Al-Turki, 2011).

Real equipment care is a serious issue to many operations. Maintenance improves equipment life, equipment availability and ensures that the equipment in good condition. Obsolete and depreciated machines/processes cannot process goods of quality with high general equipment efficiency (OEE) and at lower costs. Henceforth, high equipment availability and higher performance are only achievable by efficient equipment management programs. On the hand, disruptions in production processes due to maintenance reduce productivity; increaseproduct cost and thus, reducing income earned. Use of effective maintenance improves firms' profitability and competitiveness by cost-effective enhancement of production process efficiency, effectiveness and productivity. This is possible through maintaining and improving the quality of all the elements that affect production (Maletic, Maletic, Al-Najjar, & Gomiscek, 2014).

A cost-management method known as equipment maintenance ensures that strategic cost components may be measured against the intended results. As a result, improving organizational performance is increasingly essential to achieving long-term improvements in cost management. A strategic plan is a method for achieving goals that has been agreed upon by a group of philosophies (Pearce and Robinson, 2007).

Equipment maintenance strategy is a crucial part of facility management that supports core activities within a company greatly especially the operations and maintenance of mechanical equipment. Main tools applied in Equipment maintenance include monitors, data collectors, analysis and implementation of a system. Greater effectiveness in any system of facilities management involves using information technologies (Vyskočil, 2010).

Equipment maintenance strategy enables firms to obtain necessary maintenance-cost information that is key in tracking engineering information. Through the use of life-cycle costing information, firms are able to acquire assets with the lowest life-cycle costs rather than lowest initial costs. Tracking general life cycle expenses with accuracy, all work, material, contracting,and other various costs are done at the equipment level. This tracking is mainly meant for maintenance department and it assists them in maintenance budgeting costing (Havlík, 2011).

Equipment Maintenance strategy is a very new concept in Nigeria. Big processing companies inNigeria like Dangote cement firm, Gboko, Benue breweries and Nigeria bottlers company plc Makurdi spent money greatly on groundwork, equipment and machines but slight care to upkeep and hence, small results are obtained in the use of assets, giving rise to poor maintenance culture. This is due to poorly equipped maintenance departments, lack of enough

capital for operation and maintenance, inadequate spare parts, transfer of plants without enough manpower requirements on ground, insufficient monitoring and inadequate preventive and corrective maintenance strategies (Chiekezie, Nzewi, & Odekina, 2017).

Equipment maintenance strategies are grouped into corrective (reactive) and preventive (proactive). The corrective maintenance is unplanned for maintenance aiming at restoring systems after a failure has taken place. On the other hand, preventive maintenance is Maintenance that is schedule for. Proactive maintenance occurs from time to time as a designed inspection, detection, and repair/replacement (Adeyeri, Kareem, Ayodeji, & Emovon, 2011).

Equipment Maintenance activities are done to preserve the initial condition of an equipment or asset while atoning for the normal wear and tear. Facility maintenance collectively involve different technical and administrative action to keep a physical asset, or restore it so as to optimize its functions. Maintenance ensure that machines and equipment are reliability in tip top condition for use (Bagshaw & George, 2015).

Preventive equipment maintenance strategy helps smaller firms to reduce costs. It becomes difficult for manufacture management in large companies to admit the place of production maintenance. Loss due to production is the biggest to processing business as the whole industry is hinged on output. Therefore, production management are not ready to release machines for maintenance until a total breakdown has occurred. The occurrence of a breakdown increases pressure on maintenance staff to hurriedly repair and get the machine back to work. This leads to high costs of spare parts and other overhead costs (Ribeiro, 2011).

Equipment maintenance culture of manufacturing firms help firms to deal with short down intensity, maintenance cost component, emergency failure intensity, overtime ratio, maintenance production ratio, direct maintenance labor cost, price of supplies and spare parts and monthly stock turnover. Poor maintenance leads to increased number of breakdowns annually. Additionally, they reduce number of overtime per day between 1-12 hours and varies from one machine to another. Continuous breakdown of equipment is due to obsolesce and poor maintenance (Bolaji & Adejuigbe, 2012).

Maintenance cost management system and practices are spearheaded by top management commitment role in organizations. The role of top management in cost management and system outcomes is very vital in the success of a firm. Leadership, strongly and directly affect quality of service (Ahmad *et al.*, 2018).

Reliability-focused technology the probability of equipment failure and the expense of such a breakdown are the foundation of maintenance plan. Errors or problems are guaranteed to be identified early enough before they manifest themselves thanks to reliability centered maintenance (RCM). This enables a continuous production process and reduces interruptions. Additionally, it stops failures in their tracks. First doing maintenance on assets that have higher risk value in terms of welfare and economics is a prioritized maintenance technique (Ngatia, 2013).

Equipment maintenance management practices adopted by firms, affects greatly operational Performance. Thus, firms apply those practices that make operations successful. In electricity producing stations in Kenya there are many maintenance management practices. However, firms in Kenya have not fully utilized equipment maintenance management practices because of technology problems and close schedules of production (Njoroge, 2010).

Poor equipment maintenance strategies and other factors increases costs in stations producing and affects affect operational performance. Proper maintenance strategies are required to enhance availabilities of the stations so that they can maintain higher operational performance. Equipment maintenance requires top management's assistance for maintenance managers, enhance availability of their stations and work on the challenges in their Stations if they are to advance the working performance of their stations (Mwangi, 2014).

Electric energy has been utilized in the modern day as a source of energy. Numerous efforts are being made to generate enough power to sustain economic growth. Moving away from fossil fuel like coal and petroleum in the manufacturing is a gradual process. The need to use environmental friendlier energy to curb carbon emission and hence minimize fossil fuels consumption (Kaygusuz, 2012).

Electricity costs are driven by accessibility of capability to produce power, capability for making businesses to deliver produced power and variations in weather dynamics. These determinants donot affect prices of electric alone but, they complemented other minor factors that collectivelycreate friendly or unfriendly cost of energy. Weather patterns are critical in determining electrical generation and supply (Grainger & Zhang, 2017).

The cost of electricity is normally high for residential and commercial consumers because it's costly to distribute less components of power. However, industrial consumers of electric power are charged lower tariffs due to high supply at higher voltages which are more efficient and less expensive (International Energy Outlook, 2016).

The cost of power to producers is near the wholesale cost of power. In the USA the yearly normal cost of electricity was 10.54¢ per kilowatt hour (kWh) while average per year for utility clients was 12.90¢ for residentials; 10.68¢ for commercial; 6.91¢ for industrial and 9.67¢ for transporting (EIA, 2018).

Utilizing energy more effectively and efficiently in an organization's activities is known as energy management. When managed properly, energy is a precious resource and a cost that is under control. Energy management offers businesses the possibility to reduce their energy expenditures while also minimizing the negative effects on the environment of their energy use, procurement, and economy. This is a continual process that needs to be continuously monitored (Chemical Industry Digest, 2007).

Costs for labor, materials, and energy make up the majority of operating expenses (both thermal and electrical). In comparison to other components, energy expenditures can be effectively managed to reduce costs. Therefore, the energy management function needs to strategically reduce costs. Energy cost savings of 5–15% are often achieved relatively rapidly and without any capital outlays, especially when a good energy management program is in place. As a result, energy management is crucial for raising revenues and reducing expenses (Green, Zelbst, Meacham, & Bhadauria, 2012).

Solar energy is a cost saving strategy that is very big, unlimited basis of power. It’s a source from the sun whose power is about 1.8*1011 MW which thousands times bigger than the current use rate of all profitable power sources on earth, hence,in the main, solar energy is believed to be the global enduring sources of power. This makes it the most reliable of the unconventional energy strategy. A part from its in size, solar energy is an ecologically clean source of power and it’s freely available abundantly all over world where people live as opposed to fossil fuels and nuclear power (Sukhatmeet et *al*, 2017).

Green energy used by constructing companies in South Africa and Nigeria have given risen to adopting of Green supply chain managing protocols in their undertakings. GSCM complies with environment principles in bringing sustainability. In many countries in Africa, GSCM comprises; material for packaging, consumption of paper, substances for cleaning, usage of water and pollution of noise that are regular logistics of a business and is a burden on the environment (Belvedere & John,2017).

Energy cost saving requires internal power generation that is actual form of energy required in production processes (e. g., mechanical energy, heat, light). Useful energy is not tradable unlike others energy source that can be bought in the market and has to be transformed into the needed useful energy by means of energy converters and other energy-related equipment (Lucas, 2010).

Energy cost and energy efficiency comes first in many companies. Energy costs include energy consumption, energy delivery cost, energy losses and the infrastructure required to use of energy. Energy costs has increasing important hence, more transparency of energy consumption, losses, and conservation potentials is required (Bierer & Uwe, 2012).

Electricity has been a driver of a number of economic areas like processing, commerce, transportation, communication, farming and the connected sectors of the economy. The processingsector eats a substantive amount of the worldwide production of energy with 54% of worldwide total power production being spent in the industry sector (International Energy Outlook,2016).

Green energy is cost saving strategy is gaining momentum in Kenya as many companies are presently focusing on green economy and going green. Environment, customer pressure and business expectations are the driving force behind the firms' adoption green supply chain managing traditions. Some firms like KTDA have adopted Green production which has taken

the place of petroleum with water from Gura River to make energy used in the process of tea. KTDA might be adopting green by bringing down their carbon use and bringing down power costs. Safaricom via a lighting solution referred to as M-KOPA Solar has the ability to offer quality lighting answers to many people. The project has made the firm to bring down its carbon use and improve client experience. Mumias Sugar started the use of bagasse to generate biogas which provides energy to their generators. This reduces energy costs hence, improving performance (Ame, 2017).

Solar energy strategy is key in most developing countries because it's sustainable and it's harmless to the environment. The enormous solar power is important in the distributing of power in the economy. Majority of their electricity used in Kenya and Tanzania generated from solar energy and hydropower (Ndaba, 2015).

Replace an older, less-efficient natural gas furnace with a 95% efficient one to minimize energy use, carbon emissions, and natural gas bills. Adopt energy cost reduction innovations by switching to energy-efficient technologies like space heating or cooling. This is only applicable to incentives for tea product production, which is characterized by high energy costs and a strong reliance on wood fuel. Low local consumptions, the dominance of new competitors from international firms who provide the pricing with a small number of export destinations, and a decline in current market demands are the primary problems with tea marketing and cost reduction. There is evidence that Kenyan tea is not branded, and study is required to ensure the tea industry's sustainability because there are no cost strategies (Ogwoka, 2015).

High cost and insufficient energy are the main s hurdles staring at manufacturing sector in Kenya. Effective utilization of industry power together with suitable use of electricity is needed so as to control on the usage of costly electricity. The Kenyan industrial sector is defined

incompetent and unsuitable usage of mains electric power because of unsuitability. Use lean technologies ensure that power is efficiently utilized in processing facilities which make use of big amounts of mains electric energy for their everyday processes. This leads to higher electricity bills which affect how the firms perform (Were, 2016).

1.1.1 Organizational Policies

Organizational polices ensures that employees have the ability to measure and apply superior data competently and efficiently. The human resource policy includes worker training and worker relations, enhances quality, through utilization of quality data and reporting. The successful implementation of strategic program mainly is hinged on teamwork and harmony among a company's labor force (Ho *et al*., 2016).

Organizational policy plays a great role in new and useful knowledge for the company. Working conditions enhances creativity and performance of the organization. Organizations policy allows works contributed towards policy formulation. Organizational policy makes managers responsible not to misinterpret worker contribution. Polices at differing levels ensures accountabilities through balancing organizational performance (Afful, 2018).

The quality of work life is impacted by organizational policy, culture, and citizenship, all of which are interconnected. Perfect comprehension of the events and underlying processes is necessary for organizational policy. Organizational policy has struggled to close the gap between employee input and the creation of policies that will advance their superiority of work life. Job happiness at work is significantly influenced by the quality of one's working environment (Chib, 2012).

Organizational policy is pivotal in sustaining competitiveness of both nations and organizations. Organization policy ensures that firms are able to strike a balance employee andorganizational demands. It also assures quality of work life for employee and possible participation in realizing organizational vision. Further, organizational policies make it possible for producing procedures, produce designs, and company function to attain betterresults in workplaces which have big returns on savings relying on a company's commitment that including openness, clarity on roles, consciences and attitude (Edwards,2017).

Detailed organizational policy assist workers identify the standing of their suggestions and how a firm looks at it. It also helps know the nature of relationship between contributions they make and quality of work life enhancement programs. Additionally, Organizational policy give workers a chance to be part of ideas implementation that leads to sustainable participationand committed. Employee involvement enhances responses from those who supervise and manage and focus on their strong points and not worker flaws on job-matters (Crawford, LePine,& Rich, 2010).

Organizational policy on human resource is training policy, procurement policy; asset disposal policy for better human management will result in more positive effect on producing quality

data and its reportage. The benefits resulting from worker participation include motivation, commitment and people participation in the firm, innovating and being creative in advancing the firm's goals. Worker participation leads to: workers freely deliberating difficulties and issues; workers easily sharing information and understanding; workers aggressively seeking chances to improve their capability, information and understanding; people assessing their performance via-a-vis their personal objectives and goals; people accepting possession of difficulties and their accountability for solving them; people accepting the significance of their influence and part in the firm (Ahire & Dreyfus, 2016).

Organizational policies outline how to assess client wants and expectations, involving them in quality development and determining client gratification. The accessibility of client grievances information to management and the extent of the use of client reaction to increase product quality brings out the level of client emphasis in the firm. Client prospects are dynamic; a firm has to survey client prospects frequently and adapt its processes accordingly. Given the growing focus on creating of reasonable advantages, excellence is explained from an outside perspective of client prospects, rather than from prearranged internal stipulations. In order to stay competitive, firms must be able to react and familiarize to changing client choices and needs (Soltani, 2018).

Internal organizational policies serve as a set of rules and principles that direct organizational activity. Due to their aid in addressing important concerns like what constitutes an acceptable code of conduct and what constitutes behavior that is acceptable in an organization, policies are important components of every company (Banks, Woznyj, Wesslen, Frear, Berka, Heggestad & Gordon, 2019).

Organizational policies are crucial because they define the behaviors that are permitted inside a given organization. Strict adherence to rules and regulations aids in protecting businesses and employees. The business would be far more vulnerable to lawsuits if it failed to adhere to the stated policies. Internal control systems that determine how operations are carried out are guided by organizational policies (Leonidou, Christodoulides, Kyrgidou & Palihawadana, 2017).

Organizational policies help a firm to implement competitive strategies and forms a basis for organizational mission. Policies are crucial in the growth of a firms thus they cannot be copied from other organizations. Policies define an organization, making them different from others (Uzel, 2012).

Organizational policies on employee's promotions policies motivate them as they would be given more responsibilities. Proper organization on promotion lead into fairness, enhances effectiveness of employees as they perform their duties and hence, directing contributing towards performance of an organization (Banks & Kepes, 2015).

It is made possible by the recruitment procedures of organizations to hire and keep qualified employees. This is essential to ensure that an organization's performance improves. Particularly in banks, credit administration rules make guarantee that creditworthy consumers are given credit, reducing non-performing loans and, as a result, enhancing an organization's performance. The environment and conditions within an organization that influence performance are shaped by the welfare policies (Ogunyomi & Bruning, 2016).

An organization's framework and structure are provided by effective organizational policies. Application of strict consistency improves organizational culture development. Strong ethics policies aid in teaching staff members the value of morality and ethical conduct (Ugochukwu, 2018).

Management to communicate to employee's organizational expectations on the code of ethical behavioral uses organizational policies. Organizational policies and conditions outlines the consequences for violation certain policies to workers. Good policies fortify practices ensures that organization and employees they are not unnecessarily restricted on their freedoms and decision-making (Moruri, Evans, & Jennifer, 2018).

Organizational Policies deals with setting up guidelines that can solve a conflict that mayarise amongst mangers. Policies ensures that each person and strategic business units deal with their line of specialty so they can individually and collectively achieve organizational goals and objectives. Good organizational policies help organizations fulfill their mission that are taken to be difficult (Ofunya, 2013).

Because organizational policies and procedures are properly implemented in Nigeria, they help organizations make the most of their workforce and achieve their goals, targets, and objectives. Worker participation in decision-making that affects their everyday activities is made possible by organizational policies. Their involvement boosts productivity (Aggarwal Devi & Kaur, 2014).

The quality of life at work is supported by organizational policy, which also commits resources in this direction. Formulation, adoption, implementation, and idea evaluation are the four stages that organizational policies go through. By achieving employee involvement, a transition from creative ideas to useful solutions will take place, giving businesses a sufficient and ongoing supply of pertinent project ideas. Employee involvement reduces management expenses such as labor expenditures and other expenses related to employee negligence in fulfilling work commitments. Employees are essential resources that require ongoing their contribution has a close relationship to organizational development (Danaeifar, Gharaei, Hasani, Mirzaei

&Abangah, 2016).

Because they have numerous aspects that are connected and coordinated for efficiency, organizational policies like safety strategies, well-being and security strategies, worker or HR strategies, and e-policies are viewed as a system. The way that organizational policy is developed, put into practice, adopted, and assessed is handled by its interconnected components. In order to prevent disputes between management and employees, it is also important for workers to be involved in and contribute to the creation of organizational policy. Active and effective participation employees make them committed to the firm when deliberated to make or review policies that exist in the organization (Chiemeke, Ashari &Muktar, 2018).

Organizational policy affects employee participation and work quality. Employee involvement programs aims at improving productivity. Organizational policy outlines how the relationship between employee's involvements affects their work, participation, Leadership, Teamwork and Rewards. Good, organizational policy prioritizes worker strength by substantial level of support for work-related issues, like worker the independence to facilitate organizational policy, enhance quality of work life, and increase worker engagement (Anitha, 2014).

Organizational Policies and regulating context in the department of procurement are centralon organizational performance. Policy and regulatory framework enhances organizational performance through ensuring that all organization have the same rules and requirements when dealing procurement issues. Policy and regulatory framework ensure improvement in transparency, openness, improved ethical standards, impartiality and improved decision-making (Karungani, 2017).

Organization policies play a key role on performance of employee. Modification of behaviors and ideas goes even after attaining and sustaining positive outcome. New Organizational polices would take before they fully embedded in an organization, thus performance is affectedinversely until employees get used to new ways of doing their roles with diverse expectations for personal behavior (Bakari, 2014).

Comprehensive organizational polices and regulatory framework controls all stages of the procurement process such as transparency, ethics and all approaches of procurement process. A good policy regulatory framework in procurement process leads to organizational growth through transparency, openness, impartiality, integrity and fair competition. Policies gives organizations higher chances of enhancing performance when work in environments full of openness, impartiality and fair competition (Awino& Marendi-Getuno, 2014).

Organizational policies regulating outline in the procuring field enhances company performance by imparting competence, transparency, morals and sincerity among specialists within the field. Studies also demonstrate that when the procuring rule isobeyed, important levels of development in administrative performance attained because of the renewed readiness by experts to observe competence, sincerity andtransparency in the procuring of goods, services and works (Makabira & Waiganjo, 2014). Organizational policies are the center of every organization. Written policies and procedures are in all companies, in spite of the size. Periodic review of policies and procedures ensures that organizations are operating effectively and efficiently. Written policies deal with potential sources of risk, expect workers to know them, and creates awareness on the importance of riskcontrol. Organizational polices also ensure that workers adhere to company policies meant forrisk minimization (Bakari, 2014).

1.1.2 Organizational Performance

In manufacturing organizations, organizational performance is measured through sales volume, turnover ratios, customer service quality, return on assets, and return on equity. It focuses on how well these businesses allocate cost inputs including assets, labor costs, employee productivity, and the number of cost of operations. Sales returns that do not favorably compare with returns from the larger market are a sign of performance in manufacturing enterprises (Gorman, 2016).

Firm performance indicates how well a firm is operating which can be finished by looking at the outputs and inputs to previously well-known goals and objectives. The performance of an organization indicates the extent to which a firm has increased in give period of period. Organizational performance acts as an indicator of success of in the company. Organizational performance ensures that a firm realizes proper coordination by establishing channels of effective communication, planning and managing tasks (Protogerou, Caloghirou, & Lioukas, 2011).

Organization's performance can be achieved through thorough coordination of actions that enhance the efficiency and effectiveness of organizational performance. Organizational performance can be measured using both financial and non-financial means. Organization programs contribute greatly to effective organizational performance (Theodosiou, Kehagias, & Katsikea, 2012).

Organizational performance is contributed by the share of the market, growth of shares, the margin of profit, price of shares, average selling price, return on sales, and the return on investment. Further to that, other non-monetary pointers including satisfaction of clients, satisfaction of workers, performance of the environment, general quality of products, general

competitive position, and social performance,

efficiency, effectiveness and relevance also, enhance organizational performance (Ganeshkumar & Nambirajan, 2013).

How a firm performs is determined by real productivity of a firm vis-a-vis expected outputs objectives. Market orientation is necessary for the company, as it would enable it to realize the market pulse. Organizational performance brings together financial and non-financial performance of a company. Performance measurement systems (PMSs) is a set of measures that help organizations to operationalize business effectively and efficiently through attaining of goals. Organizational performance deals with, competitive advantage, value creation, innovative performance, growth performance, operational performance, and other indicators of performance (Novak, 2017).

Performance of a firm is interested with the general output in an industry in terms of stock revenue, clients, profits and market shares. The notion of firm performance is at center of any businesses. The main aim of any organization isto make profits. Failure or success of some organization is based on their organizational performance. Performance is used to assess the overall working of an organization in terms of productivity, employee's morale and effectiveness (Sharabati, & Fuqaha, 2013).

Performance Management Practices in Pakistan is underpinned by organizational culture. Elements of organization culture contributed directly to the growth of organizational performance. Organizational culture traits and management practice directly and significance enhances performance of an organization (ul Mujeeb & Ahmad, 2011).

Organizational performance is based on organizational culture and employee commitment. Organizational culture determines employees' involvement, consistence, adaptability and mission, efficiency, effectiveness, productivity, quality and innovation. These elements, affects organizational performance directly. Employee commitment is determined by the culture they adopted in the organization once recruited. This commitment affects organizational performance directly (Nikpour, 2017).

Organizational performance depends on the HR practices adopted. HR practices play great role in designing of programs that would lead to achievement of better operational results leading to enhanced organizational performance. Human resources are a key source of competitive advantage and they greatly contribute to organizational performance as well as other factors apart from HR practices (Calişkan, 2016).

Organizational performance can be determined by observing efficiency of an organization in usage of resources to attain and sustain its objectives and goals. Organizational performance outlines satisfaction achieved by an individual, teamwork, and/ or an organization. It included real productivity of a firm measured alongside expected aims and goals. Performance measurement measures the appropriateness of programs, investments, and procurements in attaining pre-set outcomes (Perez & Machado, 2015).

Organizational performance of Nigeria's manufacturing sector depended on outsourcing strategy. Performance of firms that outsource some of their activities increases because of reduction of average cost, increase sales turnover and profitability, enhanced expertise, enhance service quality and save time for core activities. Organizational control over

contractors' activities ensure compliance with best practices and hence performance (Okeke-Ezeanyanwu, 2017).

Organizational performance is facilitated by outsourcing of both core activities like management of operations, management of services, advertising and sales and non-essential activities including systems of information, maintenance, HR activities, distributing, logistical issues, safety, cleaning and man power in Rwanda. Outsourcing allows organization to get special expertise services and to reduce costs. This leads to increased productivity, cost efficiency, output and profit making, and hence, organizational performance. On the other hand, organizations are required to enhance their monitoring of outsourced activities through putting more weight on non-essential undertakings instead of subcontracting their essential activities. This would enable organizationsimprove quality of products which would enhance product demand and profitability by reducingcompetitiveness (Kayumba, 2019).

Organizational performance is enhanced by proper cost management practices that are put in place by manufacturing organizations. Cost reduction strategy ensures that production overhead cost and administrative overhead cost are controlled so that profit maximization and wealth creation can be attained. However, inefficient management of production overhead cost and administrative overhead cost can lead to reduction performance of firm (Oluwagbemiga, Olugbenga & Zaccheaus).

Both internal and external environments determine organizational performance. Internal business environment such structure and relationship affects organizations' individually. While external factors affect performance of firms. Managers have no control over external factors

like politics and taxes be effectively controlled by managers. The forces influence business unit and other enterprises operating in same environmental at the same time (Eruemegbe, 2015).

Organizational performance is determined by financial stability and productivity, productivity and efficiency, motivating workers, job gratification, worker trust. Organization needs to align themselves these determinants of human resource management practices. This integration can be seen in the organization's financial variables like sales growth, goal attainability, good services, productivity) and nonfinancial variables such as quality of management, continuing orientation, constant improvement, quality of workers (Chand & Katou, 2015).

Performing of manufacture companies in the South East is based on planned objectives, formulating strategies, strategy implementation and evaluation. These factors affect performance of these firms to the greater extent. Organizations work in an environment that is occasioned with economic turbulence and high competition. Thus to operate successfully and in a continuous way, it must create and deliver higher value to their clients while adjusting to a unceasing and vibrant business context. Managing strategically is important in the development and formulation of plans to face opposition, guarantee long-term survival, and enhance performance. Consequently, competitive advantage is created that is able to outdo rivals, guide successful changes in the environment, and hence, improve organizational performance (Onyekwelu, 2020).

Firm development and growth of selective manufacture companies in Anambra State in Nigeria depends on strategic management. The use of strategic management has the ability toenhance competitiveness, improve employee's performance and increase significantly organizational performance significantly and positively (Muogbo, 2013).

Organizational performance is enhanced by adoption and implementation of strategic management approaches. They make organizations proactive and initiating positive changes that leads to gaining more competitive advantage and sustain performance. Maintenance and, sustenance of strategic management practices is necessary for organization since it is a crucial tool for enhancing organizational performance (Olanipekun, Abioro, Akanni, Arulogun & Rabiu, 2015).

Organizational performance is affected by worker management practices including policies on development and training, planning, and compensating. They directly affect performance VETA institutions. The performance of workers and organizations depend on how those in management utilize standard practices in managing workers. Good polices facilitates human resource practices to work properly andhelp managers to motivate staff (Sitaki, 2018).

Higher organizational performance is facilitated by flexibility in inventory control management. This is an important tool in achieving best organizational performance. Inventory control management ensure easy storage and retrieval of material, enhance effectiveness of sales and reduce operational cost in an organization. Additionally, inventory control management ensure that operations are feasible, used effectively on inventory management in issues doing with the customer of the company and cost-efficiency method are in placeto improve organization ‘s return on investment (Ogbo, Ifeyinwa, & Ukpere, 2014).

Organizational performance is affected by reduction of supply cost. The use of new technology is one of the methods applied to reduce unnecessary costs. Technology increases automations for better performance. Through Manufacturing firms use strategic cost saving, their performance has not improved much especially in tea factories (Namusonge, 2016).

Organizational performance depends on effective cost management strategy. Additionally, the most common viewpoint that affects performance and generates benefits with only a minimal focus on the representative is cost management (Thuku, Abiero & Juma, 2013). High Organization performance is a result of effective cost management techniques, such as social media photos, office size, or employee portraits shown at the entrances. Employees put more effort into their responsibilities as a result of the images making them feel like a significant part of the people who impact cost management (Omondi, 2014).

Organizational Performance management and improvement is crucial in strategic management because a lot of strategic reasoning is directed towards defining and measuring performance. For organization to succeed, it must earn higher returns and identify performance drivers from the top to the bottom of the organization (Nzuve & Nyaega, 2012).

Organizational performance is directly affected by firms' outsourcing. Outsourcing of services including printing, support, distributing, producing, advertisement, and expertise contributes positively towards organizational performance. Additionally, outsourcing enhances performance through increased productivity, flexibility, improving quality of products, lowering operational cost, technological advancement and customer satisfaction. Continuous outsourcing of other services firms has no competitive advantage over rivals is necessary to ensure continuous improvement in organizational performance (Bosire, Nyaoga, Ombati & Kongere, 2013).

Organizational performance to the small extent is determined by the outsourcing. Outsourcing expertise services, manufacturing outsourcing, Process specific outsourcing and operational outsourcing contributed to a change in organizational performance by four units in oil marketing firms in Kenya. However, outsourcing process specific services contributes significantly to the change in organizational performance of oil companies. On the other hand, outsourcing expertise services outsourcing inversely affect organizational performance due its ability to jeopardize organizational credibility of the organization. Manufacturing own products and services for the company is health and it has a direct influence on its performance unlike outsourcing manufacturing which has an inverse effect on performance (Kivuva , 2018)

Organizational performance is to the greater extent defined by organizational culture. Organizational values have, organizational artifacts and individual believes have a strongest and unique contribution towards organizational performance. Generally, organizational culture determines the success of the organizational. Organizational cultures set a platform on which all activities within an organizational run. A good Organizational culture ensures that there exist positive beliefs enhancing firm productivity by enhancing and upholding management of quality systems based on the prevailing culture (Gulali, Obura, & Mise, 2018).

1.2 Statement of the Problem

Organizations have put in place cost management strategy as a tool to enable them improve on organizational performance. When cost management strategies in terms of material cost strategy, manpower cost strategy, energy cost strategy, and equipment maintenance cost strategy, moderated by organizational policies are implemented properly, they improve operation costs and enhance performance of organizations of tea manufacturing firms in Kenya.

However, in recent years, organizational performance in the tea manufacturing industries has been declining, which has resulted in poor bonus payments to farmers. For instance, in the 2013–14 season, farmers received 31.61 shillings (35 U.S. cents) per kg, down from 50.01 shillings (55 U.S. cents) in the 2011–12 season. Furthermore, the total payout to the growers declined from Kshs.58.76per Kg of Greenleaf in 2016/17 to 52.83 in 2017/18 and 41.27 in 2018/19 (KIPPRA ,2020). The price drop was largely contributed by poor farm management practices, stiff competition from global market and low consumption within the local market, (Ministry of agriculture, 2020). Plexxi (2014) looked at cost management techniques as a way to control costs in commercial banks in the southern Sudan.

Prevalent characteristics, hierarchical cost pioneers, labor costs, material costs, important cost centers, and success criteria were independent factors in the study. Akeem (2017) sought to understand how approaches for cost control and cost reduction impact organizational performance. Cost reduction and cost control were independent variables. A study on the impact of cost management techniques on the financial results of manufacturing companies listed on the Nairobi Securities Exchange was conducted by Gichuki (2014). The independent variables of the study were supply chain management, labour management and stock management. This studies clearly failed to address on material cost strategy, manpower cost strategy energy saving cost strategy and equipment maintenance cost which are key cost management strategies in tea firms in Kenya.

Therefore, this study sort to conduct the role of organizational policies in the relationships between cost management strategies and organizational performance of tea manufacturing firms in Kenya will be carried out to fill the gap.

1.3 Objectives of the Study

1.3.1 General objective of the study

The general objective of the study was to assess the role of organizational policies in the relationships between cost management strategies and organizational performance of selected tea processing firms in Kenya.

1.3.2 The Specific Objectives of the Study

The specific objectives of the study were;

i. To examine the effect of material cost strategy on organizational performance in selected tea processing firms in Kenya.

ii. To examine the effect of manpower cost saving strategy on organizational performance of selected tea manufacturing firms in Kenya.

iii. To examine the effect of energy cost saving strategy on organizational performance of selected tea manufacturing firms in Kenya.

iv. To examine the effect of equipment maintenance cost strategy on organizational performance of selected tea manufacturing firms in Kenya.

v. To examine the moderating role of organizational policies on the relationship between cost management strategies and organizational performance of selected tea manufacturing firms in Kenya.

1.4 Research Hypothesis

Ho_1: Material Cost strategy has no statistically significant effect on Organizational performance of selected tea manufacturing firms in Kenya

Ho_2: Manpower Strategy has no statistically significant effect on Organizational performance of selected tea manufacturing firms in Kenya

Ho_3: Energy Cost Saving Strategy has no statistically significant effect on Organizational performance of selected tea manufacturing firms in Kenya

Ho_4: Equipment maintenance strategy has no statistically significant effect on Organizational Performance of selected tea manufacturing firms in Kenya

Ho_5: Organizational policy has no statistically significant moderating role on the relationship between cost management strategies and Organizational performance of selected tea manufacturing firms in Kenya.

1.5 Significance of the Study

Since the study offers the foundation for concepts on how to manage costs involved in their operations, managers of tea manufacturers will benefit from it. The owners of the tea factories will benefit from increased sales and the payout of substantial bonuses from the tea they grow. It gives policymakers information on how to put cost management policies into practice to increase the performance of factories in terms of cost effectiveness. Public organizations planning to implement cost management techniques in their operations will also find it valuable. The study's findings could be helpful to the county administration in question because they provide information for policymaking. Future researchers will utilize the data to create directions for more research based on gaps in the literature.

1.6 Scope and Justification of the Study

The research sought to find out the influence of cost managing approaches involving material cost strategy, through buying materials in bulk, buying the right materials, and buying the right quantity and quality materials when required only, manpower cost saving Strategy, employing qualified personnel, training employing according to job specification. Energy Cost Saving strategy, by using firewood and solar, acquisition of modern machines equipment maintenance cost strategy and moderating role of organizational policies on organizational performance.

This was done in three different KTDA-run processing tea factories: region 5 (Kericho highlands), region 6 (Kisii highlands), and region 7. (Nandi highlands and western region). Due to their geographic position, these three locations are home to a total of 27 tea manufacturers. The study concentrated on the functions of organizational policies in the association between cost-management techniques and organizational performance in the context of tea manufacturing companies, specifically in the context of Kenyan tea factories. Workers at factories, managerial personnel, and tea farmers in these areas made up the respondents. From January 2019 to June 2021, the study was conducted.

1.7 Limitations of the Study

The study's first drawback is that it depended on respondents' descriptive primary data, which means that respondents' perceptions may not have been adequately captured on the study instrument. To make sure that the data from each specific aim was of high quality, the researcher used a standardized questionnaire. Key informants from the study area's tea industry were used in the research.

Due to the study's tiny, exclusive size of the sample, it was hard to apply the findings to other businesses; as a result, the findings may not be generalizable to populations other than the one from which the sample was taken. The results applied to other factories and other manufacturing companies operating in the same region because the study concentrated specifically on KTDA processing tea factories operating in the aforementioned regions. Due to social desirability bias, the methodology adopted may be challenging and run the risk of delivering inaccurate data.

By physically tracking the respondents over the course of multiple visits and phone calls, the researcher was able to offset the aforementioned. Several respondents had questions about answering the questionnaire out of concern that their privacy would be invaded. This was fixed

by spending time explaining to the respondents that the information they provided would be kept private and that the results would only be utilized for academic purposes.

1.7 Assumptions of the Study

The research makes the assumption that subjects gave truthful answers and participated completely. Additionally, it was predicated that sufficient data had been gathered and that KTDA management and personnel would be accessible to provide details. We assumed that managers made available essential information and documentation that we required. We further assumed that subjects understood the ideas in the study and answered questions as per the investigator's wishes. Thestudy assumed that the firms cost management strategies aimed at improving organizational performance of tea processing firms. It was further assumed that the sampled cost managementstrategies, which included cost management strategy, manpower management strategy, cost saving strategy and equipment maintenance strategy were the dominant cost management strategies used by most of the selected tea processing firms in Kenya.

1.8 Operational Definitions of Terms

Cost management Strategies	are the approaches of specifying cost incurred that are within management control and relating to the organization objectives
Material cost strategy	It is the money spent in producing a good/service. The ingredients of a meal or the parts of a machine wouldbe things that acquire material costs. This expense is apart from the price of labor to produce the good/service.
Energy Cost strategy	The process of looking for energy expenses to achieve profits without having a negative impact on production cost
Manpower cost strategy	This involves the sum of labor payments or salaries paid to workers, plus the price of worker welfare and payroll taxes paid by an manager.
Equipment maintenance strategy	This involves appraisal, specification, installation and commissioning of usage.
Organization policies	Guidelines governing the operations of activities
Organizational performance	The actual output of an organization as measured against its intended output
Value Analysis	A cost reduction technique which makes an attempt to bring down the processing cost of a product with bringing its excellence performance or value to the client.
Kenya:	Means regions 5, 6, and 7. Kericho, Kisii and Nandi hills and Western highlands.
Firms:	Refers to tea processing factories

CHAPTER TWO

LITERATURE REVIEW

2.1 Theoretical Literature Review Framework

2.1.1 Cost leadership Theory

Machael Porter began to develop this hypothesis in 1985, and Hashem 2012 revised it. It claims that any evaluation of the propriety of utilizing cash on a particular issue cannot stand alone without a reasonable policy objective. This necessitates balancing benefits and expenses at the margin, which leads to subpar organizational performance. It also claims that the cost cannot be too low, too high, or anywhere in between in respect to it. This approach was adopted by American Association of State University and was initially utilized in institutional leadership management on business growth (Gilbert, 2017).

The theory outlines how managers may control costs and use cost-cutting measures that help the industry expand. The manufacturing company's strategic cost leadership is the foundation for the favorable results from cost variance. This notion contends that cost cutting is an ongoing activity. Manufacturing companies are using cost-control techniques that impact significantly on their operations and performance (Wellman, 2018). The strategic management that can boost performance includes the cost of factory materials. This was only applicable to decision-makers who could improve their capacity to budget effective cost management strategies, to communicate improvement by adopting cost reduction more effectively, to differentiate cost containment in relation to production cost, and to reduce spending through cost leadership.

The theory assumes that cost management automatically, controls the overall cost of the firm. Cost management effectively decreased spending in important areas by assigning resources to manufacturing policy and enhancing cost reduction strategy about necessary resources, which was restricted to cost allocation. Further, the theory assumes that proper costs management

enhances organizational performance. Through effective controlling of costs, firms are able to increase their revenue generation (Moeen, Somaya, & Mahoney, 2013).

This theory is limited by existence of limited resources that inhibit normal manufacturing processes. Additionally, the application of this theory is limited through, cost leadership on the available resources for core manufacturing processes, cost leadership strategies, especially in cost management. The pricing of manufacturing finance meets the significant increase in consumer demand and the essential need for future financial resources at each stage of production. Despite this, the constraint in this theory requires that leadership costs be equalized as manufacturing prices rise. The resources of manufacturing companies are increasing steadily, which drives innovation in reallocating resources to less profitable uses. Companies with weak cost management employ cost leadership tactics, which range from resource reallocation in manufacturing to financial strategy cost savings (Constantine, 2010).

This was relevant for this study because it explained the correlation between cost management strategies and organizational performance of tea manufacturing firms in Kenya. In the recent times, tea manufacture companies in Kenya that have embarked on the serious cost reduction management strategies so that they can enhance earning to the firms and that of their farmers. For a long time, these firms have been criticized over their huge overall production costs leading to low payment especially bonuses to their farmers paid at the end of each year and poor organizational performance. Thus, costs management strategies are tools that would effective and efficiently reduce their overall cost of production and increaser farmers' earnings.The cost management studies help manufacturing firms make better decisions about how to cut costs on non-essential services and how to elevate their cost leadership approach. Companies are using effective cost management to reduce production running costs, improve performance, and pay

farmers more.

2.1.2 Value Chain Analysis Model

In order to reflect the internal operations a company can carry out in order to generate goods or services, Porter introduced the value chain analysis model in his generic model in 1985. It is a process model that a business can use to pinpoint the core and auxiliary operations that enhance the value of its products and then assess those activities to cut costs. The value chain is a representation of the internal processes that a company uses to turn input into output. It is a technique for strategy analysis of an organization's internal operations. To determine which costs or activities are more valuable as the source of costs and various advantages is one of its goals or aims. If a company competes by cost advantage at a lower cost than the competition, it considers strategic cost reduction to give competitive advantage by looking at internal activities (Jurevicius, 2013).

Grant (2010) claims that the value chain made the assumption that strategic management actions would either directly or indirectly add value to the firm's end product as it generated profits. Further, the theory assumes that Value chain analysis model is able to determine all internal factors contributing to overall cost.

This theory is a restriction of the value chain analysis model since it states that cost control is a broad form of strategic management and vision. When management is broken up into parts, strategic value chain analysis is lost. The value chain analysis model is also constrained by the strategic efficiencies developed by each company. However, value chain analysis cannot accomplish performance by tying strategic cost management into relationships, which is a crucial point. This theory is also criticized for being applied through a cost-management method because no performance factors were

considered (Waithaka, 2010).

Since it was used to explain the connection between material cost management and organizational performance of Kenyan tea manufacturing enterprises, this model is pertinent to the current investigation. Tea manufacturing companies can utilize this model, which was created for various locations, to reduce costs associated with design engineering, material order and size, and the complexity of the assembly and quality-control processes at a low marketing cost. The corporation decreases transaction costs by purchasing material from the market to maximize factory utilization, which generates economies of scale. This value chain is crucial to cost management strategy to explain how. This included finding the firms that needed distributions from warehouse expenses according to size and product design to dealers or suppliers, and high-quality assembling methods to eliminate faults and cost in quality control in dealer support operations. In the study's manufacturing sectors, this may present an opportunity.

2.1.2 Theory of Manpower Planning

Knight proposed the theory in 1985. This theory contends that both individual and collective interests and company costs are interwoven, and that how well an organization hires new personnel and fills unfilled jobs greatly affects how well it runs (Elving, Westhoff, Meeusen, & Schoonderbeek, 2013).

The idea makes the assumption that strategically managing strategic human resources is a key element affecting total performance. Effective and efficient human resources management ensure that production process is optimized. Optimization of production processes ensure that

production costs are minimized. Additionally, the theory assumes that, manpower planning e.g. in recruitment is simple as it adds on to knowledge within the firm (Pearce & Robinson, 2011).

The firm depends on both provisional and significant resources and cost methods for manpower planning. Additionally, it states that manpower planning should never be viewed as a straightforward answer to real-world issues with cost management because it reinforces and reflects existing knowledge of human resources within the company. It addresses the issue of cost management solutions by contributing to cost reduction. In the study conducted by Todd (2007), this theory was applied to resource management in the workplace, resulting in the imposition of manpower planning in technical domains, which lowers costs by finding and creating new methods of cost management. Therefore, in this study, the creative collective power of the numerous enterprises remained minimal and uninterested in cost control (Cooper & Schnidler, 2014).

This theory's limitations were predicated on wise staffing and use of human resource methods. According to the survey, effectively managing strategic human resources becomes an essential aspect in total performance. The strategic management of global human resources has drawn a lot of attention for its emphasis on staffing planning and recruitment costs associated with expatriate duties. According to the empirical findings, managing transportation costs as a cost in personnel planning is not always successful. The study did not, however, discuss how cost management techniques relate to personnel planning (Harvey & Noveceyic, 2010).

Plexxi (2014) debated the conventional theory of staffing errors and the theory of limits. According to this view, a lot of businesses, big and small, are obtaining staffing rights as a challenge to cost management. Resources are usually in short supply for the important teams, and the usual method of allocating personnel rarely concentrates on a cost-cutting plan. In this situation, some of the teams have grown to be disproportionately large over the course of the time required, leaving other teams

straining to stay up in terms of cost effectiveness. Applying this notion of staffing limits to complicated industrial systems is preferable to using cost-cutting measures when creating tangible products. In a straightforward example including two cost management teams and quality assurance that is relevant to our investigation, Landgraf (2013) observed staffing and labor costs.

According to Robert (2018), good human resource management practices may be used by businesses of all sizes as a source of long-term competitive advantage through hiring and recruitment (manpower planning). It was also discovered that organizations can select, create, and implement effective manpower strategy procedures that involve conducting job analyses, defining and measuring performance by identifying valid and legally tenable predictors of cost management, and using this information to make wise hiring decisions based on the experiences in cost management strategies. This leaves a gap in the theoretical understanding of how cost management is related to workforce planning. This research studied trends between cost-management tactics and workforce planning.

Weiss & Hoegl (2015) looked at how teams performing innovative activities were affected by relative team size. The study used a manpower strategy to demonstrate how a team's performance might affect the requirements of cost management for teams functioning efficiently. There is, however, a dearth of study on team size in connection to tasks including cost management measures. Therefore, the understaffing theory's suggestions for how to adjust the cost levels of each team that influence performance are poorly informed by this relative team size.

This theoretical framework was applicable to this research since it explained the association between manpowercost reduction strategies and organizational performance of tea manufacturing firms in Kenya.Tea manufacturing firms needs manpower to run its operations effectively and efficiently. Thus,they have polices

on employee's recruitment, retention, payment, promotion, heath amongst others. Management of labor and labor cost are very crucial in tea manufacturing firms. Effectively and efficiently managed manpower ensures that tea production goes on throughoutthe year without disruption for workers. Management of labor cost therefore, ensure that normalproduction goes on at a minimized cost. Reduction in labor cost ensures that tea manufacturingfirms reduce overall cost of production and enhance their performance. Labor cost management provides a more fine-tuned analysis by differentiating between cost management strategies of the organizational performance such as team creativity, cost efficiency, output quality, and develop an input mediator to output strategy, hence implications of this theoretical perspectivesand avenues for its relevance.

2.2 Empirical Literature Review

2.2.1 Material cost strategy and organizational performance

Schoch (2011) investigated the effect of strategic material cost on how organizations perform inIndia. In the research he argued that cost reduction strategy takes place in various forms. The findings showed that organization differs in form of business type and cost reduction strategy. Further, the study noted that various roles of strategic cost measures included; reducingexpenditure, cost of program reduction, service reduction cost, and delayed payment;minimizing unnecessary purchases, improved cost saving by cost avoidance. But, the research does not outline different costs attached which include for administration and operations on performance. The approaches adopted to bring down costs could be utilized in many firms to bring down costs, yet which determine strategic expenses in manufacturing sector remain a challenge. The gap in knowledge is that the research concentrated only on kinds of costs involved in different forms, but falls short of indicating how kinds of costs have an affect on performance of organizations.

Choudhari (2018) conducted research on the effects of methods for increasing profitability while lowering the cost of raw materials. The study's independent variables included lower production costs and proper use of machinery, a proper budget, automation, materials, and bills, skilled

human resources, supply chain management, a preference for quality over quantity, expanding networks, improving machine efficiency, recycling waste materials, and routinely reviewing business plans. The study discovered that, in a highly competitive environment, cost reduction measures are crucial to the growth and survival of any firm. They begin with practical planning, standard-setting, monitoring to ensure that the standard is met, and proactively lowering costs during corporate operations. The study also showed a beneficial relationship between cost-cutting and organizational success.

The study also found that the effectiveness of cost-cutting methods in a business is impacted by employee lack of behavior control, such as incentives and motivation. The study also pointed out that worker behavior might be strategically controlled together with cost factors including material, labor, and overhead costs. The study came to the conclusion that the major non-performance indicator in any segment with failures can help management identify ways to improve them while also limiting the deficiencies of effective cost reduction. The study made the recommendation that organizations should implement cost-reduction strategies in their operations and that workers should be encouraged to strive toward the desired goals and objectives.

On the basis of his research, Landgraf (2013) suggested that Ghana's firms are used to increase the value of cost avoidance. The goal of the study was to use knowledge to its fullest potential in low-cost operations. The study discovered that because the company has costing processes and procedures to standardize practice in decreasing cost reputation of the business, decreased cost is done by period of spending. Additionally, vendor management and cost estimation using raw materials are included. It offered cost-reduction expertise to boost cost evaluation efficiency and a control over all aspects of cost-reduction programs. This study cannot be

trusted since it does not address the effect of cost reduction techniques on the performance of manufacturing enterprises.

Ramis, (2007), in his study he argued about what determines costs of material strategies on firms and their performance in Ethiopia. The aim of the research was to examine the influence of management of strategic costs on firm performance. The research adopted descriptive research design and established that firm performance and effectiveness are influenced by particular costing strategies. It was indicated that organization performance is not only determined by the organization features, but also partly related to cost involved in the organization. Organizationcan fail if cost of operation is high. The organization cost reduction is related to instability to performance in its end results. The study recommended that organization performance be improved through cost reduction in order to increase returns by minimizing cost incurred. Thestudy concludes that determinant of costs has negative effect on organization performance. Thestudy did not address the types of cost reductions involved in the organization which will be discussed in this study.

Garba (2020), wanted to find out the effects of material cost management on the performance of Benue Brewery Industry, Nigeria. The study adopted Cross-sectional research design. The sample of the study was 151 subjects got from a population of 242 through stratified random sampling method. Primary applied in the study was obtained via questionnaires. Collected data were analyzed through descriptive statistics and multiple regression analysis. The results of the research showed that inventory control system and stock valuation and organizational performance had a direct and significant relationship. Further,

the study identified that lead-time and performance were inversely and significantly related.
The study concluded that when planned material management enhances efficiency at

workplace. The study recommended that, management of the Nigerian Brewery sought to improve the lead-time so as to acquire and deliver the required materials within the shortest time possible.

Ibegbulem and Okorie (2015), assessed effect of materials management and profitability of an organization. The variables of the study were Buy Decision, Materials acquisition, Receipt of materials, Material storage, Inventory control, Scrap and surplus disposal and Transportation. The study identified that material management applied in organization enables firms to make more revenues, acquires enough storage facilities and prevents failures on production process. Further, the study found out that, effective and efficient material cost management enhanced profitability through acquisition, reception, storage and issuance of materials. Additionally, the study established that, prudent management of materials leads to the reduction in depreciation, pilferage, wastages and assures material availability throughout. The investigation came to the conclusion that there was a positive and significant relationship between materials management issues and the frequent plant breakdowns. The study recommended that good materials recording systems is neededfor operations of the organization because it's key in the production and training of staff to get new skills and knowledge necessary for their work. This would be important to the organizationas well.

Amollo (2012) did an investigation on difficulties of Strategic material cost of Performance at the Parliamentary Service Commission (PARLSCOM), and distinguished hierarchical structure as the factor to affect methodology executions. The discoveries demonstrated that the organizational policy at PARLSCOM was not completely lined up with the key arrangement that had been received. The examination in this way, prescribed the structure of the association ought to be predictable with the procedure to be actualized since the idea of the association's

structure to be utilized in executing system is impacted by nature dependability and the relationship of the different units. The specialist further presented that the structure of the association ought to be good with the picked technique and if there is incongruence, alteration ought to be vital either for the structure or the methodology itself to stay away from confusion, grating, glitches or diminished execution results.

Gachora, Kibet, and Musiega (2014), did a study on the effects of supply chain cost reduction influence on performance of small-scale agricultural initiative. The research adopted Descriptive survey methods research design. The independent variables of the study were: supply chain cost reduction impact, capacity building and product quality improvement. The study applied simple random sampling method to choose a sample size of 142 subjects from whom primary data was gathered using questionnaires. Collected data was analyzed through descriptive and inferential statistics. The study established that cost reduction and getting inputs from different sources had significant difference in effectiveness. Additionally, the study found out that, income realized increased significant due to the application of new approaches by farmers.

Further, the study found out buyers and sellers have a mutual benefits relation arisingfrom the trust amongst themselves. The study concluded that buying from NGOs and buyer's agents led to the reduction in cost significantly due to assistance given to the farmer by buyingof inputs in large quantities and collective marketing of their produce. The study recommendedthat farmers ought to form groups that can enable them reap the benefits of economies ofscale especially when materials are sold in large quantities, transporting them, training and taking them to the market. Further, the study recommended that buyers ought to fortify their relations with farmers' change from rural subsistence farming to market-driven farming.

Musau (2018) assessed the influence of Procuring Cost Reducing Strategies: Influence on E-Procuring Performance of State Parastatals in Kenya. The research adopted a cross-sectional survey research design. The study applied cluster-sampling method to choose 380 subjects from 190 state parastatals. The independent variable of the study was Procurement cost reduction strategy. Questionnaires were used to obtain primary data. Descriptive and inferential statistical methods were used to analyses collected data. Secondary data was collected from existing credible and recognized source. The study revealed that procuring cost-reducing strategies influenced greatly e-procurement performance in state parastatals in Kenya. The study further identified that, procurement cost reduction strategy and e-procurement strategy had a direct relationship and hence, enhancing e-procurement performance of state parastatals in Kenya.

The study concluded that e-procurement, strategic procurement handles administrative routine duties, like individual transactions, changing procurement requests into purchasing orders and making sure right allocation of invoices got and as a result, applying of e-procuring technologies in procuring gives rise to swifter and more effective operational procuring processes and hence reduces procuring expenses and improves procuring performance. The study recommended e-procurement is at the center of success through delivering cost effective services. Further, the study recommended that target cost contracting (TCC), together with a gain-share planning be adopted as a cost incentive instrument in public parastatals in Kenya.

Kidombo (2017) observed that strategic cost material is a cost of material resources, which resulted to performance. Resources can be a challenge to strategic material cost and Performance. The use as a "strategic weapon" to get competitive advantage is important along with suitable allocating of resources to ease successful S t r a t e g i c material costs. Action Aid hatched a determined plan but it was not possible to put to work plans,

which need more investment than what was available. The investigator observed that meagre resources negatively affected the capability to put into operation the strategic plan to the fullest.

Keitany, Wanyoike and Richu (2014), studied the place of cost of material management on firm performance with new Kenya Cooperative Creameries Limited, Eldoret as a case study and in which case study technique was used. The variables under investigation were lead-time and inventory control systems. The technique used in sampling was stratified random and a sample of 49 subjects a population of 56 respondents.Questionnaires were applied to gather primary data from the subjects. Obtained data was via descriptive statistics. The research discovered that organizational performance improved significantly due to efficient and effective inventory management system involvement. Further,the study noted that lead-time significantly enhanced firm performance via acquiring and delivery of the needed materials in the least time possible. The research concluded that organizations could reap greatly from the effective use of labor, provision of system flexibility, increase of production, bringing down lead times, reduce in wastage, production costs and improve product quality through effective and efficient application of inventory control systems and lead-time in materials management. The study recommended that many efforts areneeded on materials management in dairy companies so as to attain significant cost savings, reduce wastages and minimize production costs to enhance profits and quality of products, thus leading to firm performance. The research additionally made a recommendation that dairy firms should startthe use of ICTs.

Mutwiri (2012), in her study on “challenges of Strategic material cost by Brand Kenya Board,” recognized monetary limitations, general budget of the Board, and HR as main resources which affect material costs approaches at the Brand Kenya Board. These results speak those which recognized monetary restraints as a main limitation in the material cost of strategic plans.

2.2.2. Manpower cost strategy and organizational performance

Thomas, Millard, Rõõm, Wintr & Wyszyński (2019), assessed the shocks and labor cost adjusting citing evidence from a study of European organizations. The research used a survey research approach. Firms' adjustment of employing, salaries and hours worked in responding to shocks werethe variables of the study. Secondary data was obtained from 25,000 firms in various industries and size classes in 25 EU countries. Primary data were obtained by use of questionnaires. Descriptive statistics and econometric analysis were used in analyzing collected data. The research established that firms in 2010-13 reduced employment and wages payables per hours and hours worked as way of responding to negative shocks without taking into account the source of the shock. Additionally, the study noted that during the 2008-09, ranking changed due to deep recession and chances of wage cuts. Further, the study noted firms improved wages, employment and worked hours showing an imbalanced reaction to positive shocks in 2010-13. The study further noted that the pattern of adjustment was not affected by shocks like demand, access-to-finance shocks, supply availability, but the course of the shock i.e. negative of positive, persistence, and size. In addition, the study noted that the "no adjustment" in terms of labor costs, was the mostly applied response. Firmsreduce jobs and wages as a response to negative shocks in 2010-13. The study concluded that,strict employment protection legislation and highly centralized wage bargaining did not make firms reduce wages when hit by negative shocks.

Kunovac (2015), did a study on the effects of what determines labor costs adjusting approaches at the time of the crisis. Survey evidence from Croatia. The study adopted an ad-hoc company surveyresearch design. The sample size of the study was 4548 firms who have five or more workers

in the manufacturing, construction, trade, and business services sectors. Stratified random

sampling method was applied to arrive at the sample size. Primary data was collected online and through phone interviews. Collected data was analyzed through descriptive statistics. The findings of the study indicated that, majority of the Croatia firms were hit by negative economic shocks, but, many of them are unwilling to adjust base wages hence, they choose to reduce Labor costs through reducing labor input. Further, the study discovered that, over time, wage cuts went up significantly leading to a dissipation of nominal wage rigidity in Croatia. In addition, the study established that adjustment in labor costs affected negatively by the changesin the economy sector that firms face. More results of the research showed that firm size and features of worker significantly indicated the possibility of adjusting labor cost. The study concluded that hurdles invented by collective bargaining and indexation were key in reducing wage adjustments.

In his study, Morgan (2015) made the case that labor has an influence on a firm's financial performance. The study's primary goal was to use a descriptive research design to identify market strategic plans in American banks. Selected banks from the United States were included in the study's population on purpose. Multi-linear analysis was used to generate the results, which showed that labor reduction lowers payment costs, which boosts the company's profitability. The study used Pearson correlations as well to demonstrate that there were no links between personnel reductions and financial results. The study also showed a connection between staff reductions and financial performance due to the use of operational costs associated with staff compensation to reduce employee costs as a way of responding to executive management's efforts to tighten costs, despite not focusing on the association between cost-reduction strategies practices and how firms perform.

Alkhtib (2012) conducted a study on the influence of manpower cost management on the success of young businesses in Rome. It was discovered that picking potential investments to provide

appropriate returns in Rome, Italy, involves considering material cost techniques. The results revealed a variety of costs, including those associated with automation (use of technology), efficiency (improving equipment, outsourcing, removing processes (unnecessary inventory, transportation activities), quality control in production lines, and reliability (implementing systems to ensure time-consuming process improvement). However, inventory expenses are expressed as storage costs per square foot, including loan payments, lease payments, and maintenance fees. The report didn't specify what kinds of strategic cost strategies should be used to improve the performance of manufacturing enterprises.

Siyanbola & Rajis (2013), carried research on the influence of labor cost control on manufacturingindustries profitability. The study used correlation design to analyze data and hypothesis. It shows that a good system of cost control starts with behavior of workers in the organizations on the instrument of the achievement of the goods. The fundamental tool for cost control that was considered strategically was the organizational budget. The organization's cost and profit establish its financial situation as a gauge of its performance, notably in the industrial sectors, where larger sales are required to offset rising costs. However, the study fails to show scientific approach on how the target population, sample size and the purpose of the study were determined. Therefore, this placed the need to investigate the effect of cost control in relation to labor cost in organizational performance.

Temitope and Oluwaramipada (2014) investigated how the Nigerian banking sector's labor turnover affected performance. The research, which targeted the commercial banks in the Ado-Ekiti metropolitan, used 34 officers out of a total workforce of 51 people. Examining the association between labor turnover and performance in the banking business was the study's main goal. Respondents were chosen via purposeful sampling and given questionnaires in order to gather data. With the use of SPSS, data were analyzed using the regression method. The

results demonstrated that staff training on cost-related issues and layoffs have an impact on performance through workloads. The effectiveness of the organization depends on factors that cooperate to establish a system of strategic cost management. The influence of labor cost on performance was not covered by the study, but it will be in this one.

A research on the association between labor costs and Cameroonian company performance was conducted by Kanga (2011). The University of Yaounde-Soa was the source of the study. The study's goal was to ascertain how labor productivity varied depending on contract status. The survey design was used for the investigation. Data was gathered from inside the workforce and released by the National Institute of Statistics from 45 companies from (2003 – 2018). The stochastic production frontier model was used in the study to identify personnel with indefinite-term contracts. Results: The effectiveness of two different forms of indefinite term contracts for workers and the usefulness of set contract terms were used to determine how much each type of employee was worth Permanent employees are more productive than those with indeterminate contracts, which shows consistent increases in the firm's output. The analysis of these labor cost issues focused on the labor cost's capacity to reduce unemployment while also considering wage flexibility. Since they focused on labor contract rather than labor cost reduction, a gap resulted.

Ifeoma, Mukhtaruddin and Prihanto (2019), assessed the influence of downsizing on how workers perform at manufacture organizations in Anambra State, Nigeria. The research used descriptive survey approach. The independent variables of the study were job insecurity, staff redundancy and employee turnover, absenteeism. Employee performance was the dependent variable. The research applied primary data that were got via questionnaires and interviews. The sample size of the research was 103 selected through stratified sampling method. Descriptive

and inferential statistical methods were utilized in the analysis of the obtained data. The study established that, job insecurity and absenteeism were directly and significantly related in manufacturing firms. Further, the study noted that staff redundancye and employee turnover in manufacturing firms were also positively related. The study concluded that changing trends of competitiveness on global scales, technological advancement and continuous environment changes necessitate those organizations to adapt and be willing to change their structures, strategies, methods and practices to keep competitiveness. The study recommends that organizations should ensures that those workers left after downsizing that their job is sure. This would have built more confidence and self-efficacy, reduce worker's absenteeism and improve performance.

According to Daniel (2012), labor strategy improves cost management since it explains staff compensation since it is an expense for the company. It went on to say that in order to lower the firm's costs, it is crucial to keep costs under control for existing workers. Managers are recommended to employ innovative management techniques to save pay costs while maintaining effectiveness. Employing frequent labor cost identification in relation to performance improvement to staff workers in accordance with workload control and cost reduction techniques. Because of increased competition, the business has become more cost-effective by merging labor with technology to reduce operating expenses. The supplier's efforts have included the staffing structure as a cost-cutting measure in the common task for pick and pack items. Organization accepts original vendor processing order to drop ship production costs directly staffing services to customers shipping strategy in better compete with larger efficient firms in the sector to offer a variety of selling force demanding from labor cost.

In 2012, Dias, Marques, and Martins conducted research on the implications of labor cost-

cutting measures. Microeconomic proof based on survey results. 757 people made up the study's sample, which was obtained by use of a stratified sampling approach. The study's data came from salary and price setting procedures. Both inferential and descriptive approaches were utilized in analyzing data and it was found out that apart from reduction in employment or freezing minimum wages, companies apply others too use other cost-reducing approaches frequently. The study noted that otherstrategies used included: freezing/cutting bonuses and monetary and non-monetary benefits, reducing/freezing promotions rates, reducing employment of new workers or recruiting them at wages lower than what current employees receives. Further, the study found out that workers'and firms' attributes and predicators of economic environment impact application of various adjustment strategies where firms operate. The study concluded firms that have elastic base incomes are unlikely to bring down employing, and are made strong by the presence of alternative labor-cost adjustment margins.

Shahab (2019), studied the effects of HR cost reducing approaches on worker performance in quasi-government firms in Abu Dhabi, United Arab Emirates. The study adopted descriptive research design. This research was on the basis of the following variables: cost cutting strategies, HR cost reduction strategies and age, gender, nationality, and educational background. The study collected primary data from 120 subjects selected via random sampling. Descriptive and inferentialstatistics was applied in analyzing gathered data. The study revealed that downsizing cost reduction strategy inversely affected the performance employee to the greater extent. The studyfurther, noted that approaches such as subcontracting, management of talent and management of processes positively affected performance of worker's employee performance. The study concluded thatit's a handful cost reduction strategies that affect productivity negatively. The study recommended that downsizing can be done by mixing and matching cross evaluation of productive and non-

productive employees and exceptionally, decision can come from bottom end of productivity.

Scott (2011) conducted a study on control of Labor expenses in Management of restaurants in which a review of Internal-Marketing concept as an approach for improving Operating Productivity was studied. Theindependent variables of the study were cost controls in staffing, training, work scheduling, andinternal marketing. Content analysis was used to conduct data analysis. The research established that continuous training plus worker support enhances worker allegiance and improved productivity. Further, the study noted that sustaining a competitive edge over competing, in-house marketing, and worker job fulfilment are pivotal in the completion ofinternal marketing chain. Additionally, the study noted that Job satisfaction is key in-house market chain and it creates the relationship between workers and operating efficiency and profit making. The study recommended that increased competition has necessitated for tightening belts by restaurants through minimizing input so as to gain a competitive edge. The study concluded that employee productivity and product quality and service is key to the achievement of the business.

Juanita (2014), researched on the consequences of volunteer and involuntary joblessness and worker performance. The variables of the research were volunteered joblessness on job-search activity, volunteer joblessness on degree of despair and attitude to jobs. The research used descriptive survey approach. The sample for the study was 222 respondents who recently became jobless due to redundancy (typically because their companywas downsized). The study collected primary data using questionnaires. Descriptive and inferential statistics methods were applied to analyze collected. The study found out that job

attitudes and voluntarily redundant and involuntarily redundant employees had great difference. The study further discovered that involuntary redundancy led to increased

depression levels and, they less took part in job-search activity than those who left their job voluntarily. The study concluded that job redundancy is tailored in a way that feelings can properly controlled. Further, the study concluded that improved control over job redundancy could be through company's initiatives like advance notice, re-training, outplacement, severance packages, and assistance with financial planning.

Wandera (2011), assessed the influence of brief job contracts on firms in an investigation of the Kenya forest service in which descriptive approach was used. Theindependent variables of the study were hiring staff on short-term employment, productivity ofstaff and the organization, challenges posed by short-term employment and current trends inhuman resource management. The study applied simple random sampling method to select sample size of 51 respondents. Descriptive statistics was applied to analyze quantitative datawhile Content analysis was applied to analyze qualitative data. They collected primary data via questionnaires and secondary data from reports, journals, books, websites, and other publications. Inferential and descriptive statistics were applied to analyze collected data. The findings of the study revealed that short-term employment leads to:unplanned for turnover in an organization, diminish staff morale and reduces productivity. Further, the study noted that Short-term employment affects productivity of staff in the organization because more time and effort is applied very time to train new employees' due high turnover. Additionally, the study identified that temporary employment makes temporaryworkers to have divided allegiance. This reduces obligation and as a result their output. The research also, observed that Kenya Forest Service started to absorb temporary employees to permanent employment gradually and provision of work training to brief workers to give them skills to be more productive. They additionally regularly review reward and benefit conditions for workers under brief contracts. These, strategy dealt effectively with the problem

of short-term employment. The study recommended that firms can use short termemployment contracts during economic difficulties; put in place good human asset management practices through integration of temporary firm workers and offering orientation and investin skills via training to improve production and worker commitment.

Robert & Anne (2015), conducted research on the impact of worker reduction as a downscaling approach on performance of workers at Barclays bank. The research done as a survey had 183 subjects workers of Barclays Bank South Rift Hub, Kenya. Primary data was collected using questions from respondents. Descriptive and inferential statistics were applied in analyzing obtained data. The research foundout that employee reduction and employee performance were directly correlated. Further, the study identified that increased employees' effective reduction led to an increase in the performance of commercial banks. The study concluded that banks ought to consider using downsizing strategy to boost their income. The research made the recommendation that managers of commercial banks need to put in place suitable plans to make sure that only positive effects of downsizing are applied hence, enhancing performance.

Kuria, Ondigi and Wanderi (2015), determined the causes of labor turnover in three-five Star-Rated Hotels in the country. The study adopted descriptive survey research design. Level of education, age, gender, training, duration on job and hotel star-rate were independentvariables of the study. A sample of 133 permanent workers was obtained via simple random sampling and data obtained were analyzed via descriptive statistics. The research discovered that unbalanced personal life work and was the main contributorof job resignation whereas lack of staff participation in decision-making and creativity was a major cause in both class of hotels. Further, the study identified that many of the workers wereunaware of job necessities and departmental mission statements. Additionally, the study found out that poor working conditions made them to ask for flexi- hours. In addition, the study notedthat Poor salaries and

wages made workers to be unsatisfied. The research made a recommendation that managers need to improve working conditions for workers and come with trainingpolicies that acquaint workers with job necessities and expectations. Additionally, organizations ought to put in place a rewarding system that would motivate workers other thansalaries.

Kamanga and Ismail (2016), studied the consequences of subcontracting on firm performance in manufacturing segment in Kenya in which Del Monte Company was studied. A descriptive approach was adopted by the study. Cost, quality, technology adaption and risks were independentvariables of the study. The applied Census sampling technique to select a sample size of 42 respondents. Primary data was gathered using questionnaires and survey method. Obtained datawas analyzed through descriptive and inferential statistics. The findings of the study indicated that Cost, quality, technology adaption affected significantly and directly organization performance. Further, the study noted that risks and organization performance were insignificantly directly correlated. Additionally, the study discovered that quality improvementthrough outsourcing influenced organization performance to smaller degree. The study concluded that, quality contributed most to the organizational performance then technology adaption. The recommended that, organizations ought to outsource an activity fully are able of dealing with the activity. Additionally, Organization ought to take part in provision of services on quality standards before making any contract.

2.2.3 Energy Cost Saving Strategy and organizational performance

Abeberese (2013), conducted a study on the influence of electricity cost and firm performance: evidencefrom Indian manufacturing. The study collected data from the Indian Annual Survey of Industries (ASI). Data were analyzed via econometric analysis and simple regression. The study established that higher electricity costs made companies to bring down their power spending and move to less power-intensive production process. Further, the study found out

that such measures led to overall decline in the factor of production affecting overall performance of a manufacturing company. In addition, the study noted that high electricity costs makes organizations to use less power-intensive production procedures to bring down their machine intensity, and have low production and productivity growth rates. Additionally, the study established that unreliable electricity supply makes manufacturers to have alternatives sources like generators. Such sources increase cost of energy because of higher cost of thermal electricity. The study concluded that electricity constraints limits nation's de by maklopmentveing firms to work in industries with less productivity thus, increasing opportunities. The study recommended manufacturing firms ought to introduce measures to curb negative impacts whiledealing with unreliability of electricity.

Laukkanen, Ollikka and Tamminen (2011), assessed the Strategic Plan for Sustainable Energy Management and Environmental Stewardship for Los Angeles Unified School District. Secondary data was collected form Database on Plants in Finnish Manufacturing (LDPM) panel from Statistics Finland. The sample of the research was 128 firms who qualified to receive tax refunds. Descriptive statistics was applied in analyzing collected data.

The study found out that energy refunds averaged 1% of the entire expenses of firms in2012-2016. Further, the study identified that energy tax refunds had no material influence on income, value added, salaries, worker or total energy use, and a negative effect on gross output and energy efficiency. Further to that, tax refund had an adverse result on gross output due to less productivity from firms, and firms charging lower prices. This is mainly due to tax refund affect manufacturing firms' export performance through cost competitiveness. The study concluded that lower prices is consistent with the assertion that lower unit costs allows producers to reduce prices and enhance sales.

Masanet, Therkelsen, and Worrell (2012), conducted a study on energy efficiency Improvement and Cost Saving Opportunities for the Baking Industry. The study found out that those firms performing highly use a structured approach to energy management. The study noted that they come up with policies procedures aimed attaining results for long-term and, enjoy full support from top brass, allocate staff resources, have goals, have in place management organization that enable workers to deal with power effectiveness matters directly, and accept a philosophy of ongoing development. In addition, the research showed that the massive majority of organizations have enhanced their energy efficiency at time when energy costs are higher and hence are reaping from investments in energy efficiency. In addition, companies are gone to energy-efficient processes and technologies to minimize pollution and carbon emissions, to meet corporate environmentalgoals. The study concluded that companies can reduce costs and enhance possible income duringenergy price volatility.

Kutscher, Mehos, Turchi, and Glatzmaier (2010), investigated into line-Focus Solar Power Plant Cost Reduction Plan. They found out that Achieving 50% reduction in LCOE in six years is by most of the CSP industry tremendous efforts in R&D to enhance performance and reduce costs of all elements, reduce labor and maintenance costs, motivate additional manufacturers and product sources, reduction of parasitic power needs, exploration of new overall system design approaches, reduce cost collection designs, innovative financial alternatives, and testing to ensure high quality in new systems. The study concluded that close partnership between industry and the DOE laboratories could lead deployment of large-scale systems that can achieve economies of scale and facilitate learning curve cost reductions.

Bierer and Götze (2012), assessed the effects of energy cost accounting: Conventional and Flow-oriented Approaches. The variables of the study were: energy cost accounting cost of

energy losses, integration of energy cost and information to be generated. The study identified that differentiated accumulation and reporting of energy costs in the three cost accounting stages gives information about energy cost savings, the energy cost and shares of the goods produced among others. Further, the study revealed that main features of energy-related cost- type; cost center and product cost accounting and MEFCA are not enough to find solutions forall features of production and cost factor energy.

Nulty (2015), determined energy effectiveness in the steel division: why it works well, but not at all times. The research used a survey approach and data were got via surveyquestions from a sample of 200 firms and analyzed through descriptive methods. The research established that the steel sector is gradually put in place energy efficiency projects, atindividual companies' level through their own initiative because cost savings. This study further, noted that restrictive internal investment criteria limit companies in the steel sector andreduce putting in place energy efficiency measures that are comprehensively, viable. Further, the survey noted Long payback periods were a big challenge facing companies that are interested in putting their resource in energy efficiency projects. Additionally, the study noted that regulatory policies do not strong effect on the sector's energy efficiency activity. The survey concluded that financial mechanisms that are in favor of shared investment schemes instead of subsidies could channel more investment into energy efficiency projects through

making firms deal with the capital inadequacy. The study recommended that support innovation and the development of new tools would play key role in advancing energy efficiency quickly within the sector unlike in the commercial environment.

Stephen (2015) assessed the impact of energy crisis at SMEs in Kumasi metropolis. The research used a case study approach. Snowball sampling techniques were used. Primary data were collected via questionnaires and analysis was done through descriptive statistical technique

while qualitative dada was analyzed through thematic analysis. The study noted that the load shedding forced businesses to utilize other sources of power sources like LPG and generators to meet their energy demands. Further, the study discovered that cost of energy increased as result of using alternative energy. Additionally, the study identified that higher tariffs of electricity were huge compared to expenses incurred through power backups. The study recommended that the government is to enhance its investment in power production more so renewable energy and outsourcing more power from neighboring countries. Further, the study recommended that firms follow strictly the load-shedding pattern as a mechanism for little time as they plan their operations and activities effectively.

Research on energy cost techniques for strategic planning was done by Kuhlemeyer (2014). The goal of the study, which was carried out in Nigeria's Weukesha, was to examine how operating tactics affected the amount of money spent on sales volume. 355 respondents from the Waukesha firm's expenditure were made use of in the research. By gathering data, the research design used an exploratory design approach. Chi-squares and correlations were used to describe the findings of the data analyses. According to the study's findings, operational techniques modify proportionate profit when sales increase. The study found that the use of operating fixed costs had an impact on spending, which in turn had an impact on organizational performance. The study also made an effort to investigate the connection between fixed costs and variable costs, a process known as cost volume profit analysis, and discovered that sales volume required overall profits to achieve a tactical cost reduction in the quantity given. As a result, the study proved that there is a considerable connection between financial strategies and strategic planning, but it skipped over the performance implications of strategic cost reduction.

Maurice (2016), analyzed the influence of energy cost strategy for reducing expenditure as a

determinant of pooling strategy in manufacturing firms in Cameroon. The study found out that in the manufacturing firm's operations cost strategy are focused to the amount of production without other activities in the firms. The study also discovered that businesses utilize time tasks to optimize revenue rather than spending money on people tasks assigned to avoid inefficient task practices and redirect talented individuals to use knowledge for cost-value practices. However, the study did not attempt to adopt strategic cost reduction practices in manufacturing case of the cost values through enough populations of working in the institutions to reduce number of employees by alternative layoffs of cut overtime by reduction of number of unnecessary travels. It is confirmed that most businesses prefer to use frontline employees to serve customers who come to minimize cost of system operations due to expenditure complexity. As a result, this study needs to investigate strategic cost savings.

Moyo (2012), investigated into the availability of electricity. The study focused on electricity disruption on production units in the manufacturing sector in Nigeria. The variables in the research were hours in a day without power and amount in total output lost due to electricity interruptions. The sample for the study was 2387 firms from 11 states in

Nigerian. Data was collected using questionnaires form the World Bank's Investment Climate Surveys (ICS) touching on the manufacturing sectors in Nigeria. The study applied ordinary least squares (OLS) and Tobit Models to analyze collected data. The research showed that power interruptions in hours in a day without power and the percentage of output getting lost to the power interruptions adversely affected production of the manufacturing firms. The research concluded that power outages had a bigger inverse effect on smaller firms as compared to larger ones due to huge financial constraints.

Shah (2019) conducted a research on the impact of power costs on the general production costs in a case of manufacture firms in Nairobi. The research used a descriptive design. The independent variables of the research were Mains electricity availability, mains electricity fluctuations and cost of mains electricity. The sample for the research was 106 respondents. The study applied random sampling technique to select 92 respondents and Purposive random sampling to select 14 respondents for interviews. The research obtained data via questionnaires and key in-depth interviews. Inferential and descriptive statistics were made use of in the analyses. The study established that, power availability, power fluctuation, and power costs positively affect general producing costs.

Further, the study findings indicated that availability of electricity with relation to level of power outage,backup generator, how often electricity fluctuates and number of employees had a significant impact overall production cost. Additionally, the study found out that higher production cost ofcompanies was due to higher electricity fluctuation. In addition, the study established that for those firms whose having production cost exceeds 3 billion, fluctuation was significant showingt that a unit change in fluctuation led to 1.684 change in overall production cost. The study concluded that higher availability and fluctuation was due to the use of power

backup

such as generators to complement inadequate electricity. In addition, the study concluded that use of power stabilizers and maintaining as a result of fluctuation which affects machine efficiency affected production cost greatly. The study recommended that manufacturers should think on how theycan install renewable energies like solar where necessary to add on insufficient supply of power. Further, the study recommended the government to continuously ease access power, charge fair prices and incentives to encourage alternative sources installation like solar energy for industries.

Munene, Odongo, and Nyambane (2019), investigated into power efficiency in Kenya in a mixed methods research. Secondary data were obtained from publications and documents from the Kenyan government like Acts of Parliament, regulations. Primary data was collected using interviews from key stakeholders. Additional data was collected from households through questionnaires. The sample size of the study was 137 respondents. Analysis of data was done through quantitative and qualitative methods. The study revealed that most households don't have the luxury of choosing one sources of energy sourcesand use over another because of Kenya's national electricity utility company monopoly, the Kenya Power. Further, the study noted that, there had been many EE policies/regulations and initiatives in the country but, implementing them was an uphill task due to insufficient of backing from regulators, the regulated and the political management. In addition, the study established that many Kenyans are unaware of these regulations and policies and the specific EEinitiatives in their localities. The study concluded that use of suitable energy use approaches is not necessarily energy efficient.

Wanjiru and Ochiri (2019), carried out a research on the influence of green production practices on performance of firms in Kenya's energy sector. The study adopted a descriptive research design. The variables of the study were lean production practices, Green recycling practices and Waste reduction practices. Primary data was gathered using questionnaires. The data was then analyzed using descriptive statistics and inferential statistics. The study found out that information on products that are harmless to the environment and consumer's environmental friendly production planning and control processes, selection of power production process creating environmental awareness amongst workers taking part in the production use waste management practices friendly to environment, and maximizing output while reducing wastes and emissions were found to be significant influences on performance of organizations in Kenya's power sector. In addition, the study revealed that firm performance was affected by increased production processes to reduction on environmental impacts, lower costs of inputs and waste disposal. The study further identified that a unit change in the usage of green production practices led 0.867 increase in performance of firms in Kenya's energy sector. Study concluded that green production had a significant effect on performance of firms in Kenya's energy sector. The study recommended that follow-ups by The National Environment Management Authority on measures put in place to reduce effect of the facility to the environment be observed. Additionally, Firms in energy sector minimize wastages and emissions while maximizing, reduce effect on environmental while lowering the costs of inputs and waste disposal on their output.

Mwai (2015) did a study on the effects of strategic quality management and competitiveness in power supply in Kenya. The research used a descriptive design and collected data via questionnaires from

respondents. Collected data was analyzed through descriptive statistics. The study revealed that strategic quality management and competitiveness among generator suppliers in Kenya
Were positively related. Further, the study established that power fluctuations cause damages on electrical equipment making it necessary for manufacturers to coercively put measures to curb effects of any impending power fluctuation. In addition, the study noted that inadequate electricity supply, electricity prorating and blackouts were a common occurrence in Kenya's powerconsumption. The research recommended that those who supply generators in Kenya should come with innovation sand diversified services and products maintain power supply consistency.

2.2.4 Equipment maintenance Strategy and organizational performance

Mushavhanamadi and Selowa (2018) sought to determine how Gauteng brewers' quality productivity was affected by plant maintenance. The study's goals were to determine how maintenance of plant and equipment impacts production standards, how plant and equipment maintenance impacts production efficiency and speed, how plant and equipment maintenance impacts production quality, and how to prevent effective plant and equipment maintenance. A sample of 30 subjects obtained using stratified random sampling were used in the study, and questionnaires were used to collect primary data. The data that had been gathered were descriptively and inferentially analyzed. The research determined that by machine lubrication, spotting microscopic flaws, and replacing outdated machinery, plant maintenance avoids machine breakdowns. Further, the study noted that plant and equipment maintenance in production, enhances quality of products, improve speed of production and general performing of the plant. The research further showed that by lowering breakdowns, stoppages, and defects, total productive maintenance ensures that proactive and preventive maintenance provide the groundwork for higher productivity. In addition, the study found that maintenance maximizes

the use of maintenance resources by reducing costs and total labor costs. According to the study's findings, total quality management, which focuses on evaluating and enhancing both production and service, Quality made greater efforts to improve product efficiency and lower the cost of producing high-quality products.

Thomas (2018) conducted research on the advantages and disadvantages of advanced maintenance in manufacturing. The study's variables included maintenance expenses, including both scheduled and unplanned maintenance, as well as distinct expenditures by firm size. Secondary data from the Bureau of Labor Statistics were used in the study. In-depth information was gathered via questionnaires. 77 participants made up the study's sample size. According to the study, it is impossible to distinguish between maintenance and repair and to relate some portions to proactive, preventive, and reactive maintenance. Furthermore, it was discovered that manufacturing companies outsourced maintenance and repair in 2016, spending over $50 billion on these services. The study also revealed that the effects of predictive maintenance have a wide range of measurements and a large range of values for each measure.

Er-Ratby and Mabrouki (2018), did a study a study optimization of the maintenance and Productivity of industrial organization. Preventive maintenance and corrective maintenance were the independent variables of the study. The study established that equipment maintenance ensures reliability, availability and productivity of production facilities. Thus, Performance and competitiveness of manufacturing companies rely on efficient and effective equipment maintenance. The study concluded that for manufacturing firm to hit targeted performance, managers in charge of maintenance ought to keep a good performance record on the process of maintenance and its outcome. He said further that, this is doable through developing and putting in Palace of a framework for determining financial performance of preservation functions. The study recommended that effective maintenance performance measurement

(MPM) is necessary to monitor maintenance activities and planning for other successful improvement.

Maletic, Al-Najjar, & Gomiscek, (2014), conducted a study on the influence of maintenance in refining a firm's profitability and competitiveness. The research used a case study design. The aims of the research were: to establish the quality, productivity andMaintenance are related and how maintenance affects profitability. Questionnaires collected data from a sample size of weaving machines. Data analyses were achievedthrough gap analyses. The findings of the research indicated that_maintenance approaches dealing condition based maintenance (CBM) approach had the greatest chance of improvement.

Further, the study revealed that over 3% increase in profit can be recorded when unplanned stoppages and loss of quality can be dealt with at weaving machine. Additionally, the study noted that electrical failures, sewing threads, start-ups and adjustments of machine caused unplanned stoppages. Thus, the study concluded that unplanned stoppages affected productivity and quality, and by reducing them, company could make more income. The studyrecommended that through the application of efficient maintenance policy, company could enhance quality rate by 1.5 %.

Bagshaw (2017), did a study on the effects plant maintaining and replacing approaches of manufacture organisations in Nigeria. Amount of time, operational reliability, operational cost and value of the assets were the independent variables of the study. The study found out thatmaintenance enhances safety, reliability, production outputs, product quality, reduce, operatingcosts, boosts life-span by consistent care, lubrication and cleaning facilities and more scrap values. Additionally, the study noted that firms using modern technology their productivity system stand a better chance to innovate and increase their product

competitiveness. Further

the study realized that inadequate funds to buy modern machines with higher efficiency in processing, expensive bank loans, high tariffs and levies charged on imported spare parts of manufacturing hinder full industrial maintenance management. Also, the study findings showed that volatile prices in developing nations like Nigeria have affected manufacturing firms greatly. The study concluded that effective maintenance policy relies on imminent or actual failure of the machine or equipment. Hence, maintenance ensures continuous and proper working of the machine or equipment. Periodic maintenance enhances economic life of the machines or equipment requires so as avoiding production runs downs. The study recommended that a mixed maintenance strategy is applicable where necessary to improve performance of the facility. Additionally, production and operations managers ought to use optimum replacement policy of machines and equipment so that they ca minimize cost of maintenance and maximize production efficiency.

Chiekezie, Nzewi, and Odekina (2017), studied the maintaining tradition and performing of particular manufacture organizations in Benue State, Nigeria. The research used survey design. The specific objective of the study was; to find out the level to which preventive maintenance affect product quality. Stratified sampling design was used in selecting a sample size of 147 subjects from a population of 233 participants. The utilized questionnairesto gather data primary data from respondents. Data analysis was done through descriptive inferential statistics. The results of the research showed that protective maintaining affected product delivery of companies in a significant manner. The research made a conclusion that preventive maintaining and product deliveries of processing companies in Benue State, Nigeria were related significantly. The study recommended that firms ought to use protective and remedial processes of maintenance to bring down the cost of repairing and sporadic slowdown of

production processes all the time. Additionally, Firms ought to embrace continuous training programs for maintenance personnel for proper maintenance culture development.

Ribeiro (2011) did a study on production equipment maintenance in some selected manufacturing firms in Ghana. The objective was to assess the level of maintenance practices by manufacturing firms and the effect of maintenance practices on performance of the surveyed firms. Primary data was collected using questionnaire that was designed and administered to a survey involving visits to manufacturing industries in Kumasi, Accra and Tema, all in Ghana. Additionally, the study collected through Interviews. Data analyses were conducted via correlational analysis to find out the association of maintaining practices, costs of production, safety of workers, quality of products, and occurrence of equipment break down. It was established that precautionary maintenance has a positive relationship with reduction of costs in smaller organizations that were studied. It was further established that production management in large organizations find it hard to commend the place of production maintenance. Loss in production is perhaps the biggest to the manufacture sector since the whole business hangs on output. As a result, production management of studied organizations found it hard to discharge machinery for maintaining till a complete breakdown is experienced. Even in breakdowns, stress was put on maintaining staff to repair in hurry and get the machines back into the production line resulting in big costs of spares and other costs.

Bolaji and Adejuigbe (2012), investigated into maintenance culture of manufacturing firms in Akure metropolis. The study focused on Maintenance departments of Delko Steel and wire industry limited, Afolabi Dinehin and sons limited and Titilayo Plastic industry limited in Akure metropolitan, Nigeria. The variables of the study were: emergency failure intensity, short down intensity, maintenance production ratio, maintenance expense component,

direct maintenance labor expenses, price of those who supply, spare parts, overtime ratio, and monthly stock turnover. Secondary data were obtained from nine performance ratios. The sample size of the study was 9 performances. Data were analyzed through ratio analysis. The research established that there was poor performance in each maintenance section. Overall performance of the maintenance department in the selected industries. Further, the study noted that most equipmentwas bought 1973 and 1998. This led to higher frequency of breakdown between 2-9 times per year. Additionally, the study noted that the frequency of overtime per day was between 1-12 hours and varied from one machine to another. The concluded that higher breakdown frequencyof equipment was due to long age and poor maintenance.

Mono (2016), conducted a research on maintenance management approaches and Manufacturing Performance using a cross-sectional design whose variables were: maintenance approaches adopted, operations performance, plant effectiveness and relationship between maintenance approaches adopted. A census method was applied to arriveat 21 companies from whom a sample size of 88 respondents were selected using and simple random sampling. A questionnaire was utilized to gather primary data from the respondents. Obtained data was analyzed through descriptive and inferential statistics. The results were presented in tables. The research revealed that maintenance management practices adopted by manufacturing firms in Kenya are a practice emphasizing high preventive and faster active maintenance by dedicated resources; a practice stressing on low preventive and fast reactive maintenance by dedicated resources and Autonomous maintenance. The study further identifiedthat firms who applied a practice emphasizing on high prevention and fast reactive maintenance through dedicated resources were dominant amongst manufacturing firms. Additionally, the study noted that maintenance practices vary on effectiveness with preventive

maintenance outdoing reactive maintenance. The study concluded that autonomous

maintenance was better than two in terms of manufacturing plant effectiveness and manufacturing performance. The study recommended that decision maker to select and put into use most effective approach so that they remain competitive.

Mwangi (2014), maintenance management traditions and operational performance in power-producing stations in Kenya. To achieve its goal, this research was based on the following goals: To establish the degree to which various maintenance management practices were applied, and to determine the extent to which maintenance management is supported by top management and find out maintenance management practices applied on operational performance and to identify shortfalls maintenance management in electricity generating stations in Kenya face. Descriptive cross-sectionalsurvey design was used and a sample of 29 electricity generating power stations selected through census sampling method. Primary data was gathered through questionnaires. Descriptive and inferential statistics was applied in analyzing collected data. The findings of the study revealed that maintenance costs were high in the organization in terms of total runningcosts the study further established that, no single maintenance practice was favored more than others. Additionally, the study established that preventive maintenance practices was widely applied as opposed to reactive maintenance. Further, the study identified that maintenance received little attention from top management leading a decreasing operational performance. Further, the study observed that operational performance was directly and significantly affectedby approaches of maintenance management applied. The study concluded that, the price of maintaining equipment at electricity generating stations was high hence, affecting operational performance.

2.2.5 Organizational Policy and Organizational performance

Rainaye (2012), analyzed the effects of organizational policies and organizational leadership on organizational commitment. The study adopted a correlational research design. Organizational commitment, organizational policies and organizational commitment were variables of the study. Primary utilized in the study was collected through questionnaires from a sample of 143 respondents selected through convenience sampling technique. Data analysis was done through correlation and regression analysis. The study found out that organizational policies assist employees to commit themselves to their organization. Further, the study noted that organizational leadership plays a key role in enhancing employees' loyalty. The study concluded that effective and efficient leadership could harmonize compatibility between organizational policies and personal values of an employee.

Biman and Longfield Smith (2017) indicated structure their exploration that organizational policy influence key plans. Further, it was built up that execution procedure is organized from framed techniques. The examination likewise discovered that methodology improvement is a procedure underlined on money related in arrangements and non-budgetary data. The exploratory research configuration was engaged with corporate correspondence of key arrangement usage. Forman and Argent (2015) additionally discovered that correspondence in the association has affected vital arrangement executions. This additionally improves the achievement of execution of key plans. It was demonstrated that impact of methodology usage is reflected to the benefit of changing that key procedure. Its structure is fruitful execution of key plans. The innovativeness is developed with key plans on advancements and view of the association procedure of exercises in usage of techniques.

Jacobson and Eaton (2017), wanted to find out how organizational Policies affects chances of bystander of Reporting Moderate and Severe Sexual Harassment at Work. This study was based on: to test the casual effect of organizational policies on the results of sexual harassment, to determine how schema theory can be applied to test consequences of firm policy type and harassment severity on the reporting outcomes, and to find out howco-worker perpetrate sexual harassment. The sample of the study was 1, 219 undergraduate students. Data collected through questionnaires were analyzed using descriptive inferential andcontent analyses. The research indicated that persons in the zero-tolerance policy condition are expected to officially report incidences of being harassed to their firms than those in the other conditions. The study further, established that reporting harassment was more prevalent in the moderate, or in more ambiguous and sexual harassment scenario. Additionally, the study discovered that a zero-tolerance policy leads to the highest estimates of bystander reporting, more so in cases of moderate sexual harassment. The study concluded that no use minimal or compulsory harassment policies in place of salient zero-tolerance policies.

Ubabuike (2019), did a study on the influence of company rules and circumstances on worker performance of particular public bodies in Abia state. The study adopted Survey design research. The aims of the research were to establish the effect of organizational internal control on productivity of workers in government parastatals of Abia state and to identify the linkage betwixt organization governance structure and productivity of workers in government parastatals of Abia state. Stratified sampling technique was applied to select 149 subjects from a population of 238 earmarked from Abia State Ministry of Finance and Abia State Civil Service Commission. Data were sourced from the subjects by use of questionnaires and analyzed through description and inferential statistic. The study discovered that organization internal

control, governance structure and

employee productivity was significantly and directly linked in government parastatals of Abia State. The study concluded that internal control is key in enhancing productivity of workers in government parastatals. Further the study concluded that effective governance structure, organization rewards systems improves workers' production in state organizations directly while poor managerial skills and bureaucracy leads to failure of organizational policies in state firms. The study recommended that management and government authorities to pay more attention on strategic ways of internal control come up with means of improving workers' productivity in the public sector. Further, they recommended that internal auditors are key in developing firm's internal control system.

Orsaah (2009) examined how organizational policy affected the productivity of academic employees. The study's goal was to evaluate how organizational policies affected performance. As a case study, this was carried out in Makurdi University. Purposive and random sampling methods were used to choose the 200 respondents for the study's sample of 265 employees. In addition to using interviews and firsthand observations as the primary data gathering tools, a research questionnaire was also used. The results showed that management, with a considerate employee-centered management style, was ranked below ideal limits. The study discovered that organizational policies inside an organization have an influence on management expenditures. The organization's performance is impacted by the poor management style and little concern for people-centered production. Additionally, management style uses resources to provide suitable rewards and motivation. The study, however, was unable to demonstrate the capability and aptitude to properly manage costs, expenses, and materials in order to fulfill the primary objectives of various businesses.

Chiemeke, Syaharizatul and Muktar (2018), conducted a research on the influence of firm policies on quality of work life on worker engagement in processing companies in Nigeria. The independent variables of the study were organizational policy, quality of work andlife and employee engagement. Data used in the study was sourced from Secondary sources. The study found out that organizational policy goes through four main stages; the policy formulation, adoption, implementation and evaluation. Further, the research observed that formulating policies is entrenched in the thoughts of people and it is hard to inform others. Additionally, the research identified that acceptance, implementing and evaluating policy is official, typically recognized and easily communicated and shared with others. The research concluded that people who deal with organizational policy have quality of work life in the organization that is crucial and, thus, required to pay greater attention to it in research and development. The study recommended that company policy and excellence of work life need to be placed on the worker engagement; therefore, company policies and worker excellence of work life on worker engagement needs to be given sufficient focus.

Isaboke (2015) oversaw an investigation of how organizational policy affected the use of procedures at particular Kenyan colleges. The findings showed that organizational policy had an effect on how methodologies were used in institutions of higher education, and it can be assumed that a lot of characteristics and conduct standards had an impact on how procedures are used. Area Governments have a political culture because they are political organizations.

Makau and Muna (2020) investigated the impact of internal organizational rules on the performance of Kenya's state-owned commercial banks. The following independent variables served as the study's guiding principles: credit scoring, hiring practices, employee advancement practices, and employee welfare practices. This had a descriptive research design as its foundation. A sample size of 79 people chosen through stratified random

sampling for the study allowed for the collection of primary data using questionnaires. While content analysis was used to evaluate quantitative data, descriptive and inferential statistics were employed to analyze quantitative data. The results of the study showed that commercial banks had put in place internal rating system that enhanced credit performance of the banks significantly. Further, the study identified that employment techniqueapplied by the commercial banks improved employees' performance. Additionally, the study found out that promotions to those workers who performed exemplary and motivation to employees made them to attain and sustain best outcome. The study concluded that commercial banks gave promotions to workers who outshined others, and keep intelligent ones andencouraged others to also work smart to achieve better performance. The study recommended that all commercial banks and even financial institutions to have efficient and effective credit appraisal techniques so that they are in pole position to determine declining quality of asset quality problems to improve the banks performance.

Chelimo (2017), did a study on the effects human resource policies on employees' performance in the banking sector with a specific reference to the Co-operative bank of Kenya. The study was guided by Descriptive research design and it was based on the following independent variables: Recruitment policy, appraisal policy and compensation policy. Primary data was gathered through questionnaires from a sample size of 175 respondents from target population 3000 respondents through stratified random sampling. Data analyses were conducted via descriptive and inferential statistical techniques. The findings of the study revealed that HR recruitment policy contributed greatly in adjusting new roles. In addition, the study found organization policy gave employees a chance to grow and advance their career as a motivation for achieving targets. Further, the study indicated that HR appraisal policy enhanced performance of employees especially on individual growth leading to better performance. On

the other hand, the study noted that organization policy put in place and learning organizational culture that improves performance. Additionally, the study established that HR compensation policy gave a competitive edge to the organization in the labor market. In addition, the study found out felt transparency in compensation processes contributed greatly to the building of trust and commitment in the organization. The study concluded that recruitment policy affected attainment of targets by employees through hiring the cream of the crop. The study further concluded that appraisal and compensation policies influence performance of workers due to existence of objective appraisal system in place and strengthening of organization's learning culture. The study recommended that to maintain top performance, organization ought to create awareness on HR recruitment policy by through educating new workers and confirm that those orienting them on new job roles adheres to policy's guidelines in totality. Additionally, appraisal policy ought to be highly objective for fair assessment of workers.

2.3 Summary of Research Gaps

Gachora, Kibet and Musiega (2014), did a study on the effects of Supply Chain Cost reduction influence on performance of small-scale Agricultural businesses. The research used Descriptive survey methods research design. The independent variables of the study were: supply chain cost reduction impact, capacity building and product quality improvement. The study applied Simple random sampling technique to select 142 persons as a sample. This used a small sample size; hence, its findings cannot be generalized to a large population.

Wandera (2011), assessed the influence of short-term engagement contract on a firm:a case of Kenya forest service. A descriptive research design was adopted by this study. The independent variables of the study were hiring staff on short-term employment, productivity ofstaff and the organization, challenges posed by short-term employment and current trends in human resource

management. The study applied simple random sampling method to select

sample size of 51 respondents. Descriptive statistics was applied to analyze quantitative data while Content analysis was applied to analyze qualitative. This failed to apply inferential statistics, hence, did not give clear cut results.

Shah (2019) carried out a study on the influence of power costs on the general processing cost: the case of processing firms in Nairobi. The research used a descriptive cross- sectional design. The independent variables of the research were Mains electricity availability, mains electricity fluctuations and cost of mains electricity. The size for the research was 106 respondents. The research applied random sampling technique to select 92 respondents and Purposive random sampling to select 14 respondents for interviews. The research obtained primary data by use of questionnaires and key in-depth interviews. Descriptive and inferential statistics were applied for data analysis. This used a small sample size; hence, its findings cannotbe generalized to a large population.

Mono (2016) carried out a study on maintenance management approaches and manufacturing performance. The study adopted a cross-sectional research design. A census method was applied to arrive at 21 companies from whom a sample size of 88 respondents was selected using and simple random sampling. A questionnaire was utilized to gather primary data from the respondents. Data were analyzed via descriptive and inferential statistics. Thisused a small sample size; hence, its findings cannot be generalized to a large population

Makau and Muna (2020) found out how inside firm policies influence performance of public commercial banks in Kenya. This study was guided by the following independent variables: credit appraisal, recruitment policies, employee promotional policies and employee welfare policies. This was anchored on a descriptive research design. Primary data was obtained by questionnaires from a sample size of the research was 79 obtained through

stratified random sampling. Quantitative data was analyzed by descriptive and inferential statistics while content analysis was used to analyze quantitative data. This used a small sample size; hence, its findings cannot be generalized to a large population.

Table 2.1: Summary of Research Gaps

S/N	Author	Topic	Objective	Findings	Gaps	How to relate
1	Schoch (2011)	The effect of cost reduction on performance of firms	To examine types of Strategic Cost Measures bytea manufacturing firms and its influence on the performance in Kenya	Various types of strategic cost reductions included; reducing cost of program, and delayed payment	Did not address strategic cost measures i.	The extent to which strategic cost measures affect performance
2	Ramis, (2007)	Determinants of cost reduction strategies on organization performance	to investigate the effect ofcost management strategies on organization performance	Performance and efficiency are influenced bycosting strategies Improvement of systems	Lack of details on challenges facing cost reductions	The current study should consider cost reductions strategy onfirm performance
3	Aknruwa, (2014)	The effect of labour turnover on performance in Nigeria	To investigate the effect of labour turnover on performance	Retrenchment and turnover of staff in cost relation affect	didn't address the effect of labour cost in relations to performance	The current study concentrates the effect of

		banking industry	in Nigeria banking industry	performance through workloads.		labour cost on firm performance
4	Benjamin Fomba Kanga (2011)	Effect of labour contract on performance of firms	to determine the effect of labour productivity in relation to contract status .	Employees were estimated in two stages based on the determinant of usability of fixed contract terms. ii.	Not addressed labour cost, which refilled its capacity to reduce unemployment but flexibility of wages.	Labour costs should refilled its capacity to reduce cost of wages.

5	Young Sang, Kim and Robert (2014)	The effects of Strategic cost in relation to staffing and training cost on firm productivity	examined the effects of Strategic cost affect staffing and performance	Staffing and training cost should be examined in relation to staffing and training cost on performance.	

6	Siyanbola,Trimisiu Tunji and Raji Gbolagade Majeed (2013)	The impact of cost control on manufacturing profitability	To establish the impact of cost control on manufacturing profitability	Organizational budget was the basic tool where cost control was viewed from strategic cost	Focused on Organizational budget as a strategic cost reduction was not viewed	Strategic cost control should be viewed on firms performance
7	Grant Thornton (2013)	The impact of strategic cost cutting on performance of manufacturing firms	To investigate the effect of supply cost reduction on growth of firms	reduction of supply cost improve growth of firms	Reduction of supply cost on performance of firms in relations to cost saving	the use of technology increases cost saving for better performance
8	Lean (2012)	The influenceof cost reduction strategies and tentative financial outcomes.	To examine the influence of cost reduction strategies on financial performance	There is a positive relationship between cost reduction and financial performance	Cost reduction was focused on different financial workload and changes in technology	Cost reduction should be focused on employees' workload and changes in technology

9	Arijit Bhattacharya, Prasanta Kumar Dey, and William Ho (2015)	the effect of tactical expenditure on performance of firms	To investigate the effect of tactical expenditure on performance of firms	It was indicated that there is a lagging relationship between tactical expenditure and performance	indicated a gap on the relationship between supplier strategic costs expenditure and performance	supplier costs expenditure should be addressed as expenditure to performance

2.4 Conceptual Framework

A conceptual framework is a diagrammatic representation of the relationships between the study's variables (Orodho, 2009).

Cost management strategies, which were quantified by strategic material costs, Manpower strategy, Cost-savings strategy, and Equipment Maintenance strategy, were the independent variables. Organizational performance may alter as a result of changes in strategic material costs. The amount of employee awards, pay and compensation, training, and downsizing were used to measure the effectiveness of the manpower strategy, which suggests that changes in the labor and staffing strategies have an impact on organizational performance. Procurement, technology, reduced overtime, and alternative energy sources were used to gauge cost savings. As illustrated in figure 2.1, organizational performance was assessed using the following metrics: efficiency, quality output, sales volume, declared bonus, and high expansion rate for equipment maintenance strategy.

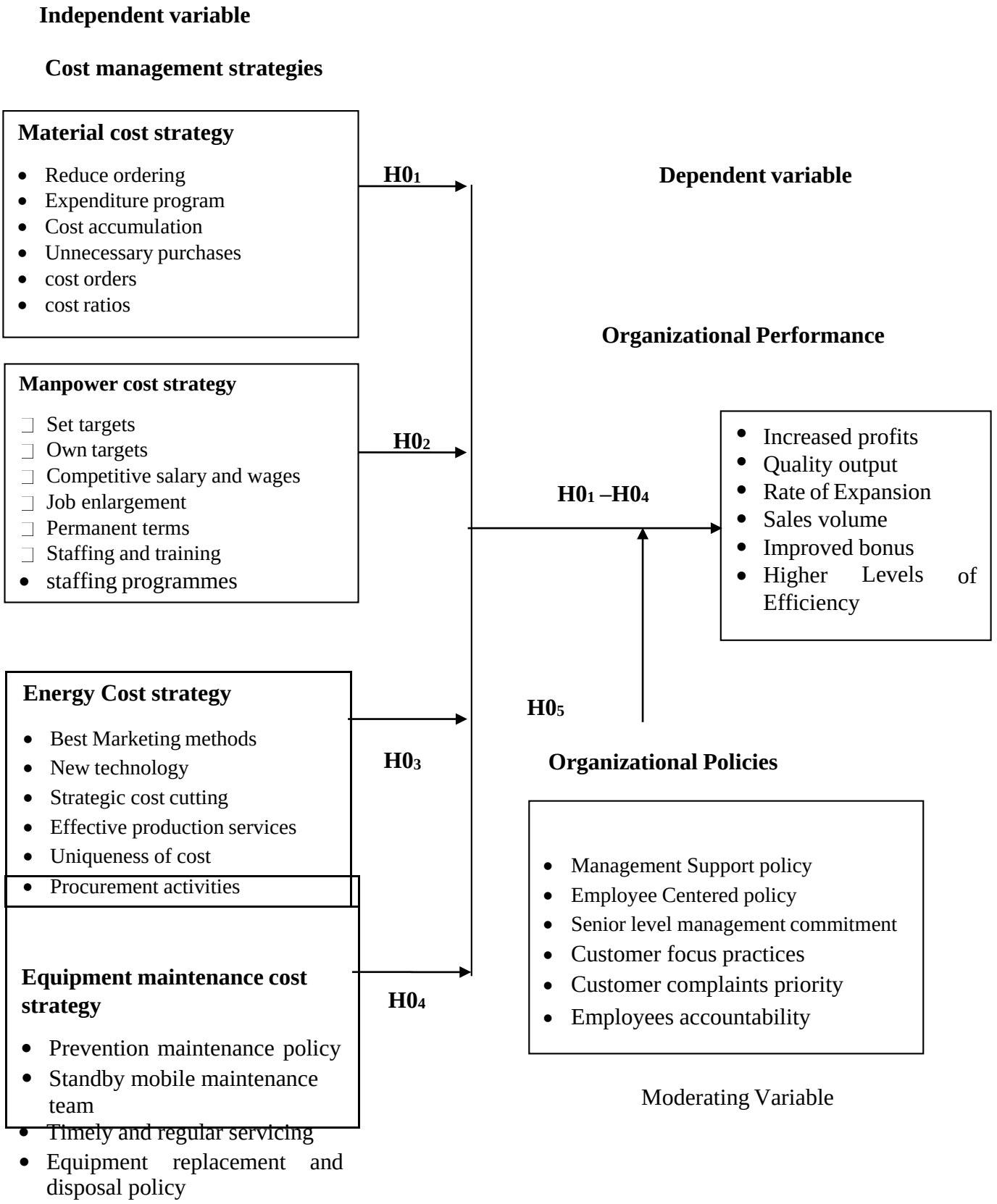

Figure 2.1 Conceptual Framework

The framework hypothesizes an association between the variable, organizational performance (independent), and the independent variables, material cost strategy, personnel cost strategy, energy cost strategy, and equipment maintenance cost strategy. It is hypothesized that each of the independent variables affected the effectiveness of the organization. Material cost strategy (reduce ordering cost of materials reducing, expenditure program, cost accumulation, unnecessary purchases , material cost expenses , opportunity cost incurred , cost orders and cost ratios), manpower cost saving strategy (set targets, own targets, competitive salary and wages, job enlargement strategy , cost status , Laborcontract , permanent terms , enhancing service delivery , Staffing and training ,generation of resources and staffing programmes), energy cost saving strategy (Best Marketingmethods, new technology, strategic cost cutting, effective production services, uniqueness of cost, Creative marketing Methods, procurement activities), equipment maintenance cost strategy (prevention maintenance policy, standby mobile maintenance team, timely and regular servicing of machinery, equipment replacement and disposal policy)are all significant predictors of organizational performance. The above chart illustrates how the independent factors, if present and used, lead to organizational performance. The links between cost management tactics and organizational performance of Kenyan tea processing enterprises are thought to be moderated by organizational policies.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Philosophy

A research philosophy refers to the means through which data are collected, analyzed and applied in achievement of new knowledge. Epistemology refers to what is known to be fact as different to what is believed to be fact and includes the different research techniques. The purpose of scientific inquiry is to enhance the process transformation from unknown into known information. Two of the research philosophies recognized in the modern field of scientific inquiry are positivist and interpretivist. Positivists is the belief that reality is established and can be observed and explained from an objective point of view, i.e. without interfering with the phenomena under study. Interpretive philosophy suggests that only through subjective explanation of involvement in reality can be fully understood (Arijit *etal*, 2015).

The fundamental focus of interpretivist philosophy is the investigation of phenomena in their natural settings, with the understanding that scientists who are unable to avoid influencing those phenomena must conduct their research on them (Crossan, 2003). In terms of research philosophy, ontology refers to the effects or objects that are present in study phenomena or have existence, whereas epistemology deals with the methods the researcher is aware of, including the validity and timing of data collection. Axiology is the philosophical study of the worth of research. It describes the function of evaluating researcher value in the research processor and the components that it can add to the intrinsic value of a situation.

The positivist philosophy was adopted by this investigation. This is supported by the researcher's ontological focus on ongoing processes, experiences, and practices as research objects. The researcher also considers that reality, or what is observed, is the result of ideas

being put into practice. From an epistemological point of view, the researcher concentrated on the issues, practices, and their applicability to the subject matter, and he made an effort to address the issue by influencing future actions. This study's axiological foundation is the researcher's beliefs and reservations about the cost management policies the tea firms have chosen to implement.

Hypothesis testing is employed in positivism, an empirical, quantitative philosophy, to find connections and facts that can be applied to the entire population (Williams, 2013). The method assumes that the researcher is apart from the object of observation. As a result, objective measurements linked to quantitative data decide the choice of the study and how it should be handled (Mugenda, 2010). To accomplish its goals, the current study embraced the positivist philosophy. The decision was made in light of the fact that hypotheses had been developed to empirically find out the correlations between the variables. As a result of positivism, the researcher is directed in the use of various research methods by the study problem, questions, and hypotheses.

3.2 Research Design

It speaks of the techniques applied to demonstrate how data was gathered. The study was based on descriptive survey design. Descriptive design, according to Mugenda (2003), is the process of telling the situation as it is with the intention of collecting data to address research questions. The descriptive study approach was suitable since it allowed the researcher to explore and describe data regarding how cost-cutting measures affect organizational performance. It entails asking the respondent their opinion on how they perceive phenomena based on their beliefs about those phenomena. It has the benefit of enabling the mass collecting of data from the population via research questionnaires (Micheni, 2011).

3.3 Study Location

The research was done in the tea-processing regions of the western region, the Kericho highlands, the Kisii highlands, and the Nandi highlands. There are 27 tea factories in these three locations altogether. Because it was geographically convenient to reach the sample size with tea factories, the area was chosen. The Kericho Highlands and Kisii Highlands are located to the west of the Mau Forest. Decimal coordinates for the latitude and longitude of the Kericho Highlands are 35.28314 and -0.36774, respectively. Nandi Hills are situated in a highland region of gently sloping hills withabundant greenery near the edge of the Great Rift Valley in southwest Kenya. It is situated around 303 kilometers (188 mi) northwest of Nairobi. [1] Nandi Hills, Kenya, is located at 0°06'01.0"N and 35°10'35.0"E. (Latitude: 0.100278; Longitude:35.176389). [2] Nandi Hills are located at a height of about 2,047 meters (6,716 feet) ASL.

3.4 Target Population

It is the set of persons/items a scholar intends to use for research (Arijit, 2015). The study targeted 1928 employees of the selected tea regions. The target population comprised of 135 Managers, 162 Directors, 113 Extension Officers, 119 Supervisors and 1399 Technicians staff includes subordinate and established staff. The target population was derived from human resource records of each tea factories comprising of the three regions selected. Target population for the study is as described in table 3.1.

Table 3.1: Target Population

s/n	Factory	Managers	Directors	Extension officers	Supervisors	Technicians	Total
1	Toror	5	6	4	3	35	53
2	Tegat	5	6	5	3	45	69
3	Momul	5	6	4	4	55	74
4	Chelal	5	6	3	3	45	62
5	Kapkatet	5	6	5	6	60	82
6	Mogogosiek	5	6	6	7	55	79
7	Kopel	5	6	3	3	30	47
8	Kapset	5	6	5	7	58	81
9	Rorok	5	6	3	3	30	47
10	Kapkoros	5	6	4	6	55	76
11	Tirgaga	5	6	3	3	30	47
12	Sanganyi	5	6	6	7	69	93
13	Tombe	5	6	5	6	68	90
14	Gianchore	5	6	4	4	53	72
15	Nyansiongo	5	6	6	8	79	104
16	Kebirigo	5	6	5	5	60	81
17	Nyankoba	5	6	5	4	60	80
18	Rianyamwamu	5	6	3	3	44	61
19	Itumbe	5	6	3	3	39	56
20	Nyamache	5	6	5	6	69	91
21	Ogembo	5	6	3	5	58	77
22	Eberege	5	6	4	3	40	58
23	Kimokama	5	6	3	4	58	76
24	Chebut	5	6	3	3	48	65
25	Kaptumo	5	6	4	3	40	58
26	Mudete	5	6	3	4	39	57
27	Kapsara	5	6	4	3	37	55
	Total	135	162	113	119	1399	1928

Source: Website from individual factories (June, 2018)

3.5 Sample and sampling Design

Sampling is the statistical approach of choosing a subsection of a populace of concern to make comments and make statistical conclusions about it (Bhattacherjee, 2012). Cost effectiveness, accuracy, speed, and data quality are the main benefits of using a sample size, according to Adèr, Mellenbergh, and Hand (2008). The process of sampling involves selecting the population, the sampling frame, the sampling approach, and the sample size. Sampling is the statistical method of selecting a subset of a population of interest in order to make observations and draw statistical inferences about that population (Bhattacherjee, 2012). The major advantages of using a sample, according to Adèr, Mellenbergh, and Hand (2008), are cost effectiveness, precision, speed, and quality of the data. The sampling process involves selecting the population, the sampling frame, the sampling approach, and the size of the sample.

Table 3.2: Sample Size Determination

s/n	Factory	Managers	Directors	Ext. officers	Supervisors	Technicians	Total
1	Toror	1	1	1	1	1	13
2	Tegat	1	1	1	1	11	15
3	Momul	1	1	1	1	13	17
4	Chelal	1	1	1	1	11	15
5	Kapkatet	1	1	1	1	14	18
6	Mogogosiek	1	1	1	1	13	17
7	Kopel	1	1	1	1	8	12
8	Kapset	1	1	1	1	14	18
9	Rorok	1	1	1	1	8	12
10	Kapkoros	1	1	1	1	13	17
11	Tirgaga	1	1	1	1	8	12
12	Sanganyi	1	1	1	1	16	20
13	Tombe	1	1	1	1	16	20
14	Gianchore	1	1	1	1	13	17
15	Nyansiongo	1	1	1	1	19	23
16	Kebirigo	1	1	1	1	14	17
17	Nyankoba	1	1	1	1	14	17
18	Rianyamwamu	1	1	1	1	11	15
19	Itumbe	1	1	1	1	10	14
20	Nyamache	1	1	1	1	15	19
21	Ogembo	1	1	1	1	13	17
22	Eberege	1	1	1	1	10	14
23	Kimokama	1	1	1	1	13	17
24	Chebut	1	1	1	1	10	14
25	Kaptumo	1	1	1	1	10	14
26	Mudete	1	1	1	1	10	14
27	Kapsara	1	1	1	1	8	12
	TOTAL	**27**	**27**	**27**	**27**	**324**	**432**

Source: Researcher (2018)

3.5.1 Sample size

The sample for the investigation was arrived at by use of the Yamane Formula. There were 432 respondents in the sample. Israel (2012) adopted the Yamane formula: The sample size (n)= 1928/(1 + 1928 (0.052) = 332 was used. Sample size (n)=/1+(e2). Yamane also suggests a 30% increase to account for non-responses in order to buffer any potential omissions. A sample size of 432 is the result. As seen in table 3.2, the distribution is as stated. The three study areas were the Western, Nandi Hills, Kisii Hills, and Kericho Highlands. These areas were identified for this research since they have high concentrations of people but do not generally conduct cost management.

3.5.2 Sampling procedure

The processes to take while choosing the sample size to gather information from occurrences are known as the sampling technique, according to Bryman (2012). Because the population is suitable for the study and respondents were grouped according to their levels to allow every member of the population an opportunity to participate in the research, the stratified sampling method was used to choose the sample of employees determined by the formula. A straightforward random sample was used inside the stratum. (2013) Mugenda & Mugenda.

3.6 Data collection

To find an answer to the research topic, data collecting is the method utilized to gather information from pertinent sources. Primary sources were used in the data collection process. For the research, the self-administer method pick and drop was utilized to gather primary data.

3.6.1 Instrumentations

With the aid of self-structured questionnaires, primary data were collected. Subjects react to aset of pre-made questions on questionnaires (Mugenda & Mugenda, 2013). According to Kothari (2014), a questionnaire is one of the most often used data gathering tools and is used to quickly and precisely gather information about attitudes, current issues, practices, opinions, and conditions (Orodho, 2018). The tool is reasonably priced when compared to other tools. Open-ended questions were used to gather information about the research's theme, while structured questions were utilized to gauge respondents' opinions. The drop and pick method were used to administer the questionnaire.

3.6.1.1 Operationalization of study constructs

The questionnaire found in Appendix 2 was the tool utilized in the current investigation to gather data. Five sections of the questionnaire focused on the respondents' opinions on the place of firm policies in the association between cost management strategies and firm performance of chosen tea processing firms in Kenya. One part of the questionnaire asked about the respondents' features. The subjects' opinions were measured by use of a five-point Likert scale. Table 3.3 displays the operationalization of the variables used in the current investigation.

Table 3.3: Operationalization of study variables

Variables	Indicators	Rating Measures	Questionnaire
Background Information	Demographics	Direct measures	Section A 1-5
Cost Management Strategies	Material Cost Manpower Management Cost Saving Equipment Maintenance	Five-point scale Strongly Agree Agree Undecided Disagree Strongly Disagree	Section B – E
Organizational Policies	Management Support Employee Centered Customer Focus Practices Customer Complaints Priority Employees Accountability	Five-point scale	Section F
Organizational Performance	Increase of Profits Quality Output Rate of Expansion Sales Volume Improved Bonus Pay	Five-point scale	Section G

Source: Researcher (2021)

3.6.1.2 Validity of the Research Instrument

Validity refers to the point to which a study measures what it is proposed to measure. The validity was tested with the help of the researcher's supervisors under the study. Strategic management experts starting from the topic and research questions checked content validity. Face validity was verified by the supervisors going through research questionnaire and appropriate corrections. My supervisors tested face validity of this study.

3.6.1.3 Reliability of the Research Instrument

A measure's reliability is its constancy. According to Saunders (2009), piloting was advised to advance the instruments so that subjects would have no trouble responding to questions as well as to make them available for simple data collection and analysis. Data reliability was tested using the test-and-retest method, which was set at 0.7 using Cornbrash's coefficient alpha (1995). By giving 43 questionnaires (10% of the total samples) to the employees at the Kambaa tea factory in Region 1 of the Aberdare Ranges a pilot study was undertaken.

After pre-testing, the Chronbach's Alpha () Coefficient was calculated using SPSS to assess the instrument's level of dependability. Table 3.3 below displays the reliability coefficients from the pilot research. Table 3.3 shows the reliability results for all 49 study variables and variables individually.

Table 3.4: Reliability Coefficients after Piloting

Variables	**No. of cases**	**No. of items**	**Cronbach alpha**
Material Cost Strategy	49	8	.706
Manpower Cost Saving	49	11	.843
Energy Cost Saving Strategy	49	7	.701
Equipment Maintenance	49	6	.771
Organizational Policy	49	9	.873
Organizational performance	49	8	.735
Average Mean			**0.772**

Source: Researcher (2021)

The study α value obtained was .772. This value of α was interpreted according to George and Mallery (2003) scale as in the case of validity. For the tool to be reliable, (α) coefficient must be above 0.7. Thus, this instrument was reliable in measuring what was intended to measure and had higher internal consistency reliability. Feedback obtained assisted the researcher to ensure that objectives of the study were covered. The five (05) point likert scale items were used in calculation of Cronbach Alpha coefficients for each section.

3.6.2 Data collection procedures

Data were collected for the research using a standardized questionnaire. A letter introducing the researcher from the university was sent to the researcher so that he may apply for a research permit from the National Commission for Technology Innovation. The respondents completed a self-administered questionnaire by use of a drop-and-pick approach to obtain data. The researcher utilized a structured questionnaire since it made it simpler to analyze the respondents' data and was less expensive even when the universe was big and geographically dispersed. The answers are given by the subjects in their own words. Those subjects who were difficult to reach were easily located.

3.7 Data Analysis

Edited, coded, and entered into statistical software for analysis, the obtained data were then subjected to descriptive statistics analysis, including frequency analysis, weighted average analysis, mean analysis, and standard deviation analysis. Software SPSS version 22 was used in the study to evaluate numerical data. In a multi-linear regression model, correlation was used to examine how organizational policy affected how well manufacturing businesses managed their costs and how well they performed as an organization. The presence of a relationship between independent factors and the dependent variable was examined using the regression analysis.

The multi-collinearity test, which looked at the variable effect across regression models, formed the basis of the regression assumption. To test the hypothesis, the T-test value was utilized. Following the presentation of the data in tables and figures, conclusions were drawn. The model's synopsis was;

$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_3X_4 + \varepsilon$…..where,

Y-Organizational Performance of Manufacturing Firms,

β_0 – is a constant term of performance independent of the

strategies.X_1 –Material cost strategy

X_2 –Manpower cost strategy

X_3 –Energy cost reduction strategy

X_4–Equipment maintenance strategy

Z– Moderating role of organizational

policiesβ_1, β_2 and $\beta_3$are regression

coefficients

ε- Error term

Moderating variable;

$Y = \beta_0 + \beta_1X_1 Z + \beta_2X_2 Z + \beta_3X_3 Z + \beta_4X_4 + \beta_5X_5Z + \varepsilon$…..where,

Z- Moderating variable: Organizational policies

In the model, Y, which will be the predictor variable, and -, which is an error term to establish an unexplained variation in the model, its variability will be checked by 0.05 sensitivity. In the model, 0 is a constant term of the variables and a measure of sensitivity for dependent variables. Data was then shown in tables with images and graphs. To arrive at the study's final result, inferential statistics were applied.

Table 3.5: Analytical and testing model of the study

Objective	Hypothesis	Model analysis	Interpretation of Results
To examine the relationship of material cost strategy on organizational performance in selected tea-processing firms in Kenya.	**Ho_1:** Material Cost strategy has no statistically significant influence on Organizational performance of selected tea manufacturing firms in Kenya	Simple Régression $Y= \beta0+ \beta1X1+ Ɛ$ …….. Where Y=organizational performance β0= is constant term of the variables β1= regression coefficient X1=material cost strategy Ɛ= is the error term	R2will determine how much change in Y is attributed to X1 F-test will test the overall model statistical significance p-value will determine the significance of the model
To examine the relationship of manpower cost saving strategy on organizational performance of selected tea manufacturing firms in Kenya.	**Ho_2:**Manpower Strategy has no statistically significant influence on Organizational performance of selected tea manufacturing firms in Kenya	$Y= \beta0+ \beta2X2+ Ɛ$ …….. Where Y=organizational performance β0= is constant term of the variables β2= regression coefficient X2= manpower strategy Ɛ= is the error term	If F– calculated value is More than F critical value, then the null Hypothesis will be rejected.
To examine the relationship of energy cost saving strategy on organizational performance of selected tea manufacturing firms in Kenya.	**Ho_3:**Energy Cost Saving Strategy has no statistically significant influence on Organizational performance of selected tea manufacturing firms in Kenya	$Y= \beta0+ \beta3X3+ Ɛ$ …….. Where Y=organizational performance β0= is constant term of the variables β3= regression coefficient X3= Cost saving reduction	R2 will determine how much change in Y is attributed to X1 F-test will test the overall model statistical significance If F – calculated value is More than F critical value, then the null Hypothesis will be rejected.

		Ɛ= is the error term	
To examine the relationship of equipment maintenance cost strategy on organizational performance of selected tea manufacturing firms in Kenya.	**Ho_4:** Equipment maintenance strategy has no statistically significant effect on Organizational Performance of selected tea manufacturing firms in Kenya	$Y= \beta_0+ \beta_4X_4+$ …….. Where Y=organizational performance β_0= is constant ter the variables β_4= regres coefficient X_4= equip maintenance strate Ɛ= is the error term	R2will determine how much change in Y is attributed to X1 F-test will test the overall model statistical significance p-value will determine the significance of the model
To examine the moderating role of organizational policies on the relationship between cost management strategies and organizational performance of selected tea manufacturing firms in Kenya.	**Ho_5**: Organizational policy has no statistically significant moderating effect on the relationship between cost management strategies and Organizational performance of selected tea manufacturing firms in Kenya.	Multiple regression $Y=\beta_0+ \beta_1 X_1+ \beta_2X_2+ \beta_3X_3+\beta_4X_4+$ Ɛ Where Y=organizational performance β_0= is constant ter the variables β_1 β_2 β_3 and β_4= regression coefficient X_1=material cost strategy X_2= Labor and staffing strategy X_3= Costsaving strategy X_4= Cost of expenditure strateg Ɛ= is theerror term Z= organizational policies	R2will determine how much change in Y is attributed to X1 F-test will test the overall model statistical significance p-value will determine the significance of the model If F – calculated value is More than F critical value, then the null Hypothesis will be rejected. If change in R2 after addition of interaction term(moderate) is significant then organization resources has a moderating effect on the relationship

Source: Researcher (2021)

3.7.1 Assumptions of Linear Regression

Four regression assumptions, including linearity, homoscedasticity, normalcy, and multi-collinearity, were used in the study.

3.7.1.1 Normality

All of the variables must be multivariate normal to meet the normality assumption. The Kolmogorov-Smirnov test can be used to determine the normality of a data set. Under the normalcy assumption, it is believed that the variable residuals have a regular distribution. To put it another way, the distribution of the forecasting errors for the value Y (the dependent variable) is quite similar to the normal distribution. The assumption of normality is particularly important for constructing reference intervals for variables, and if it is broken, it is challenging to draw precise and reliable conclusions about reality (Bryman, 2017). In order to establish whether the data were normal, the research used the Shapiro-Wilk test as per Brannen's recommendation (2017). This shouldn't be significant ($p>0.05$) to reject the null hypothesis that the data are not distributed normally. The Shapiro-Wilk test is based on the correlation between the data and the corresponding model.

3.7.1.2 Linearity

The association between independent and dependent variables must be linear in order to satisfy the linearity assumption. The relationship between dependent and independent variables is linearly dependent if the sig. Deviation from linearity value is bigger than 0.05. The link between the independent and dependent variables is not linearly dependent if the value of the sign. Deviation from linearity is less than 0.05. The Shapiro Wilk test of normalcy can be used to examine it.

3.7.1.2 Heteroscedasticity

In residual plots, heteroscedasticity gives rise into an identifiable fan. The researcher has to assess the residuals by fitted value plots to test for heteroscedasticity. The telltale sign of heteroscedasticity is normally an increase in the variance of the residuals with increase in the fitted values.

3.7.1.3 Multi-collinearity

Regarding multi-collinearity, linear regression makes the assumption that the data have little to no multi-collinearity. When the independent variables have a high correlation with one another, multi-collinearity occurs. Correlation matrices, tolerance measures, and variance inflation factors can all be used to test for multi-collinearity (VIF). Since there is no multi-collinearity, the correlation coefficients between all independent variables should be less than 1. One independent variable's tolerance to all other independent variables is measured. There may be multi-collinearity in the data with T=1, and there definitely is with T=0.01. The formula for VIF is 1/T. There is a possibility of multi-collinearity when VIF is greater than 10, and there is definitely multi-collinearity when VIF is greater than 100.

3.7.1.4 Autocorrelation

The Durbin-Watson test is a popular way to check for autocorrelation. When performing a regression analysis, statistical software like SPSS may offer the option of executing the Durbin-Watson test. The test statistic generated by the Durbin-Watson tests runs from 0 to 4.

A time series autocorrelation measures the similarity to a lagged form of itself over successive time intervals. The connection between a variable's present value and its preceding values is tested by autocorrelation.

Since the Durbin-Watson statistic is 2.39, which is in the range of 1.5 and 2.5, the data are not automatically connected. The combined influence of two independent factors on a single dependent

variable is known as an interaction. In SPSS, interactions must be calculated before being added to a model.

In a regression model, the Hausman Test could recognize endogenous predictor variables. The values of endogenous variables are determined by other variables in the system. The random-effects model, which reflects this approach, is the natural one to employ if the study effect sizes are viewed as having been sampled from a range of effect sizes. The fixed-effect model is inadequate if the statistically significant between-studies variation is considerable.

3.8 Ethical Consideration

Moral standards or a collection of values and principles are ethical considerations that the researcher takes into account when conducting study. Prior to approaching the respondents, the researcher obtained permission from the appropriate authority. Additionally, the researcher received permission from Kisii University to carry out the investigation. When creating questionnaires, moral factors were taken into account so that there was no room for responders to list their names. Additionally, respondents were advised that providing their identities was optional, essentially outlining the rationale for substituting non-participating respondents. The research's design has to be constrained in order for it to be morally acceptable. Ethical practices or approaches were established through peer review or consultation with the appropriate stakeholders, such as the University and UNCST.

CHAPTER FOUR

DATA ANALYSIS, INTERPRATATION AND DISCUSSION

4.1 Response Rate

In survey research, the respondent's rate is the number of subjects divided by thesample size. Typically represented as a percentage, the acceptable response rate as a gauge of survey quality is set at 60% (Johnson and Waislar, 2012:1805. The response rate findings wereas described in table 4.1.

Table 4.1: Response Rate

Sample size	Number	Percent
Distributed Questionnaires	432	100
Returned Questionnaires	367	84.95
Unused Questionnaires	22	6.43
Valid Questionnaires	345	79.9

Source: Researcher, 2021

The study's target population consisted of 432 respondents from 27 tea factories in the three regions of Western, Nandi Hills, Kericho Highlands, and Kisii Highlands. 367 respondents gave the field data, which were collected. The researcher visually inspected the data set and used descriptive statistics in SPSS to check for code violations and missing data. 22 questions were not fully completed, and as a result, they were excluded from the analysis. Three hundred forty-five (345) questionnaires were kept, giving a 79.9 percent effective response rate.

4.2 Data Cleaning and Screening

Before doing the initial data analysis, data were screened and cleaned. Hair et al (2010) says that it is crucial to filter data in order to spot any violations of the guiding principles of multivariate techniques. To be prepared for the multivariate data analysis, the field data must be cleaned up before analysis. This is accomplished by handling errors, outliers, and missing

data objectively. A reply percentage of 50 is sufficient for analyzing and statistical reporting, a response at 60% is good, and that of 70% or higher is exceptional, according to Mugenda and Mugenda (2003).

4.2.1 Analysis of Missing Data

The researcher promptly verified completed surveys to make sure all questions had been adequately addressed. If a question or questions were missed, consideration for the responders was given, and they were respectfully asked to complete the questionnaire truthfully. However, during the physical perusal the researcher noted that twenty-two (22) questionnaires were not completely answered and therefore were removed from further analyses.

4.2.2 Analysis of Outliers

A point that deviates greatly from other observations is an outlier. The outlier may be from a change in the measurement or an error of omission or commission (Churchill Jr. & Iacobucci, 2004). Outliers and inaccuracies can make the data erroneous and produce outcomes which might not be applied to the population (Hair Jr et al., 2010). (Tabachnick & Fidell, 2013).

4.2.2.1 Univariate Outliers

To draw attention to any mistakes of perceived variables in the information file, SPSS V22 was used. On each variable, Kurtosis and Skewness were examined for univariate anomalies (see descriptive tables).

4.2.2.2 Multivariate outliers

Mahalanobis Distance was used in this study to find and modify multivariate and univariate outliers. Treatment of univariate outliers, however, did not always address multivariate outliers (Hair Jr et al., 2010). In order to account for all outliers, Mahalanobis distance was integrated into the linear regression. The four items produced three degrees of freedom with p 0.001 and

were therefore multivariate outliers, according to the results (Tabachnick& Fidell, 2013). Therefore, cases having a value of 0.001 or less were not included in the analysis.

4.3 Background Information of the Respondents

Respondents were asked for details about their demographic profile, which included their education level, age, gender, and number of period of working. This data was judged significant in determining how organizational policies affected the relationship between cost-management techniques and organizational effectiveness of Kenyan tea-producing companies.

4.3.1 Respondent's Gender

The goal of the research was to establish how many respondents were men and women. This was thought to be significant since it would allow the researcher to gain insight into the gender distribution within Kenyan tea manufacturing companies.

Table 4.2: Respondent's Gender

		Frequency	Percent
Valid	Male	209	60.6
	Female	136	39.4
Total		**345**	**100.0**

Source: Researcher, 2021

From Table 4.2, majority of the subjects 60.6% were male while female was 39.4 %. The study attributed this gender disparity to the existing gender gap in almost all sectors in Kenya and thus there could be gender disparity within the tea-manufacturing firms in Kenya.

4.3.2 Age of the Respondent's

The subjects were asked to indicate their age bracket. The responses were put into five categories as captured in Table 4.3.

Table 4.3: Respondents Age

		Frequency	Percent
Valid	<30	15	4.3
	30-39	41	11.9
	40-49	152	44.1
	50-59	41	11.9
	>60	96	27.8
	Total	**345**	**100.0**

Source: Researcher, 2021

Results in Table 4.3 indicate that a bigger number of the subjects were of the age between 40 to 49 years old comprising 44.1 percent while 27.8 percent were above 60 years old. Respondents between the age of 50 to 59 and those between 30 to 39 were 11.9% and 11.9% respectively. Further, those below 30 years comprised 4.3 percent. This shows that majority of staffs were intheir mid-forties which represented a youthful population that is energetic and at the peak of their careers.

4.3.3 Education Level of the Respondent's

In this part, a study was done to establish the respondents' greatest degree of education. When asked to list their highest degrees of schooling, the respondents responded as shown in Table 4.4.

Table 4.4: Highest level of education

		Frequency	Percent
Valid	Secondary	13	3.8
	College	153	44.3
	University	179	51.9
Total		**345**	**100.0**

Source: Researcher, 2021

Findings from the research as described in Table 4.4 showed that a bigger number of those who responded had university level of education comprising 51.9 % while 44.3% had attained college level of

education. 3.8% of the subjects had high school level of education. This meant that the subjects were competent enough to give concrete information applicable for this research.

4.3.4 Years Worked

The researcher wanted to know how long the respondents had been employed at the factory. So, we asked the respondents how long they had been employed by the factory. This would make it easier for the research to collect data from respondents who were workers in the plants for different periods of time. Table 4.5 describes the results.

Table 4.5: Years Worked

		Frequency	Percent
Valid	Below 3 years	18	5.2
	3-6 years	43	12.5
	7-10 years	145	42.0
	Above 10 years	139	40.3
	Total	345	100.0

Source: Researcher, 2021

Findings from the study as presented in Table 4.5 indicated that a big number of the subjects had been employed for over 7 to 10 years while 40.3 percent had worked for a period of over 10 years. Twelve point five of the subjects had been working for between 3 to 6 years. 5.2 percent had worked for a period of less than 3 years. This implied that most respondents had adequateexperience to give information that the researcher could rely on

4.4 Descriptive Statistics

The study used the mean scores, standard deviations, skewness and kurtosis to summarize all measurement items related to organizational performance, organizational policies, material cost strategy, manpower management strategy, cost saving strategy and equipment management strategy. Descriptive statistics were used to estimate the extent of cost management strategies, organizational performance and organizational policies perceived by the respondents of the selected tea processing firms in Kenya.

4.4.1 Material Cost Strategy

Material cost is the money devoted into producing of a product. Eight questionnaire items were used to assess the prevailing status of material cost strategy on organizational performance in manufacturing firms in Kenya.

Table 4.6: Descriptive Statistics for material cost strategy

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
My organization has strategy to reduce ordering cost of materials	345	1	5	3.74	1.175	-.708	.131	-.338	.262
There is favorable measure in reducing expenditure program	345	1	5	3.35	1.064	-.543	.131	-.338	.262
Delay in payment of materials brings about cost accumulation	345	1	5	3.32	1.233	-.189	.132	-1.055	.263
There is minimized unnecessary purchases	345	1	5	3.32	1.228	-.312	.131	-.896	.262
Different types of cost are from material cost expenses	345	1	5	3.12	1.278	-.045	.132	-1.126	.263
Strategic material cost can be based on opportunity cost incurred	345	1	5	3.48	1.117	-.594	.131	-.251	.262
There is lack of cost orders in every period of operation	345	1	5	3.14	1.171	-.187	.132	-.602	.263
The organization present performance as a percentage of cost ratios to material	345	1	5	3.56	1.144	-.586	.131	-.512	.262
Average Mean				**3.38**	**1.176**				

Source: Researcher, 2021

The descriptive findings regarding material cost strategy presented in table 4.6 established that a big number of employees agreed that their organization has strategy to reduce ordering cost of materials (mean = 3.74; SD = 1.175). Respondents were however indifferentwith regard to whether their organization has favorable measure in reducing expenditure program (mean = 3.35; SD = 1.064). Further, subjects were also indifferent that delay in payment of materials brings about cost accumulation (mean = 3.32; SD = 1.233). Similarly, respondents had varied

opinion with regard to with regard to whether there is minimized

unnecessary purchases in their organization (mean = 3.32; SD = 1.228). Consequently, the employees were unsure as to whether different types of cost are from material cost expenses (mean = 3.12; SD = 1.278). Most respondents concurred that strategic material cost can be based on opportunity cost incurred (mean = 3.48; SD = 1.117). Respondents were divided with regard to the statement that there is lack of cost orders in every period of operation (mean = 3.14; SD = 1.171). Respondent agreed that their organization present performance as a percentage of cost ratios to material (mean = 3.56; SD = 1.144). Generally, the objects on materialcost strategy got a mean of 3.38 and a standard deviation of 1.176 suggesting that tea manufacturing firms need to put more regulatory measures on material cost strategy

The values of skewness swing between -1 and -0.5 with all values being below -1. Hence, a negatively skewed distribution was assumed. All material cost strategy items had a kurtosis of <3, hence the distribution was approximately symmetric and platykurtic.

This finding agrees with the results of a research by Schoch (2011), who posits that various roles of strategic cost measures including; reducing expenditure, cost of program reduction, service reduction cost, and delayed payment; minimizing unnecessary purchases, improved cost saving by cost avoidance. Findings by Choudhari (2018), found out that, cost reduction techniques are essential to the growth and survival of any organization in a very competitive environment. They start from; practical planning and setting standard, monitoringthe standard until it is attained and strategically reducing cost during business activities. Landgraf (2013), on his study argued that reduced cost is done by period of expenditure, sincethe firm has costing processes and procedures to standardized practice in reducing cost reputation of the organization. It also involves vendor management and cost valuation from rawmaterials.

4.4.2 Manpower Management Strategy

Manpower management strategy involves the sum of labor payments or salaries paid to workers, in addition to the price of worker benefits and payroll taxes paid by employers. Thecost management remains complex and turbulent in organization operations (Gofin, 2016). Eleven questionnaire items were used to scrutinize the prevailing status of manpower management strategy on organizational performance in manufacturing firms.

Table 4.7: Descriptive Statistics for manpower Management Strategy

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
My organization rewards employees who meet set target	345	1	5	3.87	1.169	-.936	.131	.013	.262
My organization allows employees to set their own targets	345	1	5	3.33	1.110	-.471	.131	-.448	.262
My organization pays competitive salary and wages	345	1	5	3.43	1.153	-.395	.131	-.589	.262
My organization practices job enlargement strategy	345	1	5	3.16	1.195	-.161	.131	-.888	.262
Availability of staffing are in relation to cost status	345	1	5	3.22	1.298	-.334	.131	-1.011	.262
Labor contract affects performance of firms	345	1	5	3.38	1.195	-.331	.132	-.798	.263
Employees working in permanent terms are more productive	345	1	5	3.43	1.197	-.528	.131	-.598	.262
The labor cost is effective in enhancing service delivery	345	1	5	3.49	1.182	-.446	.132	-.600	.263
Staffing and training are used strategically to achieve cost effectiveness	345	1	5	3.68	1.222	-.744	.131	-.348	.262
Training and staffing contributes to generation of resources that effect profitability	345	1	5	3.57	1.196	-.709	.131	-.364	.262
There is need to develop staffing programmes to enhances quality of service	345	1	5	4.01	1.195	-1.233	.132	.658	.263
Average Mean				**3.51**	**1.083**				

Source: Researcher, 2021

The findings in Table 4.5 shows that, a bigger number of the subjects agreed that their organization rewards employees who meet set target [Mean=3.87; SD=1.169.Similary, the organization allows employees to set their own targets [Mean=3.33; SD=1.110].Majority respondents also concurred that their organization pays competitive salary and wages even though a good number of them were on the contrary opinion, [Mean=3.43;SD=1.153].However, respondents were unsure as to whether the organization they work in practices job enlargement strategy, [Mean=3.16; SD=1.195]. Respondents further differed with regard to the statement, 'availability of staffing are in relation to cost status' [Mean=3.22; SD=1.298], this implied there were some other factors put into consideration during staffing. Respondents also agreed that labor contract affects performance of firms [Mean=3.38; SD=1.195].

Respondents expressed divergent opinion as to whether employees working in permanent terms are more productive [Mean=3.43; SD=1.197]. On the other side, a majority respondent agreed that labor cost is effective in enhancing service delivery [Mean=3.49; SD=1.182] and that staffing and training are used strategically to achieve cost effectiveness [Mean=3.68; SD=1.222]. Respondents were also in agreement to the statement 'training and staffing contributes to generation of resources that effect profitability' [Mean=3.57; SD=1.196]. Respondents also agreed that there is need todevelop staffing programmes to enhances quality of service [Mean=4.01; SD=1.195]. The itemson manpower management strategy summed up to an overall mean of 3.51 and a standard deviation of 1.083 suggesting that with proper manpower management strategy can enhance organizational performance.

The values of skewness swing between -1 and -0.5 with all values ranging below -1. Hence, a negatively skewed distribution was assumed. The items manpower management strategy had a

kurtosis of <3, hence the distribution was approximately symmetric and platykurtic with only one item (C11: There is need to develop staffing programmes to enhance quality of service) having kurtosis of 0.658; hence no perfect distribution was observed. The findings are in

agreement with those of Kanga (2011), Permanent employees are more productive than those on indefinite contracts, which shows consistent increases in the output of the company. According to Morgan (2015), there is a connection between staff reductions and financial performance as a result of the utilization of operating costs associated to staff compensation to reduce employee costs in response to executive management's cost-cutting measures. Ifeoma, Mukhtaruddin and Prihanto (2019), opined that organizations should assure workers left after downsizing of their job security. This would have built more confidence and self- efficacy, reduce worker's absenteeism and improve performance. Further support to these findings by Shahab (2019), recommended that downsizing can be done by mixing and matching cross evaluation of productive and non-productive employees and exceptionally, decision can come from bottom end of productivity.

4.4.3 Energy Cost Saving Strategy

With economic changes in cost management and other performance aspects involving earnings, sales, service delivery, and customer happiness, cost-saving strategies are emerging in organizations. In order to fulfill its objectives, long-term configurations and adoptions are updating the available financial resources (Njagi and Kombo, 2014). The research thus was meant to find out the influence of cost saving strategy on organizational performance on tea-manufacturing firms' performance in Kenya. The findings are described in table 4.8.

Table 4.8: Descriptive Statistics for Cost Saving Strategy

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Best marketing methods reduce costs in manufacturing firms	345	1	5	3.54	1.229	-.561	.131	-.598	.262
Application of new technology is the determinant of cost reduction	345	1	5	3.43	1.079	-.437	.131	-.398	.262
Manufacturing firms must adopt strategic cost cutting	345	1	5	3.24	1.243	-.180	.131	-.965	.262
There is need for cost reductions effectively production services	345	1	5	3.28	1.233	-.294	.131	-.951	.262
Planning and development should focus on the uniqueness of cost	345	1	5	3.45	1.247	-.416	.131	-.821	.262
Creative marketing methods affects firm performance	345	1	5	3.17	1.111	-.278	.131	-.642	.262
Savings can be achieved through a number of procurement activities	345	1	5	3.54	1.171	-.402	.131	-.630	.262
Average Mean				**3.38**	**1.188**				

Source: Researcher, 2021

From the results, it was established that best marketing methods reduce costs in manufacturing firms (mean = 3.54; SD = 1.229). Moreover, application of new technology is the determinant of cost reduction, (mean = 3.43; SD = 1.079). Respondents agreed that Planning and development should focus on the uniqueness of cost (mean = 3.45; SD = 1.247) and also savings can be achieved through a number of procurement activities, (mean = 3.54; SD = 1.171). There exist, though some gaps as to if manufacturing firms will be able to adopt strategic cost cutting measures (mean = 3.24; SD = 1.234) and if cost reductions will effectively improve production services (mean = 3.28; SD = 1.233). Likewise, there exist reservations on creative marketing methodsbeing employed on tea firm performance (mean = 3.17; SD =1.111). The items on cost saving strategy summed up to an overall mean of 3.38 and a standard deviation

of 1.188 implying that tea manufacturing firms ought to employ better cost saving strategies to curb unnecessary wastage.

All values of cost saving strategies skewness swing were below -1hence a negatively skewed distribution was assumed. The kurtosis on all items were <3, hence the distribution was approximately symmetric and platykurtic. This result agrees with results of a study byAbeberese (2013), concluded that electricity constraints limits development by making firms to work in industries with less productivity thus, increasing opportunities. The study recommended manufacturing firms ought to introduce measures to curb negative impacts whiledealing with unreliability of electricity. Nulty (2015), implored that Long payback periods were a big challenge facing companies that are interested in putting their resource in energy efficiency projects. The survey concluded that financial mechanisms that are in favor of sharedinvestment schemes instead of subsidies could channel more investment into energy efficiencyprojects through making firms deal with the capital inadequacy. Further support to this study was by Stephen (2015), who identified that higher tariffs of electricity were huge compared to expenses incurred through power backups. The study recommended that the government needsto enhance its investment in power production, more so renewable energy and outsourcing morepower from neighboring countries.

4.4.4 Equipment Maintenance Strategy

Equipment maintenance strategy is a cost management, which ensures that strategic cost elements are measurable by its expected results. Thus, organizational performance becomes an important and critical to cost management desired to improve long-term results, (Pearce and Robinson, 2007). In this respect, five items in a questionnaire were used to establish the usual status of equipment maintenance cost approach on firm performance of tea manufacture

companies in Kenya.

Table 4.9: Descriptive Statistics for Equipment Maintenance Strategy

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
My organization has adopted prevention maintenance policy	345	1	5	3.84	1.146	-.889	.131	.098	.262
My organization has standby mobile maintenance team	345	1	5	3.38	1.059	-.412	.132	-.320	.263
There is timely and regular servicing and maintenance of machinery	345	1	5	3.56	1.230	-.619	.131	-.548	.262
My organization has an equipment replacement and disposal policy	345	1	5	3.35	1.116	-.285	.132	-.620	.263
My organization has qualified personnel for routine equipment maintenance	345	1	5	3.60	1.284	-.744	.132	-.511	.263
Average Mean				**3.55**	**1.167**				

Source: Researcher, 2021

As demonstrated in table 4.9, organizations have adopted prevention maintenance policy (mean = 3.84; SD = 1.146). However, respondents varied on whether their organization has standby mobile maintenance team (mean = 3.38; SD = 1.059). There is also doubt whether organizations have an equipment replacement and disposal policy (mean = 3.35; SD = 1.116). However, there is timely and regular servicing and maintenance of machinery (mean = 3.56; SD = 1.230). There was also general acknowledgement that organizations have qualified personnel for routine equipment maintenance, (mean = 3.60; SD = 1.284). Overall, the items on equipment maintenance strategy summed up to a mean of 3.55 and standard deviation of 1.167.

All values of equipment maintenance strategy items showed skewness of below -1hence a negatively skewed distribution was assumed. The kurtosis on all items were <3, hence the distribution was approximately symmetric and platykurtic. The findings are in agreement with

those of Mushavhanamadi and Selowa (2018) who in their study notes that plant and equipment maintenance in production, enhances quality of products; improve speed of production and general performance of the plant. Additionally, the study identified that total Productive Maintenance ensure that preventive and proactive maintenance build its foundation for increased production by reducing breakdowns, stoppages and defects. Consequently, Er-Ratby and Mabrouki (2018), concluded that for manufacturing firm to hit targeted performance, managers in charge of maintenance ought to keep a good performance record on the process of maintenance and its outcome. He said further that, this is doable through developing and putting in Palace of a framework for determining economic performance of maintenance function. Effective maintenance policy relies on imminent or actual failure of the machine or equipment. Hence, maintenance ensures continuous and proper working of the machine or equipment. Periodic maintenance enhances economic life of the machines or equipment requires so as avoiding production runs downs Bagshaw (2017).

4.4.5 Organizational Policies

These are rules that control how actions are carried out. Organizations must realize that employees and managers must take personal responsibility for developing, promoting, and overseeing the full range of operations if they want a project to succeed. Consequently, the research thought it was crucial to establish if the companies that make tea are using organizational policies. The findings are presented in Table 4.10.

Table 4.10: Descriptive Statistics for Organizational Policies

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Management support had many dimensions which influences cost management vision, mission statement, decision making, problem solving	345	1	5	3.74	1.240	-.710	.131	-.445	.262
Employees openly discuss problems and issues	345	1	5	3.39	1.097	-.418	.131	-.492	.262
Employees freely sharing knowledge and experience	345	1	5	3.30	1.169	-.290	.132	-.717	.263
Senior level management is committed to cost management policies	345	1	5	3.21	1.265	-.069	.131	-1.132	.262
Senior level management is willing to provide resources necessary to maintain efficient operations	345	1	5	3.40	1.232	-.434	.131	-.811	.262
Employees are trained on customer focus practices to reduce cost	345	1	5	3.23	1.193	-.183	.131	-.819	.262
Customer complaints are given priority by the organization	345	1	5	3.49	1.150	-.611	.131	-.407	.262
Employees being accountable for their own performance	345	1	5	3.30	1.137	-.201	.131	-.605	.262
Employees eager to participate in and contribute to continual improvement	345	1	5	3.59	1.141	-.647	.132	-.268	.263
Average Mean				**3.41**	**1.18**				

Source: Researcher, 2021

Evidently, management support had many dimensions which influences cost management vision, mission statement, decision making and problem solving (mean = 3.74; SD = 1.24). This means that both managers and workers work collaboratively to make a strong value environment. Moreover, employees openly discuss problems and issues affecting them (mean = 3.39; SD = 1.097). As well, employees freely share knowledge and experience (mean = 3.30; SD = 1.169). Similarly, there is good will from senior level management to provide resources necessary to maintain efficient operations (mean = 3.40; SD = 1.232). Besides, customer complaints are given priority by the organization (mean = 3.49; SD = 1.150). The

study further revealed that employees are taken into account for their own performance, (mean = 3.30; SD = 1.137) and they are also keen to take part in and to make a contribution in constant improvement (mean = 3.59; SD = 1.141)

There are however concerns with respect to whether senior level management is committed to cost management policies (mean = 3.21; SD = 1.265). Similarly, there exist reservation whether workers are trained on customer focus practices to reduce cost (mean = 3.23; SD = 1.193). Generally, the items on organizational policies summed up to a mean of 3.41 and a standard deviation of 1.18.This implied that organizational policies had not been fully impacted in tea manufacturing firms.

All values on organizational policies items showed skewness of below -1hence a negatively skewed distribution was assumed. The kurtosis on all items were <3, implying the distribution was approximately symmetric and platykurtic. The findings are in agreement with those of Rainaye (2012), those organizational policies assist employees to commit themselves to their organization. The study concluded that effective and efficient leadership could harmonize compatibility between organizational policies and personal values of an employee. The same views are held by Ubabuike (2019), concluded that effective governance structure, organization rewards systems improves workers' production in state organizations directly while poor managerial skills and bureaucracy leads to failure of organizational policies in state firms. The study recommended that management and government authorities to pay more attention on strategic ways of internal control come up with means of improving workers' productivity in the public sector. Chelimo (2017), findings also supported these findings by concluded that appraisal and compensation policies influence performance of workers due to existence of objective appraisal system in place and strengthening of organization's learning culture. The study recommended that to maintain top performance, organization ought to create awareness on HR recruitment policy by through educating new workers and confirm that those orienting

them on new job roles adheres to policy's guidelines in totality. Additionally, appraisal policy ought to be highly objective for fair assessment of workers.

4.4.6 Organizational Performance

Performance in manufacturing firms is a question of how well these firms allocate cost inputs such as assets, cost of staff and self-efficiency and number of cost of operations (Gorman, 2016). Table 4.11 presents the findings on organizational performance.

Table 4.11: Descriptive Statistics for Organizational Performance

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Our productivity is increasing in profits	345	1	5	3.44	1.256	-.350	.131	-.863	.262
Efficiency is achieved by cost management strategies	345	1	5	3.45	1.051	-.331	.131	-.334	.262
The profitability of factories can be achieved by cost management strategies.	345	1	5	3.44	1.213	-.409	.131	-.703	.262
Better cost management strategy enhance sales volume	345	1	5	3.35	1.229	-.223	.131	-1.020	.262
Good cost management strategies can enhance improved bonus pay	345	1	5	3.57	1.272	-.535	.132	-.798	.263
Cost management strategies enhances efficiency in the organization	345	1	5	3.26	1.079	-.313	.132	-.263	.263
Cost management enhances expansion rate	345	1	5	3.61	1.190	-.564	.131	-.485	.262
Average Mean				**3.45**	**1.184**				

Source: Researcher, 2021

Basing on the findings, employees generally agreed that productivity is increasing in profits (mean = 3.44; SD = 1.256). In addition, efficiency is achieved by cost management strategies

(mean = 3.45; SD = 1.051). Further, profitability of factories can be achieved by cost management strategies (mean = 3.44; SD = 1.213). In addition, better cost management strategy enhances sales (mean = 3.35; SD = 1.229). Furthermore, employees agreed that good cost management strategies can enhance improved bonus pay (mean = 3.57; SD = 1.272). Moreover, Cost management enhances expansion rate (mean = 3.61; SD = 1.190). Generally, the items on organizational performance summed up to a mean of 3.45 and a standard deviation of 1. 184. The implication is that cost management strategies are vital in enhancing organizational performance.

All values on organizational performance items showed skewness of below -1hence a negatively skewed distribution was assumed. The kurtosis on all items were <3, implying the distribution was approximately symmetric and platykurtic. The findings are in tandem with those of Nzuve &Nyaega, (2012), who stated that for an organization to succeed; it must earn higher revenues and identifying drivers of performance from the top to the bottom of the firm. Further, Namusonge, (2016) concluded that new technology is one of the methods applied to reduce unnecessary costs. In the same breath, (Olanipekun, Abioro, Akanni, Arulogun & Rabiu, 2015) observed that maintenance and sustenance of strategic management practices is necessary for organization since it is a crucial tool for enhancing organizational performance.

4.5 Correlation Analysis

Pearson’s product-moment correlation was used to present the results of the correlation analysis on study variables. The Pearson product-moment correlation coefficient measures the strength of a linear association between two variables. According to Sekaran (1992), the Pearson's correlation is used if the variables of the study are measured using either interval or ratio scales. To achieve this, Pearson’s moment correlation was used to measure the strength

of the relationship as shown in table 4.12.

Table 4.12: Correlations

		Material Cost Strategy	Manpower Management Strategy	Cost Saving Strategy	Equipment Management Strategy	Organizational Performance
Material Cost Strategy	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	345				
Manpower Management Strategy	Pearson Correlation	.509**	1			
	Sig. (2-tailed)	.000				
	N	345	345			
Cost Saving Strategy	Pearson Correlation	.676**	.460**	1		
	Sig. (2-tailed)	.000	.000			
	N	345	345	345		
Equipment Management Strategy	Pearson Correlation	.665**	.410**	.649**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	345	345	345	345	
Organizational Performance	Pearson Correlation	.475**	.306**	.510**	.531**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	345	345	345	345	345

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

Source: Researcher, 2021

From the correlation analysis in Table 4.12, it was found out that there is a reasonable positive association between material cost and organizational performance [r=0.475; P< 0.05]. The relationship implies that higher levels of organizational performance in tea manufacturing firms can be associated with how the said tea firms are able to manage the cost of material. On the basis of these results, the research deduced that material cost influences organizational performance. The research additionally established that there was a moderate, positive and significant correlation between manpower cost saving strategy and organizational performance [r=0.306; P<0.05]. On the basis of these results, the research made the conclusion that manpower cost saving strategy has significant influence on organizational performance. The results agree with

those

of Siyanbola and Rajis (2013), who discovered that the behavior of employees in organizations on the tool used to achieve the goods is the foundation of an effective cost control system. Furthermore, it was determined that there was a significant, positive, and strong association between organizational performance and energy cost-saving technique [r=0.510; P0.05]. This implied that energy cost-saving strategies might be linked to higher levels of organizational performance. These results led the study's authors to draw the conclusion that organizational performance is influenced by energy cost-saving strategies. The results concur with those of Morgan (2015), who discovered that using operation costs related to staff compensation to reduce personnel costs was a strategy used to adapt to executive management's cost-cutting measures. Finally, the findings indicated that there was a strong, positive and significant correlation between equipment maintenance cost strategy and organizational performance [r=0.531; P<0.05]. The relationship implies that higher levels of organizational performance can be associated with equipment maintenance cost strategy. On the basis of these results, the research made the conclusion that equipment maintenance cost plan impacts organizational performance.

4.6 Diagnostic Tests

Numerous academics, like Garson (2012), Osborne and Waters (2002), emphasize the significance of confirming that the data supports the presumptions of the scientific procedures that the review will carry out. This is due to the fact that tests of assumptions assist the analyst in validating the nature of the data and highlighting the pertinent research model that upholds objective, steady, and competent evaluations. As a result, different statistical hypotheses were examined as described in this section to see if the data met the requirements for multicollinearity, normalcy, autocorrelation, linearity, and heteroscedasticity. (Greenland, Senn, Rothman, and others; Garson, 2012; Hayes, 2013; Osborne and Waters, 2002; Williams,

Grajales, and Kurkiewicz, 2013; 2016).

Without running the tests, the accuracy of interpreting the regression coefficient in the various models would have been in jeopardy. These findings led to the further performance of the associations and prediction tests.

4.6.1 Normality Test

To determine if the research data was regularly distributed, normality tests were conducted. The residuals in the model could potentially produce false positive results for parametric tests if the assumption is broken. The Kolmogorov-Smirnov and Shapiro-Wilk tests, two extensively used procedures, were utilized to test for normalcy for the objectives of this study (Garson 2012; Ghasemi & Zahediasi, 2012). It is possible that the data is not normally distributed while the results of the normality tests are significant.

Table 4.13: Tests of Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Material Cost Strategy	.120	345	.000	.973	345	.000
Manpower Management Strategy	.094	345	.000	.987	345	.004
Cost Saving Strategy	.140	345	.000	.957	345	.000
Equipment Management Strategy	.123	345	.000	.933	345	.000
Organizational Performance	.124	345	.000	.849	345	.000

a. Lilliefors Significance Correction

Source: Researcher, 2021

Consequently, the K-S and S-W tests shouldn't be important for the findings to be regarded as normal (Tabachnick & Fidel, 2013). It is apparent from the results shown in Table 4.13 that there was no issue with the data's normality because all of the variables' tests for K-S and S-W were not significant. As a result, the study's data distribution was deemed suitable for multivariate analysis.

4.6.2 Linearity Test

Multiple regression can assess the association between the dependent and independent variables when they are linearly related since the assumption of linearity typically describes the response variable as a function of the predictor variables (Osborne & Waters, 2002). Williams, et al. (2013) explained that although the response variable (in this study's example, organizational performance) is assumed to be a linear function of the regression coefficients (X1, X2, X3, and Xp), it is not always so. In SPSS, analysis of variance (ANOVA) and other various tests can be used to test for linearity (Field, 2009; Garson 2012). When ANOVA is used in testing the assumptionof linearity, the rule of thumb is that if the ρ – value is less than 0.05, then the association between independent and dependent variables is said to be linear, so that those that deviate from linearity have a ρ–value greater than 0.05 (Hair *et al.,* 2010). For the purpose of this study, regression analysis in the study can be deemed valid given that Table 4.14 below demonstrates that organizational performance is a function of the material cost strategy, personnel management strategy, cost-saving strategy, and equipment maintenance strategy. The next section provides an explanation of each relationship's results.

Table 4.14 Linearity Test

	ANOVA for linearity		**Measures of Association**	
	F	Sig.	R	Beta
Organizational performance * material cost strategy	100.039	0.000	0.475	0.475
Organizational performance * manpower management strategy	35.490	0.000	0.306	0.306
Organizational performance * cost saving strategy	120.439	0.000	0.510	0.510
Organizational performance * equipment maintenance strategy	134.367	0.000	0.531	0.531

Source ;(Field data, 2021)

Looking at the results in the table from tests for linearity, there exist a linear association between organizational performance and material cost strategy (F = 100.039, p =.000). Additionally, there exist a linear association between organizational performance and manpower management approach (F = 35.490, =.000). Additionally, the findings show a linear association (F = 120.439, p .000) between organizational performance and cost-cutting technique. Similar to this, there exist a linear association between organizational performance and equipment maintenance strategy (F= 134.367, p .000). Additionally, it is seen that the beta values for each predictor variable's link to employee output, as shown in Table 4.13, are identical to the correlation coefficient (Pearson's r), indicating a linear relationship (Garson, 2012). This suggested that the linearity assumption wasn't broken.

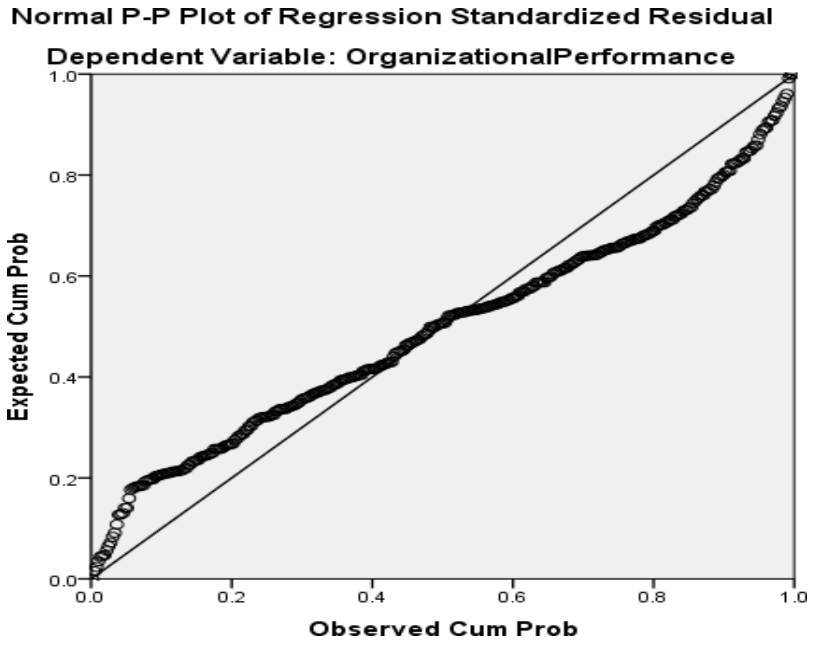

Figure 4.1: Normal P-P plots of regression standardized residual

Source: Researcher, 2021

A PP plot was used to test for linearity, and the findings indicated that the variables were linearly distributed because the data points did not meaningfully stray from the fitted line.

4.6.3 Heteroscedasticity Test

A scatter plot was used to visually depict the heteroscedasticity test. Figure 4.3's scatter plots have an oval or elliptical shape, which denotes a lack of heteroscedasticity violations.

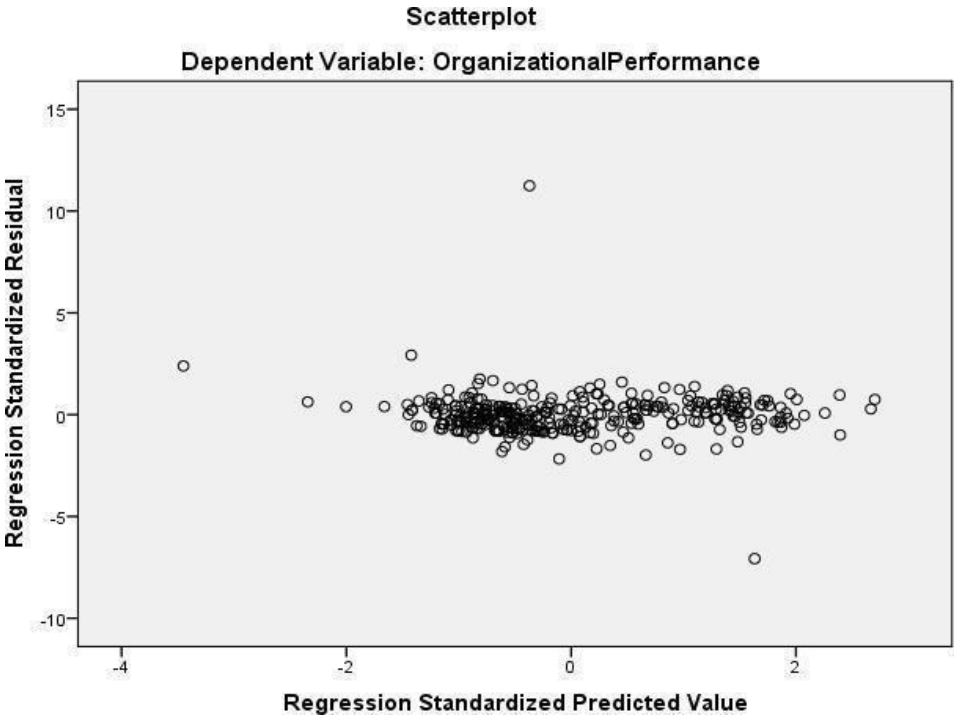

Figure 4.2: Scatter Plot

4.6.4 Multi-collinearity Test

Multiple linear regressions make the assumption that the data are not multi-collinear. When the independent variables have an excessive amount of correlation with one another, multi-collinearity occurs. In order for multi-collinearity to not be a problem, the magnitude of the correlation coefficients should be less than.80 when generating a matrix of Pearson's bivariate correlations among all independent variables. This is only one method of checking for multi-collinearity. More crucially, the presence of multi-collinearity is assessed by looking at tolerance values and the variance inflation factor (VIF). According to Garson (2012), multi-collinearity is present when the tolerance, which is determined by 1-R squared, is less than 0.2. Similar to tolerance values, VIF values (which are the reciprocal of tolerance values) for each of the variables show how much multi-collinearity has raised the variances in the regression estimations.

VIF values greater than 4 suggest the possibility of multi-collinearity (Garson, 2012; Hairet al, 2014). The results in Table 4.15 showed that all of the independent variables' VIF values were below 4.0 and their respective tolerance values were all below 0.2. This demonstrates that multi-collinearity was not found for any of the predictor variables.

Table 4.15 Multi-collinearity Test

Model		Colli-nearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Material Cost Strategy	.424	2.361
	Manpower Management Strategy	.714	1.400
	Cost Saving Strategy	.461	2.172
	Equipment Management Strategy	.483	2.071

Source: Researcher, 2021

4.5.5 Autocorrelation Test

More crucially, the presence of multi-collinearity is assessed by looking at tolerance values and the variance inflation factor (VIF). When the residuals of two observations in a regression model are correlated, autocorrelation is present, as Field (2009) noted. The residuals from a statistical regression study are tested for autocorrelation using the Durbin Watson (DW) statistic. in Garson (2012) An expected value for the Durbin-Watson statistic is between 0 and 4, and it is generally assumed that a value of 2.0 indicates the absence of autocorrelation in the sample. Positive autocorrelation is indicated by values between zero and less than two, and negative autocorrelation is shown by values between two and four (Field, 2009).

Table 4.16 Autocorrelation Test

	Statistics
Std. Error of the Estimate	0.58311
Durbin-Watson	1.835

Source: Researcher, 2021

Based on the findings in Table 4.16, the interpretations are independent as the Durbin- Watson values for the control variables, independent variables, and moderating variables are between 1.5 and 2.5. Consequently, it is noted that the research data do not disrupt the independence test assumption.

4.7 : Regression Analysis

This study was based on the premise that there is an association between cost management strategies and organizational performance of tea manufacturing firms in Kenya but this relationship is moderated by organizational policies. To test the hypothesis, simple and multiple linear regressions were conducted. First, organizational performance was regressed against each objective of cost management strategies. Next, organizational policies were regressed against the four cost management strategies as necessary step in testing the moderating role of organizational policies in the association between cost management strategies and organizational performance. The results of the tests, performed at the 95% confidence level, were then presented.

4.7.1 : Material Cost Strategy on Organizational Performance

The first objective of the study was to examine the influence of material cost strategy on organizational performance in manufacturing firms in Kenya. Simple linear regression was performed to assess the ability of material cost strategy in predicting organizational performance of manufacturing firms in Kenya. The following hypothesis was tested;

Ho_1: Material Cost strategy has no significant influence on Organizational performance of tea manufacturing firms in Kenya

Table 4.17: Model Summary for Material Cost Strategy on Organizational Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2	Sig. F Change
1	.475[a]	.226	.224	.62645	.226	100.039	1	343	.000

a. Predictors: (Constant), Material Cost Strategy
b. Dependent Variable: Organizational Performance

Source: Researcher, 2021

As shown in Table 4.17, the R squared value showed that material cost strategy explained 22.6 percent of the variance (R2=0.226).

The ANOVA results were also presented in table 4.18 to test the significance.

Table 4.18: ANOVAa for Material Cost Strategy

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	39.260	1	39.260	100.039	.000[b]
	Residual	134.609	343	.392		
	Total	173.869	344			

a. Dependent Variable: Organizational Performance
b. Predictors: (Constant), Material Cost Strategy

Source: Researcher, 2021

The ANOVA results indicated model fitness for effect of material cost approach on organizational performance was statistically significant (F = 100.039, ρ=.000). Given that the calculated F = 100.7039, while the F Critical = 3.85; at α = 5% (95% C. I), Then F ≥ F critical at α = 5%. This indicated that material cost strategy is a significant predicator of the tea firm's organizational performance outcome, therefore $\mathbf{H_{01}}$ is rejected.

The regression coefficients in table 4.19 established the mean change in organizational

Performance for one unit of change in the organizational performance.

Table 4.19: Coefficients for Material Cost Strategy

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.002	.247		4.053	.000
	Material Cost Strategy	.728	.073	.475	10.002	.000

a. Dependent Variable: Organizational Performance

Source: Researcher, 2021

The results further indicated that material cost strategy predicted organizational performance (β1=.475), which means that a unit increase in material cost strategy yielded a .475change in organizational performance. With the t value of 10.002; P Value= 0.000 against a significance level of < 0.05, material cost strategy proves to be statistically significant in changing the outcome of the tea manufacturing firm's organizational performance. The above results derived the following simple linear regression model.

$$Y = 1.002 + 0.728\ X_1$$

In line with the study, Schoch (2011), noted that the various roles of strategic cost measures included; reducing expenditure, cost of program reduction, service reduction cost, anddelayed payment; minimizing unnecessary purchases, improved cost saving by cost avoidance. In the same way, Choudhari (2018), found out that, cost reduction techniques are essential to the growth and survival of any organization in a very competitive environment. They start from; practical planning and setting standard, monitoring the standard until it is attained and strategically reducing cost during business activities. Additionally, the study identified that lack of behavior control like motivation, incentives among employees affects the success of cost reduction strategies in an organization. Additional provision to the research results is by Landgraf (2013), found out that reduced cost is done by period of expenditure, since the firm has costingprocesses and procedures to standardized practice in reducing cost reputation of the

organization. The findings are also in conformity with that of Ibegbulem and Okorie (2015), found out that, effective and efficient material cost management-enhanced profitability through acquisition, reception, storage and issuance of materials. Additionally, the study established that, prudent management of materials leads to the reduction in depreciation, pilferage, wastages and assures material availability throughout.

4.7.2 Influence of Manpower Cost Saving Strategy on Organizational Performance

The second objective of the study was to assess the effect of labour cost saving approaches on firm performance of tea processing companies in Kenya. The hypothesis stated;

Ho_2: Manpower Strategy has no significant influence on Organizational performance of tea manufacturing firms in Kenya

Table 4.20: Model Summary for Manpower Cost Saving Strategy

				Std. Error	Change Statistics				
Model	R	R Square	Adjusted R Square	of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.306[a]	.094	.091	.67777	.094	35.490	1	343	.000

a. Predictors: (Constant), Manpower Management Strategy
b. Dependent Variable: Organizational Performance

Source: Researcher, 2021

The results in Table 4.20, showed that manpower management strategy explained 9.4 %of the variance (R2=0.094).

The ANOVA results were presented in table 4.21.

Table 4.21: ANOVAa for Manpower Cost Saving Strategy

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.303	1	16.303	35.490	.000[b]
	Residual	157.565	343	.459		
	Total	173.869	344			

a. Dependent Variable: Organizational Performance
b. Predictors: (Constant), Manpower Management Strategy

Source: Researcher, 2021

The ANOVA findings showed a model fitness for influence of manpower management strategy on organizational performance was statistically significant (F = 35.490, ρ=.000). Given that the calculated F = 35.490, while the F Critical = 3.85; at α = 5% (95% C. I), Then F ≥ F critical at α = 5%. This implies that manpower management strategy and organizational performance is positive and statistically significant and therefore **H_{02}** is rejected.

Table 4.22: Coefficients[a] for Manpower Cost Saving Strategy

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.721	.293		5.871	.000
	Manpower Management Strategy	.496	.083	.306	5.957	.000

a. Dependent Variable: Organizational Performance

Source: Researcher, 2021

The results showed that manpower management strategy predicted organizational performance (β_2=.306), which means that a unit increase in manpower management strategy yielded a .306 change in organizational performance. With the t value of 5.957; P Value= 0.000 against a significance level of < 0.05, manpower management strategy proves to be statistically significant in changing the outcome of the tea manufacturing firm's organizational performance. A simple linear regression model was derived as shown below. These findings were in agreement with that of Thomas, Millard, Rõõm, Wintr & Wyszyński (2019), found out that firms reduced employment and wages payables per hours and hours worked as way of responding to negative shocks without taking into account the source of the shock. Similar findings were found by Morgan (2015), who found a connection between staff reductions and financial performance as a result of the use of operation costs related to staff compensation to reduce employee costs as a way of responding to executive management's efforts to tighten costs. However, Morgan's research did not specifically examine how cost-reduction strategies and practices affected organizational performance. Kunovac (2015), alluded that that hurdles

invented by collective bargaining and indexation were key in reducing wage adjustments. The study findings confirmthe notion by prior scholars that manpower cost saving strategy enhances organizational performance

$$Y = 1.721 + 0.496 X_2$$

4.7.3 Influence of Energy Cost Saving Strategy on Manufacturing Firms' Performance

The third objective was to assess the influence of energy cost saving strategy on manufacturing firms' performance in Kenya. The following hypothesis was tested;

Ho_3: Energy Cost Saving Strategy has no significant influence on organizational performance of tea manufacturing firms in Kenya.

Table 4.23: Model Summary of Energy Cost Saving Strategy

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
					R Square Change	F Change	df1	df2	Sig. F Change
1	.510[a]	.260	.258	.61251	.260	120.439	1	343	.000

a. Predictors: (Constant), Cost Saving Strategy

Source: Researcher, 2021

The findings in Table 4.23 show the R squared value for energy cost saving strategy explained26% of the variance (R2=0.260).

The ANOVA results were presented in table 4.24.

Table 4.24: ANOVA of Energy Cost Saving Strategy

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	45.185	1	45.185	120.439	.000[b]
	Residual	128.683	343	.375		
	Total	173.869	344			

a. Dependent Variable: Organizational Performance
b. Predictors: (Constant), Cost Saving Strategy

Source: Researcher, 2021

The ANOVA findings indicate a model fitness for influence of energy cost saving approach on organizational performance was statistically significant (F = 120.439, ρ=.000). Given that the calculated F = 120.439, while the F Critical = 3.85; at α = 5% (95% C. I), Then F ≥ F critical at α = 5%. Thus, the model was fit to predict organizational performance using energy cost saving strategy. Hence, the hypothesis **H_{03}**; that energy cost saving strategy has no significantinfluence on Organizational performance of tea manufacturing firms in Kenya was rejected.

Table 4.25: Coefficients of Energy Cost Saving Strategy

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.254	.203		6.174	.000
	Cost Saving Strategy	.652	.059	.510	10.974	.000

a. Dependent Variable: Organizational Performance

Source: Researcher, 2021

The results indicated that energy cost saving strategy predicted organizational performance (β_3=.510), which means that a unit increase in energy cost saving strategy yielded a .510 change in organizational performance. With the t value of 10.974; P Value= 0.000 against a significance level of < 0.05, energy cost saving strategy attests to be statistically significant in changing the outcome of the tea manufacturing firm's organizational performance. The findings generated the following simple linear regression model. These findings agreedwith Shah (2019), who established in her study on effects of electricity cost on the overall production cost that, electricity availability, electricity fluctuation and electricity cost positively affected overall production cost. Further, the study findings indicated that availability of electricity with relation to level of power outage, backup generator, how often electricity fluctuates and number of workers had a significant impact overall production cost.

$$Y = 1.254 + 0.652\ X_3$$

4.7.4 Effect of Equipment Maintenance Cost Strategy on Organizational Performance

Objective four of the study was to establish the effect of equipment maintenance cost strategy on organizational performance of tea manufacturing firms in Kenya. The fourth null hypothesis was as shown below;

Ho_4: Equipment maintenance strategy has no significant effect on Organizational Performance of tea manufacturing firms in Kenya

Table 4.26: Model Summary of Equipment Maintenance Cost Strategy

				Std. Error	Change Statistics				
Model	R	R Square	Adjusted R Square	of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.531[a]	.281	.279	.60351	.281	134.367	1	343	.000

a. Predictors: (Constant), Equipment Management Strategy

Source: Researcher, 2021

The R squared value in Table 4.26 showed that equipment maintenance cost strategy explained up to 28.1 percent of the variance (R2=0.281).

The ANOVA findings are explaied in table 4.27.

Table 4.27: ANOVAa of Equipment Maintenance Cost Strategy

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	48.940	1	48.940	134.367	.000[b]
	Residual	124.929	343	.364		
	Total	173.869	344			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Equipment Management Strategy

Source: Researcher, 2021

The ANOVA findings indicated a model fitness for effect of equipment maintenance cost strategy on organizational performance was statistically significant (F = 134.367, ρ=.000). Given that the calculated F = 134.367, while the F Critical = 3.85; at α = 5% (95% C. I), Then

F ≥ F critical at α = 5%. Thus, the model was fit to predict organizational performance using equipment maintenance cost strategy. Therefore, the hypothesis **H_{04}**; that equipment management strategy has no important effect on Organizational performance of tea manufacturing companies in Kenya was rejected.

Table 4.28: Coefficients of Equipment Maintenance Cost Strategy

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.315	.187		7.021	.000
	Equipment Management Strategy	.606	.052	.531	11.592	.000

a. Dependent Variable: Organizational Performance

Source: Researcher, 2021

The results showed that energy cost saving strategy predicted organizational performance (β_4=.531), which means that a unit increase in equipment maintenance cost yielded a .531 change in organizational performance. With the t value of 11.592; P Value= 0.000 against a significance level of < 0.05, equipment maintenance cost proves to be statistically significant in changing the outcome of the tea manufacturing firm's organizational performance. A simple linear regression model is as shown below. These findings agreed with, Er-Ratby and Mabrouki (2018), who found out that equipment maintenance directly affected performance through equipment maintenance, ensure dependability, obtainability and efficiency of production amenities.Consequently, performance and effectiveness of processing firms rely on efficient and effective equipment maintenance.

$$Y = 1.315 + 0.606X_3$$

4.7.5 Combined Effect of Cost Management Strategies on Organizational Performance of Tea Manufacturing Firm's

We carried out a multiple regression analyses to measure the association between tea manufacturing firms and the cost management strategies. The goal was to find out the joint effect of the predictor variables on organizational performance. The results werepresented on tables 4.29, 4.30 and 4.31.

Table 4.29: Model Summary for Cost Management Strategies on Organizational Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.579[a]	.335	.327	.58311

a. Predictors: (Constant), Equipment Management Strategy, Manpower Management Strategy, Cost Saving Strategy, Material Cost Strategy

Source: Researcher, 2021

The R^2 value shows the combined prediction of all the predictor variables, (material cost strategy, manpower management strategy, energy cost saving strategy and equipment management strategy) accounted for 33.5 % of the total variation in tea manufacturing firm's organizational performance (R^2 = .335), while the remaining 66.5% can be explained by different reasons not included in this research.

Table 4.30: ANOVAa for Cost Management Strategies on Organizational Performance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	58.265	4	14.566	42.840	.000[b]
	Residual	115.604	340	.340		
	Total	173.869	344			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Equipment Management Strategy, Manpower Management Strategy, Cost Saving Strategy, Material Cost Strategy

Source: Researcher, 2021

The findings of the ANOVA in Table 4.30, show that cost management practices are positive and important in terms of influence on organizational performance for tea manufacturing firms in Kenya (F= 37.406, p<.0.05).

Table 4.31: Coefficients for Cost Management Strategies on Organizational Performance

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.565	.279		2.026	.044
	Material Cost Strategy	.166	.104	.108	1.596	.011
	Manpower Management Strategy	.035	.085	.021	.411	.042
	Energy Cost Saving Strategy	.298	.083	.233	3.573	.000
	Equipment Management Strategy	.341	.073	.298	4.689	.000

a. Dependent Variable: Organizational Performance

Source: Researcher, 2021

The results in Table 4.34 indicates that the regression coefficient (β) value of material cost strategywas .108 with a significance level (p-value) of 0.111. The regression coefficient (β) value of manpower management strategy was 0.021 with a significance level (p-value) of 0.682. The regression coefficient (β) value of energy cost saving strategy was 0.233 with a significance level (p-value) of 0. 000. The regression coefficient (β) value of equipment management strategy was 0.298 with a significance level (p-value) of 0. 000. The findings implied that equipment management strategy was the highest contributor to the model, followed by energycost saving strategy, material cost strategy and manpower management strategy respectively. On the basis of the results above the research derived the following multiple linear regression model asshown below.

$Y = 0.565 + 0.166X_1 + 0.035X_2 + 0.298X_3 + 0.341X_4$

4.7.6 Comparison of the Direct Model and the Indirect Model on the Basis of Regression Outputs

The fifth and final objective of the research was to measure the moderating influence of organizational policies on the association between cost management strategies and organizational performance. The research predicted that the association between cost management strategies and firm performance was not moderated by organizational policies. The following hypothesis was formulated:

Ho_5: Organizational policy has no significant moderating effect on the relationship between cost management strategies and Organizational performance of tea manufacturing firms in Kenya.

The moderating effect was computed using the method proposed by Baron and Kenny (1986). This involved testing the main effects of the independent variable (cost management strategies), the moderating variable (organizational policies) and the interaction term between cost management strategies and organizational policies (CMS*OP) on the dependent variable (organizational performance).

Table 4.32: Model Summary for the Moderating Role of Organizational Policies

					Change Statistics				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.579[a]	.335	.327	.58311	.335	42.840	4	340	.000
2	.590[b]	.348	.338	.57831	.013	6.659	1	339	.010

a. Predictors: (Constant), Equipment Management Strategy, Manpower Management Strategy, Cost Saving Strategy, Material Cost Strategy

b. Predictors: (Constant), Equipment Management Strategy, Manpower Management Strategy, Cost Saving Strategy, Material Cost Strategy, XZ

Source: Researcher, 2021

The findings of the first step indicate that the variance of cost management strategies accounted for 33.5% before inclusion of interaction term (CMS*OP). In the second step, the interaction term between cost management strategies and organizational policies (CMS*OP) was entered into the regression equation. The results of step two (model 2) indicate that the variance of cost management strategies and Organizational performance accounted for 34.8% after the inclusion of interaction term (CMS*OP). The magnitude of organizational policies moderating effect on the association between cost management approaches and tea manufacturing firm's organizational performance outcome is 1.3% (34.8 -33.53).

Table 4.33: ANOVAa for the Moderating Role of Organizational Policies

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	58.265	4	14.566	42.840	.000[b]
	Residual	115.604	340	.340		
	Total	173.869	344			
2	Regression	60.492	5	12.098	36.174	.000[c]
	Residual	113.377	339	.334		
	Total	173.869	344			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Equipment Management Strategy, Manpower Management Strategy, Cost Saving Strategy, Material Cost Strategy

c. Predictors: (Constant), Equipment Management Strategy, Manpower Management Strategy, Cost Saving Strategy, Material Cost Strategy, XZ

Source: Researcher, 2021

The overall model 2 shows the ANOVA significance level ($F = 36.174$, $\rho < .05$) and hence the model shows a statistically important association between organizational performance (dependent variable), organizational policies (moderating variable) and cost management strategies (independent variable).

Tests of the slope was then performed as reported in Table 4.34.

Table 4.34: Coefficients for the Moderating Role of Organizational Policies

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.565	.279		2.026	.044
	Material Cost Strategy	.166	.104	.108	1.596	.011
	Manpower Management Strategy	.035	.085	.021	.411	.042
	Cost Saving Strategy	.298	.083	.233	3.573	.000
	Equipment Management Strategy	.341	.073	.298	4.689	.000
2	(Constant)	1.085	.342		3.170	.002
	Material Cost Strategy	.074	.109	.048	.679	.008
	Manpower Management Strategy	.047	.090	.029	.523	.031
	Cost Saving Strategy	.214	.089	.167	2.406	.017
	Equipment Management Strategy	.240	.082	.210	2.931	.004
	XZ	.115	.006	.246	2.581	.010

Source: Researcher, 2021

As shown in Table 4.34, Model 2 indicates that the regression coefficient (β) value of material cost strategy was .048 with a significance level (p-value of 0.008, which is less 0.05). The regression coefficient (β) value of manpower management strategy was 0.029 with a significance level (p-value of 0.031 that is less 0.05). The regression coefficient (β) value of cost saving strategy was 0.167 with a significance level (p-value of 0. 017, $p < 0.05$). The regression coefficient (β) value of equipment management strategy was 0.210 with a significance level (p-value of 0.004, $p < 0.05$) while the regression coefficient (β) value of interaction term was .246 with a significance level (p-value) of 0.010.

This resulted to a multi-regression equation as below.

$Y = 1.085+0.074X_1 + 0.047 X_2+ 0.214X_3 + 0.240X_4 + 0.115XZ$

4.7.8 Summary of Hypotheses Testing Results

The findings of both simple and multiple regression models were summarized in Table 4.35 below. As a result, the table includes the choice regarding the formed hypothesis along with the p value, computed F value, and critical F value for both the main and interaction effects.

Table 4.35: Summary of Hypotheses Testing Results

Hypothesis Formulated **Main Effects**	***R***	***R²***	***ρ* – values**	**Calculated F Value**	**Critical F Value α = .05**	**Decision**
H_{01}: Material Cost strategy has no significant influence on Organizational performance of tea manufacturing firms in Kenya	.475	.226	0.000 <0.05	100.039	3.85	Reject H01
H_{O2}: Manpower Strategy has no significant influence Organizational performance of tea manufacturing on firms in Kenya	.306	.094	0.000 <0.05	35.490	3.85	Reject H02
H_{O3}: Energy Cost Saving Strategyhas no significant influence on Organizational performance of tea manufacturing firms in Kenya	.510	.260	0.000 <0.05	120.439	3.85	Reject H03
H_{O4}: Equipment maintenance strategy has no significant effect on Organizational Performance of tea manufacturing firms in Kenya	.531	.281	0.000 <0.05	134.367	3.85	Reject H04
Moderation – Organizational Policies	***R***	***R²***	***ρ* – values**	**Calculated F Value**	**Critical F Value**	
H_{O5}: Organizational policy has moderating effect on the relationship between cost management strategies and performance of tea manufacturing firms in Kenya.	.348	.338	0.000 <0.05	36.174	2.22	Reject H05

Source: Researcher, 2021

Table 4.35 shows that the five hypotheses of five main objectives had the null hypotheses rejected.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Summary of Findings

The study's main goal was to evaluate the contribution of organizational policies to the interactions between cost-management techniques and organizational effectiveness in Kenyan tea-producing companies. The study looked into how organizational policies in Kenyan tea processing enterprises affected the effects of material cost strategy, labour cost strategy, energy cost strategy, and equipment maintenance cost strategy on organizational performance. From this set of goals and the conceptual framework in Figure 2.1, five hypotheses were created. Depending on the levels of significance of the numerous statistical tests, the hypotheses were either accepted or rejected.

5.1.1 Material Cost Strategy and Organizational Performance

The first objective was to examine the influence of material cost strategy on organizational performance in processing firms in Kenya. This study hypothesized that the relationship between material cost strategy and organizational performance was not significant. The strategy to reduce cost of materials, minimizing unnecessary purchases and basing material costs on opportunity cost incurred will great low cost of material and boost firm performance.The results further indicated a moderate, positive and significant association between organizational performance and material cost strategy. Moreover, material cost strategy contributed up to 22.6% to organizational performance. The first hypothesis was consequently rejected which implies that a statistically important positive association exists between material cost strategy and organizational performance.

5.1.2 Manpower Cost Saving Strategy and Organizational Performance

The second objective was to assess the influence of manpower cost saving strategy on organizational performance of tea processing firms in Kenya. The findings on manpower cost saving strategy established that rewarding of employees who meet set target, paying of competitive salary and wages and proper staffing and training to achieve cost effectiveness will spur organizational performance.

The correlation findings showed a moderate, positive and important association between organizational performance and manpower cost saving strategy. Manpower cost saving strategy gave a 9.4 percent variation to organizational performance. The second hypothesis was therefore rejected which implies that a statistically important positive association exists between manpowercost saving strategy and organizational performance.

5.1.3 Energy Cost Saving Strategy and Organizational Performance

The third specific objective of the research was to measure the influence of energy cost saving approach on manufacturing firms' performance in Kenya. This study hypothesized that the relationship between energy cost saving strategy and organizational performance was not important. The research results indicated that with manufacturing firms applying best marketing methods reduce, use of new technology and focusing the uniqueness of cost through planning and development will reduce the cost of energy used in this manufacturing firms.

The correlation results showed that energy cost saving approach had a strong, positive and significant relationship on organizational performance contributing up to 26 percent variation to organizational performance. The third hypothesis was consequently rejected which implies that a statistically important positive association exists between energy cost saving strategy and organizational performance.

5.1.4 Equipment Maintenance Cost Strategy and Organizational Performance

The fourth specific objective of the research was to find out the influence of equipment maintenance cost approach on organizational performance of tea manufacturing firms in Kenya. This study hypothesized that equipment maintenance strategy has no significant effect on organizational performance of tea manufacturing firms in Kenya. The results indicated that through the adoption of prevention maintenance policy, timely and regular servicing and maintenance of machinery and committing qualified personnel for routine equipment maintenance would create efficiency and service delivery in the production unit.

The correlation results indicated that equipment maintenance cost strategy had a strong, positive and significant relationship on organizational performance. The study further indicated that equipment maintenance cost strategy contributed up to 28.1 percent variation to organizational performance. Basing on this result, the fourth hypothesis was therefore rejected implying that a statistically important positive and significant association exist between equipment maintenance cost strategy and organizational performance.

5.1.5 Cost Management Strategies, Organizational Policies and Organizational Performance

The fifth and final objective of the research was to find out the extent to which organizational policies moderates the association between cost management strategies and organizational performance of tea manufacturing firms in Kenya. The results indicated that the management support had many dimensions which influences cost management vision, mission statement and decision making. Further, by giving customer's complaints would give management a chance to focus specific areas for improvement. In the same breath, employee's eagerness to play a part in and contribute to repeated development in the tea firms is a positive move. The study further indicated that organizational policies contributed 1.3 percent variation to the

relationship between cost management strategies and organizational performance of tea processing factories in Kenya.

5.2 Conclusions

The research concludes that tea-processing factories use material cost strategy by reducing ordering cost of materials, payment of materials within time, minimizing unnecessary purchases and employ efficient system for material purchases. Tea processing firms have recognized the necessity of dealing with challenges of organizational performance by adopting material cost strategy as a tactic to enhance productivity.

Strategies of manpower among tea processing firms have important effects on organizational performance of these firms. However, different key issues need to be undertaken for better organizational practices. These practices are, rewarding employees who meet set target, allowing employees to set their own targets, paying competitive salary and wages, proper training and staffing of employees and develop staffing programmes to enhances quality of service. Most of the tea process factories in the research have not done much with regard to manpower strategy except being dependent on the knowledge of some employees.

Cost saving strategy is instrumental in improving organizational performance of selected tea process factories in Kenya. In this regard, application of new technology, Planning and development focusing on the uniqueness of cost, formulating creative marketing methods and saving through a number of procurement activities would spur higher firm performance.

The research also concludes that equipment maintenance strategy is crucial for a firm in enhancing its organizational performance. An organization that adopts prevention maintenance policy, standby mobile maintenance team, timely and regular servicing and maintenance of machinery, proper equipment replacement and disposal policy and qualified

personnel for routine equipment maintenance. This makes firms optimize opportunities in terms of returns.

The research set out to assess the place of organizational policies in the relationships between costmanagement strategies and organizational performance of tea processing firms in Kenya. Twomajor conclusions arise from the findings. First, it can be concluded that material cost strategy; manpower management strategy, energy cost saving strategy and equipment management strategy have a statistically significant effect on tea manufacturing firms in Kenya. Secondly, organizational policies moderates in the association between cost management practices and firm performance.

The present research makes a substantial support to the theory and practice of tea manufacturing firms in two ways. First, it extends strategic cost measures to tea firm's contextby explaining the role of cost management strategies through undertaking cost measures in theirproduction capacity in term of sales volumes and target profits. In particular, it provides empirical evidence that the moderating role of organizational policies is significant for interventions targeting organizational performance.

A major contribution to knowledge is in explaining the mechanism by which cost management strategies influence organizational performance of tea manufacturing firms. Such firms have been unable to improve their earnings, quality output and maintain level of customer's satisfactions. Cost management strategies enables tea manufacturing firms to utilize resources effectively to influence performance.

5.3 Recommendations

5.3.1 Recommendation for Policy and Managerial Practice

Cost management strategies according to this research have shown to be effective in enhancing organizational performance of tea manufacturing organizations. Furthermore, the findings have shown

that material cost strategies are key in enhancing tea firm’s organizational performance. Tea

firms therefore should consider proper cost estimation strategy and methodology in order to have a positive effect on performance. This will improve the gross profit of tea farmers, hence boosting sustainability of the tea firms.

In addition, the management needs to ensure that the equipment maintenance costs are measurable by its expected results. This will reduce the cost of acquiring of new equipment that will highly cause huge financial implications to the tea firms.

With regard to policies, the study results give prominence to strengthening of organizational policies in order to achieve higher performance. These results continue to be important for policy makers and practitioners in accepting cost management strategies in formulating policies. The study findings have important implications for future policy formulations bythe Kenyan government in the tea-manufacturing sector.

Tea manufacturing firms need to take implementation of organizational policies seriously so as help realize their organizational performance. The policy will assist the management to make decisions that influence cost management vision, decision making and problem solving. The senior level management should be willing and committed to allow employees openly discuss problems and issues affecting their routinely duties to enable a smooth working environment. The results of this research contribute to knowledge through the interaction between cost management strategies, organizational policies and tea-manufacturing firm's organizational performance. These empirical findings are instrumental and represent substantial contribution to the literature and theory development for the tea industry in Kenya.

The research further found a moderating effect of organizational policies on the relationship between cost management strategies and organizational performance of tea manufacturing firms in Kenya. It is therefore recommended that tea firms implement organizational policies that will streamline expenses and curb unnecessary wastage.

The study findings validate the usefulness of cost leadership theory and manpower planning theory in their application in the tea industry since the achievement of the higher performance in the tea-manufacturing firms largely lies in the application of organizational policies to implement cost management strategies. The theories suggest that the costing of manufacturing funding accomplish large growing demand from customers in meeting the necessary requirement of future amount of money at every stage of production. In addition, manpower planning should not be taken simple but as a technical solution to practical problems to cost management as it reflects and reinforce manpower knowledge within the firm.

5.3.2 Recommendation for Further Research

Based on the study results, it is apparent that cost management strategies affect the overall tea manufacturing firm's organizational performance in Kenya; therefore, the following recommendations are suggested. Future research should be conducted in different sectors. The study focused only on three regions namely Kericho highland, Kisii highlands and Nandi highlands and western region hence, should be extended to other regions. It is possible that if the study was conducted on other agricultural sectors the association between the variables in the research may be dissimilar. In this way, further studies need to take account of other sectors so as to appreciate the association between cost management strategies and organizational performance.

In an effort to test external validity of these research results, future studies can use the survey research design as applied in this research to check if the findings of specific case studies are consistent with one another. McGrath (1982) as cited by Magutu (2013) suggests that one way to achieve this is by use of a qualitative research methodology. There are three primary components of external validity include the statistical generalizability, conceptual replicability and situational replicability. A single study cannot therefore be used to ensure external validity;

for this to be achieved, future studies need to look at the whole manufacturing sector in

Kenya to relate the above firms. Another research can be conducted for a first world country and the findings likened with those of a third world country.

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APPENDICES

Appendix 1: LETTER OF INTRODUCTION

Dear respondent,

I am conducting research in Business Administration at Kisii University whose title is, 'The Role of organizational policies in the Relationship between Cost Management Strategies on organizational Performance of some tea processing Firms in Kenya'.

I kindly request you to fill your response in the space provided in the questionnaire. This questionnaire is purely academic and all responses shall be accorded high level of confidentiality. Your participation is most welcome.

Evans Bange Mitema

Yours Faithfully

Appendix 2: QUESTIONNAIRE

SECTION A (Demographic Data)

Background Information

1. Gender?

   i. Male [ ]

   ii. Female [ ]

2. Age Bracket (Years)

   Below 30 [ ] 30-39 [] 40-49 [ ]

   50-59 [ ] Above 60 []

3. Highest level of education attained

   a. Primary [ ]

   b. Secondary [ ]

   c. College [ ]

   d. University [ ]

4. How long have you worked in this factory?

   i. Below 3 years [ ]

   ii. 3-6 years [ ]

   iii. 7-10 years [ ]

   iv. iv. Above 10 years [ ]

5. What is your position in this factory?

Factory manager	[ ]	Director	[ ]	Supervisor	[ ]
Extension Officer	[ ]	Factory accountant	[ ]	I.C.T	[ ]
Technician	[ ]				

Section B: Material cost strategy

Rank the following statements by ticking the corresponding box of theappropriate rank.

(Using a Likert scale of 1-5 with: **5= Strongly Agree, 4 = Agree, 3 = undecided, 2 = Disagree, 1 = Strongly Disagree)**

	To what extent do you agree with the following statement?	**5**	**4**	**3**	**2**	**1**
B1	My organization has strategy to reduce ordering cost of materials					
B2	There is favorable measure in reducing expenditure program					
B3	Delay in payment of materials brings about cost accumulation					
B4	There is minimized unnecessary purchases					
B5	Different types of cost are from material cost expenses					
B6	Strategic material cost can be based on opportunity cost incurred					
B7	There is lack of cost orders in every period of operation					
B8	The organization Present performance as a percentage of cost ratios to mater					

Section C: Manpower management strategy

	To what extent do you agree with the following factors below:	**5**	**4**	**3**	**2**	**1**
C1	My organization rewards employees who meet set target					
C2	My organization allows employees to set their own targets					
C3	My organization pays competitive salary and wages					
C4	My organization practices job enlargement strategy					
C5	Availability of staffing are in relation to cost status					
C6	Labor contract affects performance of firms					
C7	Employees working in permanent terms are more productive					
C8	The labor cost is effective in enhancing service delivery					
C9	Staffing and training are used strategically to achieve cost effectiveness					
C10	Training and staffing contributes to generation of resources that affect profitability					
C11	There is need to develop staffing programmes to enhances quality of service					

Section D: Cost saving strategy

	To what extent do you agree with the following factors below:	5	4	3	2	1
D1	Best Marketing methods reduce costs in manufacturing firms					
D2	Application of new technology is the determinant of cost reduction					
D3	Manufacturing firms must adopt strategic cost cutting					
D4	There is need for cost reduction for effective production services					
D5	Planning and development should focus on the uniqueness of cost					
D6	Creative marketing Methods affects firm performance					
D7	Savings can be achieved through a number of procurement activities					

Section E: Equipment maintenance strategy

	To what extent to do you agree with the following statements below:	5	4	3	2	1
E1	My organization has adopted prevention maintenance policy					
E2	My organization has standby mobile maintenance team					
E3	There is timely and regular servicing and maintenance of machinery					
E4	My organization has an equipment replacement and disposal policy					
E5	My organization has qualified personnel for routine equipment maintenance					

Section F: Organizational Policies

Rate the following statements by ticking the corresponding box of the appropriate rank.

(Using a Likert scale of 1-5 with: **5= Strongly Agree, 4 = Agree, 3 = undecided, 2 = Disagree, 1 = Strongly Disagree)**

	To what extent organizational policies moderate the relationship between cost management strategies and manufacturing firm performance?	**5**	**4**	**3**	**2**	**1**
F1	Management support had many dimensions which influences cost management vision, mission statement, decision making, problem solving					
F2	Employees openly discuss policies based problems and issues					
F3	Employees freely share knowledge and experience					
F4	Senior level management are committed to cost management policies					
F5	Senior level management are willing to provide resources necessary to maintain efficient operations					
F6	Employees are trained on customer focus practices to reduce cost					
F7	Customer complaints are given priority by the organization					
F8	Employees are accountable for their own performance					
F9	Employees are eager to participate in and contribute to continual improvement					

SECTION G: Organizational Performance

Rank the following statements by ticking the corresponding box of the appropriate rank.

(Using a Likert scale of 1-5 with: **5= Strongly Agree, 4 = Agree, 3 = undecided, 2 = Disagree, 1 = strongly Disagree)**

	To what extent do you agree with the following statements;	**5**	**4**	**3**	**2**	**1**
G1	Our productivity helps in increasing profits					
G2	Efficiency is achieved by cost management strategies					
G3	The profitability of factories can be achieved by cost management strategies.					
G4	Better cost management strategy enhance sales volume					
G5	Good cost management strategies can enhance improved bonus pay					
G6	Cost management strategies enhances efficiency in the organization					
G7	Cost management enhances expansion rate					

Thank You

Appendix 3: RESEARCH PERMIT

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Ref No: 117444

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RESEARCH LICENSE

This is to Certify that Mr.. EVANS BANGE MITEMA of Kisii University, has been licensed to conduct research in Kericho, Kisii, Nandi on the topic: THE ROLE OF ORGANIZATIONAL POLICIES IN THE RELATIONSHIP BETWEEN COST MANAGEMENT STRATEGIES AND ORGANIZATIONAL PERFORMANCE OF SELECTED TEA PROCESSING FIRMS IN KENYA for the period ending : 02/December/2021.

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Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

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Appendix 4: KTDA PERMIT

KTDA

KTDA MANAGEMENT SERVICES LIMITED
KTDA FARMERS BUILDING | P.O. Box 30213 GPO 00100 Nairobi
Tel: +254 20 221441/2/3/4, 322 7000/1 | Fax: 254 020 2211240
E-mail: info@ktdateas.com | Site: www.ktdateas.com

January 11th 2021

Evans Bange Mitema
P.O. Box 65
Nyamira
Email: evansbanki@gmail.com

Dear Evans,

RE: AUTHORITY TO COLLECT DATA FOR AN ACADEMIC RESEARCH

In reference to your letter requesting us to grant you permission to collect data in KTDA Managed Tea Factories in region five, six and seven refers.

We have authorized you to collect the data as requested. However, the data should be purely for academic purpose and should remain confidential.

After the completion of your research, we expect to get a copy of the findings and recommendations on the role of organizational policies in relation to cost management strategies and organizational performance of the selected factories.

KTDA MANAGEMENT SERVICES LTD.

WILSON M. MUTHAURA
GROUP GENERAL MANAGER - HRA

CC GM Operations
Regional Managers
Factory Unit Managers
Factory Accountants

Appendix 5: FACTORIES IN REGIONS

Kenya Tea Development Agency Holding Limited

Regions	Region name	Factories
Region 1:	Aberdare ranges	Kambaa, Mataara, Kagwe, Theta, Ngere, Ikumbi, Ndarugu,Gachege, Njunu, Nduti,Makomboki,Gacharage
Region 2:	Aberdare ranges	Githambo, Kanyenyaini, Kiru, Gatunguru, Chinga, Iriaini, Gitugi, Gathuthi, Ragati
Region 3:	Mt. Kenya	Ndima, Kangaita, Mununga, Kimunye,Thumaita, Kathangariri, Mungania, Rukuriri
Region 4:	Mt. Kenya & Nyambene hills	Weru, Kinoro, Kionyo, Imenti, Githongo, Igembe, Michimikuru, Kiegoi
Region 5: .	Kericho highlands	Toror, Tegat, Momul, Litein, Chelal, Kapkatet, Mogogosiek, Kobel,Kapset, Rorok, Kapkoros, Tirgaga
Region 6:	Kisii highlands	Sanganyi, Tombe,Gianchore, Nyansiongo, Kebirigo, Nyankoba, Rianyamwamu,Itumbe Nyamache, Ogembo, Eberege. Kiamokama
Region 7:	Nandi hills &western highlands	Chebut, Kaptumo, Mudete, Kapsara,Olenguruone