

## **Effects of aligning strategic decision making on the sugar industry in Western Kenya**

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### **Abstract**

Decision making is the essence of management, it is what managers do or try to avoid. All managers worldwide would like to make good decisions since they are judged on the outcomes of those decisions. Strategic decisions aim at gaining some advantage for the organization over competitors as well as a search for strategic fit with the business environment. In addition to environmental factors, strategic decisions are also affected by organizational values and expectations of those who have power in and around the organization (founder members and other key stakeholders). The decision making process promotes reduction of waste on non-productive activities such as shirking, excessive executive remuneration, perquisites, asset-stripping, tunneling, related-party transactions and other means of diverting the organization 's assets and cash flows. It also results in lower agency costs arising from better shareholder protection, which in turn engenders a greater willingness not to accept lower returns on their investment

**Key words:** Strategy, Strategic decisions, Strategic fit.