

Influence of Organizational Resources on Strategy Execution in Shipping Companies in Kenya

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Abstract
Current research shows that more attention is given to strategy development but less to strategy execution. This study therefore sought to bridge this pertinent gap in literature by establishing the influence of organization resources on strategy execution in shipping companies in Kenya. The study reviewed relevant literature and theoretical underpinnings to identify the determinants of strategy execution. The study adopted a cross-sectional survey research design. The population of the research consisted of the 38 shipping companies in Kenya as at 2015. The unit of analysis were the employees in charge of strategic management matters in the shipping companies in Kenya. The study adopted purposive sampling and used primary data which was gathered using structured questionnaires which were pre-tested before being administered. The respondents comprised of the chief executive officer, chief operations officer, chief finance officer, chief information officer and the business development officer who were purposely selected due to their level involvement in strategy execution matters. Therefore the target population was 190 officers from the shipping companies in Kenya. Statistical Package for Social Sciences was used in data analysis where both descriptive and inferential statistics were applied. Regression results indicated that organization resources and organization culture was statistically significant in explaining strategy execution in shipping companies in Kenya. From the study, it is possible to conclude that the shipping companies in Kenya are not fully putting into maximum use the resources available in order to execute their strategies. The study recommends that the shipping companies should support all relevant strategy execution initiatives in their companies and the managers should efficiently use any combination of the available resources in order to execute strategy.
Keywords: Organization Resources, Shipping, Strategy Execution Practices, Strategy.

1.0 Introduction

Successful CEOs understand the need for a sound business strategy and invest significant time, effort, and money in strategy development. But the real value of strategy can only be recognized through execution - the ability to execute strategy is more important than the quality of the strategy itself (Kaplan & Norton, 2001). While this may run counter to deeply entrenched beliefs, the new emphasis on execution reveals a simple truth: it doesn't matter how good the plan is if you can't make it happen. Martin (2010) avows that organizations find themselves in an "execution trap" – the inability to execute a well-designed strategy. Most companies have the know-how and insight to create the right strategy - executing it, however, is another matter. While many people believe that formulating an innovative and unique strategy is critical and by itself sufficient to lead a firm to success in today's business world, ensuring that such a strategy works is equally as important. Executives should pay careful attention to the execution of strategies to avoid common pitfalls that result in failure. A number of approaches that greatly enhance the effectiveness of strategy execution can be employed. Indeed, good strategic management is a function of people actively considering strategy as they make day-to-day decisions in an ever-changing world.

Business organizations exist in an environment of competition where they use a number of resources (physical, organizational and human) to compete with other companies (Noe *et al*., 2006). To deal effectively with everything that affects the growth and profitability of a firm, the managers employ management processes that they feel position it optimally in its competitive environment by maximizing the anticipation of environmental changes and of unexpected internal and competitive demands (Pearce and Robinson, 2007). To remain competitive organizations therefore need perfect processes that respond to increases in the size and number of competing firms. Organizations have therefore resorted to using strategies in their planning and management processes to remain competitive.

The shipping industry in Kenya is in the midst of a major structural and operational change. Its roles, functions and objectives are under review and sometimes even under attack, while its ownership, management and organization remain in a flux.The maritime transport takes care of 92 per cent of our international trade by volume. This trend is expected to grow with the discovery of more natural resources in the country as well as in the region. Kenya has the chance to maximize the benefits from the maritime sector due its strategic location, coastline, and a steadily growing regional economy. There are opportunities in ship/boat building and repair, marine aquaculture, mariculture, maritime training, marine-based tourism, marine insurance, businesses and activities related to ports, port operations and relevant industries, shipping and logistics and commercial maritime support services. These resources have not been fully exploited due to a multiplicity of actors with a disjointed approach to the development of the industry.

1.1 Shipping Companies in Kenya

Mombasa is the headquarters of the shipping industry in East Africa and the great lakes regions that is the hinterland for the port of Mombasa. The shipping industry in Kenya is dominated by multi-national shipping lines whose vessels call at the port of Mombasa to discharge and load cargo. These multi-national firms have set up presence in Kenya either through their fully owned subsidiaries or through representative agents. These serve as client service centres as well as vessel handling and port operation/logistics offices.

This business shipping agency is generally a customer service business revolving around marketing and business development along with the operational handling of vessels in port. The client base consists of import and export customers, cargo forwarders, clearing agents acting for and on behalf of the importers/exporters, and logistics providers such as transporters and warehouse operators, container depot operators as well as independent Container Freights Station operators. On the periphery are regulatory stakeholders like the Kenya Revenue Authority, Kenya Ports Authority, Kenya Maritime Authority and their counterparts in the neighbouring countries that form the larger hinterland to the port of Mombasa (KPA Handbook, 2015).

Chege (2001) further stated that shipping services are classified into two basic categories, tramp and liner trade. Tramps are ships that call to load or discharge a specific, large (mostly homogeneous) cargo invariably on charter party terms. The distinguishing aspect of a tramp vessel is that it does not have to ply a specific route and will usually follow the demand for its tonnage. Liner ships, on the other hand, call specific ports on a regular advertised schedule and itinerary discharging and loading cargo at each of the ports to call. The shipping industry which comprises of 38 shipping companies as per the Kenya Ships Agents Association (2016), is one of the major driving forces behind the Kenyan economy, providing direct and indirect employment. Its liberalization has also enticed further presence of foreign owned liners, many stretching and redirecting their routes to more lucrative destinations. The Kenyan shipping industry comprises of shipping liners which function as the main global carriers such as Maersk Liner, CGM CMA, among others. Other players include the agencies that act as a contact between shipper and line, and clearing and forwarding agents, who assist in clearing cargo and in logistical delivery. The industry is regulated by the Kenya Maritime Authority (KMA) and the Kenya Ports Authority (KPA), whilst other major stakeholders include the Kenya Ships Agents Association, the Kenya Revenue Authority (KRA), the Kenya Shippers Council (KSC), and the Kenya International Freight and Warehousing Association (KIFWA). It is estimated that fifty ships of various types are in the major shipping lanes off the Kenyan coast at any given time. These can be characterized as follows: Oil tankers, bulk carriers, general cargo, container ships, passenger ships, tank barges, fishing trawlers, offshore supply, amongst others (UNCTAD, 2013).

1.2 Statement of the Problem

Shipping is considered as the lifeblood of the global economy. More than 80% of the world goods are carried by ship (Mason and Nair, 2013), and the USA, the largest trading nation in the world, use sea cargo to move more than 90% of its export freight (Agarwal and Ergun, 2008). The global economic activities are changing and shipping industry is facing some structural changes. There is a dramatic shift in the world manufacturing and trading. The market and marketplaces are now global and production is located everywhere. The shipping business environment is getting more instable, competition is increasing (Tongzon et al., 2009), profit margins are decreasing, expected service quality is increasing and demand is becoming more uncertain (Panayides & Wiedmer, 2011, Robinson, 2005).

The shipping industry in Kenya is in the midst of a major structural and operational change. Its roles, functions and objectives are under review and sometimes even under attack, while its ownership, management and organization remain in a flux.The maritime transport takes care of 92 per cent of our international trade by volume. This trend is expected to grow with the discovery of more natural resources in the country as well as in the region. Kenya has the chance to maximize the benefits from the maritime sector due its strategic location, coastline, and a steadily growing regional economy. There are opportunities in ship/boat building and repair, marine aquaculture, mariculture, maritime training, marine-based tourism, marine insurance, businesses and activities related to ports, port operations and relevant industries, shipping and logistics and commercial maritime support services. These resources have not been fully exploited due to a multiplicity of actors with a disjointed approach to the development of the industry.

Following liberation, the shipping industry in Kenya is experiencing fierce competition between lines. Players have quickly acknowledged the imperativeness of a liberalized economic environment which (being more demand driven) leads to higher appreciation of the increased choice affordable to shippers who can no longer be taken for granted. Firms in this (shipping) industry like firms in other sectors of the economy need to devise strategies for effective competition. In spite of its important role in the economy, shipping is in turmoil due to over capacity, fragmentation and politicization of the industry. As a result of these restrictive practises the shipping industry has remained stagnant and lacks adaptability (Mugambi, 2003). Shipping companies are involved in local competition for exports/exporters and international/ overseas competition for imports. Since most of them are foreign owned, even their strategies are formulated in the mother countries. These strategies are then executed/implemented in the organizations' subsidiaries located all over the world. In most cases these strategies do not fit on to those varying environments due to the difference in competitive variables. Therefore the varying circumstances and environments as well as the global operations of this industry make it unique and complex, thus called for a separate local study.

Kibicho, (2015) did a study on the determinants of strategy implementation in the insurance industry in Kenya while Chiuri (2015) did a study on challenges of strategy implementation in higher education institutions in Kenya. Disi (2008) did a survey of competitive strategies employed by shipping companies in Kenya and found that these companies employ competitive strategies to different degrees. Mugambi (2003) determined the strategic management practices of shipping companies in Kenya and found that these companies practice formal strategic management in various forms which include annual, developmental and complete strategic management. As a consequence, this study will consider the least investigated practices for strategy execution through organization structure, strategic leadership, organization culture and organizational resources. There is, therefore, a strong case for corporate strategy execution in shipping companies which operate in the maritime transport sector which is regulated by policies aimed at creating an enabling environment for development of national capacity to supply and optimally use maritime transport services. This is in tandem with the effort of the realization of Kenya's Vision 2030 economic pillar that supports efficient and seamless transport system especially in supporting the blue economy. The blue economy contributes in the growth of the Kenyan economy which is expected to grow at a rate of 10% per annum (ROK, 2013). It is in this view that the study sought to establish the determinants of strategy execution in shipping companies in Kenya.

1.3 Purpose of the Paper

The purpose of this paper was to establish the influence of organization resources on strategy execution in shipping companies in Kenya.

1.4 Importance of the Study

Shipping companies in Kenya are going through changing times and are experiencing fundamental changes and other environmental dynamics which are having huge impacts on how they are managed, governed and their performance. These companies are now having to not only keep abreast of these emerging local and global issues, but more importantly how to adapt to achieve growth.

In line with this situation, the companies have been grappling with ideas and efforts on how to remain relevant and competitive in this turbulent maritime environment. A number of them have ventured into diversification as a strategy for survival. This research will aim to take a critical look at the determinants of strategy execution of shipping companies in Kenya.

The findings of the study will be useful to policy makers by informing them on the determinants of strategy execution and by applying the findings and recommendations so as to improve the performance of this industry. To practitioner's, the findings will be useful in identifying the strategic management determinants of strategy execution. Strategic management policy makers would benefit from understanding the effective strategic management relationships that exist between different stakeholders in the industry. To scholars, the results would contribute to the existing knowledge on strategy execution as applied in the corporate world. It would assist in providing sources of information for further research.

1.5 Hypothesis

A hypothesis is a statement or explanation that is suggested by knowledge or observation but has not, yet, been proved or disproved (Yin, 2009). The following null hypotheses was generated from reviewed literature;

H_{01}: Organization resources have no significant influence on strategy execution of shipping companies in Kenya.

H_{A1}: Organization resources have significant influence on strategy execution of shipping companies in Kenya.

2.0 Review of Literature

Resources was measured using efficient resource allocation, flow of activities based on resource availability, adequate and efficient human resources, adopted latest technological advancements, existing guidelines and adequate financial budgetary allocations. This variable is intended to show the shipping company's capabilities and resources that allow it to engage in activities to generate organizational success and competitive advantage.

The resources of the firm include land, equipment, labor (from top managers and employees' capabilities and knowledge), and capital (organizational, tangible, and intangible), in which these categories may be subdivided as far as it is useful for the problem at hand (Penrose, 1995). The resources of the firm refer to "all the assets, capabilities, organizational processes, firm attributes, information, and knowledge, which are controlled by the firms that enable them to conceive and implement strategies that improve efficiency and effectiveness" (Barney, 1991). Generally, heterogeneity of firm resources makes it difficult to measure the competitive advantage of individual resources that should meet four criteria: add positive value to the firm; be unique; be imperfectly imitable; and non-substituted by other resources (Barney, 1991). Having the critical resources is not enough; a firm must be able to formulate strategy and to deploy such resources in order to maximize profit. For this study, the resources of the firm are classified into three categories human, intangible, and tangible resources (Grant, 2002) that are expected to have an impact on firm' s competitive advantage.

According to Musuva *et al*, (2013) firm capabilities are important for international expansion and consequently firm performance. Firm capabilities help firms improve international expansion activities by leveraging of available resources enabling them to be more adaptive in the international market place. Teece *et al.* (1997) argue that dynamic capabilities enable organizations to integrate, build, and reconfigure their resources and competencies and, therefore, maintain performance in the face of changing business environments.

The importance of resource strength to a firm's competitive growth was firstly recognized by Penrose (2010). She contended that a firm consists of a collection of productive resources and its growth depends on the manner in which its resources are deployed. Following the early work in the emergence of firm resource strength (Teece 2012; Wernerfelt 2014), Barney (2012) formalized a comprehensive theoretical framework from the resources based perspective. According to Barney (2012), firms can be conceptualised as resource strengths that are heterogeneously distributed among firms and are imperfectly mobile. The differences in resource endowments across firms over time, thereby allows for a resource-based successful strategy implementation.

The fundamental suggestion for shipping companies' actions from the resource strength view is that firms select strategies to generate rents based upon their resource, capabilities and a fit with environment opportunities (Grant 2011; Hunt and Morgan 2010; Mahoney 1995). 'For the firm, resources and products are two sides of the same coin' indicates that firms can earn above normal returns by identifying and acquiring resources that are critical to develop market demanded products (Wernerfelt 2014, p. 171). Therefore, firms seek to acquire and develop unique sets of resources and capabilities as a means to gain better strategy execution.

2.1 Theoretical Framework

2.1.1 Resource Based View

The process of resource allocation is intimately connected to strategy. This process is a complex, simultaneous, dynamic, multilevel and multirole phenomenon. Capital allocation decisions were made as a part of this complex process by managers who may have conflicting roles and often are at the middle level of the organisational hierarchy. It also showed that structural context shaped the strategy (Bower 1970) as cited by Pitelis and Teece (2010). The process of resource allocation is also influenced by the strategic context. Resource allocation is an iterative process (Noda and Bower 1996) and is a bottom up process. Penrose (1959) as cited by Waiganjo (2013) has become a 'canonical' reference for the work on resources and knowledge-based theories Pitelis and Teece (2010). The RBV is an interesting theoretical lens to analyse the competitive performance of different firms and understand their relative competitive advantages. The RBV is a theory about the nature of firms'(Lockett *et al.*, 2009) and essentially revolves around path dependence and resource heterogeneity (Lockett and Thomson, 2001). A firm is considered as good as its resources and the rate of firm's growth is determined by managerial ability in utilising its resources The competitive advantage potential of these resources depends on their value to the firm, rarity and competitive inimitability (Barney, 2002).

The RBV has become one of the most influential perspectives in strategic management with rapid diffusion throughout the strategy literature (Lockett *et al*., 2009). The RBV emerged as a swing back within strategic management literature to focus on internal organizational factors unlike the external market focus of Industrial Organization (IO) economics. The RBV responds to the issues concerning inter-firm heterogeneity and has become one of the most influential perspectives in strategic management with the rapid diffusion throughout the strategy literature (Newbert, 2007). It builds on Penrose's (1959) emphasis that firms are bundles of resources that provide services for growth. Wernerfelt (1984) coined the term – the Resource Based View.

The resource-based view (RBV) emphasizes the firm's resources as the fundamental determinants of competitive advantage and performance. It adopts two assumptions in analysing sources of competitive advantage (Barney, 1991). First, the model assumes that firms within an industry may be heterogeneous with respect to the bundle of resources that they control. Second, it assumes that resource heterogeneity may persist over time because the resources used to implement firms' strategies are not perfectly mobile across firms (i.e., some of the resources cannot be traded in factor markets and are difficult to accumulate and imitate). Resource heterogeneity (rare, inimitable and non-substitutable resources or uniqueness) is considered a necessary condition for a resource bundle to contribute to a competitive advantage. The argument goes "If all firms in a market have the same stock of resources, no strategy is available to one firm that would not also be available to all other firms in the market".

The RBV emerged to respond to the issues concerning inter-firm heterogeneity and (Newbert, 2007). The value chain analysis emphasized the importance of internal factors in the value chain (Porter, 1980); however, the IO view did not place idiosyncrasies at the core of strategic value. The RBV identified resources with major causal importance for the firm's performance (Wernerfelt, 1984). The RBV holds that the competitive advantage depends on the distinctiveness of its heterogeneous resources. There are two major shortcomings within the IO based frameworks that the RBV responds to: (1) why do firms participating in industries with the same level of attractiveness post differing performances? (2) Why do firms participating in industries with different levels of attractiveness achieve similar performances?

Considering resource-based value retention, if an asset or idea is easily replicated and does not require special resources to exploit, then there are not supernormal profits available from it. However, if the asset is tightly protected by copyright or mechanistic means, then the firm should retain economic gains (Teece *et al*., 1997). Isolating mechanisms are implemented by organizations to prevent the diffusion of firm-specific resources and capabilities throughout the industry. This concept of resource position barriers stems from the ownership of resources that affect the cost and/or revenues of those who attempt to acquire the resources later.

RBV Theory is adopted to underpin the present study, in that, in view of the highly dynamic and competitive industry, for successful strategy execution, with a view to earn competitive advantage and flourish in the market, the study assumed that shipping companies have to mobilize their pertinent resources key among which organization structure, resources, leadership as well as corporate culture. RBV was thus employed to aid in the understanding of how well firms ought to mobilize the resources to achieve successful strategy execution. This theory is also relevant to the study as it explains how resources at a firm's disposal are a critical factor to consider before making decisions on implementing strategies, analysing the environment or reviewing its leadership and top management team.

2.1.2 Noble's Strategy Implementation Model

Noble (1999b) in turn reports of barriers to effective implementation. The physical distances hindering the necessary, cross-functional collaboration in the organization form physical barriers. Turf barriers are the other side of this coin, representing the differing interests of the distinct units. Interpretive barriers are formed by the different ways different units interpret and comprehend the strategy. Communication barriers need no explanation. Personality barriers reflect the personal characteristics of key personnel, as well as between different groups in the organization's hierarchy. Another important barrier is that of varied goals amidst the organization and its units. Noble's perspective, therefore, is that of the organization as consisting of different units and functional groups with different characteristics. Noble's model communicates a willingness to overcome the barriers between the content and process paradigms. It combines the strict demarcation between implementation and formulation with concepts from process orientated literature. Mantere (2000) called it the minimalist model and gave two criticisms to Noble's rather linear view on strategy implementation. The first was the actual linearity, which is not a very realistic view even in the interpretation of a single person. Aberg's three levels of interpretation provided the necessary depth to Noble's model. Aberg's notions help me to augment the minimal model of strategy implementation. The second concern was about the difficulty of determining who the communicator is and who the receiver is in various stages of strategy implementation. Aberg gives a partial answer to this social complexity by speaking of a web in which different levels of interpretation assigns meanings to things and events (Aberg 2000), which is rather far from being clear. It does not answer questions such as what are the roles of managerial and operational processes in such a network. Aberg's levels of interpretation provide some sense for the interpretation process but fail to fully address the complexity of the interrelations between interpretation, adoption and enactment.

There seem to be, however, some interconnections between interpretation and adoption. If one thinks about the three levels of interpretation presented by Aberg, one notes that the factors essential to adoption would seem to be essential to the connotative and symbolic levels of interpretation as well. Personal values play a role in the connotative layer of interpretation. Organizational values on the other hand play a role in the symbolic, interpersonal layer of interpretation (Aberg 2000). It might be prudent, therefore not to speak of interpretation and acceptance as separate processes.

It would seem that the structural and systemic dimensions can act as strong strategy messages themselves in many cases, which mean that if the structural and systemic properties are not matched with communication practices (directly affecting the life worlds of the organizational members), one is faced with conflicts in the cultural dimension as well. To put it bluntly, if the structures and systems do not support the change effort, it seems as if the organization (or the management) is saying one thing and doing another. Therefore, when designing systems and changing structures to support the strategy, one possible viewpoint would be to endeavour packaging desired strategy message in the structures and systems. This could also be viewed as creating shared meaning. It is, however, important not to confuse creating shared meaning with the programming of the employees.

The theory underpins the present study in that there are factors affecting strategy execution in business companies. Not all organizations face similar environments, organizations differ in their form and complexity hence different ways of thinking about strategy may make sense in different circumstances. As elaborated in the statement of the problem, a majority of studies in both international and local literature have focused challenges faced in other industries and leaving the strategy execution largely unexplored. As such, the present study employs Noble's Strategy Implementation Model with a view to relate the barriers presented thereof, vis a vis the conceptualized determinants, that is, organization structure, organization resources, strategic leadership and organization culture and strategy execution.

3.0 Research Methodology

This study adopted a cross-sectional survey research design. The target population was drawn from all the shipping companies in Kenya. The study purposely concentrated on only shipping companies because it was expected the players would have the relevant and accurate information needed in this study. This study therefore comprised of 17 shipping liners, 18 shipping agents, and 3 composite liners from which the target and accessible population was drawn. Target and accessible population comprised of management and supervisory employees in shipping companies in Kenya. The study used purposive sampling technique was used where 5 managers from each of the 38 shipping companies were selected to come up with 190 employees to be interviewed. Slovins formulae was applied and a sample of 129 was arrived at and proportionately applied in the 3 strata. Data was collected, coded and analysed using SPSS version 20.0. The findings were presented in form of tables and pie charts and discussions and interpretation of the same given.

Table 1: Sample Size

Category	Population	Sample Size
Shipping Liners	85	58
Shipping Agents	90	61
Composite Liners	15	10
Total	**190**	**129**

4.0 Findings, Results And Discussion

The objective of the study was to evaluate the influence of organization resources on strategy execution in shipping companies in Kenya. Out of the 129 questionnaires administered, 115 were filled and returned. This represented 89.1% of response. According to Mugenda & Mugenda (2003), a response rate of 50% is adequate, 60% is good and 70% and above is excellent. Saunders, Lewis and Thornhill (2009) suggest a 30-40% per cent response rate. From the findings 36.5% of the respondents indicated that they considered human resources as key in strategy execution while 29.6% considered finances as key to strategy execution. Further 11.3% of the respondents agreed that technology was the key resource in strategy execution in their shipping companies while 22.6% of the respondents said that a combination of all the resources was relevant in strategy execution. 5 sub variables were subjected to ranking and a 5-point Likert scale was used, with the strongest factor scoring five points, whereas the least scored one point. The mean and standard deviation scores were computed as shown in Table 1. Among the organization resources sub variables which influence strategy execution in shipping companies in Kenya, efficient resource utilization was found to have the highest mean score of 4.13. The aspect of having adequate human resource skills to support strategy execution followed with a mean score of 3.50 which was also followed closely with the having existing guidelines for daily activities with a mean score of 3.47. The shipping companies having adequate budgetary allocations followed with a mean score of 3.46 while the embracement of latest technological advancements was ranked last with a mean score of 3.06.

Table 2: Organization Resources and Strategy Execution

	N	Mean	Std. Dev	Variance
We efficiently utilize our resources	115	4.13	0.903	.816
We have adequate human resource skills	115	3.50	1.038	1.077
We have existing guidelines for daily activities	115	3.47	1.071	1.146
We have adequate budgetary allocations	115	3.46	1.149	1.321
We have embraced latest technological advancements	115	3.06	1.020	1.040

Table 2 shows the correlation results which indicate that there was a positive and significant relationship between organization resources and strategy execution. This reveals that any positive change in organization resources led to increased execution of strategy activities. The relationship has been illustrated by the correlation coefficient of 0.341, implying a positive relationship between organization resources and strategy execution in shipping companies in Kenya. This was evidenced by the p value of 0.000 which is less than that of critical value (0.05).

4.1 Test for Normality

The null hypothesis for this study is that the data is normally distributed. This null hypothesis is rejected if the p-value is below 0.05. From Table 3 the Shapiro-Wilk p-value is 0.140 so we accept the null hypothesis as it indicates that the data is approximately normally distributed (Shapiro & Wilk, 1965).

Table 3 Shapiro-Wilk Tests

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Strategy Execution	.242	6	.200*	.844	6	.140

*. This is a lower bound of the true significance.
a. Lilliefors Significance Correction

The Kolmogorov –Smirnov test also shows a p-value of 0.2 which is greater than 0.05. Both test allows for the acceptance of the null hypothesis; that the data is approximately normally distributed.

Table 4: Relationship between Organization Resources and Strategy Execution

Variable		Strategy Execution	Organization Resources
Strategy Execution	Pearson Correlation	1	.341
	Sig. (2-tailed)		.000
	N	115	115
Organization Resources	Pearson Correlation	.341	1
	Sig. (2-tailed)	.000	
	N	115	115

The study findings are in support of some studies in literature by Penrose (2010) and Barney (2012) which suggest that a proper combination and utilization of firm resources impact positively on strategy execution and firm performance. Further these results are supported by Fulmer (1990) mentioned that human resources management plays an important role in the effective implementation of strategic plans. It is important for both organization departments and employees to be enthusiastic about the strategy implementation. Getting people involved and having a motivating reward system will have a positive influence on the implementation of strategy. In addition, technological advancement in terms of speedy processes and procedures, as well as design, will also make a positive contribution to the successful implementation of strategies.

Regression analysis was conducted to empirically determine whether organization resources is a significant determinant of strategy execution in shipping companies in Kenya. The coefficient of determination R^2 of 0.116 indicates that organization resources on its own in the model explains 11.6% of the variation or change in the dependent variable (strategy execution). The remainder of 88.4% is explained by other factors and variables other than organization resources. The Adjusted R^2 was 0.109 which did not change the results substantially as it reduced the explanatory behavior of the predictor to 11.6% Table 3 shows the goodness of fit of the model: $Y= \beta_0 + \beta_3X_3 + \varepsilon$ which is the linear model involving organization resources (X_3) as the only independent variable.

Table 5: Model Summary for Organization Resources

Model	Coefficient
R	0.341
R Square	0.116
Adjusted R square	0.109
Std Error of the estimate	0.56484

The overall model significance was presented in Table 4. An F statistic of 14.892 that was obtained from the model is greater than F-critical (1, 114) at P=0.005 this implies that we reject the null hypothesis that organization resources has no significant influence on strategy execution in Shipping companies in Kenya. The findings imply that organization resources was statistically significant in explaining strategy execution. The study, therefore, rejected the null hypothesis H_{03} at 95% confidence interval, meaning there was a significant relationship between organization resources and strategic execution.

Table 6: ANOVA for Organization Resources

Indicator	Sum of Squares	df	Mean Square	F	Sig.
Regression	4.751	1	4.751	14.892	.000[b]
Residual	36.052	113	.319		
Total	40.803	114			

Table 5 shows the model coefficients of the regression results of organization resources on strategy execution in shipping companies in Kenya. In order to establish the statistical significance of respective hypotheses, multiple linear regression analysis was conducted as appropriate at 95 percent confidence level (α = 0.05). The results show that organization resources contribute significantly to the model since the p-value (0.000) for the constant and gradient is less than 0.05.

The fitted equation is as shown below

$Y= 2.257 +0.370 X_3$

Table 7: Coefficients for Organization Resources

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.257	.342		6.597	.000
Organization Resources	0.370	.096	0.341	3.859	.000

5.0 Recommendations And Conclusions

Organization resources was found to be statistically significant in explaining strategy execution in shipping companies in Kenya. Resources of any kind are key to the operations of any business company. It is therefore possible to conclude that the companies had invested in human resources, adequate funding and technology. By embracing these types of resources especially skilled human resources, the companies can easily have a competitive advantage. Further utilization of technology, the companies can access their clientele online which can make doing business to be faster and easier by use of new technological changes. Without the top management support and allocation of resources technology can be a jargon to deal with in an organization, however this is not the case in the shipping companies thus high technological innovations has led to improved strategy execution. All in all it is evident that proper combination and utilization of resources led to strategy execution in shipping companies in Kenya. This therefore implies that the mean effectiveness of strategy execution in shipping companies vary from company to company and therefore the best and optimal resource utilization should be adopted by these companies.

Organization resources was also found to be statistically significant in explaining strategy execution in shipping companies in Kenya. Resources of any nature are fundamental to any company's endeavours. The managers should well and efficiently use any combination of the available resources in order to execute strategy. The shipping companies should support all relevant strategy execution initiatives in their companies. They Kenyan government in its pursuit to pursue the potentiality of the blue economy should review taxes on shipping items and continue to encourage foreign direct investments in the shipping industry. Further the government through the Kenya National Shipping Line should encourage policies that will enable Kenya to build its own ships. This will go a long way in reducing costs of doing business hence generating more resources to the shipping companies.

6.0 Scope For Further Research

It is recommended that a replica of this study should be carried out with or by expanding the scope to include the regulators of the maritime sector in Kenya so as to check whether the findings hold true as well. A replica study can also be conducted on individual shipping companies in the other countries they operate since most of the companies have global operations because of the nature of the shipping business. The findings of this study will provide a very good comparative case with the Kenyan or local findings.

Since the shipping industry is dominated by shipping liners and agents (81.3%) a study of this nature will be appropriate to evaluate the uniqueness of these companies in strategy execution. An in-depth study of shipping category differences on matters strategy execution between the shipping liners and agents, composite liners and shipping regulators will be appropriate.

Another further research study could also be done to critically analyse other factors affecting the strategy execution in shipping companies in Kenya. For instance a study to check how automation of service delivery activities affects strategy execution. Also a study on the effect of structural reporting hierarchies on strategy execution decision making. This will provide further solutions to how the location of head offices in other countries affect the effectiveness and efficiency of strategy execution practices.

In this study it has clearly emerged that the shipping companies are not getting the needed support from the government as they are privately owned. In view of this, it is recommended that a detailed study on the role the Kenyan government can play in assisting the shipping companies in Kenya to effectively develop and execute competitive business strategies should be done. Implementation of the findings of such studies can greatly benefit the Kenyan economy from increased revenues associated maritime transport and boost the blue economy.

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