



## **Effect of Functional Strategies on Competitiveness of Sugar Industry in Western Kenya**

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### **Abstract**

Globally, the functional strategies remain a cornerstone for competitiveness and is viewed as a game plan management for positioning the organization in its chosen market arena for heightened performance. After years of policy mending through strategic framework and government interventions the sugar factories in Kenya are still under-performing with low productivity culminating to low competitiveness and massive indebtedness within the industry. Despite the adoption of functional strategies by the sugar industry there has been a continued weakening of the competitiveness and momentum of the industry. It is in this regard that study was designed to assess the effect of functional strategies on competitiveness of sugar industries in western Kenya. The study focused on the effect of financial strategy and production strategy on the competitiveness of sugar industry in Western Kenya. In a bid to effectively achieve this, the study adopted a cross-sectional study design based on samples drawn from across the sugar industry in western Kenya. The target population was 98 senior employees from sugar factories in western Kenya region or the former western province which include Mumias, Nzoia, West Kenya, Busia and Butali sugar factories which were studied by use of census inquiry using questionnaire for data collection. Data was analyzed by use of both inferential and descriptive statistics using SPSS version 25. From the study findings correlations among the functional strategies and competitiveness were significant. The variables jointly explained 54.6% ( $R^2 = 0.546$ ) variation in competitiveness of sugar industry with a significant F change at  $q < .05$ . In conclusion functional strategies significantly influences the competitiveness of sugar industry. The management of sugar industry should formulate and implement functional strategies to effectively enhance their competitiveness. The findings are of significance to various stakeholders in sugar industry for the sustainable development and body of knowledge on embracing functional strategies for competitiveness.

**Keywords:** Functional strategies, Financial strategy, Production strategy and competitiveness

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