INTERNATIONAL JOURNAL OF SOCIAL Sciences and Information Technology
ISSN 2412-0294 www.ijssit.com

http://www.ijssit.com Vol II Issue IX, October 2016
ISSN 2412-0294

THE EFFECT OF STRATEGIC MANAGEMENT PRACTICES ON THE FINANCIAL PERFORMANCE OF COFFEE CO-OPERATIVE SOCIETIES IN KENYA: A CASE OF MURANGA COUNTY

[1*] **James Kimani Kinyanjui**

Jomo Kenyatta University of Agriculture and Technology
kimjamo@yahoo.co.uk

[2 **] **Dr. Willy Muturi**

Senior Lecturer, Department of Economics, Accounting and Finance
Jomo Kenyatta University of Agriculture and Technology
mmuturi2001@yahoo.com

Abstract

Kenya has recently been facing a lot of challenges in her Coffee co-operatives, which is evidenced by the decline in the export of the product in the last few years. Over the years the crop was valuable and acted as the main export product earning foreign exchange to the county for a better economic stability. However the coffee co-operatives exports have been deteriorating over the years which have signaled a collapse of the industry if not addressed. The main objective of this study was to evaluate the strategic management practices of coffee co-operatives financial performance in Kenya. The specific objectives of this study were to; evaluate the effect of marketing on financial performance of coffee co-operatives, assess the effect of Planning on financial performance of coffee co-operatives, determine the effect of Human Resource Management on financial performance of coffee co-operatives and determine the effect of cost management on financial performance of coffee co-operatives. Cross-sectional survey research design was be used for this study. The total population of co-operatives studied was 23. The findings of this study are useful to coffee co-operatives managers, students and the policy makers. All the coefficients were found to be statistically significant. The study concluded that the four variables had a significance influence on the financial performance of the coffee cooperative in Kenya. The study therefore recommended that manager should come up with strategies to monitor marketing strategies, planning process, cost reduction and human resource management for a better performance in future.

Keywords: Financial performance, Marketing strategies, Human resource management, Planning, Cost reduction

Introduction

According to international coffee organization (2014), coffee is the world's most widely traded tropical product, produced in over 50 developing countries. It provides a livelihood for 25 million smallholder farmers and their families and can account for up to 50% of export earnings of some countries. ICO report note further that working towards securing a health world coffee economy is therefore important economically, socially, environmentally and politically.

There are numerous challenges that have faced the coffee industry globally over the years some of which are: economic pressures that are both external and internal to the coffee sectors such as unfavorable and volatile exchange rates, global and regional economic crises, increasing cost of essential factors of coffee production such as fertilizer and energy, shortages in supply and higher costs and labour needed for coffee production and harvesting, and decreasing availability of land for new coffee plantations; misconception about coffee held by some consumers, such as the negative impact of coffee and health, can act as a constraint to increasing consumption ICO (2014).

ROK (2015), note that global production coffee production in 2013/ 2014 was estimated at 8.52 million tons compared to 8.80 million tons recorded in 2012/2013. This represented a 3.2 percent reduction which was as a result of outbreak of coffee leaf rust disease in some major coffee growing countries in Central America. The report noted further that production in Africa over the period 2013/2014 fell slightly to 0.962 million tons, or 11.3 percent of the world total production. Ethiopia for example recorded the largest production in the region, at 0.39 million tons, followed by Uganda at 0.222 million tons and Cote d'ivoire 0.114 million tons. Kenya on the other hand produced unchanged capacity of 0.051 million tons. The report concluded however by noting that coffee stocks and inventories were mostly higher in 2013/ 2014 compared to previous seasons.

The coffee industry has under gone a lot of revolution since independent. Muthoni (2014), assert that, under pressure from the world, the government of Kenya took a series of steps between 1990 and 2001 to loosen its control over the coffee industry. Some of these steps included: pulling out of cooperative management in 1991: ending financial support to cooperatives, the Kenya Planters Cooperative Union (KPCU) and the coffee research foundation (CRF) in 1995; relaxing regulation of upstream processes in 1999; Limiting the role of the coffee board of Kenya (CBK) as regulator in 2001; and increasing the number of marketing licenses issued from three to twenty-five in 2006.

Mude (2006), note that prior to 1998, the government played a major role in the running of cooperatives through the coffee of the commissioner of cooperative, and their field lead by district cooperative officers. Mude note, further that although members owned the cooperatives and elected their board members, the commissioner's office had powers to dissolve the governing board, call for fresh elections or directly appoint a care-taker committee.

Muthoni (2014), note further that at the farm level, producers receive extension services and relevant inputs from coffee research foundation and from private traders. The study notes further that, the picking of the cherries is done by hand in Kenya. Once the coffee cherries are harvested, they are transported to the factories for processing and subsequently to commercial millers for milling and grading. In the processing stage the cherry has the fruit or pulp removed leaving the seed or bean which is then dried. The method used determines the flavors of roasted and brewed coffee.

Research questions

i. What is the effect of cost management on the financial performance?
ii. What is the effect of planning on the financial performance?
iii. What is the effect of human resource management on the financial performance?
iv. What is the effect of marketing on the financial performance?

Scope of the study

This study concentrated on coffee cooperatives in Muranga County in Kenya. The region was selected since it is a major coffee growing area in Kenya. Despite of the favorable climatic conditions for coffee growing, farmers in Murang'a county have recently been changing from coffee farming to other crops. This is evidenced from the disappearance of large coffee plantations in the county. There are 135 coffee factories which have merged to form 46 cooperatives boards.

2.3 Conceptual Framework

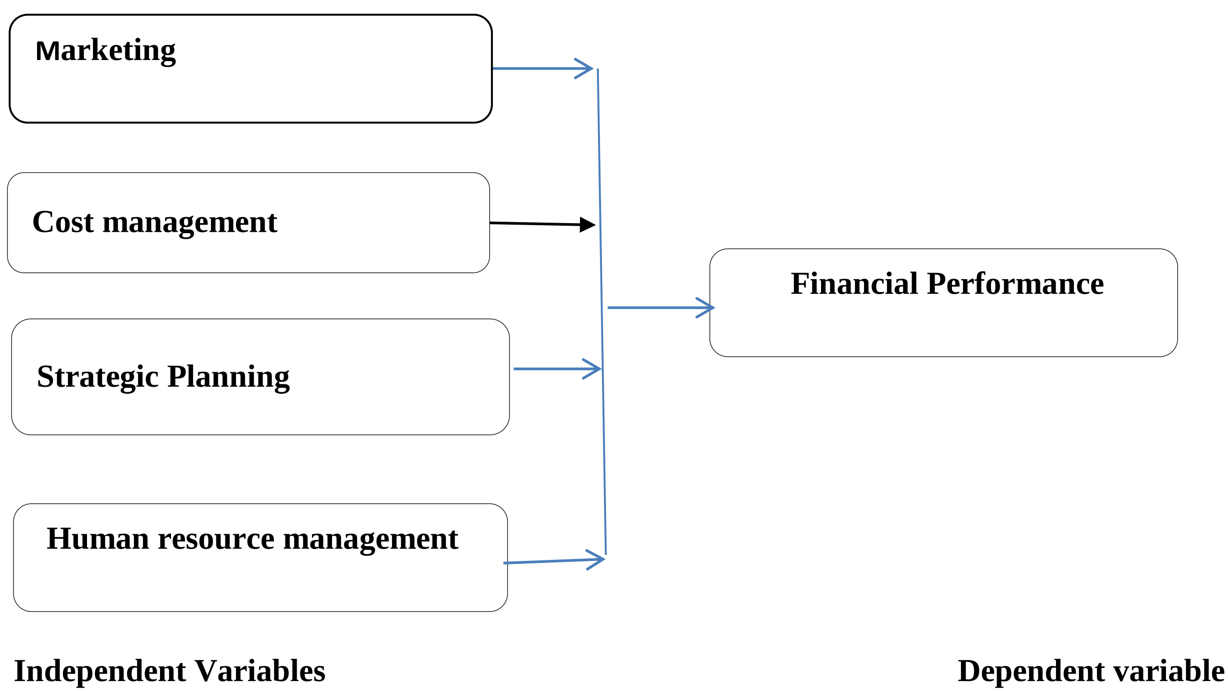

Figure 1: Conceptual Framework

Qualitative Analysis of the variables

1. Marketing

The study embarked to assessing the relevant of the various measures of marketing. The study hypothesized that the marketing aspect of organization had a substantial consequences on the financial performance of the organization. Various questions were posed to the respondents. The results presented in table 1 shows that the respondents had a tendency to agree more on the questions rather than remaining neutral or disagreeing with the opinion statements.

Table 1: Marketing

Opinion Statement	Mean	Standard deviation
Promotion strategies are well outline	4.64	1.163
We have a good advertising strategy	4.78	1.115
Our pricing matches the market price	4.68	1.086
There is adequate funding for product Marketing	4.64	1.140
You have always identify new market	4.71	1.112
There are plans put in place to create awareness both locally and to international markets	4.48	1.154
Our products face stiff competition existing in the market	4.58	1.181

The study sought to examine the respondent's level of agreement or disagreement on the various measures of the marketing variable. Table 1, presents the relevant results which shows that on a scale of 1 to 5 (where 1= strongly dis agree and strongly disagree=5) the descriptive statistics were; (mean score 4.64), (mean score 4.78), (mean score 4.68), (mean score 4.64), (mean score 4.71), (mean score 4.48) and (mean score 4.58) in extension all the variables had a standard deviation less than 2 which means that all the variables are normally distributed around their means.

2. Cost Management

The study embarked to assessing the relevant of the various measures of marketing. The study hypothesized that the cost management aspect of organization had a substantial consequences on the financial performance of the organization. Various questions were posed to the respondents. The results presented in table 2 shows that the respondents had a tendency to agree more on the questions rather than remaining neutral or disagreeing with the opinion statements.

Table 2 Cost Management

Opinion Statement	Mean	Standard Deviation
The organization has a cost saving strategy	4.41	1.338
The management is able to reduction operational cost	4.45	1.360
The expenses of the organization are within the budget	4.43	1.340
Cost of operations have gone high reducing the profits margins	4.32	1.359
There is minimal mismanagement of funds	4.45	1.327
There are strategies implemented to reduce cost of operations	4.23	1.37

The study sought to examine the respondent's level of agreement or disagreement on the various measures of role clarity. Table 2, presents the relevant results which show that on a scale of 1 to 5 (where 1= strongly and strongly disagree=5), (mean score 4.41), (mean score 4.45), (mean score 4.43), (mean score 4.32), (mean score 4.45) and (mean score 4.23) in extension all the variables had a standard deviation less than 2 which means that all the variables are normally distributed around their means.

3. Planning

The study embarked to assessing the relevant of the various measures of marketing. The study hypothesized that the planning aspect of the organization had a substantial consequences on the financial performance of the organization. Various questions were posed to the respondents. The results presented in table 3 shows that the respondents had a tendency to agree more on the questions rather than remaining neutral or disagreeing with the opinion statements.

Table 3. Planning

Opinion Statement	Mean	Standard Deviation
The organization has clear Goals setting	4.32	1.397
There is clear Implementation of plans	4.33	1.331
Strategy evaluation is a continuous process	4.32	1.416
Monitoring of strategy is a continuous process	4.29	1.384

Planning process is done on regular basis	4.34	1.500
Am well informed about strategic planning	4.33	1.114

The study sought to examine the respondent's level of agreement or disagreement on the various measures of compensation. Table 3, presents the relevant results which show that on a scale of 1 to 5 (where 1= strongly and strongly disagree=5), (mean score 4.32), (mean score 4.33), (mean score 4.32), (mean score 4.29), (mean score 4.34), and mean score 4.33) in extension all the variables had a standard deviation less than 2 which means that all the variables are normally distributed around their means.

4. Human Resource Management

The study embarked to assessing the relevant of the various measures of marketing. The study hypothesized that the human resource management aspect of the organization had a substantial consequences on the financial performance of the organization. Various questions were posed to the respondents. The results presented in table 4 shows that the respondents had a tendency to agree more on the questions rather than remaining neutral or disagreeing with the opinion statements.

Table 4. Human Resource Management

Opinion Statement	Mean	Standard Deviation
The employee receive Training and development frequently	4.67	1.112
The roles are decentralization to teams	4.58	1.214
The Recruitment of employees is transparent	4.61	1.156
The remuneration of employees is fair	4.58	1.146
Training is provided to equip employees with new skills and technology	4.60	1.134

The study sought to examine the respondent's level of agreement or disagreement on the various measures of compensation. Table 4, presents the relevant results which show that on a scale of 1 to 5 (where 1= strongly disagree and strongly disagree=5), (mean score 4.67), (mean score 4.58), (mean score 4.61), (mean score 4.58), and mean score 4.60) in extension all the variables had a standard deviation less than 2 which means that all the variables are normally distributed around their means.

5. Multicollinearity using Correlation Matrix

The results in table 5, presents the correlation results. The correlation matrix table was used to estimate the degree of correlation between the various pairs if variables. The term multicolinearity was used to explain the relationship between paired values of the independent variables. Gujarati(2008), note that multicollinearity refers to the level of correlation between any two independent variable. Gujarati note further that as a rule of thumb the correlation between the independent variables should not exceed 85% for multicollinearity to be termed as being absent.

Table 5. Correlation Matrix

	Performance	Marketing	Cost management	Planning	Human Resource Management
Performance	1				
Marketing	0.877	1			
Cost management	0.724	0.488	1		
Planning	0.573	0.472	0.430	1	
Human Resource Management	0.872	0.545	0.574	0.366	1

From table 5 it can be observed that the correlation between the independent variables and the dependent variable was high. The interpretation was that the level of multicollinearity between the independent variable was not very high which meant that the influence of each variable in the regression model could be isolated easily.

According to Brook (2002) multicollinearity is the problem that occurs when the explanatory variables are very highly correlated with each other. Brook note further that if there is no relationship between the explanatory variables, they would be said to be orthogonal to one another. If the explanatory variables were orthogonal to none another, adding or removing a variable from a regression equation would not cause the values of the coefficients on the other variables to change. Burns and Burns (2008), assert that muticollinearity is the presence of very high correlations between the independent variables and should be avoided.

From table 5 it is noted that the correlation between financial performance and the various independent variables was above 30%, which was a good indicator of the explanatory power of the independent variables on the variance of the dependent variable.

6. Regression Results

The results in table 6, represents the results on the effect of strategic management practices on the financial performance of coffee co-operatives societies in Murang'a county. The t values shows, that all the factors were statistically significant since all the p-values are greater than critical value of two standard deviations

Table 6. Regression Result

	Coefficient Beta	**Standard Error**	**t**	**p-value**
(Constant)	1.890	0.320	5.906	0.000
Marketing	0.371	0.052	7.190	0.000
Cost management	0.192	0.042	4.629	0.001
Planning	0.159	0.037	4.315	0.013
Human resources management	0.291	0.049	5.939	0.000
F-statistic 100.302	P=> value 0.000		Adjusted R-squared	

The fitted regression model was as shown below. The model shows the statistics as computed in table 6.

$$Y = 1.890 + 0.371X_1 + 0.192\ X_2 + 0.159X_3 + 0.291X_3 + \varepsilon$$

Standard Error	0.320	0.052	0.042	0.037	0.049
t-Statistics	5.9063	7.190	4.629	4.315	5.939
p-value	0.000	0.000	0.001	0.013	0.000

Where; Y = Financial performance, X1 = Marketing, X2 = Cost management, X3 = Planning, X4 Human resource management, ε = Error Term, β_0 = Intercept, β_1, β_2, $\beta 3$, β_4 = Coefficients

Marketing

From table 6, the regression coefficient of marketing was found to be 0.371. This value shows that holding other variables in the model constant, an increase in marketing by one unit causes the financial performance of co-operatives to increase by 0.371 units. The sign of the coefficient is also positive. The positive effect shows that there is a positive relationship between marketing and financial performance. The interpretation was that marketing causes the financial performance to increase. The coffee co-operative societies in Murang'a county should therefore consider the effect of marketing on their financial performance since marketing would have a direct effect on financial performance.

Cost management

From table 6, the regression coefficient of cost management was found to be 0.192. This value shows that holding other variables in the model constant, an increase in cost management by one unit causes the financial performance of co-operatives to increase by 0.192 units. The sign of the coefficient is also positive. The positive effect shows that there is a positive relationship between cost management and financial performance.

The interpretation was that cost management causes the financial performance to increase. The coffee co-operative societies in Murang'a county should therefore consider the effect of cost management on their financial performance since cost management would have a direct effect on financial performance.

Planning

From table 6, the regression coefficient of planning was found to be 0.159. This value shows that holding other variables in the model constant, an increase in planning by one unit causes the financial performance of co-operatives to increase by 0.159 units. The sign of the coefficient is also positive. The positive effect shows that there is a positive relationship between planning and financial performance.

The coefficient was not only positive but also statistically significant with a t-statistic value of 4.315. A t-statistic value of 2 and above is normally accepted to be significant for inference analysis. The standard error was found to be 0.037 and the p-value was found to be 0.013. A p-value of less than 0.05 is normally considered to be significant. The variable was also found to be the least influential variable on the financial performance of coffee co-operative societies in Murang'a county. These findings concur with those of those of Harrison, (1995), O'Regan and Ghobadian, (2002), Poku, (2012), Phillips and Moutinho, (1999) who found that planning had a substantial effect on the financial performance.

The interpretation was that planning causes the financial performance to increase. The coffee co-operatives societies in Murang'a county should therefore consider the effect of planning on their financial performance since planning would have a direct effect on financial performance.

Human resource management

From table 6, the regression coefficient of marketing was found to be 0.291. This value shows that holding other variables in the model constant, an increase in marketing by one unit causes the financial performance of co-operatives to increase by 0.291 units. The sign of the coefficient is also positive. The positive effect shows that there is a positive relationship between marketing and financial performance.

The interpretation was that marketing causes the financial performance to increase. The coffee co-operative societies in Murang'a county should therefore consider the effect of marketing on their financial performance since marketing would have a direct effect on financial performance.

Summary of the findings

All the measurers of marketing were found to have effect on the financial performance as depicted by the various responses from the respondents that were presented using table where the response was also in percentage form. The constructs were found to be of good reliability that allowed the researcher to proceed to the actual, qualitative and inferential analysis. This variable was found to have a positive effect on financial performance of coffee co-operatives in Murang'a county. This meant that increase in marketing facilitated the increase in financial performance of coffee co-operatives in Murang'a county.

All the measurers of cost management were found to have effect on the financial performance as depicted by the various responses from the respondents that were presented using table where the response was also in percentage form. The constructs were found to be of good reliability that allowed the researcher to proceed to the actual, qualitative and inferential analysis. This variable was found to have a positive effect on financial performance of coffee co-operatives in Murang'a county. This meant that increase in cost management facilitated the increase in financial performance of coffee co-operatives in Murang'a county.

The factor scores obtained from the factor extraction process in an attempt to reduce the masses of data were used in regression analysis.

All the measurers of planning were found to have effect on the financial performance as depicted by the various responses from the respondents that were presented using table where the response was also in percentage form. The constructs were found to be of good reliability that allowed the researcher to proceed to the actual, qualitative and inferential analysis. This variable was found to have a positive effect on financial performance of coffee co-operatives in Murang'a county. This meant that increase in planning facilitated the increase in financial performance of coffee co-operatives in Murang'a county.

All the measurers of human resource management were found to have effect on the financial performance as depicted by the various responses from the respondents that were presented using table where the response was also in percentage form. The constructs were found to be of good reliability that allowed the researcher to proceed to the actual, qualitative and inferential analysis. This variable was found to have a positive effect on financial performance of coffee co-operatives in Murang'a county. This meant that increase in human resource management facilitated the increase in financial performance of coffee co-operatives in Murang'a county.

The factor scores obtained from the factor extraction process in an attempt to reduce the masses of data were used in regression analysis. The coefficient was also found to be statistically significant.

Conclusion

The study concluded that the marketing variable, as a key element of strategic management practices have influence on financial performance. The findings that, marketing had a positive effect on financial performance were good indications that increase in marketing motivate better financial performance of co-operatives in Murang’a county. This variable was also found to have a statistically significant effect on financial performance. This variable was the most influential variable on financial performance among co-operatives in Murang’a county

The findings that, cost management had a positive effect on financial performance were good indications that increase in cost management motivate better financial performance of co-operatives in Murang’a county. This variable was also found to have a statistically significant effect on financial performance. This variable was the most influential variable on financial performance among co-operatives in Murang’a county

The findings that, planning had a positive effect on financial performance were good indications that increase in planning motivate better financial performance of co-operatives in Murang’a county. This variable was also found to have a statistically significant effect on financial performance. This variable was the most influential variable on financial performance among co-operatives in Murang’a county. From the qualitative analysis it was found that the variables; The organization has clear Goals setting, There is clear Implementation of plans, Strategy evaluation is a continuous process, Monitoring of strategy is a continuous process ,Planning process is done on regular basis and Am well informed about strategic planning were good measures of planning.

The study concluded that the human resource management variable, as a key element of strategic management practices have influence on financial performance. The findings that, human resource management had a positive effect on financial performance were good indications that increase in human resource management motivate better financial performance of co-operatives in Murang’a county. This variable was also found to have a statistically significant effect on financial performance. This variable was the most influential variable on financial performance among co-operatives in Murang’a county

Area for further research

Future research should be directed towards identifying more variables that affect employee performance. Some of these variables would include culture, organizational structure and even financial factors such as the asset base of the organizational. From the regression model it was noted that the variables included were only able to explained 75 % of the variation in employees performance. This study therefore recommends the improvement of this model by including more variables that are relevant in explaining the variation some of which have been mentioned above. This paper also recommends further research to include studies in other organizations apart from learning institutions.

References

Aldehayyat, J.S.,Khattab, ,A.A,, and Anchor,J.R. (2011) .The use of Strategic Planning tools and Techniques by coffee co-operatives in Jordan. Management Research Review, Vol. 34 Iss: 4, pp.477 - 490

Baker, D. (1999).Strategic human resource management: performance, alignment, management, Journal of Librarian Career Development, Vol. 7 Iss: 5, pp.51 - 63

Baum,T. Amoah, V.and Spivack, S.(1997). Policy dimensions of human resource management in the tourism and hospitality industries. International Journal of Contemporary Hospitality Management, Vol. 9 Iss: 5/6, pp.221 – 229

Bhattacherjee, A. (2012). Social science research: principles, Methods, and practices. Taxtbooks collections.Books 3.

Burns,R.B. and Burns, R.A. (2008).Business research methods and statistical using SPSS. SAGE Publications Ltd, London.

Chang,W.A.C and Huang, T.C. (2005).Relationship between strategic human resource management and firm performance: A contingency perspective. International Journal of Manpower, Vol. 26 Iss: 5, pp.434 - 449

Cole. (2004). Management theory and practice.Sixth edition. Thomsonlearners publishers. London

Cooper, D.R. and Schindler, P.S. (2008). Business research methods. 10th (edt.).McGraw-Hill publishers.Singapore.

Drury, C.(2008). Management and cost accounting. Bookpower publishers.

Emblemsvåg, J. (2006).From hindsight to foresight in strategic cost management. Handbook of Business Strategy, Vol. 7 Iss: 1, pp.179 - 186

Ernst and young (2014). Global hospitality insights. Top thought. http://www.ey.com/Publication

Freeman, R.E. (1984). Strategic management: A stakeholders approach. Boston: Pitman.

Freeman.R.E, Harrison,J.S, Wicks,A.C.,Parmar,B. and Colle,S.D (2010).Stakeholders Theory. Cambridge University Press, New York USA.

Groth, J.C. and Kinney, M.R. (1994). Cost Management and Value Creation. Journal of Management Decision, Vol. 32 Iss: 4, pp.52 – 57.

Harrison, E.F, (1995).Strategic planning maturities. Journal of Management Decision, Vol. 33 Iss: 2, pp.48 – 55

ICO (2014). Action plan for the international coffee organization. www.ico.org

Jaakkola,M. (2006). Strategic marketing and its effect on business performance: moderating effect of country-specific factors. Master's thesis. Helsinki University of technology

Kar,A.M. (2007). A cost modeling approach using learning curves to study the evolution of Technology. Master's thesis. Massachusetts institute of technology.

Karanja, A.M. and Nyoro, J.K. (2002).Coffee prices and regulation and their impact on livelihoods of rural community in Kenya. Tegemeo institute of agriculture policy and development. Egerton University.

Kombo, D. K. and Tromp, D.L.A. (2011). Proposal and Thesis Writing: An Introduction.: Pauline publications Africa, Nairobi, Kenya.

Kothari C. R (2004), Research Methodology: Methods and Techniques, Second Revised Edition. New Age International (p) limited, Publishers. Mumbai, India.

Lashley,C.(1995).Towards an understanding of employee empowerment in hospitality services. International Journal of Contemporary Hospitality Management, Vol. 7 Iss: 1, pp.27 – 32

McGregor,D.M. (1960), The Human side of Enterprise, New York: McGraw.Hill.

Min,H. and Min,H. (1997).Benchmarking the quality of organizations services: managerial perspectives. International Journal of Quality & Reliability Management, Vol. 14 Iss: 6, pp.582 – 597

Mude (2006). Weaknesses in institutional organization: Explaining the dismal performance of Kenya's Coffee cooperative. International Association of Agricultural economists conference.

Mureithi,L.P. (2008), Coffee in Kenya: Some challenges for decent work. International labour office.- Geneva: ILO

Muthoni, M.P. (2014). Coffee value chain analysis in Kenya: A case of Kenya Planters cooperative Union. European journal of Business and management Vol. 6 No. 5

O'Regan, N Ghobadian ,A. (2002).Effective strategic planning in small and medium sized firms, Journal of Management Decisions, Vol. 40 Iss: 7, pp.663 – 671.

Olavarrieta, S. and Ellinger, A.E. (1997). Resource‐based theory and strategic logistics research. International Journal of Physical Distribution & Logistics Management, Vol. 27 Iss: 9/10, pp.559 – 587

Ongori, J.K., Iravo, M. and Munene, C.E (2013). Factors affecting performance of coffee co-operatives and restaurants in Kenya: A case of Kisii County: Interdisciplinary journal of contemporary Reseach in business vol 4 no 12

Oren and Erol (2009). Learning curves, usage of learning curves in reducing workforce costs as a tool and an empirical study. Firat university journal of social science vol, 19. Issue no. 1 133-141

Parker, D.W., Parsos, N., Isharyantos, F. (2015) .Inclusion of strategic management theories to project management. International Journal of Managing Projects in Business, Vol. 8 Iss: 3, pp.552 - 573

Peccei, M. (2004).Want to grow the top line? Manage costs better. Journal of Business Strategy, Vol. 25 Iss: 3, pp.35 - 38

Penrose E.T. (1959). The Theory on the performance of the firm. Oxford University Press: Newyolk.

Pesqueux, Y. Damak‐Ayadi, S. (2005).Stakeholder theory in perspective. Corporate Governance: The international journal of business in society, Vol. 5 Iss: 2, pp.5 – 21

Phillips, P.A. (1999) .Organizations performance and competitive advantage: A contingency approach. International Journal of Contemporary Hospitality Management, Vol. 11 Iss: 7, pp.359 – 365

Phillips,P.A., Moutinho, L(1999) .Measuring strategic planning effectiveness in coffee co-operatives. International Journal of Contemporary Hospitality Management, Vol. 11 Iss: 7, pp.349 – 358

Poku,D.K.(2012). The effect of strategic planning on the performance and operations of the Agriculture development bank. Master thesis. Kwame Nkrumah University of science and technology. Ghana.

Rauch, D.A, Collins, M.D., Nale, R.D and Barr, P.B. (2015). Measuring service quality in mid-scale coffee co-operatives. International Journal of Contemporary Hospitality Management, Vol. 27

Rodriguez-Diaz. M. and Espino-Rodriguez, T.F. (2006).Developing relational capabilities in coffee co-operatives.International Journal of Contemporary Hospitality Management, Vol. 18 Iss: 1, pp.25 – 40

RoK (2015). Economic review of agriculture [ERA]. Ministry of agriculture, livestock and fisheries.

Sekaran,U. and Bougie, R. (2010). Research methods for business: A skill building approach.Fifth Edition. John willy and sons ltd, publishers.

Shang, S.S.C. and Lin, S.F (2010). People –driven processes in customer relationsip management. The service industries journal vol 30 issue 14

Taylor, F.W. (1910). The principles of scientific management.

Turan,H.(2015). Taylor's "scientific management princiles": contemporary issues in personnel selection period. Journal of economics, business and management, vol. 3. No.11

Uzel, J.M. (2015).Effect of strategic management driver on the performance of the organizations industry in Kenya coast.Phd Thesis. Jomo Kenyatta University of Agriculture and Technology. Nairobi. Kenya

Vorlaufer, Wollni and Mithofer (2012). Determinants of collective marketing performance: evidence from Kenya's coffee cooperatives. International association of agricultural economist (IAAE) triennial conference.

Wadango, B., Odhunp,E., Kambona, O. and Othuon,L. (2010).Key performance indicators in the Kenyan hospitality industry: a managerial perspective. Benchmarking: An International Journal, Vol. 17 Iss: 6, pp.858 – 875

Waiganjo, E.W., Mukulu,E. and Kahiri, J. (2012).Relationship between strategic Human resource management and firm performance of Kenya's corporate organization. International journal of humanities and social sciences Vol. 2 no. 10

Wong, K.K.F. and Kwan,C. (2001).An analysis of the competitive strategies of coffee co-operatives and travel agents in Hong Kong and Singapore. International Journal of Contemporary Hospitality Management, Vol. 13 Iss: 6, pp.293 – 303.