

hematic Area 12: Business Management

Alignment of Organizational Structure as an antecedent to Performance Simel Ole Sankei, Gladys Cherotich, Almadi Obere and Paul Katuse

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Abstract

The sugar industry in western Kenya has been the economic engine of the region, providing the source of livelihood to approximately 8 million people. The industry has experienced economic turmoil and is at the verge of total collapse. Numerous studies focusing on the external environment have been undertaken in an effort to revive the industry with little success. Not much has been done to address the internal environment as a determinant to performance. In a study carried out in the sugar industry in Western Kenya, the researcher sought to answer the question on performance by focusing on the effect of alignment of the organizational structure on performance. The study used both primary and secondary data. Data was collected from a study census of 50 managers and a sample of 395 farmers from the study population of 50 managers and 130,000 farmers. The method allowed for triangulation hence ensuring validity of the data. A survey research design with a mixed approach was used. A correlation coefficient model was applied in the data analysis to determine the strength and direction of the relationship between the variables while the coefficients of determination were used to show the level of change of values occasioned by the mediating variable. The resulting P-values were used to test for the reliability of the samples for the true values of the study population. The general findings of the study indicated that the mediating variable (strategic alignment) had a significant effect on the change in variation of values on the dependent variable occasioned by changes of values of the predictor variables. The study therefore concluded that the alignment of organizational structure of the sugar industry in western Kenya significantly determines the performance of the industry and recommended an alignment of the variables to the corporate strategy to enhance performance.

Key words: Strategy, Alignment, Management, Structure, Strategic fit