

**INFLUENCE OF PRODUCTION STRATEGY ON ORGANIZATIONAL PERFORMANCE OF SEED MAIZE COMPANIES IN KENYA**

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## ABSTRACT

This study focused on the influence of production strategy on organizational performance of seed maize companies in Kenya. A cross-sectional survey research design was used to collect data from the target population which comprised of seed maize companies in Kenya. The sampling frame of the study was the registered seed maize companies at the Seed Trade Association of Kenya which was the unit of analysis while the respondents were the managerial employees within the seed companies and key seed experts in Kenya. Primary data was obtained by administering questionnaires to four employees within each seed company. The four employees were randomly selected from the production, marketing, finance and warehousing departments. Interviews were conducted with key seed experts who were selected through snowballing and judgment technique. The collected data was analysed using SPSS software. Factor analysis was done to establish the appropriateness of the questionnaire constructs. Both descriptive and inferential statistics were used. Inferential statistics included the use of bivariate analysis and a multiple regression model was used in order to establish the effect of production strategy on organizational performance of seed maize companies. Production strategy was statistically significant in explaining organizational performance of seed maize companies in Kenya. Production strategy and organizational performance had a strong positive relationship as indicated by a correlation coefficient of 0.821 (82.1%). The fitted regression equation showed that one positive unit change in production strategy' effectiveness leads to a change in organizational performance at the rate of 64.6%. Results indicated that manual methods of seed production created volume deficiencies in the market, while mechanized production methods and investment in state of the art processing facilities ensured bulk output and product quality leading to low costs per unit and customer satisfaction respectively which improve business performance. Further, use of experienced production & field staff and investment in research were found to increase quality of seed and enhance sales. The results also showed that the location of the production unit and cost of inputs affected cost of production and eventually the selling price of seed. The study recommends using mechanized production, investment in research and state of the

art processing facilities and employment of experienced staff which lead to efficient production, higher output, economies of scale and ultimately high quality seed. All these will lead to good business margins and enhanced organizational performance.

**Key Words:** *Production strategy, Organizational performance, Seed maize companies, Productivity Levels*

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