FACTORS AFFECTING BUSINESS COMPETITIVENESS IN THE AUTOMOBILE INDUSTRY IN KENYA: A CASE STUDY OF CAR AND GENERAL-INDUSTTRIAL AREA

BY

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AUGUST 2017
DECLARATION

Declaration by the Student

This thesis is my original work and has not been presented for a degree in any other University

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The Management University of Africa
DEDICATION

I would like to dedicate this research to my family and friends for their moral support and guidance while undertaking my project.
I would like to thank God for giving me strength and courage throughout the research project. Special thanks go to my supervisor Ms. Nyaga Juster for her guidance and tireless effort during my research work. I also thank the management of Car and General for granting me an opportunity to conduct my research in their organization. Finally, I thank the entire Management University of Africa for giving me a chance to fulfill my dreams in the Institution.
ABSTRACT

The purpose of the study was to examine factors affecting business competitiveness in the automobile industry in Kenya with specific reference to Car and General. The specific objectives of the study were; to find out how government policy, organization culture, technology and employee training affect business competitiveness in automobile industry in Kenya. The background of the study, statement of the problem, objectives research questions significance of the study, limitations and scope of the study will be all covered in chapter one. The literature review consistent with this study was reviewed critically in chapter two of this project. The study used descriptive research design. The target population was 90 employees where a sample size of 45 respondents representing 50% of the target population was considered using stratified random sampling technique. The findings indicated that 73%of the total respondents said government policy affects business competitiveness in the automobile industry, 53% were of the opinion that the organization culture affect business competitiveness, 85% were of the opinion that technology affect business competitiveness, followed by 63% who said that employee training affects business competitiveness in the mobile industry. The study recommended that government policy should play a major role in involving industry players in policy making, organization culture should be managed effectively to facilitate continuous improvement, consistency and coordination among employees and employee training should provide an environment that can measure the success of the firm. It was suggested that similar study should be done on the same topic using other variables such as quality of products, competition, market demand and cost of maintenance.
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LIST OF ABBREVIATIONS AND ACRONYMS

CAM  Computer Aside Manufacturing
CFAO  Compagnie Française de l'Afrique Occidentale
BML  Bachelor of Management and Leadership
GM  General Motors
NRB  Nairobi
R&D  Research and Development
UN  United Nations
OPERATIONAL DEFINITION OF TERMS

Automobile Industry
It is a term that covers a wide range of companies and organizations involved in the design, development, manufacturing, marketing and selling of motor vehicles.

Competitiveness
It is the ability of a firm or a nation to offer different variety of products and services.

Organization Culture
It refers to the shared norms, values, beliefs and understanding of its team members in an organization.

Re-engineering
It is a fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in cost, quality, speed and service.

Training
It refers to the acquisition of knowledge and skills for the purpose of an occupation or task.

Virtual Company
It refers to an organization that uses internet, intranet and extranet to link people, organizations, assets and ideas.
CHAPTER ONE
INTRODUCTION OF THE STUDY

1.1 Introduction
This chapter gives an overview of the information background, problem statement, review limitations and review scope. Review concentrated on finding out the factors affecting business competitiveness in the automobile industry in Kenya.

1.2 Background of the Study
Competitiveness is a set of measures which gauge the relative competitive position of an organization with respect to different components that contribute to overall competitiveness. A company’s world level competitiveness can therefore only be built on the strengths of both the technological and organizational capabilities and the synergy between them. It is on this basis of synergy between them, that a firm can develop its core technological competence and uniquely proficient service or value chain activities. They in turn, provide a value focus for the firm’s competitive strategy (Rastogi, 1991).

According to Drucker (1999), aggressiveness is the capacity of a firm or a country to offer items and administrations that meet the quality principles of the nearby and world markets at costs that are focused and give satisfactory profits for the assets utilized or expended in delivering them. It is an arrangement of organizations, strategies and variables that decide the level of profitability of a nation. The level of efficiency thusly, sets the level of thriving that can be earned by an economy. Profitability level likewise decides the rates of profits acquired by interest in an economy, which thus are the key drives of its development rates.

Automobile business is the business of ventures. Over the most recent couple of years, the generation and administration frameworks have been altered worldwide in the car business. One of the significant changes in the business has been the opening up and development of a few developing markets. The vehicle business is presently confronting new and squeezing difficulties, for example, globalization, individualization, digitalization and expanded finishing are changing the substance of the business (Drucker, 1999).
According to Ernst & Young consulting firm, Kenya has made an astounding change in financial execution in the current past. In the year 2010 for every capita pay of Kenyans surpassed the level enrolled in 1990. Kenya is in the way of financial change into "a recently industrializing, center pay nation giving a fantastic life to every one of its natives in a perfect and secure condition." The reasonable development as visualized in the vision 2030 requires that the development technique considers social and natural concerns.

While unmistakably aggressiveness is an imperative element for welfare change, the test of upgrading it is additionally gigantic. It requires multifaceted approach. The key factors that decide and upgrade industry intensity incorporate social and political steadiness, an effective and unsurprising legitimate framework, macroeconomic strength and an empowering microeconomic condition, particularly enhanced foundation, proficient administrative structure, talented labor and productive administrations and procedures, bunches and innovative availability.

Creating business competitiveness requires building of internal strength or capabilities. The latter must be able to cope with external challenges, as well as, capitalize on emerging opportunities. Capabilities are crucial for realizing the present and future goals of a company. In spite of the current upgrades in aggressiveness, Kenya has still the most reduced venture rates among comparator nations. The key difficulties to enhancing the venture atmosphere incorporate instability, defilement, poor framework and restricted access to credit by little and medium automobile industries. The business environment needs urgent upgrading especially with regards to business government regulation, technology, quality of products, leadership and consumer demand.
1.2.1 Profile of Car and General

Car and General is the organization behind an extensive variety of energy era, car and building items in East Africa for a long time. Auto and General is headquartered in Nairobi with branches almost countrywide. It has auxiliaries in Uganda and Tanzania. As a feature of Tanzania's operation, Car and General works Kibo Poultry Products Limited one of the most established chicken grill cultivates on the African mainland, arranged at Moshi.

Company's item run covers control era, car and motor related items. Car and General speaks to a few respectable global brand names in East Africa. They incorporate Cummins diesel generators, TVS and Suzuki bikes, Piaggio three wheelers, LML Scooters, Briggs and Stratton little petroleum motors - water pumps, Mariner detachable motors, Ferodo brake cushions and linings and Electrolux clothing gear.

Figure 1.1 Organization Structure of Car and General
1.3 Statement of the Problem

Kenyan automotive industry is growing rapidly due to intense competition among internal and external automotive competitors. Currently, 39.7% of the Kenyan population is urbanized and this figure is projected to rise to 50% by 2030 at which Kenya is expected to reach middle income status. This has increased high demand of vehicles both locally and internationally.

Currently, Kenya is viewed as an ideal base for regional East African market. According to Hannigtone (2012), the delay in lead time for orders has made it strategically important for automobile manufacturers to have a solid base in Kenya. This points Kenya as a particularly an attractive investment base in the East African market.

At the moment, Kenyan automobile industry is primarily focused on retail and distribution of new and second hand vehicles. The established dealers face intense competition from imported second-hand vehicles, mainly from Japan and United Arab Emirates which account for 70% of the Kenyan market and Chinese dealers who have struck deals to supply government agencies with vehicles. The slump in the volume of new cars sold is attributed to the increased competition from second hand vehicles and depressed automotive industry. This has made the Kenyan market to be saturated with vehicles from independent dealers raising concerns over the quality and safety of services being offered by some automobile dealers. Government’s focus on improving the aggregate trade balance through controls, currency intervention, tax systems, the cost of labour and materials may affect industries on the margin but it is far from decisive in shaping long-term competitive advantage in automobile industry. At the low end of automobile industry, Kenyan’s are keen to get value for their hard earned and often meager investment. To be able to understand business competitiveness challenges, a study is necessary to find out factors affecting business competitiveness in the automobile industry in Kenya.

Source: Car and General (2017)
1.4 Objective of the Study

1.4.1 General Objective
Investigate factors affecting business competitiveness in the automobile industry in Kenya.

1.4.2 Specific Objectives
i. To find out how government policy affects business competitiveness in the automobile industry in Kenya
ii. To determine how organization culture affects business competitiveness in the automobile industry in Kenya.
iii. To examine how technology affects business competitiveness in the automobile industry in Kenya.
iv. To determine how employee training affects business competitiveness in the automobile industry.

1.5 Research Questions
i. To what extent does government policy affect business competitiveness in the automobile industry in Kenya?
ii. To what extent does organization culture affect business competitiveness in the automobile industry in Kenya?
iii. To what extent does technology affect business competitiveness in the automobile industry in Kenya?
iv. To what extent does employee training affect business competitiveness in the automobile industry?

1.6 Significance of the Study
1.6.1 Management of Car and General
Review will be of great significance to the employees and management staff of Car and General and will assist them to come up with positive strategies on how to handle challenges that may arise in the competitive automobile industry.
1.6.2 Government
The study will help the government to understand the latest development in the automobile industry and how they can use the research to formulate regulatory to sustain the growth of upcoming automobile companies in the country.

1.6.3 Investors
Potential investors will use the research as way of gaining more information concerning automotive industry in Kenya and which sectors to invest in future. The study will also provide an insight of upcoming investment opportunities that have never been exploited by outside competitors.

1.6.4 Other Researchers
Other scholars will use the study to further their research work by elaborating issues that have not been tackled by the researcher. They will also use the research as a reference guide while conducting their own research work.

1.7 Limitations of the Study

1.7.1 Fear of Victimization
The researcher encountered a number of limitations in the process of research study. The researcher was able to overcome the challenge by assuring respondents that information collected will be used for academic purposes.

1.7.2 Confidentiality
The researcher was likely to be suspected of collecting information and leak it to unauthorized persons. However, the researcher informed the respondents information is confidential.

1.8 Scope of the Study
Review analyzed factors impacting business competitiveness in automobile industry in Kenya. The study was confined within Car and General located in industrial area along Dunga Road off Lusaka Road. The target population was 90 employees with sample size of 45 employees. Study was limited to top, middle and lower
management. The study took a period of six months that is from December to May 2017.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction
It is a systematic process that identifies, locates and analyses documents containing information relevant to the topic of research. In this chapter, the fundamental challenges facing in-house sourcing in manufacturing industry are given an in-depth analysis and different literature is reviewed. The sources of literature include textbooks, journals, internet and previous researches done in the area of study. These helped clarify, strengthen and direct each stage of the research. Literature review also located areas that needed further research and contradicting ideas, thus widening the scope of the research. Literature review is a summary of studies relevant to the research being undertaken. This chapter is devoted to addressing the relevant factors affecting business competitiveness in automobile industry in Kenya. This chapter covers review of past studies, critical review and research gaps to be filled, summary and conceptual framework.

2.2 Review of Theoretical Literature
The theoretical review of the study discusses major theoretical issues that have been raised by various past studies as an effort to discover factors affecting business competitiveness in automobile industry, in relevance to the study variables. These variables include organization culture, government policy, technology, employee training and quality of products.

2.2.1 Government Policy
Government arrangement assumes a noteworthy part in global rivalry. The correct part for government approach towards a country's industry is to invigorate such dynamism and redesigning. Governments point ought to be to make a domain in which firms can overhaul intensity in built up ventures by presenting more complex innovation and strategies and infiltrating more propelled sections. Government arrangement ought to likewise bolster the capacity of firms to enter new enterprises whose higher profitability can be accomplished than positions surrendered in less gainful ventures and sections (Porter, 1990).
Governments in nearly all nations today are taking steps designed to improve competitiveness. Some of the most prominent and common policy thrusts the following: devaluation, deregulation, privatization, relaxation of product and environmental standards, promoting of inter firm collaboration and cooperation of various types, encouragement of mergers, tax reform and regional development. The theory will provide a yardstick against which these initiatives can be measured competitively (Porter, 1990).

Government ought to include industry in figuring out what factors are made, and urge firms to assume a noticeable part in factor creation themselves. The unequivocal components are particular and envision the rising needs of industry. Government can't pick the correct factors or make them viably independent from anyone else. In R&D policy, Germany has a good record in upgrading technology, for example, because most government funded research takes the form of joint projects with research institutes involving firms, partial funding research contracts between firms and universities, or incentive for company research. Government t should play a role only in those areas where firms are unable to act (such as trade policy) or when externalities cause firms to under invest. Externalities occurs where the benefits to the nations as a whole exceed those accruing to any single firm or individual, so that private entities will tend to under invest in such areas from the perspective of the nation (Porter, 1990).

Government policy can improve demand quality by providing accurate and complete information to buyers or requiring that firms provide such information. Information allows better and more sophisticated choices and pressures firms to upgrade performance. Complaint systems, particularly if they are publicized, are an added stimulus for improvement. Government policy also affects the rate of innovation and upgrading in industry through its role in setting technical standards. In many fields, standards are necessary to allow compatibility of equipment or services. Where the process of setting standards is long and drawn out and the basic technological parameters remain in doubt, the process of innovation slows down.

As indicated by Paul (2006), changes in political condition regularly prompt changes in the legitimate condition and in the way existing laws are implemented. Government has to put a rule that every company has to fulfill some the rule or law is not imposed
by the government by its subordinates. Business and business managers are subject to both criminal and civil laws if they fail to abide by the law. Punishments for infringing upon common laws are restricted to constraining certain activities alongside fines.

The government exercises both power and authority over businesses and is the key dominant actor in the regulation of business. The starting point is policing setting and rules enactment by central government and local authority followed by policy implementation, enforcement of rules and arbitration over regulations for businesses. The regulation also impact on businesses differently depending in the size level of operations, commodity type, geographical and sectoral location. This view, however, often overlooks the positive dimensions of the framework, notably ensuring quality, security measures, information and maintenance of institutions for regulatory purposes (Dorothy, 2007).

The government trade policies affect the business environment by encouraging or discouraging domestic production of goods and services. Over the years, the government has made variety of trade policies with varying objectives. At independence, the government embarked on an import substitution strategy for industrial development. This involved the local production of goods being hitherto being imported from other countries. To realize its objective, the government relied on a variety of policy instruments including an overvalued exchange rate, high tariff barriers, importing licensing, foreign exchange rate, high tariff barriers, importing licensing, foreign exchange controls and quantitative restrictions (Kodama, 1991).

Changes in political condition frequently prompt changes in legitimate condition and in the way existing laws are authorized. It is hard for associations to know all the important laws however it is of embodiment that they do as such in light of the fact that the lawful condition sets fundamental tenets of how business can work in the general public. The legitimate condition may truly constrain a few decisions in change in laws and how they are deciphered with respect to the business aggressiveness in their timeframe (Drucker, 2002).

According to Jenkins in policy analysis (2005), a strategy is an arrangement of interrelated choices taken by a political on-screen character after or a gathering of
performing artists concerning the determination of objectives and the methods for accomplishing them inside a predefined circumstance where those positions ought to on a basic level be inside the energy of those on-screen characters to accomplish. Government influences request conditions through controls that influence item gauges and the procedure by which items are made, for example, those overseeing item execution, item security, natural effect (commotion, contamination), vitality productivity of items, and the working practices of firms, (for example, working for representatives). These benchmarks are oftentimes fused into laws.

Sustaining and enhancing business competitive requires that organizations adopt a worldwide strategy to methodology. Government approach assumes a part in this procedure, through systems, for example, direction of outside exchange, coordinate speculation, trade and import controls. Government arrangement ought to effectively energize a universal viewpoint and fare. One route is through the arrangement and dispersal of outside market and specialized data. Government policy should also seek to avoid currency restrictions, restrictions on foreign investment, and the restriction on the inflow and outflow of skilled personnel that impede internationalization (Porter, 1990). Business competitiveness demands sustained investment in an industry.

2.2.2 Organization Culture

Organization or corporate culture is the example of qualities, standards, convictions states of mind and presumptions that might not have been explained but rather shape the in which individuals act and things complete. The definition accentuates that association culture is worried about deliberations, for example, qualities and standards which invades the entire or part of an association. According to Purcell et al (2003), a system of shared values and beliefs about what is important, what behaviors are important and about feelings and relationships internally and extremely?

As per Furnham and Gunter (1993) recommends: culture speaks to the 'social give' and produces a 'we-feeling', in this way checking procedures of separations which are an avoidable piece of associations life. Authoritative culture offers a shared
comprehension. In the event that these capacities are not satisfied acceptably, culture may altogether decrease the productivity of an association.

In the face of frequent structural changes and endemic changes in products, processes and technology, people do need some sense of stability. Internal stability is dynamic firms derives itself from strong, carefully nurtured organizational culture. Culture provides boundaries for interpretations an expectations that help people to know how what to count on, how to make sense of changes and how to reinterpret their changing organization. Values, norms, and expectations, provide a context within which open communication, personal responsibility for outcome and shared focus on problem solving can occur. Management of values and management of consistent with values are the crucial attributes of world class competitive firms (Armstrong, 2006).

A strong organizational culture enables such firms to combine a loosely structured organic form effectively. The culture of an organization refers to the shared values, norms, beliefs and understanding of its members. Extent to which they are widely diffused and shared throughout the organization, its culture serves to strengthen and integrate its strategy, policies, cultures, operations and performance. A strong and integrative culture, provide the basis for the innovative elan and ethos of an organization. A confused, dissonant, divisive and parochial value system on the other hand, is reflected in the form of internal disharmony, low production, poor work ethics, weak morale and dismal performance (Peters and Waterman, 2002).

The ‘excellent’ firms are obsessed by their concern for being the best in terms of quality, reliability, and customer service and employee performance. Such a concern and obsession are diffused throughout these organizations. They find expressions in the form of myths, legend, anecdotes, and sense of pride, excitement and achievement orientation pervading the enterprises (Peters and Waterman, 2002).

Top management of an innovative firm serves as role models for the young. They inspire others through their achievement drive, through their creative, competent and knowledge based approach towards persons and problems and through their ability, dedication and hard work. Managers as leaders shape the content of organizational culture through their creation of symbols, ideologies, language, beliefs, rituals and myths. Organizations are viewed as ‘systems composed of ideas, the meaning of
which must be managed.’ Rich networks of legends and parables of all sorts pervade top performing institutions. Adoption of a unique and inspiring mission by the organization also serves to foster an innovative culture (Rastogi, 1996).

Organization wide shared values, norms and beliefs do not however imply an absence of divergent opinions and varied viewpoints. An open and strong culture supportive of creativity and innovation encourages constructive contention in discussion towards decisions and actions. It fosters an intellectual climate in which differing views and opinions are actually sought and seriously considered. Culture however, helps bring about closure to the discussion in a timely manner. The decisions reached after a rigorous consideration of contrary viewpoints are much richer and better in terms of their knowledge inputs. Constructive contention denotes a company’s willingness to continually re-examine critically those assumptions and beliefs which may seriously impair its environmental scanning and creative approach to problem solving (Denison, 2001).

The excellent enterprises believe that a worker is capable of doing his best, that every product can be a superlative quality, that service should be maintained at a high level for every customer, and that regular flow of useful products through innovation is possible. Their value set focuses on informality and innovative problem solving in support of customer. The ethos of culture engenders a mobilization of the achievement orientation of enterprise personnel. The essence of an organizational culture of creativity and excellence may be synoptically consisting of: a high orientation towards competence among the organization members of all levels, a high orientation towards commitment among the organizational members for attaining the goals of the organization and a high orientation towards cooperation among organizational members in the performance of their tasks, based on mutual trust and regard. (Rastogi, 1996).

Management of a competitive enterprise creates, sustains and strengthens a creative organizational culture by: creating, diffusing and sharing a vision for the organization’s mission and future, communicating openly, clearly and persuasively towards securing and sustaining shared perceptions and understanding, providing an environment of supportive and authentic interpersonal relationships, exhorting and coaching towards high standards of achievement and performance, tolerating failures
and praising dedicated work involved in the abortive efforts, balancing uncompromising standards and high expectations with sympathy, understanding and help, reconciling creativity with resource constrains and matching the breath of vision with attention to details (Rastogi, 1996).

According to Denison (2001), organization culture is a philosophy which enables people to interpret situation, guides the behavior of individuals and the organization, provides effective energy for mobilization, and determines who belong or not. It is variously described as the social and normative glue that holds or binds an organization together and which provides identity and strength; a root metaphor or a fundamental means for conceptualizing a backdrop for action, the implicit, invisible, intrinsic, and informal consciousness of the organization and the foundation for an organization's behavior and practices.

Changing a culture is frequently difficult on the grounds that it involves influencing individuals' most profound convictions and most routine practices. At a few organizations, the way of life might be so intensive in its attention on cost efficiency for example, or on a barely defined "Organization Way," that the way of life itself turns into a bottleneck to change. That is the reason emergency which centers consideration and separates resistance can be an intense impetus for social change.

New contenders, new innovations, or new controls frequently require hierarchical change on a substantial scale. What's more, that sort of progress is regularly important to get to the following level of execution. Constrained by such necessities, organizations have discovered that they can change their societies, gave that their pioneers are genuinely dedicated to change and that they comprehend the means included. Be that as it may, organizations ought not need to sit tight for an emergency to hasten social change. Elite societies once in a while stop. Undoubtedly, societies with solid client center or those that fortify development regularly exceed expectations at initiating social change (Branscomb, 1993).

Clear, viable authority, as anyone might expect, is the basic first component. Social change begins at the best, or it doesn't begin by any stretch of the imagination. The procedure starts with adjusting the best group around a typical vision without bounds, and after that revealing the vision and qualities to the whole association. Social change is regularly catalyzed when senior supervisors recognize linchpin
representatives, individuals who will purchase in to the way of life and whose word will convey weight. These workers end up plainly characteristic tutors, going along the qualities and practices that describe the adjustment in culture. In the meantime, pioneers need to distinguish mission-basic parts in the association and convey its best skilled individuals who represent the coveted culture in these parts (Thayer, 1997).

In any association there will be individuals who don't oblige the new culture, including a couple of who effectively oppose it. A critical employment of any pioneer is to act rapidly to move out the naysayers and empower those going back and forth to participate. The best pioneers effectively hold linchpin representatives, the general population basic to spreading the new culture. Pioneers require a straightforward, down to earth approach to quantify their execution on each of the six measurements a scorecard that enables them to see where they began and what advance they have made toward their targets. Culture change requires duty with respect to an organization's senior initiative, and the employment is never truly entire. Be that as it may, the result is considerable. Little else in this time of globalization furnishes an organization with an edge that contenders can't just duplicate or purchase. Culture, the compel that decides how individuals carry on when nobody is looking is one such upper hand. At the point when individuals need to do things right, and need to make the best decision, organizations have a significant resource (Margolis, 2003).

### 2.2.3 Technology

Flow of innovation combination render set up advances in any industry susceptible to displacement by radically different technologies coming from outside. In effect, basic asset adversary focused assembling today is not capital and work, but rather R&D. Successful companies today are not really those that make new advancements, but rather those that quickly assimilate them (Branscomb, 2002).

For this reason, an organization needs to mold an innovation administration methodology with a very much characterized vision of the business applications, the organization needs to achieve. An organization's ability to retain and receive innovation is progressively turning into the way to business procedure and intensity (Kodama, 1991). As develop markets end up noticeably immersed, Japanese organizations are utilizing their capacity to apply new innovations to particular business needs to move into new and gainful markets. The dynamics of industrial
innovation by Japanese companies have led to a revision of the rules of competitive success in the global market place.

Successful companies today are those that absorb new technology fast (Branscomb, 2002). This requires an authoritative ability to recognize promising new innovations worldwide and ingest them into new items and forms, rapidly and viably. For this reason, an organization needs an all around characterized vision of the business applications the organization needs to achieve and the market sections it needs to enter and overwhelm. An organization's ability to assimilate and receive innovation is progressively getting to be plainly key to its business technique (Kodama, 1991). This capacity is also vital for facilitating the company’s efforts towards technology fusion.

Technological capacity is conceptualized as capacity to produce and keep up specialized change and advancement it requires time, exertion and huge assets, for example, information, abilities and costs procured after some time through learning by doing, collaborating and performing. It additionally incorporates institutional structures and linkages in firms, amongst firms and outside firms. A firm that attempt's to enhance its mechanical ability through getting the hang of preparing and different methods for learning collection, for example, R&D enhances business competitiveness (Kolb and Rothwell, 1999).

Effective management of technology therefore implies continuing improvement, consistency and coordination among all the foregoing facets. Its purpose is to sustain and upgrade the company’s distinctive competency towards its potential competitive advantage. Technology management broadly refers to a company’s planned vision for the modernization of its productive core, and its key interface and support functions like engineering, information, materials handling, or logistics. Technology management therefore also defines the nature, requirements and implementation of desired changes (Rastogi, 1990).

The central task of technology management in a firm in the context of its business strategy is to ensure firm gains strong position in the technologies product market relationship hence becoming competitive. Technology strategy also takes into cognizance of emerging technological developments that may engender new opportunities and threats for the firm. The firm’s business strategy is expected to
respond to these opportunities and threats. The interaction between a firm’s business strategy and technology management is therefore one of reciprocal influence. This interaction leads to regular review and revision of the strategic targets of the firm on the one hand and the goals of its technology management programs on the other. Such a review is governed by the requirements of consistency, balance and mutual supportiveness between strategy and technology management (O’Brien, 2004).

Managing technology is not simply a technical matter. It involves managing human interactions, organizational structures and infrastructure, support systems. Many competitors have access to similar technology, so new product developments tend to be quickly matched. What is required is constant improvement and constant balance and interaction among the varied elements of design, manufacturing, distribution and marketing. Each function needs to be performed well and balanced excellence in all these elements must serve continuous development of the company’s technological prowess (Rastogi, 1990).

Technology investment can enable business to secure clients and providers (and lockout contenders) by building profitable new relationships with them. This business relationship can turn out to be so important to clients or providers that they stop them from forsaking an organization for its rivals or threaten them into tolerating less productive business courses of action. Early endeavors to utilize innovation in the relationship concentrated essentially enhancing the nature of administration to clients and providers in an association’s circulation, advertising deals and administration exercises (Obrien & Makaras, 2011).

A standout amongst the most vital execution of business focused techniques is business process reengineering. Reengineering is an essential reexamining and radical upgrade of business procedures to accomplish emotional changes in cost, quality, speed and administration. It consolidates a methodology change to advancing business advancement with a technique of making a noteworthy change to business forms so an organization can turn into a substantially more grounded and more fruitful rival in the market place. Technology assumes a noteworthy part in reengineering most business forms. The rapid data preparing abilities and availability of PCs and web innovations can significantly build the effectiveness of business forms, and additionally correspondence and coordinated effort among the general
population in charge of their operation and administration (O’Brien and Makaras, 2011).

In today’s global and dynamic business environment, framing a virtual organization can be a standout amongst the most critical key employments of innovation. A virtual organization is an association that utilizes data innovation to connect individuals, associations, resources and thoughts. Virtual organizations commonly shape cooperations with business accomplices that are interlinked by the web, intranet and extranet. Notice that this organization has composed inside into bunches of process and cross-utilitarian groups connected by intranets (Obrien, 2004).

While vehicle is a generally utilized item, it is all amazingly unpredictable and mechanically complex one. Assembling new autos requires best in class innovative strategies and procedures. What's more, provider industry of the car fabricating industry, for example, steel and different parts and in addition electronic instrumentation are imperative in giving the essential supplies and segments for collecting engine vehicles. To enhance item quality and proficiency underway, automakers contribute a lot of time and cash into creating and enhancing the assembling procedure and depend vigorously on inquire about and mechanical advancement. While autos are created at a quicker rate, automakers must keep on balancing expanded profitability and proficiency with quality and advancement (O’Brien, 2004).

Innovation has progressively changed the assembling procedure of engine vehicles. While autos are created at a speedier rate, automakers must keep on balancing expanded profitability and effectiveness with quality and development. Present day innovation utilized as a part of propelling assembling for the car business include: programmable machines and apparatuses; close net castry (starting generation of thing is near the last (net) shape, diminishing requirement for surface completing); fast information correspondence and information administration; supercomputing; virtual assembling and complex representation procedures and propelled manufacturing systems (Autoalliance.com).

New mechanical improvements have prompted interesting and imaginative plans for future cars. Car producers utilize the advancement of new advances to upgrade
execution capacity, and in addition, to make creative plans. Elective fuel advancements, for example, crossovers and power module autos have gotten extensive consideration, and exhibit endeavors to plan vehicles that are more vitality effective and extraordinarily lessened motor impetus dependence upon petroleum products. Current autos are progressively depending upon more progressed electronic PC and remote correspondence frameworks to help drivers and upgrade security. These advancements supplant mechanical frameworks that power, control and brake the vehicle. Most vehicles have a few PCs with top of the line models having about at least six that control capacities, which go from changing gears to working GPS route frameworks. For instance GM has presented the independence idea demonstrate, which clients' hydrogen cell fuel innovation that forces electric engines in each wheel. The vehicle utilizes works of art and replaceable body, permitting more noteworthy adaptability and flexibility in planning the inside. Voice actuation is another innovation being created for use in future vehicles. Voice actuation frameworks are relied upon to work inside atmosphere controls, open entryways react to route ask for by the driver (Robbins, 2005).

2.2.4 Employee Training

According to Ronen (1994), training refers to transition of knowledge and skills for occupation purpose. In training, managers must provide additional experience to develop and broaden knowledge and skills and courage. Staffs need to attend internal and external courses dealing with specific areas of skills knowledge and management.

Training purpose is improving knowledge, skills and attitude change. Training therefore boosts confidence, employee commitment and motivation. It likewise gives a sentiment individual fulfillment and accomplishment and broadens opportunity for vocation movement, help to improve the viability as well as quality of staff, increase the level of individual and organization competences (Armstrong, 2006).

Employee improve self-confidence by training. Employee training enables them work better hence reduce control and utilize safety devices. Trained employees perform better. Change in labor efficiency in developed countries can be ascribed in no little measures to their instructive and mechanical preparing programs. Lastly, training is available asset to an employee in that he develops new skills and knowledge (Luthans, 2001).
According to Ronen (1994), training refers to knowledge and skills acquisition for occupation purpose. In training managers must provide additional experience to develop and broaden knowledge and skills and courage. Staff should attend internal and external courses dealing with specific skills and knowledge and management.

The motivation behind training is to enhance learning and abilities and to change the states of mind. This can prompt numerous potential advantages for both individual and organization. Training can consequently expand the certainty, inspiration and duty of representatives; give acknowledgment and the likelihood of increment pay and advancement. It also gives the feeling of personal satisfaction and achievement and broadens opportunity for career progression, help to improve the viability as well as quality of staff, increase the level of individual and organizational competence (Armstrong, 2006).

Adam (1995) states that adequate training and availability of better management information and some forward thinking leads to reduction of all types of risks and quick customer order processing. She concluded her research by saying that distribution planning in organizations continues to improve and become more responsive to changing circumstances. This can be achieved through leadership skills by provision of high standards training focusing on outcome rather than processes. As a result training provides individuals with personal growth by providing knowledge, awareness and skills. This makes them work confidently and be focused and decisions made will be of high value. On the job training involves induction of newly hired employees in organizations. It trains them in areas that are related to their jobs. It helps to familiarize them with operations that they will be entitled to in the organization. In job training there is verbal instruction, demonstration on how they are entitled to do it. Its main advantage is that it is learnt within a short period of time.

A stated by Armstrong (2006), systematic training is based on four simple methods which include; defining training needs if it is based on training or learning new opportunities and decides what sort of training is required in satisfying needs. In order for training to be effective, he stressed the need to use experience and trained trainers to plan and implement training. Various methods are used to offer training. Training is a major component in enhancing business skills within any organization. Companies keep employees up to date with the latest knowledge and skills for
running a business through online. E-learning programmes which sale millions of shillings by training online.

Rothwell and Kolb (1999) noted that there is an increased emphasis on using training as a tool for coping with, managing and anticipating the rapid market changes occurring in work organizations today. These issues make it obvious why the training business is a growth industry. Managers need to give at work preparing to coordinate incompetent youth into the workforce, while working with work officeholders and different chiefs who already might not have been a conventional piece of the workforce. Bosses need to play out these exercises when occupations have turned out to be progressively perplexing and national and worldwide rivalry is more extreme. What’s more, the expansion in benefit part occupations expects chiefs to work with individuals as opposed to with objects from a mechanical production system. All these make preparing in territories, for example, relational abilities much more vital later on working environment. Besides, fast changes in information society energized by mechanical advancements additionally call for training systems that advance and convey top notch in the nick of time training.

Supervisors are relied upon to comprehend and deal with the way toward accomplishing quality and in addition figuring out how to oversee collaborations which are probably going to be underlined as a method for making progress. Added to the fact that organizations are operating in a more complex environment, downsizing on the other hand has affected almost everyone in United States. Thayer (1997) notes that there are many explanations for downsizing but in part, it is a response of organizations that are trying to be more flexible, responsive and competitive. It is also important to note that a lot of the job growth is in small companies where training is less affordable, so again there is an emphasis on hiring highly skilled workers who have the desire to maintain their abilities through continuous learning. Thayer also notes that the political climate is having an impact on training programs. Thus for example, part of the decision process involving welfare systems is programs to return people to the world of work. The successes of these programs in finding jobs for individual as well as providing training remain relatively unknown at time.

In discussing the training implications of this complex environment, Ronen (1994) notes that administrator given a task in a different nation must have the "persistence
of an ambassador, the energy of a minister and the phonetic aptitude of an UN translator." This is recently entangled for supervisors working in their own nations because working environment should join people who originate from conditions with extremely different societies and qualities.

Organizations are becoming aware that understanding their training needs is a critical component of strategic planning. Understanding the capabilities of people in the organization is part of the road map you need as part of the planning process. Understanding the capacities of the specialists is a basic piece of recognizing the zones requiring change. It is impractical to roll out vital improvement unless you comprehend whether your present workforce can bolster the change, or whether they require additionally preparing, or whether you require mix preparing and new staff.”

Understanding the capacities of the specialists is a basic piece of recognizing the zones requiring change. It is impractical to roll out vital improvement unless you comprehend whether your present workforce can bolster the change, or whether they require additionally preparing, or whether you require mix preparing and new staff. A “let’s do it in our heads” approach or a “we know it all already” approach simply doesn’t work in today’s dynamic and competitive world (Goldstein and Kevin, 2007).

Training should be viewed as an activity that should be undertaken by performing a set of task in a sequential order in each of its three phases such as pre-training (planning and designing), training (implementing) and post-training (application and evaluation). It is a joint activity of three such acts as providers (training institutions or trainees), receivers (trainers) and hence its success depends very much on collaborative efforts of all these actors (Adam, 1995).

Robbins (2005), worker preparing is a learning knowledge. It looks for a social lasting change in representative that enhances work execution. In this way preparing includes changing in abilities, learning, state of mind or conduct. This may mean changing what representatives know, how they work, or their mentality towards their occupations, associates, supervisors and the association. It has been evaluated for example that US business firms alone burn through billions of dollars every year on formal course and preparing projects to create laborers aptitudes and directors.
Drucker (1995) believes that we are moving from a modern to an information society. In an industry society, the specialists don't possess their own particular apparatuses. Yet, in an information society, specialists convey their own insight both in their mind and in their PC, and they can transport it from employment to work. However, even skilled employees, the rapid change in technological development require a continuous learning philosophy. As reported by Bassi and Van Buren (2003), this has driven some organizations to outsource some of the training activities and depend on other companies to do everything from designing training programs to actually providing the training for their employees.

According to Drucker (2002), training gives employees confidence in handling the job assigned to him enabling him to achieve the level of performance required by the job to be handled by him will give him job satisfaction and boost his morale and self-confidence resulting to security and esteem which will make him committed to the organizations goals, higher output of quality of goods which helps employees to increase quality and quantity of his output through improvement in work methods and better use of resources since with trained workers, the enterprise can apply its financial, physical and human resources in a better and more economical way.

The purpose of training is to improve employee’s performance in their current job and or equip them for more demanding roles or a change in their role in the future. He also argued that the training is expensive in that special instructors may have to be employed, external course must be financed and internal course require resourcing with materials, personnel and physical facilities. Training benefits both the organization and the individual worker in the following ways which include: productivity and quality of work improve, job satisfaction might increase employees to become more flexible, seek to improve and develop knowledge, skills and attitudes of employees and the organization need not to fear the consequences of new technology. Training is the act of increasing the knowledge and skills of an employee for doing a particular job (Margolis, 2003).

Drucker (2002), defined training as the way toward expanding the learning and aptitudes of a worker for doing specific employments. In industry, it infers affecting specialized learning, manipulative aptitudes, critical thinking capacity and inspirational state of mind. On the other hand, development means growth in all
aspects. An organization makes arrangements for the efficiency of management. To
him, need for training arises because of non-availability of trained personnel,
sustainability of enterprise need and proficiency is latest method.

2.3 Critical Literature Review
The theoretical literature of the past studies discusses major theoretical issues that
have been raised by various past studies as an effort to examine the factors affecting
business competitiveness in automobile industry in Kenya, in relevant to the study
variables. These variables include government policy, organization culture,
technology and employee training. They are independent in this study and shall be
examined in relation to business competitiveness in automobile industry in Kenya.

According to Rastogi (1996), culture provides boundaries for interpretation and
expectation that help people to know how to make sense to changes and how to
reinterpret their changing organization. Management of values and management with
values are the crucial attributes of a world class competitive firm. While the author’s
statement is true, he has failed to critically examine how organization culture will
affect business competitiveness in automobile industry. The researcher will analyze
how organization culture affects business competitiveness in automobile industry in
Kenya.

According to Porter (1990), government policy should make a domain in which firms
can update intensity in set up enterprises by presenting more modern innovation and
strategies and infiltrating more propelled sections. While the author’s remarks are
ture, he has not shown a clear picture on how government policy affects business
competitiveness in automobile industry. The study will further examine how
government policy affects business competitiveness in automobile industry in Kenya.

Branscomb (1992), stated that companies today are not really those that make new
advancements but rather those that quickly assimilate them. This requires an
authoritative ability to recognize promising new advancements worldwide and retain
them into new items and forms, rapidly and successfully. The author however fails to
expound more on how technology affects business competitiveness in automobile
industry. The study will examine further on how technology affects business competitiveness in automobile industry in Kenya.

According to Armstrong (2006), the process of training is to improve knowledge, skills and to change the attitudes. The author has failed to expound more on how employee training affects business competitiveness in the automobile industry and will be looked at by the researcher.

2.4 Summary
This chapter presents the study variables as discussed by previous researchers’ remarks which require clear guidelines and procedure to ensure effectiveness and efficiency.

Government policy affects innovation and upgrading rate in industry through its role in setting technical standards. In many fields, standards are necessary to allow compatibility of equipment or services. As a result, firms should turn the central attention to rapidly developing and improving products and processes to meet the required basic standards.

Organization culture provides boundaries for interpretation and expectations that help people to know how to count, how to make sense of changes and how to reinterpret their changing organization. It provides a context within which open communication, personal responsibility for outcome and shared focus on problem solving can occur. Management of organizational values and norms are the crucial attributes of a world class competitive firm.

Technology rearranges and lessens assignment requiring manual expertise and qualities particularly in industrial facilities. The utilization reprogrammable robots for such errand as welding and splashing material taking care of and different dispenses with earth or redundant work robots and PC aside fabricating (CAM) and in addition decreasing costs enhancing quality and the consistency of completed items. Computer
terminal network and communication equipment have made it possible to combine jobs which were previously carried out separately. In the process it has also enabled the tasks to be carried out by lower level staff process known as empowering.

2.5 Conceptual Framework

**Figure 2.1 Conceptual Framework**

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Policy</td>
<td>Business Competitiveness</td>
</tr>
<tr>
<td>Organization Culture</td>
<td></td>
</tr>
<tr>
<td>Technology</td>
<td></td>
</tr>
<tr>
<td>Employee Training</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Author (2017)*

**2.5.1 Government Policy**

The government policy has both power and authority over businesses and its key dominant actor is in the regulation of businesses. The regulations may impact on businesses differently depending on the size of operations, commodity type, geographical and sectorial location. For this reason, organizations must adhere to the dimensions of the framework notably ensuring quality, security measures and information for regulation purposes.

**2.5.2 Organization Culture**

An organization with open and strong culture supportive of creativity and innovation will encourage constructive contention discussions towards decisions and actions that will foster business competitiveness. A company’s willingness to continually re-examine critically those assumptions and beliefs which may seriously impair its surrounding and scanning for creative approach to solve their problem will definitely improve its performance index.

**2.5.3 Technology**
Assembling new autos requires condition of the-craftsmanship mechanical strategies and procedures. To enhance item quality and productivity underway, automakers must contribute a lot of time and cash in creating and enhancing the assembling procedure, and depend on examine and mechanical development for them to remain competitive.

2.5.4 Employee Training

Training allows employee to adopt new changes in work procedures and methods. Improvement in man-power productivity in automobile industry is attributed to their educational and industrial training program that has cemented competitiveness in this sector.
CHAPTER THREE
RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction
Part shows methodology utilized to conduct review. It describes the type and source of data, target population and sampling methods and the techniques that was used to select the sample size. It also describes how data was be collected and analysed by the researcher.

3.2 Study Design
It is the plan or scheme utilized to generate answers to the research problem. It is basically the plan and structure of investigation. The researcher used descriptive research design to collect data from respondents. Descriptive research was used to establish factors associated with certain occurrences or outcomes. Descriptive research is a logical strategy for examination in which information is gathered and broke down keeping in mind the end goal to depict the momentum conditions, terms or connections concerning an issue (Kothari, 2005). The design was preferred by the researcher because it provided an in-depth analysis of the study phenomenon in its nature of occurrence.

3.3 Target Population
Kothari (2005) is a universal set of the study of all members of real to generalize result. Review was carried out at Car and General located in industrial area along Dunga Road off Lusaka Road. The target population was 90 employees. The population was divided into three groups with distinct sections of top, middle and lower management. Total target population was as follows:
Table 3.1 Target Population

<table>
<thead>
<tr>
<th>Category</th>
<th>Target Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Middle Management</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Support Staff</td>
<td>75</td>
<td>83</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>90</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Author (2017)

3.4 Sampling Design

Sampling is procedure by which a generally modest number of individual, question or occasion is chosen and examined so as to discover something about the whole populace from which was chosen (Mugenda and Mugenda, 2003). A sample is a little extent of focused populace chose utilizing some precise shape. The specialist utilized stratified irregular inspecting in light of the fact that it empowered speculation of a bigger populace with a room for mistakes that is factually definite. Sample size was 50% target populace.

Table 3.2 Sample Size

<table>
<thead>
<tr>
<th>Category</th>
<th>Target Population</th>
<th>Sample Size</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>5</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Middle Management</td>
<td>10</td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td>Support Staff</td>
<td>75</td>
<td>37</td>
<td>83</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>90</strong></td>
<td><strong>45</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Author (2017)

3.5 Data Collection Methods

Mugenda (2003) describes primary data as first-hand information collected, compiled and published for some purpose. This data was collected from the respondents by the
researcher in form of questionnaires that they were required to fill. Since it is collected from original sources for specified purposes it involved collection of data by the researcher from own observations and experiences.

Kothari (2005) refers to secondary data as information already collected by someone and for some purpose and are available for the present study. This is data which is originally collected for different purpose and at different time. Secondary data was relevant for the study since its source came from academic journals, text books, policy briefs and magazines.

3.5.3 Validity and Reliability of Research Instruments
The researcher obtained authority from relevant departmental sections of the organization to circulate questionnaires. To ensure reliability and validity questionnaires, a pretest was done on three respondents. These respondents were not included in the final research review. Questionnaires were then corrected before the final circulation to ensure that they are able to elicit the kind of information needed. It also made it possible for a similar study to be reciprocated with consistent outcomes.

3.5.4 Administration of Questionnaires
The types of questions included open and closed ended. Closed ended ensured answers given were relevant. Questions were phrased clearly by researcher. In open ended, responders gave explanation in spaces provided. This enhanced confidentiality of the respondents.

3.6 Data Analysis Methods
As per Sekaran (2003), data examination method incorporates the way toward bundling the gathered data placing it all together and organizing its principle segments in a way that the discoveries can be effortlessly and successfully imparted. Quantitative and qualitative analysis analyzed questionnaires.
CHAPTER FOUR
DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF FINDINGS

4.1 Introduction
Part shows review discoveries, analysis obtained and presentation. The findings were analyzed using simple percentages and presented using pie charts, graphs, percentages and textual form.

4.2 Presentation of the Findings
4.2.1 Response Rate
Table 4.1 Response Rate

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responded</td>
<td>40</td>
<td>88</td>
</tr>
<tr>
<td>Non Response</td>
<td>5</td>
<td>12</td>
</tr>
</tbody>
</table>
Above, response rate analysis is represented. Out of 45 responders that were selected for the study, 88% of the respondents effectively participated in the study while 12% did not. It was however noted that some of the questionnaires were not filled to the expectation of the research. This made it difficult for the responses to be included in the final analysis.

### 4.2.2 Gender

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>30</td>
<td>75</td>
</tr>
<tr>
<td>Female</td>
<td>10</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Author (2017)
Table 4.2 and figure 4.2 above shows that 75% were male and 25% were female. This shows more male than female respondents who participated in the study than women.

### 4.2.3 Age of Respondents

**Table 4.3 Age Bracket**

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-25 years</td>
<td>10</td>
<td>25</td>
</tr>
<tr>
<td>26-35 years</td>
<td>20</td>
<td>50</td>
</tr>
<tr>
<td>36-45 years</td>
<td>6</td>
<td>15</td>
</tr>
<tr>
<td>46 years and above</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Author (2017)

**Figure 4.3 Age Bracket**
Above is responders age. 25% of the respondents were between the ages of 18-25, 50% were between ages 26-35, 15% between ages 36-45 and 10% were 46 years and above. From the above results, the highest numbers of responders were between 26-35 years indicating a youthful workforce.

4.2.4 Highest Level of Education

Table 4.4 Highest Level of Education

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Secondary</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>College</td>
<td>17</td>
<td>43</td>
</tr>
<tr>
<td>University</td>
<td>15</td>
<td>37</td>
</tr>
<tr>
<td>Others</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
4.2.5 Level of Experience

Table 4.5 Level of Experience

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 years and below</td>
<td>5</td>
<td>13</td>
</tr>
<tr>
<td>3-6 years</td>
<td>10</td>
<td>25</td>
</tr>
<tr>
<td>7-10 years</td>
<td>14</td>
<td>35</td>
</tr>
<tr>
<td>11 years and above</td>
<td>11</td>
<td>27</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Author (2017)
Table 4.5 and figure 4.5 shows responders experience level. Based on the analysis, 13% of the respondents have worked for less than 2 years, 25% for 3 to 6 years, 35% for 7 to 10 years, 27% for more than 11 years in the company. From the analysis, it is clear that 35% responders have worked for 7 to 10 years indicating the highest level of experience in the firm.

4.2.6 Respondents Category

Table 4.6 Respondents Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Middle Management</td>
<td>5</td>
<td>13</td>
</tr>
<tr>
<td>Support Staff</td>
<td>32</td>
<td>80</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Author (2017)

Figure 4.6 Respondents Category
Above is responders’ category. 7% responders were from the top management, 13% from middle management and 80% from support staff. From the study many responders were from the lower management indicating a high level of support staff in the firm.

4.2.7 Government Policy

Table 4.7 Effect of Government Policy on Business Competitiveness

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>29</td>
<td>73</td>
</tr>
<tr>
<td>No</td>
<td>11</td>
<td>27</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Author (2017)

Figure 4.7 Effect of Government Policy on Business Competitiveness
From Table 4.7 and figure 4.7 above, it clearly shows that 73% of the respondents agreed that government policy affects business competitiveness in the automobile industry while 27% disagreed. Based on the analysis, it is clear that government policy affects business competitiveness in the automobile industry in Kenya.

### 4.2.8 Extent of Government Policy

**Table 4.8 Extent of Government Policy on Business Competitiveness**

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>High extent</td>
<td>18</td>
<td>45</td>
</tr>
<tr>
<td>Moderate extent</td>
<td>13</td>
<td>33</td>
</tr>
<tr>
<td>Low extent</td>
<td>9</td>
<td>22</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Author (2017)
From table 4.8 and figure 4.8 above, 45% of the respondents felt that government policy affects business competitiveness in the automobile industry to a high extent, 33% Moderately and 22% low. From the analysis, it is clear that government policy affects business competitiveness in the automobile industry to a moderate extent.

### 4.2.9 Organization Culture

**Table 4.9 Effect of Organization Culture on Business Competitiveness**

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>23</td>
<td>57</td>
</tr>
<tr>
<td>No</td>
<td>17</td>
<td>43</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Author (2017)

Figure 4.9 Effect of Organization Culture on Business Competitiveness
Above is how organization culture affects business competitiveness in the automobile industry in Kenya where 57% of the respondents said yes while 43% of the respondents said no. Based on the analysis, many responders showed organization culture affects business competitiveness in automobile industry.

4.2.10 Extent to which Organization Culture

Table 4.10 Extent of Organization Culture on Business Competitiveness

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>High extent</td>
<td>19</td>
<td>47</td>
</tr>
<tr>
<td>Moderate extent</td>
<td>15</td>
<td>38</td>
</tr>
<tr>
<td>Low extent</td>
<td>6</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Author (2017)
From table 4.10 and figure 4.10, 47% respondents showed organization culture affects business competitiveness to a high extent, 38% indicated moderate extent and 15% of the respondents indicated low extent. From the analysis, it is clear many respondents agreed organization culture affects business competitiveness in the automobile industry to a high extent.

4.2.11 Technology

Table 4.11 Effect of Technology on Business Competitiveness

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>34</td>
<td>85</td>
</tr>
<tr>
<td>No</td>
<td>6</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Author (2017)
From table 4.11 and figure 4.11 above, 85% of the respondents feel that technology affects business competitiveness in the automobile industry while 15% of the respondents disagreed. Based on the analysis, it is therefore clear from the highest number of findings, 85%, that the effect of technology on business competitiveness in Kenya is high.

### 4.2.12 Extent of Technology

**Table 4.12 Extent of Technology on Business Competitiveness**

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>High extent</td>
<td>21</td>
<td>53</td>
</tr>
<tr>
<td>Moderate extent</td>
<td>12</td>
<td>30</td>
</tr>
<tr>
<td>Low extent</td>
<td>7</td>
<td>17</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Author (2017)
Figure 4.12 Extent of Technology on Business Competitiveness

Source: Author (2017)

Table 4.12 and figure 4.12 shows the extent to which technology affects business competitiveness in the automobile industry. Based on the analysis, 53% of the respondents indicated high extent, 30% indicated moderate extent and 17% indicated low extent. From the analysis, it is clear that many responders agreed technology affects business competitiveness highly.

4.2.13 Employee Training

Table 4.13 Effect of Employee Training on Business Competitiveness

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>25</td>
<td>63</td>
</tr>
<tr>
<td>No</td>
<td>15</td>
<td>37</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Author (2017)

Figure 4.13 Effect of Employee Training on Business Competitiveness
Table 4.13 and figure 4.13 shows how employee training affects business competitiveness in the automobile industry. Based on the analysis, 63% of the respondents said yes while 37% said no. From the analysis, it can be concluded that employee training affects business competitiveness in the automobile industry.

4.2.14 Extent of Employee Training

Table 4.14 Extent of Employee Training on Business Competitiveness

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>16</td>
<td>40</td>
</tr>
<tr>
<td>Moderate</td>
<td>20</td>
<td>50</td>
</tr>
<tr>
<td>Low</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Author (2017)
Figure 4.14 Extent of Employee Training on Business Competitiveness

Source: Author (2017)

Table 4.14 and figure 4.14 shows how employee training affects business competitiveness in the automobile industry in Kenya. Based on the analysis, 40% rated employee training high extent, 50% rated moderate extent and 10% rated low extent. From the analysis, it is clear that many responders agreed employee training affects business competitiveness to a moderate extent.

4.3 Summary of Data Analysis
4.3.1 General Information

Out of the 45 questionnaires issued to the respondents for the study, 40 of them were returned which was indicated by 88% while 5 of them were not returned which was indicated by 12%. From the gender analysis, 75% were male while 25% were female. From age analysis, 25% of the respondents were aged between 18-25 years, 50% were aged between 26-35 years, 15% were aged between 36-45 years and 10% were 46 and above years of age. From level of education, 5% of the respondents attained a certificate, 37% attained a diploma, 45% attained degree and 13% attained masters and 5% attained PhD. According to level of experience, 13% have worked for the
company for 1-2 years, 25% for 3-6 years, 30% for 7-10 years, 22% for 11-13 years and 10% for more than 14 years and above. According to respondent category, 7% of the respondents were from top management, 13% from middle management and 80% were from support staff.

4.3.2 Government Policy
The study was determining the factors affecting business competitiveness in the automobile industry. From discoveries 73% respondents agreed that government policy affects business competitiveness while 27% thought that government policy has no effect on business competitiveness. On the extent to which government policy affects business competitiveness, 30% indicated high extent, 45% indicated moderate extent, 20% indicated fair and 17% indicated low extent. Many responders suggested that government needs to do something to protect the automobile industry.

4.3.3 Organization Culture
The study revealed that 53% of the respondents said that organization culture affects business competitiveness while 47% of the respondents responded that organization structure doesn’t affect business competitiveness. On the extent to which organization culture affect business competitiveness, 47% indicated high extent, 28% indicated moderate extent, 20% indicated fair extent and 5% indicated low extent. Based on the analysis, majority of the respondents felt that organization culture should be supportive of creativity and innovation to foster decisions and actions.

4.3.4 Technology
The analysis shows that 85% of the respondents responded yes since according to them, technology requires state of the art infrastructure to improve quality and efficiency in production. However, 15% of respondents indicated that technology does not affect business competitiveness since they are comfortable with the current situation of the company. On the extent to which technology affects business competitiveness, 53% indicated high extent, 30% indicated moderate extent, 10% indicated fair extent and 7% indicated low extent.

4.3.5 Employee Training
The analysis shows that 63% of the respondents responded yes since according to them, employee training was a major issue on management of business
competitiveness and that something needs to be done to improve on the training skills. However, 37% of the respondents responded that training does not affect business competitiveness since they are comfortable with the current situation of the company. On the extent to which employee training affects business competitiveness, 28% indicated high extent, 45% indicated moderate extent, 17% indicated fair extent and 10% indicated low extent.

CHAPTER FIVE
SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS
5.1 Introduction
Part shows various sections that describe the completion of research project. It covers the research discoveries summary, conclusions and recommendations arising out of analysis of factors affecting business competitiveness in the automobile industry in Kenya. The researcher has documented the research findings as received from the respondents.
5.2 Summary of the Findings

5.2.1 To what extent does government policy affect business competitiveness in the automobile industry in Kenya?
Many responders suggested government policy would improve business competitiveness in the organization and hence improve business performance. Government policy should aim at improving the aggregate trade balance hence majority of the respondents, 57%, indicated government policy affects business competitiveness while 43% indicated that it does not.

5.2.2 To what extent does organization culture affect business competitiveness in the automobile industry in Kenya?
Based on the analysis, many responders, 57%, stated organization culture affects business competitiveness in automobile industry while 43% indicated that it does not. It is clear from the analysis that organization culture is a problem in the automobile industry. Many responders were of the opinion firm should ensure that organization culture is supportive of creativity towards decision making.

5.2.3 To what extent does technology affect business competitiveness in the automobile industry in Kenya?
Many responders, 85%, stated technology affects business competitiveness in automobile industry while 15% indicated that it does not. Based on the analysis, it is clear that technology is crucial in the automobile industry. Most of the respondents were of the opinion that the firm should ensure that business strategy maintains a strong position in the technology relevant to its product market.

5.2.4 To what extent does employee training affect business competitiveness in the automobile industry in Kenya?
Based on the analysis, it was clear that 63% of the respondents stated that employee training affects business competitiveness in the automobile industry while 37% stated that it does not. Majority of the respondents suggested that the firm should improve man-power productivity to cement its competitiveness in the automobile industry. This will ensure that the firm remains competitive in the rapidly changing automobile industry.

5.3 Conclusions
This research was able to establish how various variables related to the study. From the analysis, it was established that business competitiveness in the automobile industry is based on firm ability to meet world market standards on quality of products and services offered.

Government policy plays a major role in determination of business competitiveness in the automobile industry. Based on the suggestions of most respondents, government policy should involve industry players to encourage firms to play a prominent role in factor creation themselves. The decisive factors are specialized to anticipate the emerging needs of industry.

Organization culture is important in the organization and it has to be handled with a lot of considerations heading towards the employees. Based on the suggestions of most respondents, organization culture should provide boundaries for interpretation and expectation to help people to know what to count on, how to make and reinterpret their changing organization.

Technology is conceptualized as the ability to maintain technical change and innovation. Based on the suggestions of the respondents, effective management of technology therefore implies continuous improvement, consistency and coordination.

It was established that employee training basically affects business competitiveness in the automobile industry. According to many respondents, opinionated that goals and the objectives are the key steps in determining a training environment that will measure success of the firm. From these, it clear that understanding training needs is critical component of strategic planning.

5.4 Recommendations
Following the findings obtained the researcher recommends the following:

5.4.1 Government Policy
In many cases government policies needs to be revised regularly at a very sensitive and strategic manner. The policy makers should ensure that policies made give less negative criticism to automobile industries and investors in the country but rather
encourage motivation and harmonizes the working spirit among the companies. They should not become a stumbling block instead should propel and make business environment conducive to current and future investors. The government should create an environment in which firms will be flexible when dealing with their clients.

5.4.2 Organization Culture
According to organizational culture, it was prescribed that it ought to be esteemed in a way that will enable the administration to facilitate every one of the exercises inside the establishment easily and immediately. The association culture ought to be made in a way that will empower every one of the offices to work mutually so as to enhance effectiveness and efficiency in processes taking place in the organization.

5.4.3 Technology
Technology requires time, effort and enormous resources such as knowledge, skills and expenses acquired over time through learning by doing, interacting and performing. The firm should therefore endeavor to improve its technological capability through learning and training.

5.4.4 Employee Training
Training is important in boosting staff performance. The human resource function is charged with the responsibility of conducting employee performance appraisal in all departments to identify areas where training is needed. Arrangements should then be made to train staff on the job or off the job in their areas of specialization.

5.5 Suggestion for Further Studies
Business competitiveness has been a challenge to many automobile industries, Car and General being one of them. The researcher felt that the study could be explored with a different automobile company with respect to the case study to have a broader view of the topic under study. This is because one automobile firm cannot give a broader perspective of the automobile industry in Kenya. The researcher therefore suggests that a further study should be done on factors affecting business competitiveness in the automobile industry in Kenya using other variables such as quality of products, competition, market demand and cost of maintenance.
REFERENCES


Denison D.R (2001), *Corporate Culture and Organization Effectiveness*, 2nd edition, Willy and Sons Publishers, USA

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APPENDIX II

QUESTIONNAIRE

Please answer questions by putting a tick [✓] in the appropriate box or by writing in the space provided.

SECTION A: GENERAL INFORMATION

1. Gender
   Male [   ]
   Female [   ]

2. Age bracket
   18-25 [   ]
   26-35 [   ]
   36-45 [   ]
   46 and above [   ]

3. Highest Level of Education?
   Primary [   ]
   Secondary [   ]
   College [   ]
   University [   ]
   Other (Specify) [   ]

4. How long have you worked in the organization?
   2 years and below [   ]
   3-6 years [   ]
   7-10 years [   ]
   11 years and above [   ]

5. Respondent Category
   Top Management [   ]
   Middle Management [   ]
   Support Staff [   ]
SECTION B: GOVERNMENT POLICY

6. Does government policy affect business competitiveness in the automobile industry in Kenya?
   Yes [ ]   No [ ]
   Please explain
   -----------------------------------------------------------------------------------------------------------------------------------
   -----------------------------------------------------------------------------------------------------------------------------------
   -----------------------------------------------------------------------------------------------------------------------------------
   -----------------------------------------------------------------------------------------------------------------------------------

7. To what extent does government policy affect business competitiveness in automobile industry in Kenya?
   High extent [ ]
   Moderate extent [ ]
   Low extent [ ]
   Please explain
   -----------------------------------------------------------------------------------------------------------------------------------
   -----------------------------------------------------------------------------------------------------------------------------------
   -----------------------------------------------------------------------------------------------------------------------------------
   -----------------------------------------------------------------------------------------------------------------------------------

SECTION C: ORGANIZATION CULTURE

8. Does organization culture affect business competitiveness in the automobile industry in Kenya?
   Yes [ ]   No [ ]
   Please explain
   -----------------------------------------------------------------------------------------------------------------------------------
   -----------------------------------------------------------------------------------------------------------------------------------
   -----------------------------------------------------------------------------------------------------------------------------------
   -----------------------------------------------------------------------------------------------------------------------------------

9. To what extent does Organization culture affect business competitiveness in automobile industry in Kenya?
   High extent [ ]
   Moderate extent [ ]
   Low extent [ ]
SECTION D: TECHNOLOGY

10. Does technology affect business competitiveness in the automobile industry in Kenya?
Yes [ ] No [ ]

11. Please explain

12. To what extent does Technology affect business competitiveness in automobile industry in Kenya?
High extent [ ] Moderate extent [ ] Low extent [ ]

Please explain

SECTION E: EMPLOYEE TRAINING

13. Does employee training affect business competitiveness in the automobile industry in Kenya?
Yes [ ] No [ ]

Please explain

iii
14. To what extent does employee training affect business competitiveness in automobile industry in Kenya?

High extent □
Moderate □
Low extent □

Please explain

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Thank you for your cooperation