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Product Quality, Strategic Partnership, Social Values of Employees with their Association to Performance of Manufacturing Companies in Kenya

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ABSTRACT: It is typical in favor of a company to possess market competence in order to maintain their position. The only way for a business to succeed in a competitive market is to maintain client satisfaction with their products by raising their level of quality. Product quality plays a crucial part in the company's ability to compete in the market and meet client demand. The central premise of the study was to ascertain how a strategic partnership and product quality interacted to affect the link between employee performance and societal values of employees. The research design adopted by the study was explanatory. A suitable sample of 283 managers obtained from a targeted population of 1066 managers using Krejcie formula. Primary data was collected using standardized questionnaires. The Cronbach's Alpha coefficient was used to test reliability .Factor analysis was done to establish appropriateness of questionnaire constructs. Indirect effect of product quality (0.161) on performance, direct influence (0.339), and overall effect of (0.199) with $p < 0.05$ indicated their significances. Moderated mediation result of (0.002) with $p > 0.05$ was not statistically significant. Overall, there was a strong moderated mediation connection on performance. The research offers industrial companies a practical strategy for managing staff value and product quality to their own advantage. According to this report, in order for manufacturing companies in Kenya to stay competitive, they must form strategic alliances with other companies.

KEYWORDS: Social values, Product quality, Performance, Strategic partnership,

1. INTRODUCTION

Performance of employees is crucial to the growth of the firm. Most managers are under pressure from stakeholders to generate outcomes, which has led them to search for solutions in human resource strategies. Traditionally, financial and non-financial measures are direct indicators of organizational performance (Anitha, 2015). High employee performance leads to an improvement in production as a whole. One of the factors to take into account while aiming for excellent staff performance is employee retention. Job satisfaction, service delivery quality, product quantity, and efficiency are some measures of an employee's performance (Torlak & Kuzey, 2019). Organizations are increasingly seeking to retain the best performing employees through motivation. Motivated employee is loyal and with substantial input to organizational success as well as competitiveness (Noe & Kodwani, 2018).

Francis (2012) contends that productivity should be seen as an indicator of the performance, efficacy, and efficiency of an organization's whole production process. He feels that excellent production quality, respect to rules, and client happiness are all necessary for productivity. Along with quantitative metrics like the number of units produced or the amount of sales, productivity also refers to the lack of interruption, problems, and other indications of difficulties in companies.

Although a number of studies consider employee social value only in terms of economic welfare, it is important to think about social wellbeing (Marti & Scherer (2016). Efficiency, stability, and employee fairness are the three key pillars of social welfare (Mitchell, et al., 2016). Employees embody all human talents, whether they are innate or learned, and constitute the human capital aspect in all enterprises. Their value might be increased by making wise development expenditures (Bernardin, 2010). In order to increase employee motivation by incorporating staff welfare practices, a firm must offer more alluring salary and quality packages.

Most industrialized economies, including the USA, UK, and Canada, have found that using diverse social values of employee strategically has helped over 65 percent of their public sector firms improve and sustain organizational performance (Cadalian, 2013). Similar to this, in China, Korea, and Japan, more than 50% of public employees have HRM traits, which are necessary in provisions related to high-quality public values which favorably affect national economic growth. Despite the paucity of studies on HRM issues in developing nations, efforts to generalize empirical findings from industrialized nations have been strongly discouraged (Collings, Demirbag, Mellahi, & Tatoglu, 2013).

Employees are often evaluated on targets in form of amount, number of defects, or even their competency in comparison to predetermined benchmarks. In addition, Saffar and Obeidat (2020) pointed out that employee performance may be improved by using evaluation systems that make use of performance reviews, 360^0 appraisal and performance model. When evaluating employee retention in a business, the performance measurement method is crucial. This will indicate whether employee is dedicated to achieve company set specific targets and boost its productivity to ensure competitiveness in the market environment (Saffar and Obeidat, 2020).

Moore (2012) claims that compliance is the most typical concept of quality in manufacturing. The degree to which a product's qualities adhere to predetermined criteria is referred to as conformance. In the manufacturing industry, performance, dependability, features, durability, and serviceability are also used to describe quality. It's interesting to note that Altiok (2012) contends that quality cannot be checked in a product. No matter how many inspections are performed, a product will always maintain the quality at which it was made. Efficiency and effectiveness in optimizing output is essential, it entails steps to avoid failure and risks that might compromise performance. The focus on quality in a manufacturing environment is initially placed under profitable units of the organization. Operations/manufacturing and product design make up the majority of this field. Getting right the first time cut across all departments of specialization which including: human resource, finance and accounting, marketing, procurement, production, research and development as business matures through time. In order for an organization to function at its best, competitive advantages on quality entails formulation, implementation and control throughout business lifecycle.

Participation of employees in execution of total quality management would enhance both company and product performance. In a similar vein, according to Zakuan, Muniandy, Saman, Mdarif (2012) Quality Tools assist staff in identifying variances within processes, outputs, and their impact, as well as thoroughly producing products in a methodical manner which enhances performance of product quality and or process. By incorporating quality into a firm's strategic plans, quality planning seeks to achieve a firm's excellence that is constant and persistent.

Quality is deemed to be the most crucial component of strategies for having organizations successful in perspective of globalization, extremely competitive marketplaces, ongoing hi-tech innovation as well as progressively more exacting consumers (Ismyrlis & Moschidis, 2015). The notion of quality in manufacturing companies is different from that in the service sector. Manufacturing companies create observable, touchable, and immediately measurable physical items. This indicates that physical product attributes are the primary emphasis of quality in manufacturing companies.

Strategic partnerships are transitory, contractual relationships between independent businesses with the goal of minimizing uncertainty surrounding the achievement of the partners' strategic goals through the coordination or joint execution of one or more of the businesses' operations (Jepchumba, 2013). Co-invention, intellectual possessions, technology shift, uniqueness, rivalry, exporting employees, chances of business undertaking development during joint venture, profit sharing as well as expenses, termination period of partnership and many other business issues are all factors that must be taken into consideration when entering into a strategic partnership (Chemwei, 2014).

In order to pursue strategic goals through continuing, long-term collaborative programs, where skills and experience are crucial, a strategic partnership is necessary. In order to maintain their competitive edge, businesses adjust their business processes, which results in combined process and product development and cost control by the businesses (Nkirote, 2014). Due to speedier cooperative services and commodities manufacturing, which improves customer service components, the alliance also enables better customer service aspects.

Information exchanged between strategic partners results in the development of new goods, better processes, the acquisition of new knowledge, and the discovery of new possibilities (Waema, 2013). By discovering methods of efficient coordination and lowering necessary expenses, sharing information enables buyers and suppliers to maintain a competitive edge. Among the strategic partners, the strategic relationship has been essential for cost control.

Over the previous ten years, the manufacturing sector in Kenya depicted four percent growth on average (KAM 2012). Manufacturing was the second-largest economic sector in 2000, behind agriculture according to RoK (2008). However by the year 2010 it had fallen to 4^{th} position, after transport and communication, retailing and agriculture according to World Bank (2012). The contribution of this sector to GDP decreased, falling from a percentage of 13.6 early 1990s to a percentage of 9.2 in 2012 source RoK (2013). According to Kenyan Vision 2030 places a strong emphasis on the call for a manufacturing plan that is more competitive with better outcomes which increases the companies output as well as prosperity across the world. In addition, majority of Kenyan manufacturing companies operate at an average capacity of 59 percent, as compared to their Malaysian manufacturers at 74 percent (Achuora, et al., 2015), which raised concerns on manufacturing sector's ability to achieve objectives derived fromVision 2030.

Local studies like (Njuguna , 2013 & Mutua, 2014) discovered a association link affecting success in the industrial sector and quality management. Wachira (2013) found that, at 75.5%, organizational performance had statistically significant effect on implementation of quality measures. Additionally, the research pinpointed particular quality aspects or techniques thought to affect firm's output. As firms fight to be sustainable through strategic partnership, the competitive nature of strategic partnerships has become epic (Ulijn, 2010). Despite the fact that there have been several researches on strategic partnerships, none of them have specifically evaluated how these models have impacted organizational performance.

Furthermore, Bernardin (2010) emphasized that the goal of human resource management is to increase revenue of any businesses. The strategies of human resource management guarantee attainment of firm's projected targets. Employer welfare policies are specifically designed to boost an organization's productivity while improving working conditions for its employees (Gemba, 2017). This is because when needs and wants are met, employees are more likely to be motivated, which in turn increases production and labor efficiency across all industries. While earlier researches have provided data about the use of employee wellness in relation to organizational performance, public sector continues to be difficult to analyze. Therefore, it is urgently necessary to assess, evaluate and restructure capital aspect of human resource to include staff wellbeing measures, which called for this research. Based on the literature, several researchers never explored interaction effect of strategic partnership, product quality, social values of employees and performance of firms.

2. LITERATURE REVIEW

The capability of any organization to maneuver in a competitive business environment with finite resources and achieve its target without exhausting available resources and optimizing the output of its personnel is referred to as performance (Ofobruku & Iheabunike, 2013; Ofobruku, & Yusuf, 2016). Organizational performance, according to Mbithi (2014), is the accomplishment of projected set targets through staff engagement as well as skill development. Monetary and non monetary aspects on several occasions were used to conceptualize organizational performance. Only financial measures were used in the old methods of evaluating an organization's success (Gitau, 2014).

Enhancing product quality has always been seen as a strategic component of competitive advantage, manufacturing companies, particularly those in emerging economies, are quite concerned about this issue. An organization that is focused on the market should recognize that consumers' discontent with the quality of the products is a departure point for creating and delivering distinctive items that provide sustained performance (Hajjat et al., 2014; Neil et al., 2011). Prior, Ozaki (2003) defined product quality management in three ways which includes meeting deadlines, making sure the fundamental qualities of the finished product adhere to the specified standards, and staying under budget.

Once more, businesses that produce high-quality goods enjoy better customer loyalty, repeat purchase, and high sales (Akinola, Akinradewo, & Olatunji, 2012). The adoption of quality management initiatives has demonstrated that an operations strategy that is customer-focused will result in increased process efficiency and higher levels of customer satisfaction. In order to guarantee effective quality initiatives, Businesses should develop quality framework prior to real implementation.

Furthermore, company's capacity to manufacture quality goods at fair feasible price, on schedule with the shortest lead time is essential to its survival in an environment where competition is on the rise (Ignatio, Lovemor & Chancellor, 2013). Businesses that carry a large variety of items must have a few products that sell rapidly in order to cover the expense of carrying inventory for slower-moving product lines. Once more, Julian and Syed (2014) proposed that higher quality would result in both retaining current consumers and drawing in new ones, expanding the market.

According to Opoko, Ezema, and Ediae (2014), counterfeiters in Nigeria will make a comparable item without respect to specifications for any quickly selling goods. Olaleke (2010) noted that almost every product, across all sectors, is either falsified or of inferior quality when compared to the real. This raises concerns since it may have an impact on manufacturing companies' sales volume and in turn, their capacity to achieve economies of scale. This research evaluated impact of product quality in relation to performance of enterprises in manufacturing section in light of these visible manifestations.

Financial help for individuals or groups who are unable to maintain themselves is referred to as social welfare of employees. Moreover, strategic partnership as a strategy can be used to achieve competitiveness to improve social values of employees. The empirical research conducted by Irefin and Mechanic (2014) found, among other things, that when employees' needs are met, they are motivated, which leads to their dedication and commitment hence favorable results to the organization.

In support to the findings of Mensah et al., (2017), they found that demonstrating care for workers' wellbeing boosts commitment, performance, and ultimately, the expansion of the business. Influence of employee wellbeing predicting organizational performance may be derived from knowledge of staff value in terms of training, development and reward linked to individual performance which cumulatively results into organizational performance.

In 2015, Kamkari, Ghafourian, and Hossein conducted study to evaluate the relationship between the performance of the workers at the Kenyan Inspector General's office and their commitment to welfare service. According to statistical study, communication and the execution of welfare measures had a substantial impact on the employee's performance. Musyoka (2015) conducted research on the effect of welfare of employees' initiatives and satisfaction of job whim the banking industry in Kenya. The results found a link between employee rewards and satisfaction which is both favorable and substantial. It was determined that worker wellbeing is important for satisfaction, which is crucial for worker performance. Manandhar (2015) looked at the impact of social services on NGOs' staff productivity in Nairobi. According to the study, obstacles to the welfare of the Kenya Red Cross Society included political interference, a lack of understanding of organizational management, chain of command, misuse of resources in public sector and disparities in remuneration among NGOs. Consequently, these difficulties have had some impact on the organization's performance.

Globalization and dynamism are features of today's economic climate, which creates a highly competitive economy (Auilino Felizardo, 2017). Strategic alliances are becoming more prevalent in the modern business world as firms combine their resources in an effort to obtain a competitive edge. The foundation for this accomplishment and increased organizational performance is meaningful alliances (Nyakango, 2013). Strategic alliances, according to Mike Nevin (2014), are no more an incidental aspect of marketing, corporate planning, or sales; rather, they are now essential to generating rapid business growth and providing top-notch goods and services to a growing number of worldwide consumers.

Strategic partnership is a prescribed agreement between two businesses, agency, or trade affiliate relationship under the law. It is often established by one or more corporate contracts. According to Dze, Chi Jonathan and Anouar, (2011), when two institutions have mutually beneficial corporate assets that they do not wish to produce on their own; they often establish a strategic partnership. For that matter, strategic partnership involves legal agreements of parties that have decided to pool their money, expertise, data, and other resources in order to pursue mutually beneficial objectives, such as a bilateral alliance or a network partnership.

Moreover, gauging the effectiveness of strategic partnership in finance industry (Jonathan & Soldi, 2011) discovered robust alliances involve partners who are successful in producing a win-win scenario. However, a lot of research is needed in other sectors to enable accurate inferences. According to some of the studies, which concentrated on service industry? Taking example of Equity Bank in Kenya, Kudate (2014) investigated effect of strategic partnerships among several enterprises. He found that while partnerships are desirable strategy, a lot of enterprises need clear information during their inception. More research on the governance and management of agency banking was advised by the researcher.

The study conducted by the Kenyan Equity Bank and her partners in 2011 on the influence of strategic alliances and decision-making, Walekhwa (2011) advocated further research on the area of agency banking. According to the findings of these studies, still there is knowledge gaps which call for research in new partnership structures and organizational alignments in response to growing demands. According to Muthoni's (2015) study conducted on effect of strategic alliances on firm performance in Kenya, businesses were developed swiftly because they were able to forge multiple strategic alliances. However, there was no case study in this study; instead, it generalized the results of a sample of businesses, none of which were manufacturing firms.

Alliance is an option to expand market supremacy, augment political influence, enhance research, manufacturing, marketing as well as related tasks, and supply high-quality goods and services, according to Wang et al. (2018). According to Cobea et al (2017), alliances are essential for a company's existence because they inject resources that are necessary in attaining and retaining competitive edge in the current unstable economic climate. Burgelman (2020) said that a strategic alliance is an agreement which requires a reliable business partner capable of developing strong relationship where organizational assets and competencies are fairly shared while the newly discovered resources are developed.

Similar to this, Yuan et al. (2018) elaborated strategic alliances to be joint initiatives between two or more businesses that combine their resources with an effort to accomplish commonly compatible objectives otherwise not easily attain on their own. A strategic alliance fosters collaboration among partners who are seeking to pool their resources in order to increase performance over time, either via the exchange of information and skills or by providing possibilities for competition. Additionally, a strategic alliance must be strategic in perspective in order to support the thorough execution of long term plans. In addition, relationship has to be fostered by all managers at different strategic levels and reinforced by executive leadership.

According to Gundolf, Jaouen and Gast, (2018), description of a strategic alliance is incomplete at this time; it might be used to describe a partnership between companies that aims to ensure the victorious implementation of a strategic ploy.

Although the following description of a strategic alliance is incomplete at this time, it might be used to describe a partnership between companies that aims to ensure full undertakings of business strategy (Gundolf et al. 2018). Keith (2020) looked at the best ways to use partnerships while innovating to drive business success. The study's findings showed that strategic alliances help businesses thrive by giving them access to overseas markets and by improving organizational performance by bringing expertise and knowledge to the table. The author came to the conclusion that there are fundamental prerequisites for entering strategic partnerships as well as alliance, formation processes, and constituents. The study used the two-stage least-squares approach and discovered that the development of multinational intra-industry alliances and joint ventures both had a beneficial effect on business performance.

In a research by Hung and Lin (2015), where strategic alliances was a mediator between competitive goals and organizational performance was investigated for MFIs in Taiwan. Data analysis was done by use of SEM . The results of the research demonstrated that emphasizing quality and flexibility may enhance organizational effectiveness. Strategic partnership management may be impacted by cost priority. Strategic partnerships have a direct impact on business performance. Cost priority is able to have a favorable influence on organizational performance thanks to the complete mediating role of strategic alliances. Large supply chains plus their collaborators in Kenya were the focus of Muthoka and Oduor's (2014) study on the impact of strategic alliances on organizational performance.

Multiple regression equation was used to examine the data. The findings demonstrated that the performance of supermarkets is favorably and significantly impacted by strategic alliances. According to the study's findings, a firm's performance levels are not significantly impacted by technical strategic alliances. Additionally, they showed that whereas supermarket alliances had a significant, beneficial impact on the two variables, supermarket alliances had a modest, negative impact on production strategic alliances and performance. Furthermore, marketing plans in relations with performance of supply chains, there was a significant, favorable impact. Overall, the findings showed a substantial correlation between strategic relationships and supermarket performance (Muthoka & Oduor 2014).

Moreover, Muange and Maru (2015) carried out a research with the purpose of identifying moderating influence of company size related to retail organizations within Nairobi County in Kenya, and influence of strategic alliances linked to business productivity. According to the study's findings, partnerships for technological development, collaborative production, procurement, and marketing are important and have a favorable impact on an organization's success. Their results also indicated that partnerships for joint production, joint marketing, supplier procurement, and technology development primarily improve organizational performance. The writers also came to the conclusion that strategic alliances aid businesses in boosting output, profitability, and productivity. Additionally, it aids in making items accessible to current customers. Lastly, it made firms participated in society social values which improved the lives of those affected by the firms.

A certain amount of collaboration between alliance partners is necessary for strategic partnerships to succeed. Albers (2019) claims that cooperation in an alliance comprises actors, activity, and style of operation and is a collaborative performance of several partners within a specific environment. There is an interaction between people, groups, and organizations in this collaboration where they can share their complimentary skills and resources or make use of them for their mutual advantage. As a result, there is need to consider collaboration to be a crucial component of a strategic alliance plan, which includes a requirement for the engagement of several parties and pooling of resources.

Working in an alliance with other organizations may promote knowledge transfer, creating resources that may be more challenging to organize and grow, according to Degener, Maurer, and Bort (2018). Shorter lead times, the sharing of costs associated with developing brand products as well as services, and the input of core competencies by the numerous partners engaged are just a few of the benefits that cooperation brings to the company (Burkhardt, 2018). The selection of partners can impact on the success of businesses that may receive from the contract, it is imperative that possible partners be carefully analyzed (Degener et al. 2018). Wise partner selection has the most impact on alliance success (Wang et al.2018).

Partners should choose a strategy that "fits" their motivation and may result in desirable outcomes in order to forge a winning strategic alliance. The concept of focus strategic fit relates to how alliance members have chosen the appropriate sort of partnership to advance their primary motivation (Baaij & Reinmoeller 2018),. Burgelman (2020) went on to emphasized that the strategic fit is a way to make sure that the alliance partners' overarching goals are aligned with their winning approach. In addition the development of success strategic fit is a precursor to sustainable partnership (De Man & Luvison 2019). Similarly, Gundolf *et al.* (2018) pointed out that strategic partnership is necessary to achieve organizational strategic goals.

3. CONCEPTUAL FRAMEWORK

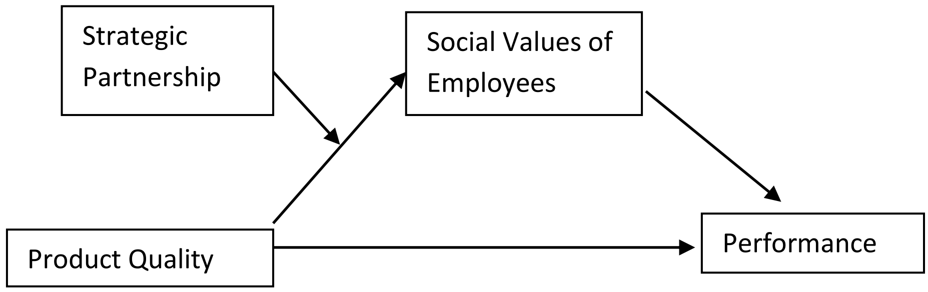

Figure 2. Conceptual Framework

3.1 Theoretical Framework

Based on Resource Based View, association's resources are crucial factors in determining its competitive advantage and implementation. It incorporates two hypotheses to deconstruct competitive advantage (Barney, 2001). This model acknowledges the possibility of industry-wide organizations with diverse asset holdings. It acknowledges that asset heterogeneity may persist over time due to the fact that the assets required to carry out businesses' strategies cannot be transferred among firms because some of these assets are difficult to trade and collect. A necessary prerequisite of any asset that contribute to organizational performance is considered to be the heterogeneity or uniqueness of the assets.

According to the Resource Based View (RBV) theory, a company may become more competitive by providing consumers with higher value and generating profits for its stakeholders (Musya, 2013). To maintain a competitive edge, firms must properly identify and utilize firm's resources. According to the RBV hypothesis, companies have three types of resources: organizational capital, human capital, and physical capital (Mutuvi, 2013). The idea of capacity is another essential part of the RBV theory. Competitiveness of resources is to create demanding activity. Each organization is made up of a variety of special assets and skills that serve as the foundation for its strategy and the main source of its profits (Kavoo, 2013).

In light of behavioral and sociological worldview, the Resource-Based View Theory stresses organizational qualities and their strategic match to global world as critical aspect of success. The study also concentrated on the performance consequences of certain internal organizational traits, in this case organizational capabilities, persistent change, and client centeredness, since assets reflect many of the components of abilities (Barney, 2001).

The central tenet of the RBV theory, in contrast, emphasizes company's heterogeneity is made up of singular, unmatchable, non-substitutable assets. Therefore, successful companies are the ones that acquire, protect important and key assets which are necessary to create competitive advantage (DiMaggio & Powell, 1991).

According to the Quality Improvement Theory, The achievement of quality management depends on responsibility of corporate level management (Deming, 1986). According to the idea, 80 percent of problems in businesses are caused by frameworks, which are within the control of the administration (Hill, 1995). Deming (1986) observed that without the responsibility of top management, the success of any management system is not guaranteed; since management allocates resources to activities related to quality management aspects, and cultivates long-lasting engagement. With the use of effective administrative processes, businesses may eliminate concerns with low quality control thanks to Deming's Quality Improvement Theory. The actions of the management set the tone for the organization and their roadmap to success.

Regarding quality administration framework, Hubert, (2000) advanced Deming's (1986) hypothetical method. This approach envisions the creation of chain of command structure which fosters engagement that stimulates administering of policies, procedures and rules. Thus, encourages ongoing modification of the practices, products, and services while also fostering worker satisfaction. These are essential for developing client focus and, ultimately, supporting any association's sustainability.

Deming (1986) improved the well-known Plan, Do, Check and Act model emphasizes precise way of handling critical thinking. The goal of Plan, Do, Check and Act (PDCA) model of continuous improvement is continuously to improve execution, hence minimizes the gap between consumer demand and production process of businesses (Goetsch & Davis, 2006). The theory of quality improvement aimed at quality concerns in the development of a robust framework that fosters participation and leaning for promoting the use of process management rehearsals, which, in turn, encourages execution (Anderson et al., 1994). This is pertinent to this research since quality management techniques are necessary to be utilized by businesses to achieve performance and to improve the quality of their goods and services over time.

3.2 Hypotheses Development

The requirements of the workforce are satisfied through employee welfare programs, which increases job satisfaction and employee commitment (motivation), which in turn increases productivity. Productivity growth is correlated with profit growth, market share growth, and dividend growth. The result of all of these will be an improvement in organizational performance. Consumers buy products because they can fill certain demands or offer specific advantages. It is the produced item's structure that is well-matched with eight parameters (the scope), including: functionality, features, compliance, dependability, durability, serviceability, aesthetics, and customer perception of quality. Quality management practices are said to have an impact on product quality, according to many research studies and scholars.

Strategic partnerships are agreements between two businesses to collaborate so that each may more easily achieve its goals. They provide a medium ground that enables businesses to acquire some wholly internal possibilities. In order to acquire a competitive edge, strategic alliances are becoming more and more common in business; companies pool their resources and competencies to do this. Manufacturing businesses have embraced strategic collaboration to provide quality and attain competitiveness. The study sought to test the following hypotheses:

Ho1: Product quality had no significant effect on the performance of manufacturing firms.

Ho2: Product quality has no significant effect on social values of employees in manufacturing firms.

Ho3: The relationship between product quality and performance of manufacturing firms is not mediated by social values of employees.

Ho4: Strategic partnership had no significant relationship on social values of employees.

Ho5: The relationship between product quality and social values of employees is not moderated by strategic partnership

4. RESEARCH METHODOLOGY

In order to emphasize the link between factors, the study used an explanatory survey design. research by Saunders et al. (2011) that demonstrate causal links between variables using an explanatory approach Since the researchers could use random probability samples in natural settings, the study design was deemed appropriate. The target demographic included 1066 managers of businesses engaged in manufacturing. 283 managers were chosen randomly using Krejcie (1970) formula.

$n= (X^2Npq) ⁄ [d^2(N-1) + X^2pq]$

$= 3.841 X 1066 X 0.5 X 0.5 ⁄ [3.841 X1065 + 3,841 X 0.5 X 0.5] = 283$

4.1 The Measurements

Firm performance was measured using statements adopted from (Ekawati, 2014). Product quality measures were adopted from (Garvin, 1984). Strategic partnership measures were adopted from (Jackson, 2012). Social values of employees were adopted from (Cole, 2002).

5. RESULTS

Only 255 of the 283 questionnaires sent to the managers were properly completed and utilized in the study, reflecting a response rate of 90.1%. The PROCESS macro for SPSS was used together with the mean composite scores on the questions for each construct to conduct a moderated mediation analysis to assess the theoretical model shown in Figure 1. (Hayes, 2018). The research combines mediation and moderation to calculate the conditional indirect impact of green self-identity on purchase or switch intention through perceived value as regulated by self-congruity (Model 7 by Hayes, 2018). 10,000 bootstrap samples were used to evaluate the statistical significance of the direct and indirect effects and provide bias-corrected confidence intervals (CI= 95%). (Hayes, 2018).

5.1 Mediation Effect

According to Table 1, the total effect (β=.199, P 0.05) representing product quality in relation to firm performance was statistically significant. Therefore, Hypothesis (H_1) was therefore rejected. This supports the claims made by García-Osma, B., Villaseñor, N. and Yagüe, M.J. (2015) and Keller (2013) who asserted product quality adds value to businesses and their customers. There was a substantial (P 0.05, β=.339, direct influence of product quality on social values of employees). Null hypothesis (H_2) was not accepted. The finding was in line with O'Neill, P., Sohal, A. and Teng, C.W. (2016), who found a clear link of company's focus on product quality and financial performance, which in turn affects social values of employees (β = 0.161, P 0.05) The indirect impact of social values of employees on business performance was substantial with positive values.

Hypothesis (H_3) was therefore rejected. This agrees with Kamkari et al., (2015) findings that employees' social values had direct effect on organizational performance.

Table 1. Mediation effect

	Coeff	SE	t	p	LLCI	ULCI
Total effect of Product Quality on Firm Performance	.199	.0222	8.956	.000	.155	.242
Direct effect of Product Quality on Social values of employees	.339	.025	13.415	.000	.289	.388
Indirect effect social values of employees on firm performance	.161	.048	3.351	.001	.067	.256
Effect of Product Quality on Firm Performance	.144	.027	5.286	.000	.091	.198

Social values of employees with ($\beta = 0.055$, $P < 0.05$) being a mediator of product quality with performance was statistically significant.

Table 2. PQ, SVE Indirect Effect on Performance

	Effect	Boot- SE	Boot-LL.CI	Boot-UL.CI
Employee social welfare	0. 055	0.019	0 .020	0.096

Source: Author, 2021

Social value of employee mediates association of product quality and performance of manufacturing companies as indicated in Table 3.

Table 3. Total Effect, Direct Effect, and Indirect Effect

X → Y	Total effect	Direct effect	Indirect effect (ESW)
Effect	0.199	0 .144	0.055
S.E	0.022	0 .027	0.019
t	8.956	2.286	
p	0.000	0.000	
LL.CI	0.155	0.091	0.020
UL.CI	0.242	0.198	0.096

Source: Author, 2021

The Normal theory tests for indirect effect showed that there was satisfactory confirmation that SVE mediated PQ and performance, though it was not the only key mediator with ($\beta = .055$ and $P < .05$) as summarized within Table 4.

Table 4. Sobel test

Effects	S,E	Z	p
0 .055	0.0170	3.243	0.001

Source: Author, 2021

5.2 Moderated Mediation

The findings presented in Table 5 the process macro paths were found to be significant. This implied that moderated-mediation between SVE and SP occurred with respect to (Muller *et al.,* 2005).

Table 5. Estimation of Moderated-mediation Unstandardized OLS

		E.S.W			P.M.F	
		Co-efficient	95% CI.		Co-efficient	95% C.I
PQ	a_1→	.478*** (.097)	.2867, .6697	c^1→	.1441*** (.0273)	.0905, .1977
SVE				b_1→	.1611*** (.0481)	.0665, .2558
SP	a_2→	.23* (.104)	.0258, .4341			
PQSP	a_3→	-.002+ (.000)	-.00013, .0001			
Constant	i_M→	-8.202 (7.381)	-22.723, 6.320	i_y→	11.5823*** (1.7805)	8.0793, 15.0852
$\dot{R}^2$		.3707			.2259	
D.F		3. 251			2. 522	
Ƒ		63. 04			46. 9917	
p-value		000			. 000	

+$p < .10$, ∗$p < .05$, ∗∗$p < .01$, ∗∗∗$p < .001$.(…..) Rep error

Source: Author, 2021

The most suitable decision rule, according to Hayes (2015), is based on index exhibited by moderated mediation, which is shown in Table 6. However, the 95 percent bootstrap confidence interval index produced had a confidence interval of -.00013 to 0.0001 and was -.0004 instead. The drawn conclusion is that moderated mediation statistically was not significant because the interval encompasses zero.

Table 6. Moderated Mediation Index

	Index	S.E (Boot)	Boot (LL-CI)	Boot (UL-CI)
SVE	-0.0004	0.000	-0.00013	.0001

Source: Author (2021)

6. CONCLUSION

The results indicated product quality had significant direct effect on social value of employees and appeared to be the most dominant indicator of staff social welfare. The strategic partnerships between manufacturing companies and various service providers influenced the overall performance. There was a partial mediation of social value of employees on the relationship between product quality and firm performance. The social welfare served as a vehicle via which the product quality of manufacturing enterprises asserted its influence on their performance. Strategic partnership and employee social welfare had a large and strong link. The association between employee social welfare and performance did not significantly depend on the quality of the product or the quality of the strategic alliance.

The results also demonstrated that companies might gain from coalitions in terms of resources. It is advised that the government promote healthy strategic partnerships among various service groups as a means of enhancing their effectiveness and boosting the national economy. In terms of national policies and laws, the government should safeguard and foster a favorable environment. The report also advises business rivals to use tactics that can improve market efficiency rather than cause friction and flaws in it. Strategic partnerships are one of these tactics. This study may limit the applicability of the findings to other nations because it only examined manufacturing companies in Kenya.

7. IMPLICATION TO PRACTICE AND THEORY

According to a theoretical interpretation, the data on corporate strategy and theories of the business that have been looked into have concentrated on organizational performance and overall firm-level strategy, ignoring the impact of the sub-variable of strategic partnerships. When deciding whether to provide government assistance to manufacturing companies, how much of a business should be developed, how existing enterprises should partner with one another, and how such finance can be structured to produce the most revenue for the country, this tool might be useful. To guarantee long-term, high-quality service delivery, appropriate conditions should be agreed upon. To guarantee that the different relationships are advantageous to the business, manufacturing organizations should work to enhance the selection of their partners.

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