

# **STRATEGIC FIRM LEVEL FACTORS AND PERFORMANCE OF MANUFACTURING FIRMS IN KENYA: A CASE OF UNILEVER KENYA LTD**

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## **ABSTRACT**

Kenya has been experiencing turbulent times with regard to its organizational practices and this has led to declining profits in the manufacturing sector of this economy. Organizations are operating in turbulent and very competitive environment which keeps changing. In order to remain competitive, there is need to align various firm variables in a way aimed at maximizing the organization performance however, setting performance targets for any organization may not always increase bottom line. The main objective of the study was to investigate the effect of strategic firm level factors on performance of Unilever Kenya Ltd. To achieve the main objective, the study was guided by the following specific objectives: to determine the effect of communication systems on performance of Unilever Kenya Ltd, to establish the effects of leadership style on performance of Unilever Kenya Ltd, to find out how organizational structure affects performance of Unilever Kenya Ltd and to determine the effects of organizational culture on performance of Unilever Kenya Ltd. This study was grounded on contingency theory, situational leadership theory, Theory of strategic balancing and Durkheim's theory of culture. This study adopted descriptive research design. The target population was all 276 employees working in management and operational levels at Unilever Ltd. Stratified and simple random sampling technique was used in this study to select a sample of 161 respondents. Primary data was collected using self-administered semi structured questionnaires which were distributed to the respondents using drop and pick method. The

secondary data was obtained from published sources and literature within the company. All the questionnaires received were referenced and items in the questionnaire were coded to facilitate data entry. After data cleaning which entails checking for errors in entry, descriptive statistics such as frequencies, percentages, mean score and standard deviation were estimated for all the quantitative variables. Inferential data analysis was done using Pearson moment correlation and multiple regression analysis. The quantitative data was presented in form of tables and qualitative data in prose. The study found that the organization's philosophy builds a cohesive and productive organization and that organizational norms promote teamwork. Further, the study found that management traits of the leaders have boosted their effectiveness in the organization and competencies contribute to enhanced employee performance and organizational success. The study concluded that organization culture had the greatest effect on the performance of Unilever Kenya Ltd, followed by leadership style then communication systems while organization structure had the least effect to the performance of Unilever Kenya Ltd. Organizational structure, culture and communication systems combined effect was more than independent effect and therefore the study recommends that the management of Unilever Kenya Ltd should be careful to have the appropriate combination of variables that would translate to improved performance. The organization need to have the appropriate structure, communication systems and a supportive culture.

**Key Words:** *strategic firm level factors, organizational structure, organizational communication systems, leadership style, culture, performance, Unilever Kenya Ltd*

## **INTRODUCTION**

Strategic factors of the company level are exact functions for a particular business and are very important for any organizational activity or productivity of the company. The environment affects the connection between productivity and strategy. The efficiency of the organization is enhanced by the combination of various strategic firm level factors. According to Aldag and Kuzuhara (2015), these factors are structure, system and processes, style, staff, re-source shared values, strategy and strategic performance. The basis of this study focuses more effect of communication systems, leadership style, organizational structure and organizational culture.

On their contribution, Benn, Edwards and Williams (2014) noted that in the contemporary highly competitive business environment where the value and importance of intellectual assets is important, the top management should be instructed to do excellent leadership practices. In particular, state-of-the-art management tools such as corporate governance code, the use of derivative hedges, and the application of regulatory laws, balanced cards and cards are effective in securing high productivity and reducing risk. It may affect the work of the organization. Indeed, leadership, particularly strategic leadership, is widely described as one of the essential factors influencing the efficiency of an organization by making strategic decisions, determining organizational structure and managing organizational processes I will. Active leadership in the company is evident in direct actions, decisions and actions (Yukl, 2013). But, as noted, the lack of effective leadership of top managers of all organizations is a serious obstacle to corporate success.

There have been rapid changes in the manufacturing sector over the past two decades, and these changes have prompted manufacturing firms to respond more quickly to uncertainty. Thus, the emergence of world-class competitors in international and domestic business requires that production firms need to update their processes to fulfill the requirements of the market. Consequently, the ultimate goal of the firm's functional and corporate strategies is to create a workable competitive advantage (Lall, 2013). Therefore, the transfer of research into strategic thinking from convective thinking as one of the most significant elements that allows the organization to be well equipped to break through competition (Thruologachantar & Zailani, 2011).

Today, the manufacturing industry is in a metamorphosis state with modern problems, such as competitive advantages, customer satisfaction, revenues and expenses, technological development, organizational culture, global markets, diverse customer needs and the need for an effective workforce with global thinking penetrating into all aspects organization (Ammi, 2013).

Manufacturing companies in the world spend money and trust external suppliers of competitive services, offering cost-effective and efficient internal resource procedures. This is especially essential for organizations that are considered important players in the manufacturing sector in any country because of the economic benefits they offer in their economic environment (Sasaka, Namusonge & Sakwa, 2014).

Currently in environment of global business there is forceful pressure of enhancing the usefulness and efficiency of activities of procurement and manufacturing. If faced with cost and revenue fears that are multifaceted by changes in product technology, process and changing business practices, shortening product life cycles, organisations are cultivating ways to address challenges of business. Consumers are getting more knowledgeable in twenty first century and have a higher prospect and are also asking for improved levels of customer service (Adekola & Sergi, 2016).

The production sector in Africa has been transformed over time, reflecting changes in national policies, the changing domestic demand and the dynamics of the world market. The importance of the industrial sector for national economies in Africa has varied at various times since independence, but in recent years its contribution to national income and, consequently, its importance has increased (Sassen, 2011). The industrial structure, politics, production structure and scale have changed over time in Africa. Although in terms of the share of employment and total production in African countries, production is usually a small sector, since a very long development of this sector has long been considered crucial for the development of the economy (Fine, 2018).

In Uganda, there has been a challenge of poor relationship management in a number of firms in terms of social and business relational capital and thus this has an effect on performance (Kamukama, Ahiauzu & Ntayi, 2011). For example, in a case sited in manufacturing firms in Uganda, a summary of manufactures firms audited financial report (2011), noted its decline in terms of profit performance to Ushs.106.6 million in 2005 from Ushs.589.9 million in 2003. Therefore, this declining profitability is suspected to have been caused by the way the company relates with its stakeholders although ascertaining the extent to which relational capital played a role is very difficult.

In Kenya the manufacturing sector grew in 2014 at 3.2% in 2014 and in 2015 at 3.5% and contributed 10.3% to the GDP (KNBS, 2016). However, on average, the sector has a slower growth rate, which is less than in the economy, which in 2015 increased by 5.6 percent. This means that the share of the gross domestic product in manufacturing has decreased over time. Hence, the argument that Kenya is subject to premature de-industrialization in a context where industry and production are still underdeveloped (Kuria, 2010).

World bank statistics show that for the last five years Kenyan manufacturers have recorded declining profits and stagnation and this is due to operating environment which is unpredictable

(WB, 2014). Further statistics from the Association of Producers of Kenya (KAM) due to declining profits showed that some firms announced plans to close their production facilities, and then moved to Egypt for their operations (KAM, 2014). Cadbury Kenya unveiled that it would cease production in Nairobi by the end of October 2014 (RoK, 2014a). As a result, in 2013, Eveready's net profit fell 58.7% from \$ 784,783 in the prior year to \$ 493,237. Its production capacity has decreased from 180 million a year to 50 million units per year, caused by opportunities (RoK, 2014a). Having closed the main plant of Tata Chemicals, Magadi reduced his operations (Kiruja, 2011).

According to the World Bank report, production in Kenya remains low compared to other sectors, despite the fact that Kenya welcomes its vibrant economy, which ought to end up one of the five quickest developing in sub-Saharan Africa. The financial development rate of 4.3 percent fell behind the normal development of the economy by 6.2 percent somewhere in the range of 2010 and 2013 because of the complex working condition (WB, 2014). This prompted the way that Kenya was an overwhelming shopper of merchandise created in the Far East. Besides, without a doubt the span of Kenya's modern area has slowed down, and the part has lost global intensity and battles with low efficiency and auxiliary wastefulness (WB, 2014).

Kenya's manufacturing sector, which forms the foundation of this research, is one of the primary factors contributing to the country's economic development. KNBS stated that contribution of manufacturing sectors to GDP has remained averagely at 10 per cent according to the Economic Survey of 2015 over ten years. Nevertheless, as stipulated by vision 2030 the manufacturing sector should explain 20% of the GDP. Efforts of spurring growth in the manufacturing sector are being put in place by the government which continues to invest both in cheap energy supply and infrastructure development projects. The real output of the manufacturing sector in 2014 expanded by 3.4% as compare with 5.6% growth in 2013. In the manufacturing sector, formal employment increased by 2.9% in 2014. Likewise, total wage earnings improved by 12.4% to Ksh 110.5 million in 2014 from Ksh 98.3 million in 2013 (KNBS, 2012).

Kenya's manufacturing division subdivided into fourteen sub-sectors such as buildings, beverages, food, construction and mining, tobacco, energy, leather products and footwear, chemistry / alliance, metal and alliance, electricity and electronics, rubber, plastics and paper (Manufacturing industry in Kenya: investigation by KAM 2012) is divided into three fields. The manufacturing industry in Kenya is still the largest in East Africa, but it is still small when compared to developed countries. Unilever Kenya limited is a subsidiary of The Unilever Company, one of the worlds largest FMCG producer and distributor indicating a continuous growth path since its inception. Globally, Unilever Company's products are available in 190 countries including Kenya with over 400 brands being marketed globally hence has a very complex supply chain. Unilever considers developing markets, as they exhibit a steady deals development of over 20 years. Today, their offer in the organization's aggregate turnover is over 40% (Wambugu, 2014).

## **STATEMENT OF THE PROBLEM**

Organizations are operating in turbulent and very competitive environment which keeps changing. In order to remain competitive, there is need to align various firm variables in a way aimed at maximizing the organization performance however, setting performance targets for any organization may not always increase bottom line. In addition, organizations are trying to implement effective and effective methods of performance management, focusing on skills and abilities, overall quality control and planning and changing work projects where necessary. Corporate productivity still leaves much to be desired, due to the lack of qualified talented and knowledgeable management teams that prevent an organization from reaching the optimal level by developing the necessary relationships, behaviors and skills. The decline in organization productivity is mainly due to the lack of organizational structure, culture and type of leadership (Hajipour et al., 2011). Unilever Kenya company with regard to its organisational practices has been experiencing turbulent times and this has led to manufacturing sector resulting to declining profits (Mutindi, Namusonge & Obwogi, 2013). World bank statistics show that for the last five years the company has registered declining profits and stagnation. In 2017, the company's share of GDP fell to 9.2 per cent, an indication that it grew at a slower pace than the economy (KAM, 2017). During the same period, in emerging markets sales revenue growth has reduced from 76% to 43% as a result of factors like changes in preferences and taste of consumers (World Bank, 2017). Unilever Africa was a victim of intense competition from new entrants and cheap imports forcing them to sell some of the best brands like Kimbo and Cowboy to compete with Bidco Oil. Failure in organizational work is largely due to poor organizational structure, culture and leadership style. Details of the reconstruction plan eliminated the number of business lines, concatenated several units, and left five top managers in redundant business units. Recently, the dominance of the Unilever Kenya segment of beauty and home care products in the rapidly growing consumer goods market is serious in some domestic competitors such as Interconsumer HACO Industries and Petco Oil Refining (Kihara, 2016). In this respect, studies have been done on performance of manufacturing in Kenya. Muturi and Marao (2015) established the influence of strategic management practices on Performance of Floriculture Firms in Kenya a Survey of Kiambu County, Kenya, Baraza (2017) did a study on effects of competitive strategies on performance of manufacturing firms in Kenya focusing on East Africa Breweries Limited and Kamaku (2016) studied on the firm-level determinants of manufacturing firms Kenya. Moreover, Okello and Kanyora (2015) did a study on influence of strategic management practices on performance of construction firms in Kenya, a Case of reliable concrete works limited, Kenya, Kihara, (2016) established the influence of strategic contingency factors on performance of large manufacturing firms in Kenya while Kariuki (2015) studied on firm level factors, industry environment, competitive strategy and performance of large manufacturing firms in Kenya. However, none of these studies focused on the strategic firm level factors and performance of manufacturing firms in Kenya. The context of performance of Unilever Kenya Ltd was also missing in many local studies. Therefore, it is against this back drop that this study seeks to

determine the effect of strategic firm level factors on performance of manufacturing firms in Kenya.

## **MAIN OBJECTIVE**

The main objective of this study was to determine the effect of strategic firm level factors on performance of manufacturing firms, with specific focus on Unilever Kenya Ltd.

## **SPECIFIC OBJECTIVES**

1. To determine the effect of organizational culture on performance of Unilever Kenya Ltd.
2. To establish the effects of organizational structure on performance of Unilever Kenya Ltd.
3. To assess how leadership style affects performance of Unilever Kenya Ltd.
4. To examine the effects of communication systems on performance of Unilever Kenya Ltd.

## **THEORETICAL FRAMEWORK**

### **Contingency Theory**

This theory was proposed by Robert Drazin and Andrew H. Van de Ven in 1985 in their study of the concept of fit in structural contingency theory. The contingency theory is a theory that claims that there is no most perfect way to deal with sorting out an organization, to lead an association, or to settle on choices inside the organizations. Or maybe, the perfect course of action is startling (subordinate) upon the inside and external situation. Particular leaders sufficiently apply differing styles of activity to the right conditions. The term was conceived by Lawrence and Lorsch (1967) in the year 1967 who thought that the proportion of weakness and rate of advancement in a circumstance impacts the progression of inside features in affiliations.

Using this theory, organizational design in this study has a key structure. In situations where the structure corresponds to unforeseen circumstances, it is considered to be the best and effective organizational structural project. The contingency hypothesis of hierarchical structure might be alluded to all the more succinctly as a basically startling hypothesis. The test is that the auxiliary possibility hypothesis is static and can't adapt to authoritative changes and adjustment. Essentially, the hypothesis of auxiliary irregularity hypothesis is worried about ensuring how structures and haphazardness impact the elite in the static state (Daft, 2015). As accepted by this hypothesis, different arrangements might be viable in various conditions. This hypothesis is in a situation to demonstrate that diverse structures inside the association that frame one of the

fundamental contemplations of the hypothesis are unique, as opposed to the general administration standards of association proliferation (Rainey, 2009).

The organizational structure is characterized as the system of connections and parts existing all through the organization. Contingency theories underpin this study in relation to consideration of the environment through the structures in the organization, its size and the strategies in place regarded as contingency factors that entail the factors that must be adapted by the structure of the organization. Also, there is an additional of contingency factors in the organizations but these three are considered to be major. Interaction and importance of environmental adaptation is greatly emphasized by the analytic approach (Daft, 2015).

### **Situational Leadership Theory**

Situational leadership theory advocated by Paul Hersey and Ken Blanchard in 1969 suggests that effective leadership is not a charismatic leader with many devoted followers but a situation and reasonable correspondence is necessary (Grint, 2011). This theory evolved from a continuum of task-oriented, human-centered leadership (Bryman, 2011). It was continuity that focused on tasks that leadership is required and focused on the relationship with followers. Previous researchers examined the theoretical leadership of the situation as a theory of unexpected situations and behavior theory, but both have validity (Yukl, 2011).

People or task focused by the leaders is grounded on situational leadership theory. The leadership style view such as laissez-faire, democratic and autocratic which is linked to behavioral approach in line with workers oriented view and the production oriented by Michigan approach, the consideration dichotomy versus Ohio State initiation and finally the participative versus directive approach (Glynn & DeJordy, 2010). Maturity of the followers is portrayed by proper leadership as a contingent which is in line with contingency-based theories of leadership such as; leadership substitute theory, contingency theory of Fiedler's, the path-goal theory, normative contingency theory of vroom's (Lorsch, 2010).

Situation leadership refers to the case where an organization leader or manager has to adjust his style according to the development level of the follower he is about to influence. In this context it refers to the leadership style which influences the performance of an organization. Situational leadership theory thus is relevant to the study in relation to leadership style variable.

### **Durkheim's Theory of Culture**

Durkheim developed the theory in 1890. He paid attention to tribal societies that are symbolic system natural collectivity to bring out culture as an emergent linkage of representation of shared set of values and beliefs holistically. This theory postulates that it's a concern of abundant work in the sociology of an organization on the comprise of the culture concepts irrespective of the



pain experienced to skirt the label. Organizational goals achievements are greatly influenced by the existing culture (Yukl, 2011).

According to Wuthnow and Witten (1998), centers of dissent may be provided by integrations of subcultures with the entire organization. Divisional lines, status and occupation may have cleavages of the culture. Different discursive organizational practices is an evidence of subcultures existence with a specialized language that is shared fully with other colleagues outside more than those inside the organization where collective sense of mission production is done through convergence of subgroups using different expressive symbols (Zheng & McLean, 2010).

Organizational culture is described as a system of common values, assumptions, and beliefs that regulate people's behavior in an organization. Attainment of the goals in the organization is greatly influenced by how employees conduct themselves as a result of organizational culture. These cultures greatly influence the undertakings of the employees in their tasks. Therefore, their effects on organizational productivity hence this model is relevant to the study in relation with organizational culture.

### **Theory of Strategic Balancing**

Hammer and Champy's in 1997 postulated the theory of strategic balancing. This theory is grounded on understanding that individual strategy is partly linked to organizational strategy. Leader values system is an actor's behavior that influences organization performance. Cooperation and competition signify antagonistic poles that organizations waver against. When the alliances formed head towards confrontation of poles mainstream, these configurations they end up disappearing (Miner, 2015).

Deployment, symbiotic and relational model composes the theory of strategic balancing. Deployment and relational model are used to link to competition. Between the two strategies that are aggressive liable to undulation as depicted by the relational model to be primarily cooperative similarly to deployment model exemplification. In order for an organization to keep their relationship balanced they can adopt the two strategies. This is very close to what is postulated by Morduch (2010). According to Morduch (2010), competitive relationship is of three types; competition dominated, equal relationship and cooperation dominated. There is fluctuating relationship between the deployment and relational model comparison (Barney, 2004).

Recognition process of management needs should be the concentration of competitive strategies where various insurance companies in Africa has achieved this. Lönnqvist and Kujansivu (2012) applied the important intelligence topics (KIT) method to recognize and arrange the key intelligence requirement of higher supervision and the association itself. This contributed to the surety that intelligence processes were good and appropriate intelligence was generated. Their

view is important since it gives business intelligence employees to notice strategic matters and as an outcome higher supervision can assure that accomplishment is put in place regarding the outcome produced. The added importance is that an prior caution system can be formed and this will pave way for anticipated risks to the institution and key stakeholders in the firm are recognized and controlled. Three models are gathered by strategic model that is; deployment, symbiotic and relational models. Competition demonstrates to be well placed in the model of deployment and relational model.

This theory suggests that the success of an institution relies on achieving a good relationship between strategy, structure and culture. Improving efficiency depends on efforts focused on leadership, decision-making, formal structure and operational procedures to develop appropriate management of the organizational culture which is revealed in the way carried by daily activities. Therefore, this theory explains how organizational effectiveness depends on organizational culture, and this research has relevance.

## **RESEARCH METHODOLOGY**

### **Research Design**

Descriptive research design was adopted in this study. For this design allows for collection of data concerning the subjects or variables as they are found in a society. The study focused on both quantitative and qualitative characteristics and status of the determinants of strategic firm level factors on organizational performance on manufacturing firms in Kenya. This research approach is practical and quick in terms of obtaining data. This research design was chosen because of its ability to guarantee maximization of evidence collected and minimization of bias.

### **Target Population**

The population of the study was all people working in Unilever Kenya Ltd. The target population was all 276 employees working in management and operational levels at Unilever Ltd. The department ensures efficient operations of technical divisions through provision of different levels of management that is the top, operational and lower level management to promote performance in different departments.

### **Sampling Design and Sample Size**

Sampling is the process of selecting a number of individuals for a study in such a way that the individual selected represents the large group from which they are selected (Wang, 2015). Stratified and simple random sampling technique was used in this study. Stratified sampling was used to group the target population into categories or strata such as Top, operational and low-level management staffs. From each category, representative samples were drawn through simple random methods. This technique guarantees that every one of the people in the objective

populace have an equivalent possibility of being incorporated into the example. This help to eliminate the biasness. The desired sample size for the study was obtained by use of population of 276 where Nassiuma (2000) formula was used to get a sample 161.

### **Data Collection Instruments**

Both secondary and primary information was utilized in this investigation. Essential information was gathered utilizing self-managed semi organized surveys which were circulated to the respondents. The unstructured inquiries were utilized in order to encourage the respondents to create a felt and inside and out reaction without feeling as though they are kept down in delivering any data while the organized inquiries were utilized in an effort to save cash and time and furthermore empower less requesting examination as they are fit as a fiddle. The request for this examination had two sections. The first part comprised of operational and demographic features while the second part dealt with the study variables. This study picked questionnaires as they provide a dais for respondents to give their views on the study topic. The secondary data was attained from literature within the company and published sources.

### **Data Collection Procedure**

Data was collected by use of questionnaires. The questionnaires used were structured. The questionnaire had closed ended questions. A five-point Likert scale was used. The questionnaires were dropped at the place of work of the respondents. However, where respondents were not able to fill the questionnaire immediately, the researcher came to pick the questionnaires later so as to give the respondents enough time to give a well thought out responses. The researcher booked appointment with respondent organizations before visiting to administer the questionnaires at least two days before. The research instruments were personally administered by the researcher to the respondents. This enables the researcher to explain the purpose of the study, establish rapport and explain the meaning of items that may not be clear (Sekaran & Bougie, 2016).

### **Data Analysis and Presentation**

Data was analyzed using Statistical Package for Social Sciences (SPSS version 25.0). The questionnaires received were referenced and the items in questionnaire was coded so as to facilitate entry of data. After data cleaning that is checking for errors in entry, descriptive statistics for all quantitative variables such as percentages, mean score, frequencies and standard deviation was estimated. Tables were used to present information obtained. Conceptual content analysis was used to analyze the qualitative data obtained from the open-ended questions and were presented in prose.

Multiple regression analysis and Pearson moment correlation was used to carry out inferential data analysis. The strength of association between the variables was established by use of correlation analysis. The relationship between the dependent and independent variables was established by conducting multiple regression analysis. Multiple regression model generally assumes the following equation for there are 4 independent variables in this study;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where: Y= Performance of Unilever Kenya LTD;  $\beta_0$ =constant;  $\beta_1, \beta_2, \beta_3, \beta_4$  and  $\beta_5$  = Regression coefficients;  $X_1$ = Organisation culture;  $X_2$ = Organisation structure;  $X_3$ = Leadership style;  $X_4$ = Communication systems;  $\varepsilon$ =Error term

Multiple regression was used because it is the procedure that uses two or more independent variables to predict a dependent variable. The coefficient of determination (R<sup>2</sup>) was used in measuring the extent to which the variation in performance of manufacturing firms in Kenya is described by the variations of the strategic firm level factors so as to test the significance of the model. F-statistic was computed at 95% confidence level so as to test if there was any significant relationship between performance of manufacturing firms in Kenya and the strategic firm level factors affecting it.

## **RESEARCH RESULTS**

### **Organizational Culture**

The study sought to determine the effect of organizational culture on performance of Unilever Kenya Ltd. From the findings, the study found that organization's philosophy builds a cohesive and productive organization and that organizational norms promote teamwork. Further the study found that organizational language unifies staff members. These findings were consistent with those of Boonstra (2012) points out that organizational culture has the potential to enhance employee job satisfaction, organizational performance and the sense of certainty about problem solving. Knowing the lifestyle of an affiliation empowers laborers to understand both the affiliation's history and current methodologies for movement.

However, the study also found that organization which has strong values and beliefs builds strong bond between employees and organization. This revealed that performance of Unilever Kenya Ltd is greatly affected by organizational culture. These discoveries were the same as those of Boonstra (2012) a positive hierarchical culture supports the center practices and convictions that a pioneer wants while debilitating the activities and qualities the pioneer rejects. This information provides guidance about expected future practices. It can develop obligation to the affiliation's sanity and characteristics as needs be make shared estimations of moving toward shared goals.

## **Organizational Structure**

Moreover, the study sought to establish the effect of organizational structure on performance of Unilever Kenya Ltd. The study found that different chain of command has helped in harmonization of employees hence improved. The study also found work specialization in their organization has boosted their production. These findings were same as those of Schein (2010) asserts that in the achievement of organizations set objectives organizational structure performs a significant role and also in accomplishment of its strategic direction and goals.

Further, the study found specialization in organization has led to increased growth. Finally, the study found that the organization is divided into departments and this has increased efficiency. This revealed that organizational structure affects performance of Unilever Kenya Ltd in a great extent. These discoveries were bolstered by those of Gunday et al, (2011) who demonstrated that an authoritative structure, with its low level of convention and high level of data sharing and decentralization, enhances an association's adaptability and capacity to adjust to persistent condition change. Associations having diverse levels of adjustment would use distinctive techniques to coordinate their basic courses of action. Methodology typology associations with an abnormal state of adjustment would show a miner technique and hierarchical structure while associations with a low-level of adjustment would receive a litigant.

## **Leadership Style**

The study also sought to assess the effect of leadership style on performance of Unilever Kenya Ltd. From the findings, the study found that good leadership actions have boosted teamwork in the organization. Further, the study found that management traits of the leaders have boosted their effectiveness in the organization and competencies contribute to enhanced employee performance and organizational success. These findings were same as those of Doppelt (2017), key initiative activities affect worker responsibility and fulfillment. Likewise, the benefit of an association relies upon the activities of the CEO. Presidents whose associations are reliably beneficial keep up their emphasis on "the primary concern".

Finally, the study found that inspiration and motivation has led to improved employee's performance. This revealed that performance of Unilever Kenya Ltd is affected by leadership style in a very great extent. These discoveries were in accordance with those of Kihara (2016) who contended that vital administration that emphatically adds to generally speaking execution ought to have segments, for example, deciding key heading; viably dealing with the association's asset portfolio; managing and successful hierarchical culture, stressing moral practices; and setting up adjusted authoritative controls.

## **Communication Systems**

Further, the study sought to determine the effect of communication systems on performance of Unilever Kenya Ltd. The study found that decent feedback systems encourage good communication in the organization. These findings were in line with those of Powell and DiMaggio (2012) who stated that organizations must set up procedures such as communication and coordination of processes for collaboration. Not all communication mechanisms however are equally effective or efficient.

Moreover, the study found that good channels of communication ensure greater efficiency and better results in the organization and that employee IT skills help in achieving organizational goals. Finally, the study found that effective forms of communication lead to organizational development. This revealed that communication systems have a very great effect on performance of Unilever Kenya Ltd. This agrees with Ntinyari (2015) who demonstrated that stores had utilized distinctive change administration systems with most utilizing successful correspondence.

## **MULTIPLE REGRESSION ANALYSIS**

Multiple regression analysis was carried out to determine the effect of organizational culture, organizational structure, leadership style and communication systems on organizational performance in Unilever Kenya Ltd. The findings were presented in Table 1, 2 and 3.

**Table 1: Model Summary**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	0.868	0.753	0.746	1.538

The findings of Table 1 found that adjusted R-Square value (coefficient of determination) is 0.746, which indicates that the independent variables (Organization culture, Organization structure, Leadership style, Communication systems) explain 74.6% of the variation in the dependent variable (Performance of Unilever Kenya Ltd). This implies that there are other factors that affect the Performance of Unilever Kenya Ltd attributed to 25.4% unexplained.

**Table 2: Analysis of Variance**

<b>Model</b>		<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
1	Regression	982.31	4	245.578	101.513	.000
	Residual	321.75	133	2.419		
	Total	1304.06	137			

The results shown in Table 2 revealed that p-value was 0.000 and F calculated was 101.513. Since the p-value was less than 0.05 and F-calculated was greater than F-critical (2.440), then the overall model was statistically significant. This is an indication that organization culture,

organization structure, leadership style and communication systems can be used to predict the Performance of Unilever Kenya Ltd.

The coefficients give unstandardized and institutionalized coefficients to clarify the bearing of the relapse show and to set up the level of noteworthiness of the examination factors. The outcomes are caught in Table 3.

**Table 3: Regression Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
(Constant)	0.987	0.217		4.548	.000
Organization culture	0.923	0.372	0.901	2.481	.014
Organization structure	0.653	0.251	0.704	2.602	.010
Leadership style	0.834	0.199	0.821	4.191	.000
Communication systems	0.751	0.213	0.723	3.526	.000

According to the SPSS produced table over, the condition ( $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$ ) progresses toward becoming:

$$Y = 0.987 + 0.923X_1 + 0.653X_2 + 0.834X_3 + 0.751X_4$$

The findings showed that if all factors (organization culture, organization structure, leadership style, communication systems) were held constant at zero performance of Unilever Kenya Ltd will be 0.987. The findings presented also show that taking all other independent variables at zero, a unit increase in the organization culture would lead to a 0.923 increase in Performance of Unilever Kenya Ltd. This variable was significant since the p-value 0.014 was less than 0.05. This is in line with Boonstra (2012) who asserts that organizational culture has the potential to enhance organizational performance, employee job satisfaction, and the sense of certainty about problem solving. Knowing the culture of an organization allows employees to understand both the organization’s history and current methods of operation.

The findings also show that a unit increase in organization structure would lead to a 0.653 increase of performance of Unilever Kenya Ltd. This variable was significant since  $0.010 < 0.05$ . This concurs with Schein (2010) who argue that the organisational structure performs a significant role in the achievement of organizations set objectives and accomplishment of its strategic goals and direction.

Further, the findings show that a unit increase of leadership style would lead to a 0.834 significant increase of performance of Unilever Kenya Ltd since p-value (0.000) was less than 0.05. This corelate with Doppelt (2017) who noted that strategic leadership actions have an effect

on employee commitment and satisfaction. In addition, the profitability of an organisation depends on the actions of the CEO.

The study also found that a unit increase of communication systems would significantly lead to a 0.751 increase of performance of Unilever Kenya Ltd since p-value (0.000) was less than 0.05. This agrees with DiMaggio (2012) who stated that organizations must set up procedures such as communication and coordination of processes for collaboration. Not all communication mechanisms however are equally effective or efficient.

Overall, it was established that organization culture had the greatest effect on the performance of Unilever Kenya Ltd, followed by leadership style then communication systems while organization structure had the least effect to the performance of Unilever Kenya Ltd. All the variables were significant since their p-values were less than 0.05.

## **CONCLUSIONS**

The study concluded that organizational culture affects performance of Unilever Kenya Ltd. The study deduced that organization's philosophy builds a cohesive and productive organization and that organizational norms promote teamwork. Further the study revealed that organizational language unifies staff members and that organization which has strong values and beliefs builds strong bond between employees and organization.

The study concluded that organizational structure has a positive effect on performance of Unilever Kenya Ltd. The study concluded that different chain of command has helped in harmonization of employees hence improved, that work specialization in the organization has boosted the production and that specialization in organization has led to increased growth where organization is divided into departments and this has increased efficiency.

It was definite that leadership style affects performance of Unilever Kenya Ltd. The study concluded that good leadership actions have boosted teamwork in the organization. Further, the study concluded that management traits of the leaders have boosted their effectiveness in the organization and competencies contribute to enhanced employee performance and organizational success which is contributed by inspiration and motivation.

The study concluded that communication systems has effect on performance of Unilever Kenya Ltd. The study concluded that decent feedback systems encourage good communication in the organization, that good channels of communication ensure greater efficiency and better results in the organization and that employee IT skills help in achieving organizational goals where effective forms of communication lead to organizational development.



## **RECOMMENDATIONS**

The study suggests that administration of Unilever Kenya Ltd ought to underline on the appropriation of good authoritative culture. The reason behind this selection is that authoritative culture emphatically impacts approaches and techniques executed and subsequently making a practical upper hand. Furthermore, administration of Unilever Kenya Ltd ought to guarantee that they adjust their authoritative culture and their systems on the off chance that they are to profit by great hierarchical traditions.

The study additionally suggests that administration of Unilever Kenya Ltd should characterize authoritative societies that are viable and self-maintaining, on the grounds that if there is a contention between hierarchical culture and individual plans, at that point the composed framework will neglect to achieve the coveted achievement. Top administration should administer the fruitful development of appropriate and functional hierarchical societies.

The study found that the administration of Unilever Kenya Ltd should set up high hierarchical structure techniques as it prompts elite. The organizations ought to guarantee they have a specific association structure, high nature of the range of control, concentrated structure and have departmentalization in the organization. The investigation likewise suggests that future researchers and analysts should mean to test the connection between hierarchical structure and execution utilizing distinctive sub develops separated from association structure, range of control, centralization and departmentalization.

The research suggested that Unilever Kenya Ltd should set up systems that urge their pioneers to have administration qualities as it positively affects execution. The organizations should support and set up measures that advance romanticized impact, scholarly incitement, motivation inspiration and individualized thought as they impact execution emphatically. The investigation prescribes that the initiative in Unilever Kenya Ltd ought to stay away from an over dependence on the outer factors particularly on basic leadership process and depend more on the interior commitments for basic leadership.

The study recommends to the management of Unilever Kenya Ltd to always consider the attitude of the employees and the knowledge the employees had on the culture of Unilever Kenya Ltd since the employee is the key contributor in the performance of the organization. The study also recommended that in Unilever Kenya Ltd management should formalize some of its structure since this would reduce the conflict of roles and reduce on the costs of strategy implementation. This would in turn improve on the strategic performance of Unilever Kenya Ltd.

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