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Effects of Strategic Alignment on Firm Performance: A Case of
Mabati Rolling Mills, Kenya



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Effects of Strategic Alignment on Firm Performance: A Case of Mabati Rolling Mills, Kenya

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ABSTRACT

Purpose: This research examines the impact of strategic alignment on firm performance, focusing on four key restructuring variables: strategic conversations, participation, motivation, and capacity building.

Methodology: A descriptive survey design was used, targeting 281 management and staff, with a stratified random sample of 140 respondents. Data was collected through validated questionnaires and analyzed using both descriptive and inferential statistical methods.

Findings: Findings indicate that improved communication channels enhanced efficiency and ethical standards, though bureaucracy persisted despite protocol adherence. The reward system boosted performance, yet some employees lacked necessary amenities. Overall, strategic alignment positively impacted production, profitability, and market positioning—key indicators of strong performance.

Unique Contribution to Theory, Policy and Practice: The study provides valuable insights for manufacturing stakeholders, recommending enhanced strategic practices to optimize performance. Additionally, policymakers should implement supportive frameworks to improve workplace conditions and maximize employee productivity. Greater stakeholder engagement in decision-making is also advised to enhance organizational efficiency and competitiveness.

Keywords: *Performance, Strategic Alignment, Motivation, Capacity Building*



Background of the Study

In today's turbulent business environment, ability to formulate the future and position the organization or business unit into a strategic position with competitive advantage over potential threats for survival is of significant impact to the organization (Sauerhoff, 2014). Businesses and even non-business organizations are under increasing competitive pressure to perform if they are to survive and remain relevant in the market (Mahdavian, Mirabi, & Haghshenas, 2014). As such, managers have to be strategic in every aspect of the management function of the organization in the changing business environment characterized by stiff competition, raised stakeholder expectations and the need to maximize utilization of organizational resources by operating more efficiently.

Strategic Synergy refers to the dynamic integration of an organization's internal capabilities with external opportunities to create a unified and adaptable strategic direction. Unlike traditional alignment, which emphasizes fit, Strategic Synergy focuses on continuous interaction and mutual reinforcement between a firm's structure, processes, and market environment.

Kaplan (2005) highlights that successful strategy implementation requires aligning key systems, processes, and decisions within the firm. Similarly, Porter (1996) emphasizes that a firm's ability to achieve high performance and competitive advantage depends on how well it acquires and deploys resources that align with its strategic needs. However, Strategic Synergy extends this view by emphasizing proactive adaptability and cross-functional collaboration rather than a rigid alignment approach.

O'Regan and Ghobadian (2004) argue that organizational performance improves when firms integrate their generic capabilities—such as product promotion, distribution, responsiveness, and cost management—into a cohesive strategy. Additionally, Papke-Shields and Malhotra (2001) suggest that executive involvement in decision-making influences alignment, thereby impacting overall business performance. Xu et al. (2006) further reinforce this by demonstrating that the interrelationship between strategy, structure, and processes leads to improved firm performance.

Moreover, Alegre and Chiva (2004) found that achieving synergy between marketing and manufacturing—particularly in areas like product innovation and competitive priorities—is crucial for organizational success. Their study, based on the Miles and Snow (1978) model, indicates that different business strategies require varying levels of focus on marketing activities such as customer engagement, competitor analysis, innovation, and cost control, all within the structural framework of the organization.

Strategic Synergy transcends static alignment models by incorporating agility, allowing businesses to adjust rapidly without disrupting core operations. This requires strong interdepartmental communication, shared strategic intent, and a balance between standardization and flexibility. Organizations that cultivate Strategic Synergy are better positioned to anticipate changes, optimize

resource deployment, and enhance long-term performance in an ever-evolving competitive landscape.

Statement of the Problem

As organizations grow increasingly competitive and complex, their strategic positioning becomes critical to long-term survival. Sustained success depends on a firm's ability to align its resources with strategic objectives, ensuring coherence between internal capabilities and market demands (Porter, 1996). Effective strategic alignment fosters improved organizational performance, enabling firms to enhance their services and operations.

However, excessive alignment may create rigid structures that hinder adaptability in dynamic environments. Hagel and Singer (1999) argue that firms must consider interaction costs when integrating activities internally. If the costs of performing an activity within the firm outweigh those of outsourcing, external solutions should be pursued to maintain flexibility. Thus, successful strategic alignment requires balancing internal coherence with adaptability.

Mabati Rolling Mills operates in a highly competitive manufacturing sector, necessitating continuous alignment with evolving customer needs. However, its strategic alignment concerning industry demands has not been extensively studied. Prior research highlights the importance of strategic alignment in organizational performance. Pearson and Saunders (2004) emphasize that successful firms develop overarching business strategies that drive operational and technological strategies. Similarly, Thawesaengskulthai (2007) asserts that aligning technological innovations with organizational goals enhances operational performance and competitive advantage.

This study aims to examine the impact of strategic alignment on firm performance, focusing on Mabati Rolling Mills in Kenya. By assessing how the company integrates its resources, technology, and operational strategies, this research will provide insights into the role of strategic alignment in sustaining competitiveness in the manufacturing industry.

Objectives of the Study

The study sought to establish the effects of strategic alignment on firm performance focusing on Mabati Rolling Mills, Kenya. In particular, it aimed;

- i. To examine the effects of strategic conversations on firm performance of Mabati Rolling Mills, Kenya
- ii. To examine the effects of strategic participation on firm performance of Mabati Rolling Mills, Kenya
- iii. To examine the effects of strategic motivation on firm performance of Mabati Rolling Mills, Kenya
- iv. To examine the effects of strategic capacity building on firm performance of Mabati Rolling Mills, Kenya

LITERATURE REVIEW

Theoretical Review

The study premised on the resource-based theory, Performance and Human Capital Development Theories and the Dynamic Capabilities and Capacity Building Theory

Resource Based View Theory

The resource-based view of the firm (RBV) and the resultant resource-based theory (RBT) provide an important framework for explaining and predicting the basis of a firm's competitive advantage and performance (Barney et al. 2011; Slotegraaf et al. 2003; Vorhies and Morgan 2005). The resource-based view (RBV) as a basis for the competitive advantage of a firm lies primarily in the application of a bundle of valuable tangible or intangible resources at the firm's disposal (Mwailu & Mercer) 1983. To transform a short-run competitive advantage into a sustained competitive advantage requires that these resources are heterogeneous in nature and not perfectly mobile (Peteraf 1993).

Effectively, this translates into valuable resources that are neither perfectly imitable nor substitutable without great effort (Barney, 1991). If these conditions hold, the bundle of resources can sustain the firm's above average returns. The RBV suggests that the resources possessed by a firm are the primary determinants of its performance, and these may contribute to a sustainable competitive advantage of the firm (e.g., Hoffer & Schendel, 1978; Wenerfelt, 1984). According to Barney (1991), the concept of resources includes all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc. controlled by a firm that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness (Barney, 1991; Daft, 1983). A competitive advantage can be attained if the current strategy is value-creating, and not currently being implemented by present or possible future competitors. Sustainability in the context of a sustainable competitive advantage is independent with regard to the time frame. Rather, a competitive advantage is sustainable when the efforts by competitors to render the competitive advantage redundant have ceased (Rumelt, 1984).

Human Capital Development Theories

The theory of performance views both organizations and individuals as a journey that goes through processes. According to Caine et al, (2005), the process of performance comprises of context, skill levels, knowledge, identity, fixed factors and personal factors. Human beings and organisations can produce extraordinary performance based on their capacity levels. Since worthy accomplishments are produced from high-level performances, a theory of performance is useful in many learning contexts for employees and the organisation.

The argument in the Human Capital Development Theory on the other hand stems from the poverty and capability postulates of Amartya (1999) in the development literature. Sen argues that higher

levels of missing capacity in a society are associated with greater levels of poverty. The same argument could be applied at the institutional level emphasizing that deprivation of capabilities within institutions will inhibit the institutions from functioning effectively. Although the growth of literature still lacks successful analysis of the role of human capital in explaining growth performance, particularly in the least developed countries, emerging literature on the role of human capital in economic growth in general provides an entry point to measure the role of capacity in the development process (Baser & Morgan, 2008).

Dynamic Capabilities and Capacity Building Theory

The theoretical underpinnings of dynamic capability were propounded by Selznick and Eisenhardt in 1980s. The theory exhibits some common elements across a number of firms and the individual approaches that enhance competitive advantage (Eisenhardt & Martin, 2000). The theory presupposes a wide range of processes, resources and capabilities within an organisation. The innovation, capacity development and performance related outcome at DFID are linked to the dynamic capabilities of the available resources within the organization (Anderson & Markides, 2006).

According to Boesen and Therkildsen, (2004), capacity development initiatives are key pillars in the learning by doing approaches. The effects of capacity development initiatives affect organizations and individuals through the skills and knowledge achieved, and emphasized through capacity development strategies. Individual learning directly contributes to organizational learning through policies, processes, information management and reward systems based on the overall objectives of the organization (Palmer & Kaplan, 2014).

The business external and internal environment is meant to maximize on the capacity development gains that lead to robust policies and operational structures which can better the functional performance of the organization. According to Murphy and Hill (2012), approach to capacity development is threefold; marketing, staff development and ICT/innovations. Hence this theory supports the DFID 70:20:10 approach to staff learning and development where only about ten percent of the expected skills and professional knowledge is attained through education and formal training. Mentorship and coaching contribute to twenty percent and on job capacity training opportunities account for seventy percent of the skills and knowledge acquisition efforts. Innovation and technology have a central role in the realization of new and better capacity development initiatives for the enhancement of organizational information and knowledge.

Review of Empirical Literature

In the realm of technological innovation, strategic alignment is crucial for operational performance (Santa et al., 2010). Their study in Australia revealed that while direct alignment of organizational, business, and information system strategies does not independently drive operational performance, the interaction between strategy implementation, technological innovation, and operational

effectiveness does. Organizations that successfully integrate these factors experience improved efficiency and competitive advantage.

In Kenya's manufacturing sector, strategic leadership significantly influences firm performance (Ng'ang'a, 2013). CEOs who effectively initiate change and implement strategies drive organizational success. Key leadership actions such as leveraging core competencies, developing human and social capital, and responding to customer feedback contribute to improved performance. However, challenges persist, particularly in attracting skilled labor, fostering team cohesion, and aligning reward systems with corporate goals. The study also highlights the need for better employee motivation strategies and leadership adaptability to new business strategies.

Aldehayyat and Twaissi (2011) examined strategic planning and corporate performance relationship in small business firms using evidence from a Middle East Country Context. The study presented new evidence to explain the nature of strategic planning in small firms and its relationship with performance in non-developed country context. Besides, it provides empirical evidence of some important areas of strategic planning practice in small firms including: the nature of involvement of top and line management in planning activities, the use of environmental scanning (internal and external), and the use of strategy tools/ techniques. The research findings show that the mean for all areas of strategic planning is more than three in the case of line management, except in choosing strategic proposals, which indicates a high level of participation in strategic activities.

Dobre (2013) systematically examined employee motivation and organizational performance in Romania. The study found that management should evaluate employee suggestion scheme and use the feedback from the workforce to improve the organizational environment and fulfill their needs and skills. People are different and they are motivated by diverse needs, such as physiological needs, safety requirements and self-actualization needs. Thus, focusing on employees at every level of the workforce and analyzing each department of the organization will provide detailed accurate information regarding the needs of employees.

Hoxhaj (2018) analyzed the impact of the motivation strategies in sales forces performance using the insurance industry in Albania as a case study. The results of the research indicated that the internal variables that best explain motivation are communication with managers and work by itself. The external variables that best explain motivation are salaries and rewards and safety at work. The results also indicate that internal and external factors such as: Job recognition, Advancement and career growth, Training and development of sales force, Work conditions and Independence in decision-making play a significant role in the sales people motivation.

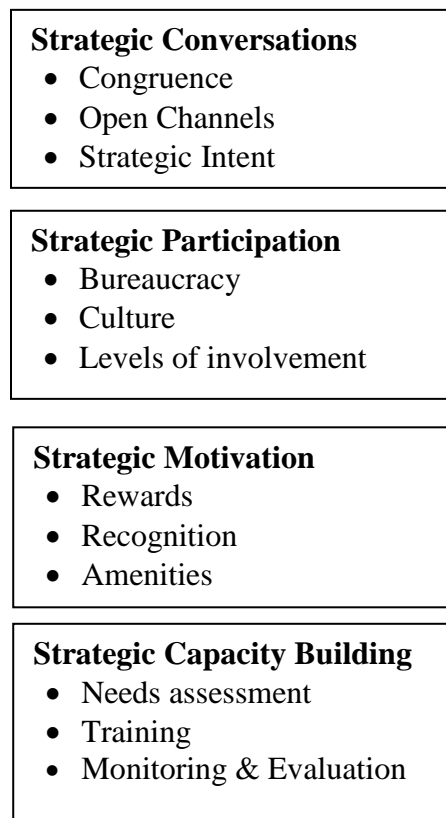
The importance of empowerment in improving employee's job performance has well been established in a number of studies. Klidas et al (2011) conducted a survey of employees of 15 hotels in 7 different European countries and reported that stimulating empowerment in employees

led to attainment of targeted goals. Yans and Choi (2012), Wang and Lee (2009) also found a significant relationship between empowerment and job performance. Abay (2008) reported that a significant relationship was found between the employees training and their resultant performance in accomplishing different tasks. It was found that those employees who had taken trainings were more capable in performing different tasks & vice versa. Training had a direct relationship with the employees' job performance.

Conceptual Framework

The conceptual framework in Figure 2.1 shows how dependent variables are related to the independent variables in the study.

Independent Variables



Dependent Variables

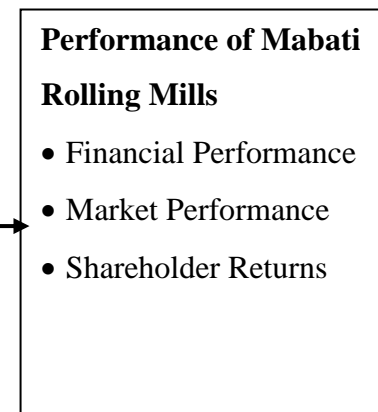


Figure 1 Conceptual Framework

RESEARCH METHODOLOGY

Descriptive research design was used in this study. This study was cross-sectional in nature since it studied many units at the same time. The research also adopted a survey method. The study was carried out in Mabati Rolling Mills in Athi River and Mariakani, Kenya which is a fully operational roofing material manufacturing firm. Therefore, the study targeted management personnel working in the production department, finance, human resources, marketing and sales and the

procurement departments in Mabati Rolling Mills in Athi River and Mariakani. Stratified random sampling was used to in this study to determine the sample sizes according to the strata. To obtain the required sample size from management personnel working Mabati Rolling Mills in Athi River and Mariakani, the study adopted the formula proposed by Nassiuma (2000). The right sample size for the study, therefore, was 140 respondents. The study employed structured questionnaire for data collection. In order to ascertain validity of the research instruments, the researcher piloted the instruments by distributing ten (10) questionnaires to pilot group of respondents in Insteel Ltd in Nairobi County, which was not be part of the organization to be sampled.

The researcher used the computer software Statistical Package for Social Scientists (SPSS) version 24 for windows to conduct initial data analysis using simple descriptive statistical measures such as, mean, standard deviation and variance to give a glimpse of the general trend. Additionally, analysis involving correlation analysis and multiple regression analysis was used to determine the nature of the relationship between variables.

DATA ANALYSIS AND FINDINGS

Response Rate

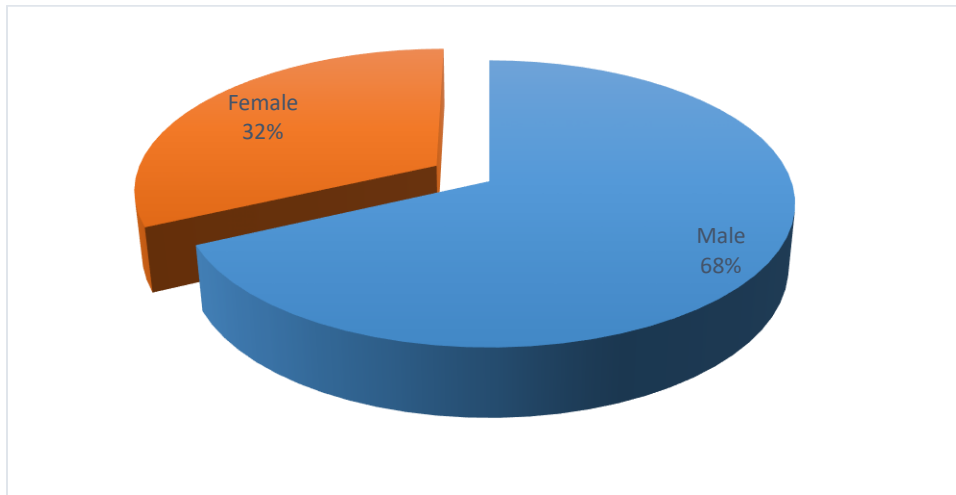


Figure 1 Response Rate

The study findings in Figure 2 indicate that the response rate was 86% (n=120) where majority 68% (n=82) of the respondents were male followed by female respondents 32% (n=38). This conforms to Babbie (2004) who asserted that response rates of 50% is acceptable to analyse and publish, 60% is good and 70% is very good and based on this assertion 86% response rate was found to be more than adequate for the study.

Descriptive Statistics on the Strategic Conversations on Firm Performance

Table 1 Frequency Distribution on the Strategic Conversations

| Statement | 1 % | 2 % | 3 % | 4 % | 5 % |
|--|--------|--------|--------|--------|--------|
| We encourage honest conversations within the firm | 2 | 3 | 1 | 51 | 43 |
| We try to reduce instances of bias in communication | 8 | 5 | 6 | 42 | 39 |
| We have high reporting fidelity of all communications | 5 | 6 | 4 | 44 | 41 |
| We have been able to determine effective communications channels | 13 | 15 | 6 | 39 | 29 |
| All our communications channels are reviewed periodically | 7 | 12 | 6 | 44 | 31 |
| We package our communications so as to reflect our values and mission | 4 | 14 | 5 | 42 | 35 |
| We often put disclaimers on articles or statements which we deem unofficial or not emanating from our communications teams | 6 | 16 | 5 | 43 | 30 |

The study findings reveal that 51% of respondents agree that management encourages honest conversations, and 42% agree management reduces communication bias. High reporting fidelity is supported by 44% of respondents, while 39% agree communication channels have improved. Additionally, 44% of respondents believe communication channels are periodically reviewed, and 43% agree management uses disclaimers for unofficial statements. These findings reflect a positive communication environment within the firm.

Descriptive Statistics on the Strategic Participation on Firm Performance

Table 2 Frequency Distribution on the Strategic Participation

| Statement | 1 % | 2 % | 3 % | 4 % | 5 % |
|---|--------|--------|--------|--------|--------|
| We have developed good protocols for addressing issues in our firm | 6 | 13 | 5 | 46 | 30 |
| We try not to be overly bureaucratic in our firm | 26 | 32 | 5 | 21 | 16 |
| Our culture at work encourages high levels of participation in decision making | 4 | 14 | 5 | 42 | 35 |
| We have inculcated the value that everyone in the firm matters and their views must be taken into consideration | 8 | 12 | 6 | 41 | 29 |
| The culture of our organization encourages inclusivity in all aspects | 11 | 14 | 6 | 38 | 33 |
| All managers are involved in decision making in the firm | 6 | 13 | 7 | 36 | 25 |
| Key actors such as group leaders are also involved in decision making in the firm | 5 | 6 | 4 | 45 | 40 |

The study findings show that 46% of respondents agree that better protocols have been developed, while 32% report bureaucracy in the firm. A majority (42%) agree that the organization culture encourages participation in decision-making, and 41% feel management values everyone's views. Additionally, 38% agree that the culture promotes inclusivity, and 45% believe group leaders are involved in decision-making, highlighting a participatory and inclusive organizational culture.

Descriptive Statistics on the Strategic Motivation on Firm Performance

Table 3 Frequency Distribution on the Strategic Motivation

| Statement | 1 | 2 | 3 | 4 | 5 |
|--|----------|----------|----------|----------|----------|
| | % | % | % | % | % |
| We have well instituted reward programs for employees | 6 | 16 | 5 | 43 | 30 |
| Employees are rewarded according to their competence | 4 | 14 | 5 | 42 | 35 |
| We try to ensure the reward system is fair across board | 8 | 12 | 6 | 41 | 29 |
| We recognize highly productive employees | 11 | 14 | 6 | 38 | 33 |
| The recognition system helps in improving organization leadership | 6 | 13 | 7 | 46 | 28 |
| Through recognition we are able to communicate our strategic intent effectively | 13 | 17 | 9 | 36 | 25 |
| We have amenities for all our employees | 14 | 21 | 8 | 28 | 29 |
| The amenities were agreed upon by the employees so as to give them maximum benefit | 7 | 12 | 6 | 44 | 31 |

The study findings show that 43% of respondents agree that reward programs are well instituted, and 42% agree that employees are rewarded based on competence. Most respondents (41%) agree that the reward system is fair, and 38% agree that highly productive employees are recognized. Additionally, 46% believe the recognition system improves leadership, while 44% agree that amenities are beneficial. However, some respondents (21%) disagree about equal access to amenities.

Descriptive Statistics on the Strategic Capacity Building on Firm Performance

Table 4 Frequency Distribution on the Strategic Capacity Building

| Statement | 1 % | 2 % | 3 % | 4 % | 5 % |
|--|--------|--------|--------|--------|--------|
| We do regular needs assessment before doing capacity building | 7 | 9 | 6 | 47 | 31 |
| We do functional audit before carrying out capacity building in our firm | 3 | 6 | 5 | 49 | 37 |
| We assess the strategic needs of the firms to enable us determine the capacity building requirements of the firm | 5 | 18 | 8 | 39 | 30 |
| We conduct training in line with our strategic goals | 6 | 17 | 0 | 36 | 41 |
| We design our training to align with the strategic goals of the firm | 4 | 7 | 2 | 48 | 39 |
| We conduct a skills gap analysis to support capacity building initiatives | 18 | 12 | 4 | 26 | 40 |
| The M&E enables us to assess the efficacy of our training programs | 9 | 13 | 9 | 38 | 31 |

The study findings indicate that 47% of respondents agree that needs assessments are conducted before capacity building, and 49% agree that functional auditing is done beforehand. Additionally, 39% agree that strategic needs are assessed, and 41% agree that training aligns with the firm's strategic goals. The study also reveals that 48% agree training is designed to align with goals, and 40% agree skills gap analysis supports capacity building. M&E is used to assess training efficacy.

Frequency Distribution for Firm Performance of Mabati Rolling Mills.

Table 5 Frequency Distribution for Firm Performance

| Statement | 1 % | 2 % | 3 % | 4 % | 5 % |
|---|--------|--------|--------|--------|--------|
| Our sales revenue has been improving as a result of realignment | 8 | 15 | 7 | 45 | 25 |
| We have been able to attain profitability with most of our products | 6 | 10 | 6 | 47 | 31 |
| Market response to our products has been positive | 8 | 14 | 5 | 43 | 30 |
| Most of our products are absorbed by the markets | 18 | 15 | 8 | 38 | 25 |
| We have reduced the levels of non-performing products | 7 | 12 | 6 | 44 | 31 |
| We have been able to operate with low levels of debts | 9 | 6 | 0 | 53 | 32 |
| Our profitability margins are improving | 16 | 20 | 3 | 34 | 27 |

The study findings indicate positive outcomes from realignment, with 45% of respondents agreeing that sales revenues have improved. 47% agree that profitability has increased for most products, and 43% report positive market response. Additionally, 44% believe non-performing products have been reduced, and 53% agree that the firm operates with low debt levels. While profitability margins are improving, 34% of respondents agree, indicating moderate improvements in profitability.

General Regression Analysis

The study found out that the independent variable in the study explained a significant proportion of variance independent variable $R^2 = 0.639$ which implies that 63.9% of the proportion in firm performance can be explained by the independent variables while other variables not covered by this study contributes to 36.1 % of the variance as indicated in table 6

Table 6 Model Summary for All the Variables

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .800 ^a | .639 | .627 | .26145 |

a. Predictors: (Constant), strategic capacity building, strategic motivation, strategic conversation, strategic participation

Table 7 Regression Variance (ANOVA)

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1 | Regression | 13.938 | 4 | 3.484 | 50.977 | .000 ^b |
| | Residual | 7.861 | 115 | .068 | | |
| | Total | 21.799 | 119 | | | |

a. Dependent Variable: firm performance

b. Predictors: (Constant), strategic capacity building, strategic motivation, strategic conversation, strategic participation

The findings in table 7 indicate that the significance value in testing the reliability of the model for the relationship between the independent variable and the dependent variable was $F(4, 119) = 50.977$, $p = 0.000$; therefore, the model is statistically significant in predicting the relationship between the study variables since the F value is greater than 0.05 testing at 5% significant level using a one-tail test.

Table 8 Regression Coefficients

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | |
|-------|-----------------------------|------------|---------------------------|------|--------|------|
| | B | Std. Error | Beta | | | |
| 1 | (Constant) | 11.025 | .783 | | 14.086 | .000 |
| | Strategic Conversation | .679 | .292 | .746 | 12.589 | .000 |
| | Strategic Participation | .373 | .073 | .330 | 5.112 | .000 |
| | Strategic Motivation | .061 | .054 | .271 | 1.140 | .007 |
| | Strategic Capacity building | .227 | .039 | .325 | 5.802 | .000 |

a. Dependent Variable: firm performance

Based on the linear regression model, $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + u$, the model therefore becomes; $Y = 11.025 + 0.679 X_1 + 0.373 X_2 + 0.061 X_3 + 0.227 X_4 + u$

Where Y = dependent variable (Firm Performance)

α = constant

$\beta_1, \beta_2, \beta_3$ and β_4 are coefficients of independent variable variables

X_1, X_2, X_3 and X_4 are independent variables (Strategic Conversation, Strategic Participation, Strategic Motivation and Strategic Capacity building)

Testing at 5% significant level, the regression analysis in table 8 is significant since all the p-values (Sig. $p < 0.05$) testing at the one-tail test. The findings indicate that every unit increase of strategic conversation by 67.9%, a unit increase of strategic participation by 37.3%, a unit strategic motivation by 6.1% and a unit increase of strategic capacity building by 2.8% would increase firm performance by one unit taking into considerations the other variables to be constant value and the value for the standard error.

CONCLUSIONS, AND RECOMMENDATIONS

Conclusions

Based on the study findings, the study concludes that the firm has put in place efficient and effective communication channels which are periodically checked to maintain their efficiency. The study also concludes that there is a lot of ethical considerations during communication as they are encouraged to practice honesty and disclaimers often put on articles or statements which they deem unofficial or inappropriate.

The study also concludes that protocols are being observed in addressing issues in the firm and that the firm is trying its best to reduce the cases of bureaucracy. The respondents indicated that

there is still bureaucracy taking place in the firm which is a major challenge. The organization culture of the firm encourages participation in decision making inculcating the value and the belief that everyone in the firm matters and their views must be taken into consideration.

The study also concludes that employees are rewarded according to their competence and abilities and this encourages better performance from the rest of the employees not rewarded. The study also concluded that recognition system has helped to improve organization leadership. The study also concluded that some employees were lacking amenities although the majority agreed that the amenities were agreed upon by employees so as to give them maximum benefit.

The study concluded that regular assessment of needs and functional auditing in the firm are done before carrying capacity building. Assessment of the firm is done to determine the capacity building requirements of the firm. Also indicated that training is done to align with the strategic goals of the firm in order to obtain skills necessary in achieving the goals of the firm. Skill gaps are also conducted to support capacity building initiative.

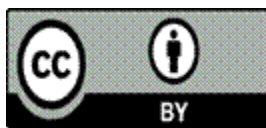
The study finally concludes that strategic alignment on performance has increased the revenues from sales for the firm maximized on the profits of the products and the profitability margins improved. It also concludes there is a ready market for the products and most of the products were absorbed by the market. This has had apposite effect on the performance of the firm therefore indicating the strategic alignment as a strong relationship with firm performance of Mabati Rolling Mills.

Recommendations

The study recommends for the management systems of Mabati Rolling Mills to come up with better strategies of involving everyone in the decision-making process in order to reduce the influence of bureaucracy practices. The study recommends the management of firms to provide better training of employees in order to increase the competence and skills. The study recommends that priority to be given to everyone and every single view be taken into consideration during the process of decision making. The study also recommends the government to put in place better policies for development of strategic management systems of firms to provide adequate amenities for employees in order for firms to maximize on the output of the employees. The study recommends that firms to fully engage all the stakeholders in decision making in order to increase on performance. The study recommends further studies to be done on related topics on the available research gap.

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