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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

Keywords: Strategy, strategic decisions, strategic fit

1. Introduction

1.1. Strategic Decision-Making Process

Strategy is concerned with the long-term direction of an organization. It focuses on the transformation of an organization's operations. In order to achieve organizational transformation, the decision-making process needs to follow the strategic direction otherwise referred to as strategic decision making. Strategic decisions are concerned with the scope of an organization's activities answering a series of questions such as; does (and should) the organization concentrate on one area of activities or should it have many? Should it expand its scope in terms of geographical coverage among others? (Robbins & Coulter, 2009). 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 to accept lower returns on their investment (Love, 2011). Thompson et al (2012) suggested that strategic decision making involves strategic positioning, having high stakes, involving many of the firm's functions, and considering representative of the process by which major decisions are made at the firm. Pearson & Robinson (2012) added that strategic decisions are those infrequent decisions made by the top leaders of an organization that critically affect organizational health and survival. Complexity theorists have argued that organizations are systems in which long term outcomes are the result of the entire history of an organization, not of a single action or decision. This view is echoed by David's (2012), suggestion that firms should establish 'strategic intent', and that 'improvisation', as in jazz or drama, is a relevant metaphor to describe strategic management. Thompson et al (2012) argued that senior managers' behaviour is important to understanding the decision-making process, and behaviour is partly contingent upon the characteristics of the individuals. The literature therefore explores the actions and composition of top managers and management teams, and their effects on strategic decisions.

David, (2012) notes the impact of demographic diversity on decision making process, and noted that some aspects of heterogeneity had a negative impact on performance. He suggests that team building activities might have substantial pay-offs. Hill (2011) notes that demographic studies substitute input characteristics for the process. He notes that the study based on demographic information about management tries to establish a causal relationship directly with

outcomes, thus ignoring the 'black box' of the interactions between managers, systems, and the environment. Questions have been asked on how managers maintain rationality in decision making processes in the face of uncertainty and rapid, discontinuous change. David (2012) examined different aspects that influenced decision making and found that managers in successful firms used various tactics such as asking experienced counselors for advice and alternatives. These tactics speeded decision making processes and make them comprehensive.

Dubb, Scoones & Woodhouse (2016), in their study on the political economy of sugar in Southern Africa, similarly found that political behaviour was negatively related to effectiveness in the decisions making process. They noted that political behavior brings conflict in team processes and agrees with David (2012) on the importance of team heterogeneity, and suggests both cognitive characteristics and team processes influence decision making process. Mullin (2010) on his part separates (dysfunctional) affective conflict and (functional) cognitive conflict, and notes that well managed team processes are likely to result in better decisions, with less affective conflict. Similarly, Mullin (2010) equates 'substantive', 'issue-oriented' and 'cognitive' conflict, and describes the importance of conflict in extracting comprehensive and extensive decision processes. David (2012) noted that 'managers who collected information and used analytical techniques made decisions that were more effective than those who did not and those engaged in the use of power or pushed hidden agendas were less effective than those who did not'. Current research seeks to extend the understanding on decision making by asking how managers in a particular context make strategic decisions.

Enhancement of an organization`s communication capabilities may influence performance through improved strategic decision making, better coordination of strategic actions and by facilitating learning from strategic initiatives. Academic interest in how executives influence strategic decisions and organizational outcomes has always been high in strategic management literature. Previous studies have portrayed the upper echelons' characteristics as determinants of strategic choices and their outcomes on organizational performance. Based on the Upper Echelon Theory, the executives' background and experiences have also been examined for their specific effects on strategic decisions, namely content and context (Thompson et al, 2012).

Content decisions refer to decisions that executives make either to select a core business that offers a competitive advantage or to exploit new opportunities in the market place; Context decisions are associated with portfolio management activities, diversification, mergers and acquisitions and innovation strategies. However, context decisions are described as a process during which executives determine appropriate actions and directions for the firm (Hambrick, 2007).The empirical results of many scholars have demonstrated strong associations between the characteristics of the executives and strategy/performance, while corporate strategy can be viewed by a number of dimensions incorporating, *inter alia*, product differentiation or low cost (Porter, 1980), innovation or reliability, innovation timing or focus (Oke, 2011). Oke, (2011) argues that personality traits influence the emergence of innovation champions in organizations. Other scholars (Hambrick, 2007)) have concluded that the executives' educational background is associated with innovation.

A number of attributes have been examined including; structure, managerial characteristics, available resources, administrative intensity, and internal/external communication although no clear set of explanatory variables have emerged. This study empirically investigates whether the strategic decision-making processes influence performance of sugar companies. It provides academics and business practitioners with a clear understanding of the specific strategic decision-making processes that mediate the relationship between executives' attributes and innovation strategies. This study will also shed light on internal strategic decisions making processes that will enhance performance of the sugar industry in Kenya.

2. Methodology

2.1. Study Design

In order to enable the establishment of clear links across the study (Cooper & Schindler, 2011), the researcher adopted a descriptive survey design. The descriptive survey design was used to analyze the organizational internal environment as a determinant of performance of the sugar industry in western Kenya which decision making is a critical factor. The design helped to describe, clarify and interpret factors and variables that generally affected or influenced the productivity of the sugar industry. It was found more practical as it gave the conditions prevailing at the time of the research. It also allowed respondents the opportunity to comment in a qualitative open-ended manner and therefore the personal interviews emanating from it were necessary. Through questionnaires and interviews, the respondents provided a view of the present state of performance of the sugar industry in western Kenya.

2.2. Target Population

The target populations are those people, events or records that contain the desired information and can answer the measurement question for the study. For the current study, it comprised of the 130,000 cane farmers and 50 managers serving the main five Western Kenya Sugar Cane Companies namely: Mumias; Nzoia, Butalis; Sony Sugar and Chemelil (Annex 1). The western Kenya region was selected, given its contribution to the sugar industry in the country where 80% of the sugar is produced (KSB, 2010). Secondly sugar cane growing is the main cash crop in the area hence having a major impact on the livelihood and economic well-being in the region (Wangalwa, 2015).

2.3. Sample Size

A sample is a subset of the population that displays all the characteristics of the population in order to be truly representative. The study used Yamane (1967) formula to calculate sample size from the entire population. The proportionate sample size comprised of 398 farmers and 50 managers (Annex 2). After establishing the sample size from

the entire population, proportionate sample allocation was used to assign sample sizes to strata in proportion to the stratum population size (Annex 3).

2.4. Sampling Procedure

Sampling is the procedure a researcher uses to gather people, places or things to a study. It is a process of selecting a number of individuals or objects from a population such that the selected group contains elements representative of the characteristics found in the entire group (Kombo & Tromp, 2011). According to Mugenda (2008) sampling is the process of selecting a representative sub-set of observations from a population to determine the characteristics of the random variable under study. The research used the concept of a representative sample of the population and therefore proportionate stratified random sampling was used. Convenient simple random sampling was thereafter used to select the identified samples from each stratum especially for the farmers. In identifying the farmers, the researcher was assisted by scouts provided by the specific sugar factories through the farmers' association. An estimated radius of 30 KM from the specific factory was found to be appropriate for data collection. For the managers, care was taken to select all managers in each stratum so as to have a representative sample from the population.

3. Data Collection

3.1. Primary Data

The primary data for the study was collected from the sampled population using a questionnaire and supported by an interview guide. The questionnaire was structured according to the specific objectives of the study. The questionnaire had structured questions so as to present to the respondents a fixed set of choices and some unstructured questions aimed at giving the respondents an opportunity to respond in their own words (Cooper & Schindler, 2011).

Closed ended questions were used to provide the researcher with standardized data that could be presented in an appropriate format that provided quantified and compared data. The questionnaire was also utilized in providing pre-coded data, which would be analyzed easily and gather data that was reliable and valid. The items were carefully designed to elicit the right response and were preceded by appropriate instructions. The filling of the farmer's questionnaire was by assistance from the research assistants to ensure that the right information was obtained, clarity on issues ensured and to reduce the level of un-returned questionnaires. For the managers, it was a drop and pick arrangement given their busy work schedules. Scaling was of the Likert type scales but some categorical items were also included.

The interview guide was used to collect data to help validate the responses obtained though questionnaire given that they provide in-depth information not possible to get through questionnaires, they guard against confusing the questions since the interviewer would clarify the questions and taking advantage of the flexibility of the interviews. Interviews were particularly useful for getting the story behind a participant's experiences. They allowed the interviewer pursue in-depth information around the topic. Interviews were found to be useful as follow-up to certain respondents to questionnaires, e.g., to further investigate their responses (Kothari, 2014). For more insight data collection, the interviews provided the advantage of the interviewers probing for more precise details. Due to the time needed to carry out the interviews, the focus was directed to the corporate strategic managers only.

3.2. Secondary Data

The researcher sought to confirm some of the information collected from the primary data by carrying out an analysis of the existing data. This was done by reviewing various reports from the industry and other related studies. This was to allow for more reliability of the information obtained by facilitating triangulation (Sekaran, 2011).

4. Reliability and Validity

4.1. Pilot Testing of Data Collection Instruments

According to Saunders, Lewis &Thornhill (2011), pilot testing refines the questionnaire so that respondents will have no problems in answering the questions. For high precision pilot studies 10% of the sample should constitute the pilot test size (Mugenda, 2008). To ascertain the validity and reliability of the questionnaire and interview guide, pre-tests of the tools were carried out and pilot study conducted. The pre-test consisted of first revision of the instruments with the supervisors to guarantee suitable coverage of the domain of each construct. A pilot survey was then performed to test the reliability of the research instrument which made it possible to modify or delete certain items. The piloting was carried out at Transmara Sugar Company. The purpose of pilot testing was to establish the accuracy and appropriateness of the research design and instrument and to provide proxy data for selection of a probability samples (Saunders, Lewis, & Thornhill, 2011).

4.2. Reliability of the Research Instruments

The reliability of a measure is an indication of the stability and consistency with which the instruments measure the concept and help to assess the goodness of a measure (Sekeran 2009). To maximize reliability of the research instruments, the approach to their constructions included: framing each question tightly and clearly to reduce ambiguity and avoid any demand bias; sequencing onerous questions towards the end of the survey; keeping open questions to a minimum; devising response scales that would increase the variability of response thereby ensuring high statistical value from the data. In addition to the questions tapping into key issues, the inclusion of questions that provided a profile of

respondents and enabling the detection of response differences across demographic characteristics was used (Cooper & Schindler, 2011).

The study instruments were further subjected to a panel of experts to assess if they capture all the items they were intended to measure and their expert opinion was incorporated to ensure face validity. The study also used both construct and content validity. For construct validity, the instruments were divided into several sections to ensure that each section assesses information for a specific objective, and also ensures the same close ties to the conceptual framework of the study. Content validity was achieved by pre-testing the instruments on a similar firm and arising modifications incorporated for clarity, comprehensiveness, relevance, meaning and requisite depth.

Finally, reliability of the instruments was then tested through the Cronbach's alpha method (Cronbach, 1951). Using item inter item correlation matrix as a guide. Items that were not strongly contributing to alpha, and whose content was not critical, were eliminated (Mugenda, 2008). Cronbach's alpha has the most utility for multi-item scales at the interval level of measurement since, it requires only a single administration and provides a unique, quantitative estimate of the internal consistency of a scale (Cooper & Schindler, 2011: Mugenda, 2008). A reliability co-efficient (Rho) of 0.7 and above was considered adequate for this study (Mugenda, 2008). In general, reliabilities less than 0.6 were considered to be poor, those in the 0.70 range, acceptable, and those over 0.80 good (Sekaran, 2011). The content validity was considered suitable since it posted a Cronbach's alpha of 0.876 and 0.796 which is approximately close to and above the 0.80 considered to be good for managers and farmers respectively (Annex 4).

Validity is the extent to which a test measures what it is supposed to measure. The question of validity was raised in the context of the three points; the form of the test, the purpose of the test and the population for whom it is intended. The study sought to establish the validity of the instruments in order to establish whether they were valid or not. To test validity the researcher used the Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) test which was computed using SPSS version 23. The KMO value of more than 0.4 was to be considered adequate. The testing posted results of 0.513 and 0.587 for managers and farmers respectively hence considered adequate for the study (Annex 5)

5. Findings

The variable was examined by asking the respondents to respond to various statements and give their opinion and perspective on whether strategic decision making enhances performance of the sugar companies. To determine the findings, the researcher undertook a series of tests.

5.1. Kaiser-Meyer Olkin (KMO) Test

This test assisted to establish whether the statement items used to describe the variables were suitable for use in further analysis. Field (2009) pointed out that a research item is considered appropriate for further analysis if the factor loading value is more than 0.4. Factor analysis was conducted using Principal Components Method (PCM) approach. The extraction of the factors followed the Kaiser Criterion where an Eigen value of 1 or more indicates a unique factor. Rahn (2010) and Williams, Onsman & Brown, (2010) pointed out that a factor loading equal to or greater than 0.4 is considered adequate. This is further supported by Tabachnick & Fidell, (2007) who asserts that a factor loading of 0.4 has good factor stability and deemed to lead to desirable and acceptable solutions. The study further sought to establish the sampling adequacy and hence the factor loading for the various items used in the study. From the results it is shown that the various items used to describe organizational structure in relation to organizational performance were adequate and hence appropriate for use in further analysis. The results from the managers showed a KMO value of 0.513, and a P - value of 0.000. While the results from the farmers gave a KMO of 0.587 and it was also statistically significant with a P- value of 0.000. The KMO results for both the managers and the farmers were more than the recommended 0.4 and hence appropriate for use for further analysis (Annex 5).

The study further analyzed the factor loadings for each item in order to assess the effectiveness of the statement items to provide the required data for analysis. All the statements attracted coefficients of more than 0.4 hence were retained for analysis. This agrees with Rahn (2010), Black (2002), and Zandi et al, (2006),on the factor loading equal to or greater than 0.4 which they considered adequate with a good factor stability and deemed to lead to desirable and acceptable solutions. All the statements attracted coefficients of more than 0.4 hence were retained for analysis. (Annex 6 and Annex 7).

It was also important to establish the total variance explained by the statements that explained the variable. This was important because it helped to establish the possibility that the items can be reduced into one factor for further analysis. The results for the total variance are given in Annex 8 and 9 for managers and farmers respectively. From the results it was noted that the total variance for the eight items used in the description of strategic decision making and organizational performance was 79.305 % This implied that the eight items were appropriate for use in further analysis. The Total Variance analysis for the farmers indicates that the twelve statements on strategic decision making for farmers can be factored into one factor. The total variance explained by the extracted factor is 78.152 %

5.2. Correlation Analysis for Farmers

The study sought to establish the relationship that existed between strategic decision making and organizational performance. The relationship was tested at a 0.01 probability value whereby a P - value of less than 0.05 was considered to be statistically significant. The relationship was also noted to either be direct or inverse based on the r value. The results showed that there was a very weak and direct relationship between strategic decision making and organizational performance of sugar manufacturing companies (r= 0.321 before the introduction of the strategic alignment in respect of the farmers. After alignment the relationship posted a strong direct relationship(r = 0.607). The researcher used the

coefficients of determination (r^2) to further interpret the outcomes. The outcomes of the study implied that 10.3 % of the variations in the values of the dependent variable were accounted for by the variations in the values of the independent variable. However after introduction of the mediating variable the 36.8% of the variations in the values of the dependent variable were accounted for by the variations in the values of the independent variable. The difference of the two levels of variation (36.8 % - 10.3% = 26.5%) was attributed to the effects of the mediating variable (Annex 10).

The findings were also used to test the hypothesis; Null hypothesis: H_o: $\rho \neq o$ (*There is no relationship between strategic decision making and organizational performance before the introduction of strategic alignment*) and the Alternative hypothesis: H_1: $\rho = o$ (*There is a relationship between strategic decision making and organizational performance after the introduction of strategic alignment*). The resulting P values were used to test the reliability of the study samples to the values of the study population. The outcomes indicated p-values of 0.000 (significant) before and after the introduction of the mediating variable. The researcher therefore concluded that the study samples were true to the values of the study population hence reliable for inference.

5.3. Correlation Analysis for Managers

For the managers the results indicated a weak direct relationship between strategic decision making and organizational performance of the sugar manufacturing companies (r = 0.417) before the introduction of the alignment of the strategies (mediating variable). After alignment the results indicated a strong direct relationship (r = 0.715). The researcher sought to find out the level of explained variations of the total variations by use of the coefficients for determination (r^2). The findings indicated that 17.3 % of the variations of the values of the dependent variable were explained by the variations in values of the independent variable before mediation. After mediation 51.1% of the variations of the values of the dependent variable were explained by variations in the values of the independent variable. The difference of the two levels of variation (51.1 % - 17.3% = 33.8%) were attributed to the effects of the mediating variable.

The resulting p-values were used to test the study hypothesis: Null hypothesis: H_o: $\rho \neq o$ (*There is no significant relationship between strategic decision making and organizational performance before the introduction of strategic alignment*) and the Alternative hypothesis: H_1: $\rho = o$(*There is a significant relationship between strategic decision making and organizational performance after the introduction of strategic alignment*). The outcomes of the study indicated p-values of 0.000 (significant) before and after the introduction of the mediating variable. The researcher therefore concluded that the study samples were reliable for inference and that alignment of strategic decision making to the corporate strategy is an antecedent to organizational performance.

The researcher therefore rejected the null hypothesis and concluded that there was a high significant relationship between strategic decision making and organizational performance after introducing the mediating variable (Annex 11).

6. Conclusion

The study sought to determine the effects of strategic alignment of the strategic decision making on the performance of the sugar industry in Western Kenya. The objective was subjected to different tests to determine its suitability and eventually analyzed for its effect on performance of the sugar industry in Western Kenya. The researcher sought to find out the views of the managers and the farmers on the effect of the alignment of the strategic decision making on performance. The correlation test findings for the managers 0.417) indicated that strategic decision making had a weak direct relationship. However after subjecting it to a strategic alignment test the relationship indicated a strong direct relationship (.715). The coefficient of determination (r^2) was used to determine the test outcomes. The findings indicated that only 17.3 % of the variations of the values of the dependent variables were accounted for by the variations of values of the independent variable before strategic alignment. However after introduction of the mediating variable the effect changed to 51.1 % of the variations in values of the dependent variable explained by variations in the values of the independent variable. The change of 33.8% of changes in variations was attributed to the mediating variable.

The researcher tested the study hypothesis; Null hypothesis: H_o: $\rho \neq o$ (*There is no significant relationship between strategic decision making and organizational performance before the introduction of strategic alignment*) and the Alternative hypothesis: H_1: $\rho = o$ (*There is a significant relationship between strategic decision making and organizational performance after the introduction of strategic alignment*). The outcomes of the study indicated p-values of 0.000 (significant) before and after the introduction of the mediating variable. The researcher therefore concluded that the study samples were reliable for inference and that alignment of strategic decision making to the corporate strategy is an antecedent to organizational performance. The findings therefore indicated a highly significant relationship between strategic decision making and organizational performance once it has been aligned to the organizational strategy.

The second part involving the farmers posted similar results to those of the managers i.e. a weak direct correlation between the strategic decision making and performance (0.321) and (0.607) respectively. The coefficient of determination (r^2) indicated that 10.5% and 36.8% before and after alignment. The change of 26.5% was attributed to effects of the mediating variable. The test on the study hypothesis indicated P-values of 0.000 before and after the mediating variable. The test therefore posted a significant relationship between strategic decision making and performance before and after introduction of the mediating variable.

7. Recommendations

In order for performance to be achieved the management should review their strategic decision making processes and adopt those that are relevant to the current strategic direction adopted by the industry.

8. Areas of Further Research

Based on the findings of the study and owing to the performance levels of the sugar industry, the researcher proposes a replication of the study on a high performing industry. The researcher in the study model pointed out the existence of other internal environmental factors that have an effect on an organizational performance. Studies focusing on the other variables may also be considered either in the same industry or elsewhere.

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Appendix

The Target Population

Company	Managers	Farmers
Mumias Sugar	13	45,000
Nzoia Sugar	13	25,000
Butalis	6	30,000
Sony Sugar	12	25,000
Chemilil Sugar	6	5,000
Total	50	130,000

Table 1: Distribution of the Target Population
Source: Respective Websites of the Companies (2019)

Calculation of the Sample for Managers and Farmers

The sample for managers

$$n = \frac{N}{1 + N(e)2}$$

$$n = \frac{50}{1 + 50(0.05)2}$$
$$n = \frac{50}{1 + 0.125}$$
$$n = \frac{50}{1.125}$$
$$n = 44.4$$

The sample for farmers was as follows;

$$n = \frac{N}{1 + N(e)2}$$

$$n = \frac{130,000}{1 + 130,000(0.05)2}$$
$$n = \frac{130,000}{1 + 325}$$
$$n = \frac{130,000}{326}$$

$$n = 398$$

Assignment of Sample Size to Strata

Company	Population	Proportionate Sample Size	Sample Size
Mumias Sugar	45,000	398 x 45,000 / 130,000	137.77
Nzoia Sugar	25,000	398 x 25,000 / 130,000	76.53
Butalis	30,000	398 x 30,000 / 130,000	91.84
Sony Sugar	25,000	398 x 25,000 / 130,000	76.53
Chemilil Sugar	5,000	398 x 5,000 / 130,000	15.31
Total	130,000		397.98

Table 2: Distribution of the Sample Size for Farmers
Source: Researcher (2019)

The study used a total of 398 farmers selected from the five sugar companies.

Company	Population	Proportionate Sample Size	Sample Size
Mumias Sugar	13	44 x 13 / 50	11.44
Nzoia Sugar	13	44 x 13 / 50	11.44
Butalis	6	44 x 6 / 50	5.28
Sony Sugar	12	44 x 12 / 50	10.56
Chemilil Sugar	6	44 x 6 / 50	5.28
Total	50		44

Table 3: Distribution of the Sample Size for Managers
Source: Researcher (2019)

Reliability Test

Objectives	Managers		Farmers	
	Cronbach's Alpha	N of Items	Cronbach's Alpha	N of Items
Organizational Structure	.876	8	.796	8
Strategic Training	.827	8	.764	12
Firm Production Policy	.729	10	.779	10
Strategic Decision Making	.878	12	.701	12
Strategic Alignment	.792	10	.899	10
Organizational Performance	.874	7	.747	7

Table 4: Reliability test
Source: Researcher (2019)

Validity

		Managers	Farmers
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.513	.587
Bartlett's Test of Sphericity	Approx. Chi-Square	357.494	2217.729
	df	66	66
	Sig.	.000	.000

Table 5: Sampling adequacy for the items describing strategic decision making
Source: Researcher (2019)

Statement Items	Initial	Extraction
Has a contract with cane farmers	1.000	.764
Has a clear plan for cane harvesting	1.000	.819
Plans for increased marketing activities	1.000	.811
Diversifies production of different sugar products	1.000	.567
Leadership of company embraces change management	1.000	.932
Leadership believes being the best in sugar production	1.000	.849
Leadership embraces a lower production strategy	1.000	.748
Embraces new technology	1.000	.557
Decision making captures interest of the entire org	1.000	.905
Makes key decisions without fear of contradiction	1.000	.880
Farmers involved in cane production and processing decision making process	1.000	.811
Farmers involved in cane harvesting and payment decision making	1.000	.873

Table 6: Communalities Analysis for the Managers
Source: Researcher (2019)

Statement Items	Initial	Extraction
The company has a standing contract with the cane farmers	1.000	.848
The factory has a clear plan for cane harvesting	1.000	.796
The organization plans for Increased Marketing Activities	1.000	.576
My organization diversifies production of different sugar products	1.000	.840
The leadership of the company embraces change management	1.000	.792
The company Leadership believes in being the best in sugar production	1.000	.828
The organization leadership embraces a lower cost production strategy	1.000	.723
The company embraces new technology	1.000	.743
The decision making process captures the interests of the entire organization	1.000	.836
The organization makes key strategic decisions without fear of contradiction	1.000	.835
Cane farmers are at all times involved in making key decision involving sugar cane production and processing	1.000	.751
Cane farmers are involved in decision making on cane harvesting and payments	1.000	.810

Table 7: Communalities Analysis for the Farmers
Source: Researcher (2019)

Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.530	46.086	46.086	5.530	46.086	46.086
2	1.743	14.521	60.607	1.743	14.521	60.607
3	1.191	9.922	70.529	1.191	9.922	70.529
4	1.053	8.775	79.305	1.053	8.775	79.305
5	.998	8.314	87.619			
6	.636	5.297	92.916			
7	.428	3.563	96.479			
8	.187	1.560	98.039			
9	.133	1.111	99.150			
10	.060	.504	99.654			
11	.038	.316	99.970			
12	.004	.030	100.000			

Table 8: Total Variance Explained According to the Managers
Source: Researcher (2019)

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.195	34.962	34.962	4.195	34.962	34.962
2	2.148	17.901	52.863	2.148	17.901	52.863
3	1.703	14.190	67.053	1.703	14.190	67.053
4	1.332	11.099	78.152	1.332	11.099	78.152
5	.652	5.431	83.583			
6	.462	3.853	87.436			
7	.427	3.558	90.994			
8	.324	2.699	93.693			
9	.311	2.593	96.286			
10	.267	2.224	98.510			
11	.098	.817	99.328			
12	.081	.672	100.000			

Total 9: Variance Explained According to the Farmers
Source: Researcher (2019)

			Performance	Strategist Decision Making	Alignment of Strategies
Spearman's rho	Performance	Correlation Coefficient	1.000	.321**	.607**
		Sig. (2-tailed)	.	.000	.000
		N	302	302	302
	Strategic decision making	Correlation Coefficient	.321**	1.000	.184**
		Sig. (2-tailed)	.000	.	.001
		N	302	302	302
	Alignment of strategies	Correlation Coefficient	.607**	.184**	1.000
		Sig. (2-tailed)	.000	.001	.
		N	302	302	302

Table 10: Correlation Analysis for Farmers
**. Correlation Is Significant at the 0.01 Level (2-Tailed)
Source: Researcher (2019)

			Performance	Alignment of Strategies	Strategic Decision Making
Spearman's rho	Performance	Correlation Coefficient	1.000	.715**	.417*
		Sig. (2-tailed)	.	.000	.020
		N	31	31	31
	Alignment of strategies	Correlation Coefficient	.715**	1.000	.479**
		Sig. (2-tailed)	.000	.	.006
		N	31	31	31
	Strategic decision making	Correlation Coefficient	.417*	.479**	1.000
		Sig. (2-tailed)	.020	.006	.
		N	31	31	31
**. Correlation is significant at the 0.01 level (2-tailed).					

Table 11: Correlation Analysis for Manager
Source: Researcher (2019)