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INFLUENCE OF SELECTED DETERMINANTS OF STRATEGY
IMPLEMENTATION ON PERFORMANCE OF PARASTATALS IN THE
ENERGY SECTOR IN KENYA

By *MWAMUYE SHADRACK CHANDO*

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**INFLUENCE OF SELECTED DETERMINANTS OF STRATEGY IMPLEMENTATION
ON PERFORMANCE OF PARASTATALS IN THE ENERGY SECTOR IN KENYA**

MWAMUYE SHADRACK CHANDO

**A Research Project Submitted to the Graduate School in Partial Fulfilment for the
Requirements of the Award of the Degree of Masters in Business Administration of
Egerton University**

EGERTON UNIVERSITY

OCTOBER 2016

DECLARATION

This research project is my original work and has not been presented in this or any other university for examination.

NAME: SHADRACK CHANDO MWAMUYE

CM16/0106/12

Sign Date.....

APPROVAL

This research project has been submitted with my approval as the university supervisor.

SUPERVISOR

Sign..... Date-----

NAME: MAJDA ADHIAMBO

LECTURER, EGERTON UNIVERSITY

NAIROBI CAMPUS

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DEDICATION

This project is dedicated to my parents, spouse and children for their love, support and patience.

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I wish to acknowledge my supervisor Ms. Majda Adhiambo for her guidance while doing this research project. I further wish to acknowledge Dr. Kipchumba and Dr. Dinah Kipkebut for their unwavering support, encouragement and for taking her time in guiding me throughout the project. May the Lord bless you all abundantly.

ABSTRACT

Strategy implementation is an on-going, never-ending, integrated process requiring continuous reassessment and reformation. Strategic management is dynamic. It involves a complex pattern of actions and reactions. It is partially planned and partially unplanned. Particularly, strategy implementation includes designing the organization's structure, allocating resources, developing information and decision process, and managing human resources, including such areas as the reward system, approaches to leadership, and staffing. The purpose of this study was to investigate the influence of the selected determinants of strategy implementation on organisational performance in parastatals in the energy sector in Kenya. Specifically, this study sought to establish the influence of top management commitment, strategy communication process, resource availability and coordination of activities on organization performance. This study adopted a descriptive research design: the target population comprised of the 105 management staff from various departments in seven (7) organizations in the energy sector. A questionnaire was used to collect primary data. Descriptive statistics included means, standard deviation, and percentages and presented in tables and graphs. Inferential statistics included both Pearsons correlation analysis and multiple regression analysis. The correlation analysis determined the strength and direction of the relationships between the dependent and independent variables. The study showed that top management commitment, strategy communication, coordination of activities and resource availability had a positive correlation with organizational performance. The Model summary of the regression analysis showed that all the independent variables accounted for 70.3% of the variance in organizational performance. The study recommended that organizations should offer back up (support) to the top management to increase their commitment and effective communication of formulated strategies that should be properly resourced. Further, the study recommended that parastatals should ensure that key tasks are well defined in enough detail and information systems for them to successfully implement strategies and improve organizational performance.

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LIST OF ABBREVIATIONS AND ACRONYMS

CEO	-	Chief Executive Officers
CFO	-	Chief Financial Officer
ERC	-	Energy Regulatory Commission
GDC	-	Geothermal Development Company
HR	-	Human Resource
KenGen	-	Kenya Electricity Generating Company Limited
KETRACO	-	Kenya Electricity Transmitting Company
KPC	-	Kenya Pipeline Company Limited
KPLC	-	Kenya Power and Lighting Company Limited
KPRL	-	Kenya Petroleum Refineries Limited
NOCK	-	National Oil Company of Kenya Limited
REA	-	Rural Electrification Authority
SPSS	-	Statistical Package for Social Sciences
UK	-	United Kingdom
KNEB	-	Kenya Nuclear Electricity Board

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

In order to thrive in the modern business environment and fast changing global economy business should have high demands, productivity speed and flexibility. Organizations must change their structure in order to achieve the required efficiency and effectiveness. Pears & Robinson (2011) assert that in order to attain competitiveness, it is important for organizations to retain the best of their traditional structures and embrace radically new structures that leverage the human capital and adds value to the customers.

All organizations exist in an environment that impacts on how they formulate and implement strategies. The structure of the organization is a strategic tool for executing business strategy. Implementing strategies successfully is vital for any organization, either public or private. Without implementation, even the most superior strategy is useless (Johnson et al., 2008). The notion of strategy implementation might at first seem quite straightforward: the strategy is formulated and then it is implemented. Implementing will thus be perceived as being about allocating resources and changing organizational structure.

Management ought to consider its role in designing structures that facilitate implementation of strategic goals in order to suit the market demand and satisfy customers. Most organizations have been compelled to review their business strategies as a result of increased competition, rapid technological advancement, shifting economic regulations and increased demand on non-price competitive. The magnitude speed and impact of change are greater than ever before, new production processes and services have emerged (Burnes, 2004).

1.1.1 Strategy Implementation Concept

Strategy is the balance of actions and choices between internal abilities of an organization and its external environment. Mintzberg et al (2009) perceives strategy as a plan, play, pattern, position and perspective. Bateman (2003) defines strategy as a pattern of actions and resource allocations aimed to attain organizational goals. Effective organizational strategy should be directed toward

building strengths in areas that satisfy the wants and needs of consumers as well as other crucial actors in the organizations external environment. It therefore forms a comprehensive modern plan that states how the organization will achieve its mission and objectives, maximizes competitive advantage and minimizes competitive disadvantage (Johnson *et al.*, 2008).

There are different types of strategy. Corporate level strategy covers the overall scope of an organization and entails how value will be added to the different business units of the organization. Issues in corporate level strategy include geographical coverage, diversity of products, services of business units and resource allocations between different parts of the organizations. Another strategy is the business level strategy which about how to compete successfully in particular markets or how to provide best value services in the public services. It concerns with the strategic development of products or services to suit the market (David, 2003). The third level strategy is the operational strategy which deals with how the component parts of an organization deliver effectively the corporate and business level strategies in terms of resources, processes and people. Finally, the political strategy is designed to accommodate new balance of power among the external forces and limit pressure for organizational change.

Strategy is the match between the resources and skills of organization and the environmental opportunities as well as the risks it faces and the purposes it wishes to accomplish (Thompson 2003). An effective provides guidance and direction for organizational activities. It is important for a firm to make strategic decisions and define strategy in terms of its function to the environment. This is because strategic decisions influence the manner in which organizations respond to the environment. Pearce & Robinson (2007) posit that strategy provides cues to the organization that permit it to attain its goals while responding to the external opportunities and threats.

Ansoff (2009) views strategy as the common thread among an organization's activities and the external market. Scholes (2009) perceives strategy as the direction and scope of an organization that theoretically matches the results of its dynamic market environment and customers so as to meet the expectations of the stakeholders. An effective strategy unifies and integrates the organization plans that relate to strategic advantages of the external environment. A strategy is designed to ensure that the basic objectives of the enterprise are achieved through proper execution by the organization.

Strategy implementation entails organization of the firm's resources and motivation of the staff to attain objectives. There are rapid environmental conditions facing many modern firms. Today's global competitive environment is complex, dynamic, and largely unpredictable. To deal with this unprecedented level of change, a lot of thinking has gone into the issue of how strategies are best formulated. Strategic management is about managing the future, and effective strategy formulation is crucial, as it directs the attention and actions of an organization, even if in some cases actual implemented strategy can be very different from what was initially intended, planned or thought. According to Olson (2005), the assessment of strategy formulation processes becomes crucial for practitioners and researchers alike in order to conduct and evaluate different formulation processes.

Azhar (2008) states that strategy implementation is the amplification and understanding of a new strategy within an organization. Such an explanation involves the development of new structures, processes and other organizational alignments. Implementation is a key stage of the strategy process, but one which has been relatively neglected. Despite this it is generally perceived as a highly significant determinant of performance. Robin (2014) suggests that well formulated strategies only produce superior performance for the firm when they are successfully implemented. There seems to be widespread agreement in the literature regarding the nature of strategic planning, which includes strategy implementation. It includes presentations of various models showing the organizational characteristics suggested as significant factors for effective strategy implementation. It is also portrayed as a lively process by which companies identify future opportunities (Chiang, Kocabasoglu-Hillmer & Suresh, 2012).

Additionally, the existence of a strategy is an essential condition or precondition for strategy implementation. Implementation is focused by nature and by definition. It cannot be directionless. It is a process defined by its purpose – in this case, the realization of a strategy. Thus, to implement a strategy, there must be a strategy. The strategy may be more or less well-formed, more or less in the process of formation, or even emergent. Unless it is suitably formed to represent a direction or goal, there is nothing to implement; and organizational members will be unable to work towards its realization (Ansoff, 2009). As a result, strategic intentions are inextricably linked with, and enable the existence of, strategy implementation. As well, organizations that focus their energy on harvesting the fluid relationship between strategy and

implementation will create satisfied customers, employees, and greater profits (Naranjo-Gil & Hartmann, 2006).

Many organization encounter difficulties in implementing their strategies. Some of the challenges that are encountered in strategy implementation include: weak management roles in implementation, lack of communication, lacking a commitment to the strategy, unawareness or misunderstanding of the strategy, unaligned organizational systems and resources, poor coordination and sharing of responsibilities, inadequate capabilities, competing activities and uncontrollable environmental factors (Beer & Einsenstat, 2010)

1.1.2 Organizational Performance

Organizational performance is defined as the measure of standard or prescribed indicators of effectiveness efficiency, and environmental responsibility such as, cycle time, productivity, waste reduction, and regulatory compliance. Performance is the outcome of all of the organization's operations and strategies (Aaltonen & Ikåvalko, 2002). It is also the extent to which an individual meets the expectations regarding how he should function or behave in a particular context, situation or job.

Organizational performance has four measures namely; human resource, organizational outcome, financial accounting outcome and capital market outcome. Human resource outcomes related to change in employee behaviour which included employee satisfaction, turn over and absenteeism. Organizational outcomes contain labour productivity, customer satisfaction, and quality of product services. Financial accounting outcomes included three measures such as returns on assets, return on equity and profitability. Capital market outcomes reflect how market evaluates an organization which consists of the three indicators which is stock price, growth rate of stock price and market returns (Dyer & Reeves, 2005).

Khandekar & Sharma (2006) define organizational performance as the outcome that indicate or reflect the organization efficiencies or inefficiencies in term of corporate image, competencies and financial performance. Work performance is the way employee perform their duties. An employee's performance is determined during job performance review, with an employer taking into account factor such as leadership skills and productivity to analyse each employee on an individual basis. According to Rowold (2011), job performance reviews are often done annually

and can determine raise eligibility, whether an employee is right for promotion or even if an employee should be fired.

An employee performance can be evaluated in many ways. High performance work system and practices have need identified as playing a key role in the achievement of business goals and improved organizational effectiveness (Rowold, 2011). While there is no agreement on an ideal configuration or bundle of such systems and practices, the logic is that high performance work systems influence and align employee's attitude and behaviours with strategic objectives of the organization and they increase employee commitment and subsequently organizational performance.

According to Peter (2005), organization performance is traditionally related to increasing shareholder value. Indicators of performance include reduction environmental footprint, improved occupational health and safety performance, increase customer satisfaction. Sriwan (2004) posits that organization performance should be judged against a specific objective to see whether the objective is attained. Objectives give the organization a criterion for selecting among the alternative investment strategies and projects. For instance, if the objective of the organization is to maximize its return on investment, it would try to achieve by adopting investments with return on investment ratios gather than the company's current average return on investment ratio. However, if the objective of the organization were to maximize its accounting profits, the company would adopt any investment, which would provide a positive accounting profit, even though the company might lower its current average return on investment ratio. Performance measurement is important for keeping an organization on track in achieving its objectives.

Chiou (2011) did a study and found that some factors that enhance government's administrative efficiency include organizational structure, management mechanism, resources and ability as well as partnerships. Chiou also found that some factors that will enhance organization performance include compatibility, complementarity, collaboration, knowledge sharing, information technology and effective governance. Chiou (2011) does not however explain the extent to which each of the factors affects organizational performance. Equally, this study was conducted in Taiwan which is a different context from Kenya. A study focusing on the effect of

strategy implementation on organizational performance in Kenya would therefore be more meaningful given variations in the environment of governance between the two nations.

Sorooshian, Norzima, Yusof & Rosna (2010) examined the structural relationships between strategy implementation and performance within the small and medium manufacturing firms in Malaysia. They identified three fundamental factors in strategy implementation namely the structure, leadership style and resources. Sorooshian *et al.* (2010) then came up with a structural equation model on the relationship among drivers of strategy implementation and organization performance and also sensitivity analysis on the drivers. The main focus of this study was in private sector and small as well as medium manufacturing firms in particular. The results of the study cannot therefore be generalized to cover all the other sectors. Since the strategy implementation is believed to be a dynamic activity within the strategic management process, it is imperative that its effect on organizational performance should be measured across all sectors and at different levels.

1.1.3 Energy sector in Kenya

The Energy sector was formed in 1979 upon Kenya Government's realization that energy was a major component in the country's development process. This realization was mainly due to two oil price escalations of 1973/74 and 1979 which resulted in the country spending relatively more foreign exchange to import oil. Prior to formation, energy sector issues were scattered over several ministries. The Ministry of Power and Communications was responsible for electricity development including the Rural Electrification Programme, Tana River Development Company, Kenya Power Company and pricing of power jointly with Ministry of Finance. The Ministry of Finance was in charge of petroleum pricing and representation of government interests in the Kenya Petroleum Refineries Limited. The Ministry of Environment and Natural Resources was responsible for wood fuel development and management. In addition, the National Council for Science and Technology set up a Committee for Energy Policy and Resources in 1975 whose role was to advise the government on energy policy problems, draft policy proposals and in general acted as the focal point for energy policy related issues.

In 1983, the Ministry of Energy and Petroleum was merged with the Department of Regional Development of the Ministry of Regional Development, Science and Technology to form the Ministry of Energy and Regional Development. Its mandate was expanded to include regional

development authorities whose portfolio covered a wide range of activities including agriculture, fishing, hydro power, etc. In 1988 there was a further re-organization that saw the Ministry being split into the Ministry of Energy and Ministry of Regional Development: The Ministry of Energy is particularly charged with the following responsibilities: Energy policy development; Hydropower development; Geothermal exploration and development; Thermal power development; Petroleum products import/export/marketing policy; Renewable energy development; Energy regulation, security and conservation; Fossil fuels exploration and development; Rural electrification Programme. The Ministry of Energy in Kenya comprises of various parastatals / state corporations in the energy sector. These include: Kenya Power and Lighting Company Limited (KPLC); Kenya Petroleum Refineries Limited (KPRL); Kenya Electricity Generating Company Limited (Kengen); National Oil Corporation of Kenya (NOCK); Kenya Pipeline Company Limited (KPC); Energy Regulatory Commission (ERC); Rural Electrification Authority (REA); Kenya Nuclear Electricity Board (KNEB); Geothermal Development Company (GDC) and Kenya Electricity Transmitting Company (KETRACO) (www.energy.go.ke, 2015).

1.2 Statement of the Problem

In many organizations, strategy implementation is an enigma. According to Raps & Kauffman (2005) only 10-30 percent of strategies get implemented. In many organizations, when the strategy moves into implementation, the initial momentum is lost before the benefits are realized. Successful implementation is a challenge that demands patience, stamina and energy from the involved managers. The key to success takes integrative view of the implementation process (Raps & Kauffman, 2005). Given the important role the energy sector plays in the economy, it is important that in order for them to survive, the whole process of strategy formulation and implementation need to be successful.

Studies that have been done locally on determinants of strategy implementation and organizational performance include: relationship between strategy implementation and performance in commercial banks in Kenya (Muchira, 2013); determinants of strategy implementation in the Ministry of Lands, Thika, Kiambu County (Kamande, 2015); effects of strategic plan implementation on organizational performance: a case of Nakuru Water

&Sanitation Company (Gitonga,2013), effects of strategy implementation on performance of commercial banks in Kenya (Njagi, 2014). Studies done various authors include: factors influencing strategy implementation at KPLC (Wachira, 2012); challenges affecting implementation of corporate strategies in the electricity sector in Kenya (a case of KenGen). Munene & Njeri (2013) observed that in the parastatals in the energy sector in Kenya they found out that the issue was not a poor understanding of environmental forces or inappropriate strategic intent but how to achieve the necessary changes. Njuguna (2013) noted that parastatals fail to implement about 70 per cent of their new strategies.

There exists a research gap in emergent economies like Kenya, where there is limited both theoretical and empirical review about strategy implementation in the energy sector in relation to organizational performance. This study therefore study sought to explore relationship between selected determinants of strategy implementation and organizational performance in the parastatals in the energy sector in Kenya.

1.3 Objectives of the Study

The main objective for this study was to investigate the influence of the selected determinants of strategy implementation on organisational performance in parastatals in the energy sector in Kenya. The specific objectives of the study were:

- i. To establish the effect of top management commitment on organization performance.
- ii. To establish the effect of strategy communication on organizational performance.
- iii. To establish the effect of coordination of activities on organizational performance.
- iv. To determine the effect of availability of resources on organizational performance.
- v. To determine the combined effect of top management commitment, strategy communication, coordination and resource availability on organizational performance.

1.4 Research Hypotheses

The study sought to test the following hypotheses:

H₀1: Top management commitment does not have significant influence on organizational performance in parastatals in the energy sector in Kenya.

H₀2: Strategy communication process does not have significant influence on organizational performance in parastatals in the energy sector in Kenya.

H₀3: Coordination of activities does not have significant influence on organizational performance in parastatals in the energy sector in Kenya.

H₀4: Availability of resources does not have significant influence on organizational performance in parastatals in the energy sector in Kenya.

H₀5: The combined effect of top management commitment, strategy communication, coordination and availability of resource does not have significant influence on organizational performance in parastatals in the energy sector in Kenya.

1.5 Significance of the Study

The study would be significant to the management of parastatals as they would be able to understand and appreciate influence of the selected determinants of strategy implementation on organizational performance in parastatals in the energy sector in Kenya.

Policy makers, the government and other organizations may equally benefit from the findings of this study. The results of the study may furnish them with knowledge on the determinants of implementation of strategic plans and therefore enhance the survival and success of firms. This knowledge if well harnessed may result in above average performance of a firm in an industry. Other researchers and academicians in this field may utilize the results of this study as part of secondary data in enhancing future studies. The study may facilitate identification of existing knowledge gaps in the current research and carry out research in those areas.

1.6 Limitations of the Study

The study encountered various limitations. Firstly, full cooperation from the staff was not certain. For that reason, the researcher sought authorization from the authority.

Secondly, the study was influenced by staff who gave subjective opinions about implementation of strategies; however, the researcher minimized such opinions by encouraging respondents to be as objective as possible and through the avoidance of leading questions.

Thirdly, the staffs were not willing to provide feedback due to their busy daily schedules. However, the researcher talked to the respondents and gave them time to complete the questionnaires which were collected at an agreed time. This limitation was overcome by assuring them that the research project was solely for academic purposes and that data confidentiality would be upheld.

The study was cross – sectional which means that data was collected at one point in time. This means that the study was unable to establish the long-term effect of factors influencing strategy implementation. Future studies should therefore use longitudinal research design.

1.7 Scope of the Study

The study sought to investigate the effects of selected determinants of strategy implementation on performance in the energy sector in Kenya. The study was limited to 7 firms. The study focused on 4 determinants of strategy implementation namely: top management commitment, strategy communication, coordination of activities and availability of resources.

Secondly the study used a cross-sectional design which means the data was collected at one point in time. Data was collected from July 2016 to August 2016. This means that the study is unable to establish the long term effect of the selected determinants of strategy implementation on the performance of parastatals in the energy sector in Kenya. Future studies should therefore use longitudinal research design.

1.8 Operational Definition of Terms

Resources: refers to a stock or supply of money, materials, staff, and other assets that can be drawn on by a person or organization in order to function effectively.

Communication: it is the process of relaying information between the organization management, its employees and other stakeholders.

Coordination refers to the synchronization and integration of activities, responsibilities, and command and control structures to ensure that the resources of an organization are used most efficiently in pursuit of the specified objectives..

Organizational Performance refers to the valued productive output of system in the form of goods service.

Strategy: This refers to an operational principle in which an organization can carry and achieve the declared goals and objectives.

Strategy Implementation: Is the process by which strategies and policies are put into action through the development of programs, budgets, and procedures.

Top management: This refers to the highest ranking executives responsible for the entire organization.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter summarized the information from other authors who have carried out their research in the same field of study. The specific areas covered here are theoretical review, empirical review and the conceptual framework.

2.2 Strategy Implementation

Azhar (2008) states that strategy implementation is the amplification and understanding of a new strategy within an organization. Such an explanation involves the development of new structures, processes and other organizational alignments. Implementation is a key stage of the strategy process, but one which has been less researched on. Despite this it is generally perceived as a highly significant determinant of performance. Robin (2014) suggests that well formulated strategies only produce superior performance for the firm when they are successfully implemented. There seems to be widespread agreement in the literature regarding the nature of strategic planning, which includes strategy implementation. It includes presentations of various models showing the organizational characteristics suggested as significant factors for effective strategy implementation. It is also portrayed as a lively process by which companies identify future opportunities (Chiang, Kocabasoglu-Hillmer & Suresh, 2012).

Additionally, the existence of a strategy is an essential condition or precondition for strategy implementation. Implementation is focused by nature and by definition. It cannot be directionless. It is a process defined by its purpose – in this case, the realization of a strategy. Thus, to implement a strategy, there must be a strategy. The strategy may be more or less well-formed, more or less in the process of formation, or even emergent. Unless it is suitably formed to represent a direction or goal, there is nothing to implement; and organizational members will be unable to work towards its realization. As a result, strategic intentions are inextricably linked with, and enable the existence of, strategy implementation. As well, organizations that focus

their energy on harvesting the fluid relationship between strategy and implementation will create satisfied customers, employees, and greater profits (Naranjo-Gil & Hartmann, 2006).

2.3 Determinants of Strategy Implementation

It is important for managers to understand and identify the pitfalls and challenges that can occur during the process to improve the effective implementation. To know which pitfalls can emerge could help to prevent them and can lead to a more proactive approach. During the process the identification is necessary to solve challenges. This section discusses the determinants of strategy implementation.

2.3.1 Top Management Commitment

The most important factor when implementing a strategy is the top level management's commitment to the strategic direction itself. This is undoubtedly a prerequisite for strategy implementation. Therefore, top managers must demonstrate their willingness to give energy and loyalty to the implementation process. This demonstrable commitment becomes, at the same time, a positive signal for all the affected organizational members (Russell, 2009).

Aaltonen & Ikåvalko (2011) recognizes the role of middle managers, arguing they are the “key actors” “who have a pivotal role in strategic communication”. Meanwhile, Okumus (2003) talk about middle managers as threatened silent resistors whose role needs to change more towards that of a “coach”, building capabilities, providing support and guidance through the encouragement of entrepreneurial attributes. So, if they are not committed to performing their roles the lower ranks employees will not be provided support and guidance through encouragement of entrepreneurial attributes. In addition to the above, another inhibitor to successful strategy implementation that has been receiving a considerable amount of attention is the impact of an organization's existing management controls and particularly its budgeting systems (Srivannaboon & Milosevic, 2006).

Successful strategic plan implementation requires a large commitment from executives and senior managers. Therefore, planning requirement which may be done even at departmental levels requires executive support. Executives must lead, support, follow-up and live the results of strategic planning implementation process. According to John (2010) without commitment of senior executives, participants feel fooled and misled. Accordingly, a vision or mission statement

along with a year's goals not implemented but kept in a cabinet or computer is a serious source of negativity and poor employee morale. This complements what Russell (2009) claims; that the commitment to the strategic direction is a prerequisite for strategy implementation, so top managers have to show their dedication to the effort. To implement strategy successfully, senior executives must not assume that lower level managers have the same perceptions of the strategic plan and its implementation, its underlying rationale, and its urgency. Instead, they must assume they don't, so executives must persuade employees of the validity of their ideas. This notwithstanding what Negandhi (2009) argues; that upfront commitment by leaders include an adherence to the full and thorough process of strategic planning which must culminate in implementing programs and services and commit availabilities to meet the objectives of the strategic plan at a level that is doable for the organization and the level of activity.

On the other hand, Robinson and Pearce (2009) argues that management spends a lot of time developing mission statement but often gets diverted from the details of developing a set of performance measures. This is because opening a set of performance measures is difficult and often boring work. Thus, executives like to do the big macro thinking but characterized by such work as developing vision statements. They don't like to get down in the trenches and work on the mundane tasks like developing measures and data collection methods. They make speeches about mission and vision and how important they are, and then go out and ask for short term results.

2.3.2 Strategy Communication Process

Communication aspects should be emphasized in the implementation process. Even though studies point out that communication is a key success factor within strategy implementation (Hanna, 2005), communicating with employees concerning issues related to the strategy implementation is frequently delayed until the changes have already crystallized.

In this context, many organizations are faced with the challenge of lack of institution of a two-way-communication program that permits and solicits questions from employees about issues regarding the formulated strategy (Nydell, 2006). In addition to inability to solicit questions and feedback, lack of communication causes more harm as the employees are not informed about the

new requirements, tasks and activities to be performed by the affected employees, and, furthermore, cover the reason behind changed circumstances (Shrader, Taylor & Dalton, 2009).

It is necessary both during and after an organizational change to communicate information about organizational developments to all levels in a timely fashion. The way in which a strategy is presented to employees is of great influence to their acceptance of it. To deal with this critical situation, an integrated communications map should be developed. Such a map is an effective vehicle for focusing the employees' attention on the value of the selected strategy to be implemented (Russell, 2009).

Youssef (2009) examined effects of top management's practices on employee commitment, job satisfaction, and role uncertainty by surveying 862 insurance company workers. Five management practices were analysed: creating and sharing an organizational goal, acting as a role model, encouraging creativeness, providing support for employees, and allowing employee participation in making job-related decisions. The results indicated that there was a strong relationship between top management's actions and employees' attitudes and perceptions.

It is important both during and after an organizational change to communicate information concerning organizational developments to all levels in a timely fashion. However, one may misunderstand communication, or the sharing of information, as engagement the direct dialogue that produces lack of active participants in the process. The way in which a strategy is presented to employees is of great influence to their acceptance of it. To deal with this critical situation, an integrated communications plan must be developed. Such a plan is an effective vehicle for focusing the employees' attention on the value of the selected strategy to be implemented (Russell, 2009).

2.3.3 Coordination of Activities in Strategy Implementation

So far in the review of literature on strategy implementation there is evidence of some recurring themes, including coordination which is essential to ensure that people across the organisation know what to do and to ensure that they stay focused on the key targets under the everyday pressures. Strategic control systems provide a mechanism for keeping today's actions in congruence with tomorrow's goals (Finkelstein & Hambrick, 1990).

Drazin and Howard (1984) replicated the work of Alexander (1985) in the UK and found that due to lack of coordination in most firms, implementation took more time than originally expected and major problems surfaced in the companies, again showing planning weaknesses. The author found that the effectiveness of coordination of activities as a problem in most of the firms and distractions from competing activities in some cases. In addition key tasks were not defined in enough detail and information systems were inadequate.

More recent articles confirm notable barriers to successful strategy implementation about which there appears to be a degree of accord including Beer and Eisenstat's (2000) who asserts that silent killers of strategy implementation comprise unclear strategic intentions and conflicting priorities and weak co-ordination across functions.

2.3.4 Availability of Resources

Resource insufficiency is another common strategy implementation challenge. This may be as a result of lack of resources which include financial and human or indivisibility of resources. Established organizations may experience changes in the business environment that can make a large part of their resource base redundant resources, which may be unable to free sufficient funds to invest in the new resources that are needed and their cost base will be too high (Johnson & Scholes, 2002).

Noble (1999), noted that despite the vast differences among organizations, most share a common dilemma: Lack of funds limits the quantity and or quality of the important work they do. Unlimited needs chasing limited resources are a fundamental fact of economic life in rich countries and in poor countries. It affects large international organizations, such as the United Nations, down to the smallest local organization. From rural development agencies to museums, and from health care providers to education and training institutes, managers must often pay as much (if not more) attention to finding funds as they do to using those funds. Public organizations in the energy sector in African states increasingly find that grants and donations are inadequate to meet current program needs, much less to expand program activities. With so many worthy causes that address genuine needs competing for the attention and generosity of the public, even wealthy donors lack the resources needed to fund every worthwhile effort. Furthermore, as populations grow, so do the numbers of vulnerable groups needing assistance from organization (Ansoff, 1999).

Aosa, (1992), stated that organizations face rising costs for staff and other program inputs, further straining their limited budgets. Dependence on grants and donations can also inhibit the autonomy of public organizations to choose which program activities to undertake and to select the most effective intervention strategies to achieve program goals to a certain extent, all donors have their own agenda, i.e., their own views as to which problems are important and the best intervention strategies to address these problems. Managers may be compelled to follow the money and allow donors to dictate the scope and direction of their activities, or else receive no funds at all.

Effectiveness of strategy implementation is, at least in part, affected by the quality of people involved in the process (Govindarajan, 1999). Here, quality refers to skills, attitudes, capabilities, experiences and other characteristics of people required by a specific task or position (Peng & Litteljohn, 2008). Viseras, Baines, & Sweeney (2009) group 36 key success factors into three research categories: people, organization, systems in the manufacturing environment. Their intriguing findings indicate that strategy implementation success depends crucially on the human or people side of project management, and less on organization and systems related factors. Similarly, Harrington (2006) finds that a higher level in total organizational involvement during strategy implementation had positive effects on the level of implementation success, firm profits and overall firm success.

A study by Okumus (2003) found that the main barriers to the implementation of strategies include lack of coordination and support from other levels of management and resistance from lower levels and lack of or poor planning activities. Meldrum & Atkinson (1998) found out a number of implementation pitfalls such as isolation, lack of stakeholder commitment, strategic drift, strategic dilution, strategic isolation, failure to understand progress, initiative fatigue, impatience, and not celebrating success. Sterling (2003) identified reasons why strategies fail as unanticipated market changes; lack of senior management support; effective competitor responses to strategy application of insufficient resources; failure of buy in, understanding, and/or organization system; timeliness and distinctiveness; lack of focus; and bad strategy poorly conceived business models.

Another problem is that many grants and donations carry restrictions on the types of expenses that they may cover. The most common restriction is to cover only direct program costs, but not the cost of support services or other overhead costs incurred by organizations. The organizations must contribute to these costs on their own, or at least cover an increasing share of these costs over time. Thus we see that today's managers face an increasing need for their organizations services, increasing costs for providing those services, and an increasingly competitive and restrictive environment for obtaining funds through grants and donations.

2.4. Strategy Implementation and Organizational Performance

Strategy implementation is an important component of the strategic planning process (Pride & Ferrell, 2003). This is because implementation turns the strategies and plans into actions to accomplish organizational objectives. Kotler *et al* (2011) asserts that implementation addresses the who, where, when and how to carry out the organizational activities so as to attain better results. Strategy implementation is a double edge sword that simultaneously generates expected performance and unexpected performance loss (Brown, 2005). When the unexpected performance loss dominates the expected performance gain change becomes ineffective. Strategy implementation gives equivocal effects of change that are either positive or negative.

David (2003) asserts that both managers and employees should be involved in the implementation decision and adequate communication between all parties should be maintained. There are some elements that require consideration during the implementation process they include: annual objectives, policies, resource allocation, management of conflict, organization structure, managing resistance to change, and organizational culture (David 2003). According to Dooley, Fryxell & Judge (2010) strategic implementation has a distinct relationship with various organizational elements like performance. They further endorsed that there is a positive association between strategic consensus and firm performance.

In policy development during the implementation process, methods, procedures, rules forms and administrative practices are established to attain the desired objectives. Strategies implemented within an organization ought to support the culture associated with the firm to enhance organizational performance (David, 2003).The proposed strategy should preserve, emphasize, and enhance the culture, in accordance with the culture supporting the proposed strategy.

Therefore, strategies to be implemented must be consistent with organizational culture to realize the desired organizational performance results.

Conflict management plays an integral role within the implementation process. The human element of strategic implementation plays a key role in successful implementation and involves both managers and employees of the organization (David, 2003). Both parties should directly participate in implementation. Organization performance is influenced by the human element of strategic implementation. Through providing performance incentives to employees during the implementation phase, it is suggested by David (2003) that organizational performance will be positively influenced.

The organizational relations to its external environment are dependent on strategic decisions. Such decisions have a direct influence on the administrative and operational activities and are vitally important to long-term health of an organization (Shirley, 2012). According to Schermerhorn (2009), strategies must be well formulated and implemented in order to attain organizational objectives. Therefore, the ability of strategy to lead a firm to success in performance starts way before implementation; during formulation.

Organizational performance has been conceptualized using both financial and non-financial measures from objective and perceptual sources. Objective measures included secondary sources of financial measures like return on assets, return on investments and profit growth. These measures are useful for single industry studies because of the uniformity in measurement across all organizations in the category. There is no single measure for the performance of an organization; however Zou & Stan (2010) proposed seven categories to measure performance based on a review of empirical literature. These financial measures include; sales, profits and growth measures. Non-financial measures are perceived success, satisfaction and goal achievement. Financial measures are more precise as compared to the non-financial measures.

Strategy implementation is critical in that it simultaneously generates the expected performance gain of the organization as well as unexpected performance loss. Change becomes ineffective when the latter supersedes the former therefore destabilizing the organization structure. Organizations may fail to maximize the performance benefits of strategic change due to failure of detecting presence of performance loss. A study by Rodewell (2009) indicated that there

positive relationship between a market orientation and a performance outcome is weaker in service organizations than in manufacturing firms. This is because there is a challenge of executing change at customer service interfaces. David (2003) asserts that both managers and employees should be involved in the implementation decisions.

According to McKiernan & Morris (2009), companies realize 63% of the financial performance promised by their strategies. Kaplan & Norton attribute this strategy to performance gap in that 95% of the employees are not aware or rather do not understand their company's strategy. Michael (2007) asserts that 66% of corporate strategy is never implemented. The implication is that the problem lies somewhere in the middle of this strategy to performance gap with a more likely source of being a gap in the formulation to implantation process. Employees who lack knowledge about the strategy of the company are less likely to implement it properly causing poor financial performance.

Rusell (2009) further argues that the habitual mode of poor strategy execution then shapes the next round of strategy formulation, this weakens the strategy formulated subsequently. Overall neglect of strategy implementation leads to poor performance both in the current execution and suture strategy formulation processes. If not caught in time, an endless formulation implementation performance cycle continues leading to subsequent attempts at implementing a mistaken strategy. In such scenario, it is hard to tell if weak performance is due to good implementation of a bad strategy or the result of poor implementation of a good strategy (Rowold, 2011).

2.5 Theoretical Framework

This study will be guided by the following theories: the upper echelon theory and the communication theory.

2.5.1 The Upper Echelon Theory

The upper echelon perspective was developed by Hambrick & Mason (1984) in understanding the influence of top managers on organizational strategy. Rooted in the behavioral theory of the firm and the classic research of Cyert & March (1963) and March & Simon (1958), the perspective emphasizes the selective perception and limited information processing capabilities ("bounded

rationality”) of top managers. Due to these unavoidable human limitations and the complexity of strategic decisions, top managers make less than rational decisions based on incomplete and imperfect information (Finkelstein & Hambrick, 1990).

These decisions are influenced by, and reflect to some extent, the personal characteristics of the managers. The manager’s eventual perception of the situation combines with his or her values to form the basis of strategic choice (Hambrick & Mason, 1984). Thus, top managers’ strategic choices depend not only on the objective characteristics of the environments they face, but also on their own personal traits and experiences. Therefore, the critical role of top managers in determining a firm’s strategic direction becomes important.

Top management refers to senior-level leaders including presidents, owners, and other high-ranking executives (CEO, CFO, etc.) and senior-level managers. Several researchers have emphasized the effect of top management on strategy implementation (Hrebiniak, 2006; Smith & Kofron, 2009; Schmidt & Brauer, 2006; Schaap, 2006). Most of them point out the important figurehead role of top management in the process of strategy implementation. Schmidt and Brauer (2006), for example take the board as one of the key subjects of strategy implementation and discuss how to assess board effectiveness in guiding strategy execution. Hrebiniak (2006) find that the process of interaction and participation among the top management team typically leads to greater commitment to the firm’s goals and strategies. This, in turn, serves to ensure the successful implementation of the firm’s strategy. Smith & Kofron (2009) believe that top managers play a critical role in the implementation – not just the formulation – of strategy. Nutt, (1995) points out that subtle changes taking place in the attitudes of employees towards working, their employers, and their lives are requiring companies to change their personnel management techniques accordingly to motivate their employees and instill them with commitment.

Upper echelon theory (Hambrick & Mason, 1984) posits that the demographic characteristics of top managers and organizational decision-makers have a substantial effect on strategy formulation and implementation. Empirical studies of the top echelon perspective have confirmed the existence of a relationship between managerial characteristics and strategy at the corporate and business unit levels. Early studies in the research stream tended to focus on the strategy-manager linkage without regard for performance implications.

Finkelstein and Hambrick (1990) found that firms with innovative and risky strategies tended to be led by Chief Executive Officers (CEOs) with confident and aggressive personalities, and more conservative strategies were associated with CEOs with a tighter locus of control. Song (1982) concluded that Chief Executive Officers (CEOs) of “internal diversifiers” tended to have a marketing and production background, while external diversifiers or acquisitive firms tended to be headed by CEOs from accounting, finance or law. Chaganti & Sambharya (1987) also found a relationship between the functional background of top managers and the strategies they employed. This theory is relevant to the current study since it focuses on the characteristics of the top management team rather than on the individual top executive. Top management commitment is therefore important for successful implementation of strategies.

2.5.2 Communication Theory

Picken & Dess (2006) defined communication as the transmission of information and meaning from one individual or group to another. Robinson and Pearce (2009) views communication as a process of exchanging meaning, that is, the deliberate meaning that one person plans to relay must be received by the second person without variation, failure to which there is lack of communication or there miscommunication. On the same line of thought, Russell (2009) views communication as a process by which there is exchange of information between two or more people usually with the aim of motivating or influencing behavior. In defining communication Shrader, Taylor & Dalton (2009) splits general communication as an interactive process which should result in some action and internal communication being all formal and informal communication that internally takes place within an organization. Hanna (2009) further views internal communications having four discipline areas namely, business, management, corporate, and organizational communications and for an organization to fully benefit from internal communication it must have an integrated approach of these four areas.

However, Stahl (2008) views communication from two points, implicit and explicit, both of which occur on an organization simultaneously and argues that managers must be keen to ensure consistency of the two for effective communication to have happened. Effective communication within an organization is a contributing factor to an organizations success. Organizations exist to provide products and services to their customers. As organizations develop their unique products and services it is vital to take into consideration that a total understanding of the products,

services and the organizations strategy by the staff is critical to success. One of the ways of creating such understanding is through communication. According to Youssef (2009), communications between managers and staff increases the contact between the two cadres and this contributes to achieving enthusiastic and widespread involvement in the realization of an organization's goals and objectives.

Depending on the choice of channel of communication, communication can be categorized as being verbal and non-verbal while depending on the style of communication, there is formal or informal. The broad channels of communication are verbal, non-verbal and informal channels. Communication within these channels can be done face to face, rumor mongering, team briefings, telephone and written forms such as letters and emails. There are also web based tools such as the internet (McDonald, 2006). This theory of communication is relevant to the current study since successful implementation of strategies is to a great extent determined by effective organizational communication-internal and external which is critical to actively engage employees, foster trust and respect, and promote productivity. However, achieving effective organizational communication is not a simple matter.

Transparency in communication in the workplace, trust and respect between employees and senior management, as well as the use of appropriate communication channels to facilitate top-down and upward communication in the company and openness to employee voice, are some of the most critical factors that can either contribute to or detract from effective organizational communication and successful strategy implementation (McDonald, 2006).

2.5.3 Resource Based View Theory

The resource-based view (RBV) of Wernerfelt (1984) suggests that competitiveness can be achieved by innovatively delivering superior value to customer. The theory emphasizes the firm's resources as the fundamental determinants of competitive advantage and performance. It adopts two assumptions in analysing sources of competitive advantage. First, this model assumes that firms within an industry (or within a strategic group) may be heterogeneous with respect to the bundle of resources that they control. Second, it assumes that resource heterogeneity may persist over time because the resources used to implement firms' strategies are not perfectly

mobile across firms (i.e., some of the resources cannot be traded in factor markets and are difficult to accumulate and imitate).

Resource heterogeneity (or uniqueness) is considered a necessary condition for a resource bundle to contribute to a competitive advantage. The argument goes “If all firms in a market have the same stock of resources, no strategy is available to one firm that would not also be available to all other firms in the market” (Cool, Almeida Costa & Dierickx, 2002, p. 57). RBV is an efficiency-based explanation of performance differences in various organizations. performance differentials are viewed as derived from rent differentials, attributable to resources having intrinsically different levels of efficiency in the sense that they enable the firms to deliver greater benefits to their customers for a given cost (or can deliver the same benefit levels for a lower cost)” (Peteraf & Barney, 2003, p. 311). The assumed heterogeneity and immobility are not, however, sufficient conditions for sustained competitive advantage.

According to Resource Based Theory resources are inputs into a firm's production process and can be classified into three categories as; physical capital, human capital and organizational capital (Currie, 2009). A capability is a capacity for a set of resources to perform a stretch task of an activity. Each organization is a collection of unique resources and capabilities that provides the basis for its strategy and the primary source of its returns. Thus, differences in firm's performances across time are driven primarily by their unique resources and capabilities rather than by an industry's structural characteristics (Currie, 2009).

Strategy is a major channel of connections between the competitive environment and resources. On the one hand, strategy acts as a fulcrum in the deployment of firm resources in the competitive environment (Harris & Ruefli, 2000), with the aim to generate sustained competitive advantage. In particular, firms constantly take offensive and defensive strategic actions vis-à-vis competitors (Baum & Korn, 1996) thus modifying the competitive environment. And, on the other hand, strategy is dependent on and constrained by the controlled resources (path dependency, Collis, 2009) and strategy coordinates the development and protection of existing resources and the creation or acquisition of new resources, taking into account the competitive environment.

2.5.4 Theory of Strategic Planning

Strategic balancing is based on the principle that the strategy of a company is partly dependent to the strategy of an individual. According to Casley & Krishan (2007), organizational performance is influenced by the actors' behavior including the system of leaders' values. An alliance wavers between multiple antagonistic poles that represent cooperation and competition. This gives room to various configuration of alliances which disappear only if the alliance towards a majority of poles confrontations.

The strategic balancing gathers three models, namely the relational, symbiotic and deployment models. Competition proves to be part of the relational model and the model of deployment. It can be subject to alternation between the two antagonistic strategies, the one being predominantly cooperative as described by the relational model and the other being predominantly competing as characterized by the model of deployment. The company can then take turns at adopting the two strategies in order to keep their alliance balanced.

Owing to the fact that specific developments in the business environment need to be closely monitored, it is imperative that senior corporate intelligence professionals think in terms of integrating competitive intelligence work with marketing intelligence work. Corporate intelligence staffs, therefore, need to work closely with marketing staff in order that intelligence activity occurs within a strategic marketing context. The focus of attention may remain the analysis and interpretation of potential risk and counterintelligence that protects blind spots, but intelligence is evolving and can be reinterpreted from a theory building perspective and a problem-solving perspective.

Competitive intelligence programmes are mainly located in one of three functions within an organization: marketing, planning and research and development (Corboy & Corrbui, 2009). Hammer & Champy's (1993) approach is useful because it allows corporate intelligence staff to identify strategic issues and as a result senior management can ensure that actionable intelligence results. Individual capabilities will be of great importance in the process of strategy implementation, thus individual as regarded as resource in the process of strategy implementation.

2.6 Conceptual Framework

This study adopted the following conceptual framework derived from the objectives of the study. The independent variables of the study are strategy communication process, coordination of activities, managers' responsibilities and top management commitment while the dependent variable is organizational performance.

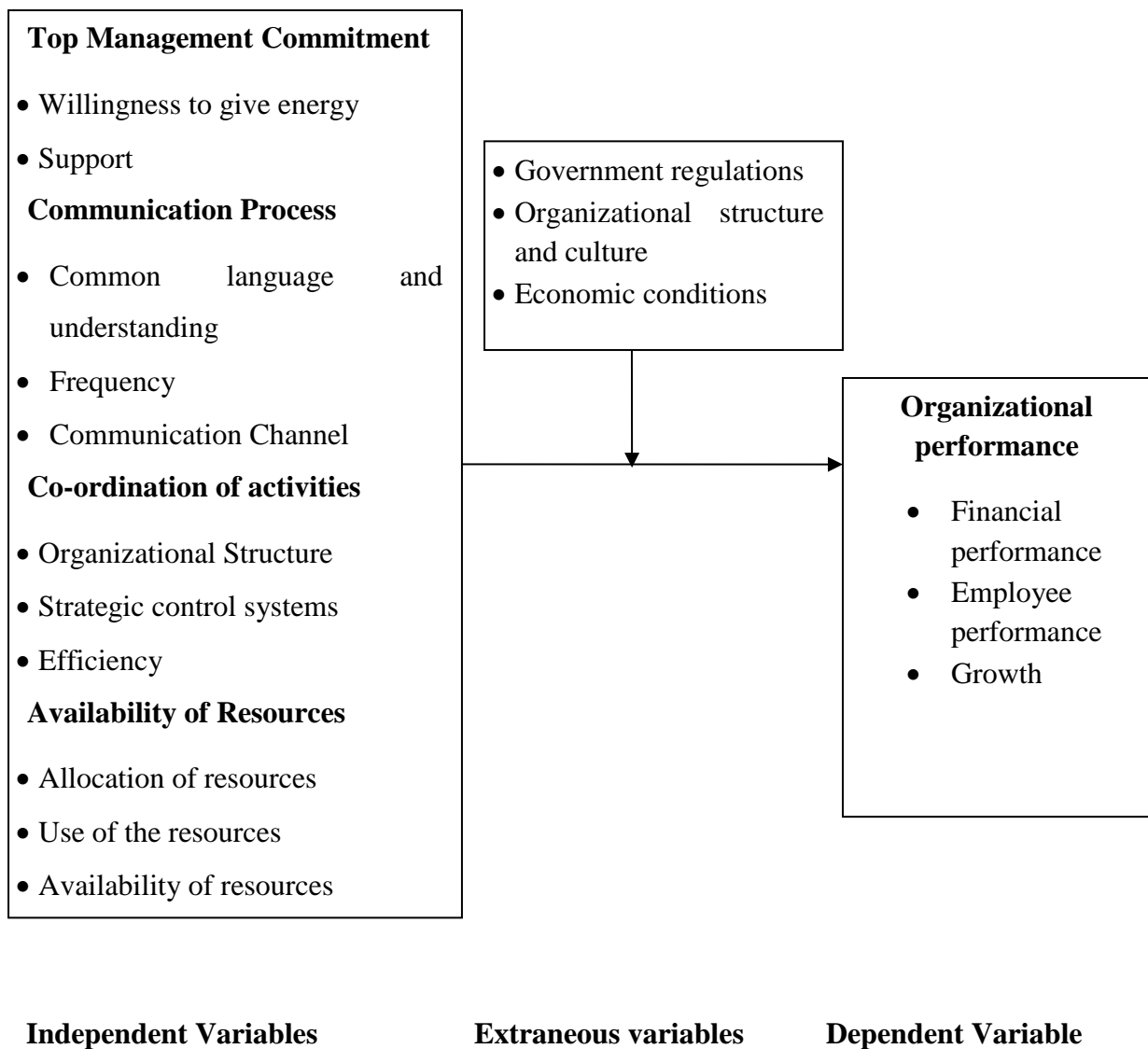


Figure 2. 1: Conceptual Framework

2.7 Summary of the Study

This study sought to establish the extent to which strategy communication process influence organizational performance. In this study effective communication was viewed as a key requirement for effective organizational performance. Organization communication plays an important role in training, knowledge dissemination and learning during the process of strategy implementation. Therefore effective communication should clearly explain the new responsibilities, duties and tasks which will be done by targeted employees. The management should ensure every staff member understands the strategic vision, the strategic themes and what their role will be in delivering the strategic vision. It is important that all employees are aware of expectations.

Also this study sought to determine the effect of availability of resources on organizational performance. Allocating adequate funds and managing the budgets to deliver the company's strategic initiatives is fundamental for the success of any strategy. It is recommended that the strategic initiatives be allocated specific budget alongside capital and operating budgets. This protects strategic expenditure from being re-allocated to short term requirements whilst subjecting strategic initiatives to a rigorous review.

Further, the study sought to establish the relationship between coordination of activities on organizational performance. The effectiveness of coordination of activities reduces the risks of distractions from competing activities in organization. In addition key tasks need to be defined in enough detail and information systems be adequate. And lastly, the study sought to establish the influence of top management commitment on organizational performance. In this study for successful implementation of strategies top level management's commitment to the strategic direction itself is very vital. This is undoubtedly a prerequisite for organizational performance. Therefore, top managers must demonstrate their willingness to give energy and loyalty to the implementation process.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter described the methodology which was used in this study. It focused on: the research design, study area, the target population, sampling techniques, research instruments, the pilot study, data collection and data analysis.

3.2 Research Design

The study adopted a descriptive research design. A descriptive research design determines and reports the way things are (Chakravarthy & White, 2001). According to Mugenda & Mugenda (1999) a descriptive study is carried out in order to describe the general characteristics of the study population and be able to describe the characteristics of the variable of interest in a situation.

3.3 Target Population

The population of interest consisted of seven (7) parastatals in the energy sector while the target respondents comprised of the management staffs in parastatals under study. A total of 105 respondents were targeted (see table 3.1)

Table 3. 1: Target Population

Company	Totals	Percentage %
KNEB	14	13.3
KPC	16	15.3
KPRL	19	18.1
REA	16	15.2
KETRACO	16	15.2
ERC	12	11.4
GDC	12	11.4
Totals	105	100.0

Source: Human Resource Report from the Respective Organizations (2014)

3.4 Sampling Procedure

From the population frame, the required number of subjects, respondents, elements or organizations was selected in order to make a sample (Cooper & Schindler, 2007). It is a physical representation of the target population and comprises all the units that are potential members of a sample (Saunders, Lewis & Thornhill, 2010). From the population of 105 a sample for the study was picked. The study applies the following formula for calculating sample size as derived from (Bryman & Bell, 2008).

$$n = Z^2 \cdot P \cdot Q \cdot \left(\frac{N}{E^2(N-1) + Z^2 \cdot P \cdot Q} \right)$$

Where n: is the sample size.

N = Is the total population;

Z = Is the value of confidence limit;

E = Error margin or accuracy which is equal 5;

P = is the population of respondent who will respond positive to the question;

Q = is the population of the respondent who will have negative view (1-100) = 50. If it is not even then I can use the 50/50% which is 0.5 at 95% level of confidence Z = 1.96

3.5 Sample Size

From section 3.3, the study arrived at the sample size as shown.

$$\begin{aligned} n &= 1.96^2 \times 50 \times 50 \left(\frac{105}{5^2(105 - 1) + 1.96^2 \times 50 \times 50} \right) \\ &= 83 \end{aligned}$$

The study further adopted stratified sampling technique in the selection of the respondents as shown in table 3.2 and applied a ratio of 0.79 which is (83/105) on every strata. Stratified sampling technique produces estimates of the overall population parameters with greater precision and ensures a more representative sample is derived from a relatively homogeneous population (Cooper & Schindler, 2008).

Table 3. 2: Sample Size

Company	Totals	Sample Size n = (83/105)
KNEB	14	11
KPC	16	13
KPRL	19	15
REA	16	13
KETRACO	16	13
ERC	12	9
GDC	12	9
Totals	105	83

Source: Author (2015)

3.6 Data Collection

The researcher obtained an introductory letter from the University that permitted data collection from the organizations under study and the questionnaires were administered through the drop and pick method. A semi-structured questionnaire was utilized to gather primary data. The questionnaire had a Likerts scale that made certain uniformity in response and encourage involvement. The questionnaire was chosen in this study because the respondents were literate and able to answer questions asked satisfactorily. Mugenda &Mugenda (2003), suggests that questionnaires are frequently used to get important information regarding a population under study.

3.7 Validity and Reliability

Cooper &Schindler (2010) indicated that a pilot test is conducted to detect weaknesses in design and instrumentation and to provide proxy data for selection of a probability sample. According to Srivannaboon and Milosevic (2006), a pilot study is conducted when a questionnaire is given to just a few people with an intention of pre-testing the questions. Pilot test is an activity that assists the research in determining if there are flaws, limitations, or other weaknesses within the research instrument design and allows the researcher to make necessary revisions prior to the implementation of the study (Kvale, 2007). A pilot study was undertaken on ten (10) respondents

from KPLC in the public sector to test the reliability of the questionnaire. The data from the pilot study was not used in the actual study.

According to Bryman & Bell (2008) validity is the extent by which the sample of test items signify the content the test is meant to measure. Expert opinion was requested to comment on the significance and appropriateness of questions and give suggestions of corrections that need to be made to the makeup of the research tools. This helped to develop and better the content validity of the data to be collected.

The reliability of a research instrument concerns the extent to which the instrument yields the same results on repeated trials. Although unreliability is always present to a certain extent, there will generally be a good deal of consistency in the results of a quality instrument gathered at different times. The tendency toward consistency found in repeated measurements is referred to as reliability (Naranjo-Gil & Hartmann, 2006). Internal consistencies of the scales were measured using Cronbach's Alpha. The alpha value ranges between 0 and 1 with reliability increasing with the increase in the alpha value. Coefficients above 0.7 are generally accepted that shows acceptable reliability and 0.8 or higher is said to be good reliability (Mugenda & Mugenda, 1999). The cut-off value for this study therefore is 0.70; in essence, for items to be used together as a scale in this study, the items must be above the cut-off value. Table 3.3 shows the actual reliability of the research instrument. From the table, the alpha coefficients were all greater than 0.7, a conclusion was drawn that the instruments had an acceptance reliability coefficient and were appropriate for the study (See Appendix II)

3.8 Data Analysis and Presentation

Before analysis, the data collected was checked for completeness and consistency. The collected data was sorted for order. It was edited to remove errors and spot any inconsistencies and identify any problems resulting from the use of the questionnaire. Editing made coding easier.

Statistical package for social sciences (SPSS) for Windows, Version 17.0 was used for the statistical analyses of the data generated from the questionnaire survey. The data to be collected was purely quantitative and was analysed by descriptive and inferential statistics. Descriptive statistics consisted of percentages, means and other central tendencies. The inferential statistics to test the study's hypotheses was Pearsons correlation analysis and multiple regression analysis.

Correlation analysis was used to test hypotheses one to four by determining whether a relationship exists between the factors under study and strategy implementation. Multiple regression analysis was used to test hypotheses five by determining whether the factors under study had any effect on the organizational performance. The regression equation took the form below:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where α - Is a constant; the concept explaining the level of performance given and it's the Y value when all the predictor values (X_1, X_2, X_3, X_4) are zero.

$\beta_1, \beta_2, \beta_3, \beta_4$ - are constants regression coefficients representing the condition of the independent variables to the dependent variables.

Y = Organizational performance, X_1 = Top management commitment; X_2 = Communication Process; X_3 = Coordination of activities; X_4 = Allocation of resources and ε - (Extraneous) Error term explaining the variability as a result of other factors not accounted for.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Introduction

This section will present the descriptive statistics of the responses on factors affecting strategy implementation. The results were analysed using descriptive statistics namely, means and standard deviations in table format. A five point likert scale was used to establish respondent's perceptions on the variables of the study. The results are presented below.

4.2 Response Rate

From the data collected, out of the 83 questionnaires administered, 70 were filled and returned. This represented 84.33% response rate, which is considered satisfactory to make conclusion for the study. This corroborates Bryman & Bell (2008) assertion that a response rate greater than 60% is very good. This shows that based on this assertion; the response rate in this case of 84.33% is very good.

4.3 Descriptive analysis of the Respondents Demographic Information

a. Gender

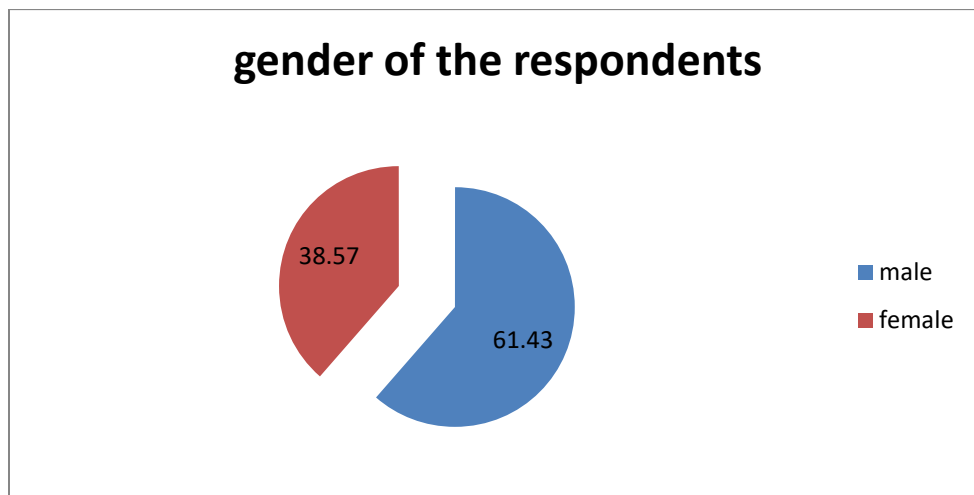


Figure 4. 1: Gender of the Respondents

Clearly as is shown, out of the 70 respondents, 43 were male and 27 were female representing 61.43% male and 38.57% female. From the finding, the gender composition in the organizations under study can be said to be generally well distributed.

4.3.2 Highest Level of Education

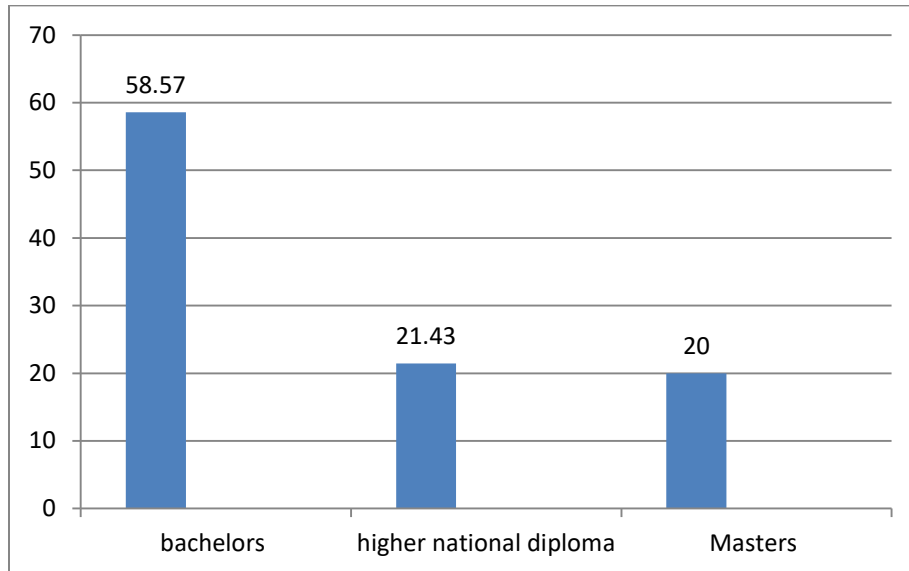


Figure 4. 2: Respondents' Level of Education

Figure 4.2 was used to analyse the education levels of respondents. From 70 respondents, 41(58.57%)of the respondents had attained bachelor's degree, 15 (21.43%) had attained a higher national diploma, 14 (20%) had Master's Degree qualification.

4.3.3 Respondents' Length of Continuous Service

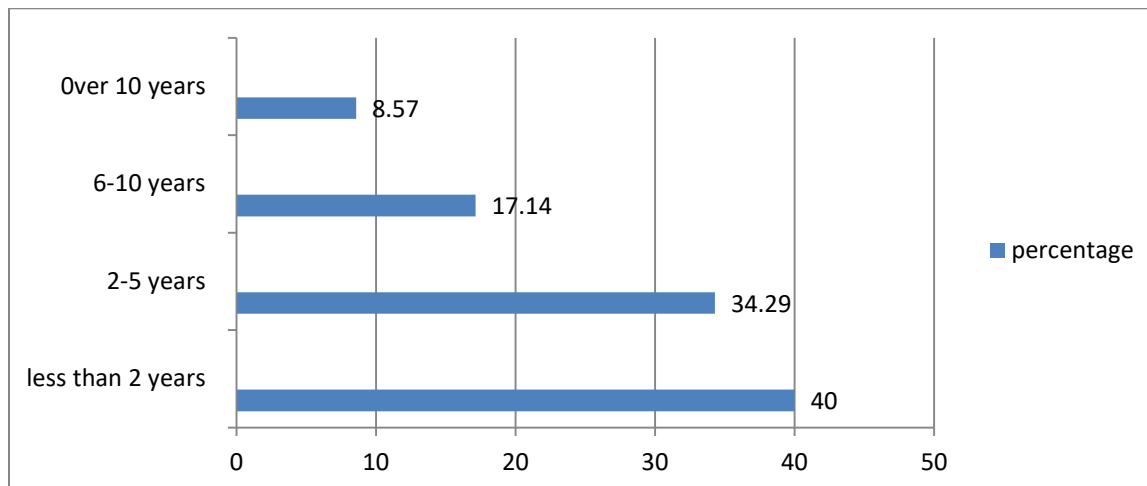


Figure 4. 3: Respondents' Length of Continuous Service

Figure 4.4, shows that out of 73 respondents 28 (40%) had been working in their respective organizations for a period over 10 years, 24 (34.29%) indicated 6-10 years, 12 (17.14%) indicated between 2 to 5 years a few (8.57%) indicated a period less than 2 years.

4.4 Descriptive Statistics of Factors Affecting Organizational Performance

4.4.1 Descriptive Statistics of Top Management Commitment

The results in table 4.1 show the results of the responses on top management commitment.

Table 4. 1: Results of Descriptive Statistics of Responses on Top Management Commitment

statement	N	Minimum	Maximum	Mean	Std. Dev
Lack of manager's commitment to performing their roles leads to the lower ranks of employees missing support and guidance which can derail organizational performance	70	1	5	4.1	1.18
The top managers must demonstrate their willingness to give energy and loyalty to the implementation process to enhance organizational performance	70	1	5	3.6	1.40
The managers must not spare any effort to persuade employees of their ideas for strategy implementation to improve organizational performance.	70	1	5	3.5	1.16
The top management's commitment to the strategic direction itself is the most important factor in enhancing organizational performance	70	1	5	3.4	1.45
Lack of top management backing is the main inhibiting factor influencing organizational performance	70	1	5	3.4	1.42

The mean score for the statement “Lack of manager's commitment to performing their roles leads to the lower ranks of employees missing support and guidance which can derail organization performance” had the highest mean (M = 4.1) meaning that top managers need to support and motivate lower rank employees to improve organizational performance while the statement The

top managers must demonstrate their willingness to give energy and loyalty to the implementation process to enhance organizational performance had a fairly high mean (M = 3.6) suggesting that organizational performance will be enhanced when managers are willing to support the process. The statement “The managers must not spare any effort to persuade employees of their ideas for strategy implementation to improve organizational performance” which had a relatively high mean (M = 3.5) suggests that it is the managers duty to ensure that employees are knowledgeable about the strategy so as to improve organizational performance. The statement“ lack of top management backing is the main inhibiting factor influencing organizational performance ”had relatively low means (M = 3.4) respectively suggesting that top management commitment is undoubtedly a prerequisite for organizational performance.

4.4.2 Descriptive Statistics of Communication Process

The results in table 4.2 shows the results of the responses on communication process

Table 4. 2: Results of descriptive statistics of responses on Communication Process

Statement	N	Min	Max	Mean	Std. Dev
Lack of communications causes more harm as the employees are not told about the new requirements, tasks and activities to be performed by the affected employees	70	1.00	5.00	3.9	1.39
The organization is faced with the challenge of lack of a two-way-communication program that permits and solicits questions from employees about issues regarding the performance of the organization.	70	1.00	5.00	3.7	1.36
It is essential both during and after an organizational change to communicate information about organizational developments to all levels in a timely fashion	70	1.00	5.00	3.5	1.24
Communicating with employees is frequently delayed until changes have already crystallized	70	1.00	5.00	2.4	1.47

The mean score for the statement “Lack of communications causes more harm as the employees are not told about the new requirements, tasks and activities to be performed by the affected

employees” (M = 3.9) meaning that communication in the organization is essential for organization success while the statement “The organization is faced with the challenge of lack of a two-way-communication program that permits and solicits questions from employees about issues regarding the performance of the organization had a relative high mean (M = 3.7) suggesting that a two way communication in the parastatals is inhibiting the reception of feedback regarding formulated strategies from the lower rank employees. The statement “It is essential both during and after an organizational change to communicate information about organizational developments to all levels in a timely fashion” had a mean (M = 3.5) meaning that employees regardless of their position should be aware of the developments that are taking place in the organization. The statement that “Communicating with employees is frequently delayed until changes have already crystallized” had a low mean (M = 2.4) suggesting that communication is not frequently delayed.

4.4.3 Descriptive statistics of Coordination of Activities

The results in table 4.3 below the results of the responses on coordination of activities

Table 4. 3: Results of descriptive statistics of responses on Coordination of activities

Statement	N	Min	Max	Mean	Std. Dev
Silent killers of organizational performance comprise unclear strategic intentions and conflicting priorities and weak co-ordination across functions	70	1	5	4.5	1.34
Coordination is essential to ensure that people across the organisation know what to do and to ensure that they stay focused on the key targets under the everyday pressures	70	1	5	4.3	1.44
Strategic control systems provide a mechanism for keeping today's actions in congruence with tomorrow's goals	70	1	5	4.2	1.73
Addition key tasks are well defined in enough detail and information systems are adequate resulting in improved organizational	70	1	5	3.9	1.38

performance					
The effectiveness of coordination of activities is a problem in most of the firms and distractions from competing activities in some cases	70	1	5	3.3	1.19

The mean score for the statement “Silent killers of organizational performance comprise unclear strategic intentions and conflicting priorities and weak co-ordination across functions” had the highest mean (M = 4.5) meaning that to improved organizational performance every task should be prioritized based on importance and carried out as planned. The statement “Coordination is essential to ensure that people across the organisation know what to do and to ensure that they stay focused on the key targets under the everyday pressures” had a relatively high mean (M = 4.3) suggesting that employees should be aware of what is expected of them during the implementation process. The statement “Strategic control systems provide a mechanism for keeping today's actions in congruence with tomorrow's goals” had a mean of (M = 4.2) meaning that goals should be in line with the activities that are being carried out on a daily basis towards the implementation of strategies. On the other hand the statement, “Addition key tasks are well defined in enough detail and information systems are adequate resulting in improved organizational performance” had a mean of (M = 3.9) meaning that proper coordination will result to success and hence improved performance. The statement “The effectiveness of coordination of activities is a problem in most of the firms and distractions from competing activities in some cases” had a mean of (M = 3.3) meaning that coordinating activities in some organizations is a challenge since every task in organizational performance requires equal attention.

4.4.4 Descriptive statistics of Resource Availability

The results in table 4.4below shows the results of the responses on resource availability

Table 4. 4: Results of descriptive statistics of responses on Resource Availability

Statement	N	Min	Max	Mean	Std. Dev
Adequacy of resources is key to effective organizational performance.	70	1	5	4.4	1.23
The decline of resources are forcing many government departments to work less effectively towards improving their performance	70	1	5	4.3	1.32
Effective organizational performance involves making best use of the resources available	70	1	5	4.1	1.37
Allocation of resources is aligned to the organization strategic plan	70	1	5	3.6	1.35
There are positive relationships between increased agency costs, contractors switching and organizational performance	70	1	5	3.5	1.24
A major challenge of the procurement and logistics department changes is the material quality which depends on availability of funds	70	1	5	3.4	1.24

The mean score for the statement “Adequacy of resources is key to successful strategy implementation” had the highest mean of (M = 4.4) meaning that availability of resources is a key pre requisite for organizational performance. The statement “The decline of resources are forcing many government departments to work less effectively towards improving their performance” had a relatively high mean of (M = 4.3) showing that there is a shortage of resources in the organizations under study. The statement “Strategy implementation involves making best use of the resources available” had a mean of (M = 4.1) meaning that organizations should ensure best utilization of available resources for improved organizational performance. And lastly, the statement “Allocation of resources is aligned to the organization strategic plan” had a low mean of (M = 3.6) suggesting that there were available resources to enhance organizational performance in the parastatals.

4.4.5 Descriptive statistics of Organizational performance

The results in table 4.5 below show the results of the responses on strategies implementation.

Table 4. 5: Results of descriptive statistics of responses on Organizational performance

Statement	N	Min	Max	Mean	Std. Dev
Communication has been enhanced as envisaged in the strategic plan	70	1	5	4.2	1.12
Accountability and transparency has been enhanced by effective organizational performance	70	1	5	4.1	1.33
Successful strategy implementation has improved service delivery	70	1	5	3.7	1.44
The organization structure has been aligned to the strategic plan	70	1	5	3.9	1.05

The mean score for the statement “Communication has been enhanced as envisaged in the strategic plan” had the highest mean of (M = 4.2) meaning that information exchange was effective within the organizations as stipulated in the strategic plan. The statement “Accountability and transparency has been enhanced by effective organizational performance” had a relatively high mean of (M = 4.1) showing that activities carried out in the organization are open to all the stakeholders as a result of strategies set being properly executed. The statement “The organization structure has been aligned to the strategic plan” had a mean of (M = 3.9) meaning that activities such as task availability, coordination and supervision are directed toward the achievement of organizational aims as set out in the strategic plan. Lastly, the statement “Successful strategy implementation has improved service delivery” had a low mean of (M = 3.7) suggesting that effective service delivery had contributed to improving the organizational performance.

4.5 Strategy Implementation and Organization Performance Aspects

4.5.1 Influence of Strategy Implementation on Organization Financial Performance

The study sought to find out the extent to which the selected determinants of strategy implementation had led to increase of indicators of financial performance. According to the

findings shown in Table 4.6, the mean score for the statement “Grown its revenue from effective coordination of activities had the highest mean score (M = 3.84) meaning that coordination of activities resulted in increased revenue. The statement “Increased profitability from adequate allocation of resources” had a mean of (M = 3.65) meaning that allocation of resources increases profitability. The statement “increased market share from enhanced strategy communication” had a mean score (M = 3.64) meaning that the market share of the firms tend to increase with enhanced strategy communication. The statement “reduced costs from top management commitment to strategy implementation” had a mean score (M = 3.55) meaning that top management commitment had the lowest effect on firm performance.

Table 4.6: Financial performance over the last five years

Statement	Mean	Std.Dev
Grown its revenue from effective coordination of activities	3.84	1.10
Increased its profitability from allocation of adequate resources in strategy implementation	3.65	0.82
Increased market share from enhanced strategy communication process	3.64	0.75
Reduction in costs from top management commitment	3.55	0.70

4.5.2 Strategy Implementation and Employee Performance

Table 4.7 shows result of the findings on respondents’ level of agreement on the aspects relating to strategy implementation and employee performance. From the findings, most of

the respondents agreed that strategy implementation reduced labor turnover (4.47), improved employee skills and work performance (4.25), reduced incidences of labor unrest (4.13) and reduced personnel costs (4.04).

Table 4.7 Employee Performance over the last five years

Statement	Mean	Std. Dev
Reduced personnel costs	4.04	1.07
Reduced labor turnover	4.47	0.87
Improved employee skills and work performance	4.25	0.90
Reduced incidences of labor unrest	4.13	0.80

4.5.3 Strategy Implementation and Organization Growth

Table 4.8 shows result of the findings on respondent level of agreement on the aspects relating to strategy implementation and its impact on aspects of organization growth. From the findings, most of the respondents strongly agreed that strategy implementation had led to increased growth in number of employees/workforce (4.15), increased new clients and markets (4.02), launch of new products or diversified existing ones (3.87), growth in infrastructural development (3.63). and increase in profitability (3.87).

Table 4.8 Organizational growth over the last five years

Statement	Mean	Std. Dev
Experienced growth in number of employees/workforce	4.15	1.12
Growth in infrastructural development	3.63	1.04
Increased in new clients and markets	4.02	0.84
Launched new products or diversified the existing ones	3.87	0.79
Profitability	3.84	0.75

4.6 Hypotheses Testing

The testing of hypothesis was subjected to statistical analysis as shown in Table 4.9. Pearson's correlation analysis and multiple regression analysis were used to test the study hypotheses

Hypothesis one to hypothesis four were tested using Pearson Correlation analysis which determines the strength and direction of the relationships. The Pearson correlation coefficient ranges from 0 (if no relationship exists) to 1 (for a perfect relationship). Correlation coefficients (in absolute value) which are ≤ 0.35 are generally considered to represent low or weak correlations, 0.36 to 0.67 moderate correlations, and 0.68 to 1.0 strong or high correlations with r coefficients > 0.90 very high correlations (Field, 2005).

Table 4.9: Pearson's Correlation Analysis exploring the relationship among variables

		Top management commitment	Strategy communication process	Co-ordination of activities	Resource availability	organizational performance
Top management commitment	Pearson Correlation	1	.767(**)	.734(**)	-.118	.785
	Sig. (2-tailed)	.	.000	.000	.371	.003
	N	70	70	70	70	70
Strategy communication process	Pearson Correlation	.767(**)	1	.614(**)	-.046	.705
	Sig. (2-tailed)	.000	.	.000	.726	.000
	N	70	70	70	70	70
Co-ordination of activities	Pearson Correlation	.734(**)	0.614(**)	1	-.043	.676
	Sig. (2-tailed)	.000	.000	.	.746	.000
	N	70	70	70	70	70
Resource availability	Pearson Correlation	-.118	-.046	-.043	1	.656
	Sig. (2-tailed)	.371	.726	.746	.	.000
	N	70	70	70	70	70
Organizational performance	Pearson Correlation	.785	.705	.676	.656	1
	Sig. (2-tailed)	.003	.000	.000	.000	.
	N	70	70	70	70	70

** Correlation is significant at the 0.01 level (2-tailed). * Correlation is significant at the 0.05 level (2-tailed).

H₀1: Top management commitment does not have significant influence on organizational performance in parastatals in the energy sector in Kenya.

The study sought to establish the influence of top management commitment on organizational performance. The results in table 4.10 showed that there was a strong significant positive relationship between top management commitment and organizational performance ($r = 0.785$, $p < 0.03$). This finding is consistent with studies by Miller (2002) finding that top management commitment determine positive organizational performance. Thus, hypothesis one which states that top management commitment does not have significant influence on organizational performance is rejected and the alternative that states that top management commitment has significant influence on organizational performance is accepted.

H₀2: Strategy communication process does not have significant influence on organizational performance in parastatals in the energy sector in Kenya.

The study sought to establish the influence of strategy communication process on organizational performance. The results in table 4.10 showed that there was a strong significant positive relationship between Strategy communication process and organizational performance ($r = 0.705$, $p < 0.00$). This is consistent with the study by Scwella, Burger, Fox and Müller (1996) who found that for an organization to be successful there must be proper communication within it. Thus, hypothesis one which states that strategy communication process does not have significant influence on organizational performance is rejected and the alternative that states that strategy communication process has significant influence on organizational performance is accepted.

H₀3: Coordination of activities does not have significant influence on organizational performance in parastatals in the energy sector in Kenya.

The study sought to establish the influence of coordination of activities on organizational performance. The results in table 4.10 showed that there was a strong significant positive relationship between coordination of activities and organizational performance ($r = 0.676$, $p < 0.00$). This study finding is consistent with David (2003) who found that due to organizational performance was affected by lack of coordination and weak planning. Thus, hypothesis one which states that coordination of activities does not have significant influence on organizational

performance is rejected and the alternative that states that coordination of activities has significant influence on organizational performance is accepted.

H₀4: Availability of resources does not have significant influence on organizational performance in parastatals in the energy sector in Kenya.

The study sought to establish the influence of availability of resources on organizational performance. The results in table 4.10 showed that there was a strong significant positive relationship between availability of resources and organizational performance ($r = 0.656$, $p < 0.00$). This finding is consistent with studies by Shrader, Taylor & Dalton (2009) who found that organizations that had adequate resources performed better than those that did not have. Thus, hypothesis one which states that availability of resources does not have significant influence on organizational performance is rejected and the alternative that states that Availability of resources has significant influence on organizational performance is accepted.

Multiple regression analysis

H₀5: The combined effect of top management commitment, strategy communication, coordination and resource availability does not have significant influence on organizational performance in parastatals in the energy sector in Kenya.

Hypothesis five was tested using multiple regression analysis. Multiple regression analysis was carried out to establish the extent to which the combined effect of selected of top management commitment, strategy communication, coordination and resource availability does not have statistically significant influence on organizational performance in parastatals in the energy sector in Kenya. Before the regression analysis was carried out, Pearson's correlation analysis was carried out to ensure that there was no multicollinearity. Multicollinearity exists when there is a strong correlation between two or more independent variables and this poses a problem when running multiple regressions. According to Field (2009) multicollinearity exists when correlations between two independent variables are at or in excess of 0.80. In this study, the highest correlation was between strategy communication process and top management commitment ($r = 0.767$, $p < 0.05$) which rules out multicollinearity.

Table 4.10: Regression Analysis Results

	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	1.138	0.3917		2.905	.000
Strategy communication process	.479	.2397	.586	1.998	.001
Availability of resources	.423	.1897	.609	2.229	.031
Coordination of activities	.258	.1222	.387	2.111	.003
Top management commitment	.254	.1208	.343	2.101	0.021

a Dependent Variable: organizational performance

Table 4.11: Model Summary

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	.273(a)	.747	.703	.71600

The model summary of the regression analysis in table 4.11 shows that top management commitment, strategy communication process, coordination of activities and availability of resources accounted for 74.7% of the variance in organizational performance in parastatals in the energy sector in Kenya ($r^2 = 0.747$). This shows that 25.3% of the variance in organizational performance was explained by factors not in the study. The standardized beta coefficients indicate that top management commitment ($\beta = 0.343$, $p = 0.021$), strategy communication process ($\beta = 0.586$, $p = 0.001$), coordination of activities ($\beta = 0.387$, $p = 0.003$) and availability of resources ($\beta = 0.609$, $p = 0.031$) were significant predictors of organizational performance.

The significant beta coefficients suggest that top management commitment, strategy communication process, and coordination of activities and availability of resources enhanced organizational performance. These results are consistent with previous studies on organizational

performance, which found that top management commitment, strategy communication process, coordination of activities and availability of resources affected organizational performance (Gachie, 2011; Mbaka & Mugambi, 2013).

Table 4.12: ANOVA Results

model	Sum of Squares	df	Mean Square	F	Sig
Regression	0.733	4	0.122	3.131	.021 ^b
Residual	3.471	72	0.039		
Total	4.204	76			

a. Dependent variable: Organization Performance

b. Predictors (Constant), top management commitment, strategy communication, coordination of activities, resources availability

From the ANOVA statistics in table 4.12, the processed data, which is the population parameters, had a significance level of 0.021 which shows that the data is ideal for making a conclusion on the population's parameter as the value of significance (p-value) is less than 5%. The calculated was greater than the critical value ($1.660 < 3.131$) an indication that top management commitment, strategy communication, coordination of activities, and availability of resources were significantly influencing organization performance. The significance value was less than 0.05 an indication that the model was statistically significant

4.7 Discussion

From the findings the study revealed communication affects performance of the organization. The study established that lack of commitment becomes is a negative signal for organizational performance. The study found that in order to ensure strategy is implemented as intended, senior executives must not spare any effort to persuade the employees of their ideas, play a pivotal role in strategic communication the study also revealed that the top management should promote the highest professional and ethical standards, exercise responsible resource management and mobilization. This finding concur with the finding of Alexander (2005) who found that in the UK and found that most of the firms, due to lack of coordination, implementation took more time

than originally expected and major problems surfaced in the companies, again showing planning weaknesses.

The study established that coordination of activities enhanced organizational performance by increasing volumes of sales. The study revealed that unclear individual responsibilities in the organization may result to complexities or even failure. This finding was found to be in agreement with the findings of Corboy & O'Corrbui (2009), who argues that the deadly sins of like lack of understanding of how the strategy should be implemented causes misuse of resources and poor organizational performance.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter provides a summary of major findings of the research. It draws conclusions and makes recommendations on the influence of selected determinants of strategic implementation on organizational performance in parastatals in the energy sector in Kenya.

5.2 Summary of Findings.

5.2.1 Effect of top management commitment on organizational performance

On top management commitment, the study found a positive correlation between top management commitment and organizational performance. This suggested that when top management commit themselves in improving organizational performance more likely it is to be successful. This finding is consistent with studies by Peter (2005) who found that managers who indicated commitment in the organizational activities contributed to improved performance.

5.2.2 Effect of strategy communication on organizational performance

Strategy communication process was found to have a positive relationship with organizational performance. This suggested that the organizational performance inevitably comes with change that affects the usual way of doing things in the organization and communication is very important. This is consistent with the study by Chiou (2011) who found that for organizations to be successful communication is essential as it enhances knowledge sharing.

5.2.3 Effect of coordination of activities on organizational performance

On co-ordination of activities the study found a positive correlation between co-ordination of activities and organizational performance. This suggests that improving co-ordination will results to higher levels of performance in the organization. This is because coordination is essential to ensure that people across the organization know what to do and to ensure that they stay focused on the key targets under the everyday pressures. This study finding is consistent with Rowald

(2011) who posited that that coordination of activities aligns employee's attitude and behaviour with strategic objectives of the organization and increases employee commitment and subsequently organizational performance.

5.2.4 Effect of availability of resources on organizational performance.

Availability of resources was found to have a positive correlation with organizational performance. This suggested that when resources are available the organization was more likely to be successful. This finding is consistent with studies by Shirley (2012) who found that resources influences the internal activities of the organizational which are reflected externally in the market. Good internal governance and effective employee training contribute to higher organizational performance.

5.2.5 Effect of top management, strategy communication, coordination and resource availability on organizational performance

The fifth objective of the study was to determine the combined effect of top management commitment, strategy communication, coordination of activities and resource availability on organizational performance. Multiple regression analysis was carried out to determine the extent to which the combined effect of top management commitment, strategy communication, coordination and resource availability on organizational performance in parastatals in the energy sector in Kenya. The Model summary of the regression analysis showed that all the independent variables accounted for 70.3% of the variance in organizational performance. The standardized beta coefficients indicate that of top management commitment, strategy communication, coordination and resource availability were significant predictors of organizational performance. The positive beta coefficients for top management commitment, strategy communication, coordination and resource availability suggests that organizational performance was likely to be successful when the top management was committed, communication of strategy was properly done, there was coordination of activities and resources were made available.

5.3 Recommendations and Conclusions

The findings from this study have indicated that the selected factors, contribute significantly to organizational performance if they are properly handled. In view of the study findings, it was

therefore imperative for elaborate and specific recommendations to address the effect of top management commitment, strategy communication, coordination and resource availability in parastatals in the energy sector in Kenya. The following recommendations and conclusions were therefore suggested:

Organizations should offer back up (support) to the top management to increase their commitment. Further, the top managers must demonstrate their willingness to give energy and loyalty to enhance organizational performance.

Also there is need for formulated strategies to be effectively communicated and properly resourced. The need for change needs to be understood and properly coordinated with stakeholders inside and outside the organization. Organizational performance in parastatals depends on how effectively the performance indicators were communicated to all the employees that would be involved in enhancing performance.

Further, the study recommends that parastatals should ensure that key tasks are well defined in enough detail and information systems for effective organizational performance. And lastly, the study recommends that the central government should ensure that resources are available and the availability is aligned to organization strategic plan.

In conclusion, the study found that top management commitment, strategy communication, coordination and resource availability affect organizational performance.

5.4 Implications of the Findings to the Management of Parastatals

The study also recommends organizations to cascade their strategy throughout the organization through educating employees, so as to instil an understanding of the participation of each employee, and to foster buy-in and support for the initiatives. Communication aspects should be the corner stones in organizational performance and the strategic change must have top leadership commitment in order to successfully mobilize and cascade change throughout the organization. Strategy maps of downstream organizational units should provide strategic insights that lead to adjustments of the strategy map later on and that effective cascading creates synergy in an organization. Finally the study recommends the parastatals to acquire and deploy resources that are coherent with the organization's needs.

Poor organizational performance is considered as the most costly item in any organization expenditure. The finding of this study may be of great importance to policy makers as it may help them to come up with factors that influence poor organizational performance and those which may hinder success. When such factors are identified, effective strategies may then be formulated to curb the situation. Strategies that influence organizational performance are in most cases those that may give a company the required competitive edge, (Raps and Kauffman, 2005). This implies that there is direct relationship between determinants of strategy implementation and the performance of parastatals. The policy makers may therefore use this study to come up with new way of strategy development in order to curb all the hindrances on the way to their implementation. The policy makers will obtain knowledge of the energy sector dynamics and the process of strategy implementation and how they influence performance.

5.5 Recommendation for Practice and Policy

The senior management team must come together to review, discuss, challenge, and finally agree on the strategic direction and key components of the strategic plan.

Strategic group members must challenge themselves to be clear in their purpose and intent, and to push for consistent operational definitions that each member of the team agrees to. This prevents differing perceptions or turf-driven viewpoints later on.

Top management should involve all teams at all levels in strategic planning helps to build a shared vision, and increases each individual's motivation to see plans succeed.

There should be clarity and consistent communication, from mapping desired outcomes to designing performance measures, seem to be essential to success.

To ensure that the vision is shared, teams need to know that they can test the theory, voice opinions, challenge premises, and suggest alternatives without fear of reprimand. Top management lead through inspiration and coaching rather than command and control. It is important for top management to recognize and reward success so as to inspire, and model behaviors resulting in true commitment than use of authority, which can lead to passive resistance and hidden rebellion.

5.6 Suggestions for further Study

While this study successfully examines influence of determinants of strategy implementation on organization performance of parastatals in the energy sector, it also presents rich prospects for several other areas to be researched in future. The present study was only confined to state corporations in the energy sector in Kenya. It would however be useful to carry out a similar study across heterogeneous industries such as hospitality, construction, banking among others and see whether the same results would be replicated.

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APPENDICES

Appendix I: Questionnaire

This questionnaire guide is meant to collect information on the factors influencing the implementation of strategies in parastatals in the energy sector in Kenya .Therefore your honest response is very vital for the study. Please respond to all the items in this questionnaire.

Please tick (√) where appropriate or fill the necessary information as required.

Section A: Demographic Information

1. Gender: Male [] Female []

2. Your age bracket (Tick whichever appropriate)

18 – 24 Years [] 25 - 30 Years []

31 - 34 years [] 35 – 40 years []

41 – 44 years [] 45 – 50 years []

Over 51 years []

3. For how long have you served in organization?

Less than 2 years	
2 – 5 years	
6 – 10 years	
10 Years and more	

4. What is your highest level of education?

Certificate	
Diploma	
Higher National Diploma	
Bachelors	
Masters	
PhD	

5. What is your department?.....
5. To what extent does your organization face challenges in the strategy implementation at the following levels? Use a scale of 1 to 5 where 1 is to a very great extent and 5 is to no extent.

	1	2	3	4	5
Corporate level					
Business level					
Functional level					
Operational level					

Section B: Factors Influencing Strategy Implementation

Part A: Level of commitment of top management

6. To what extent does the level of commitment of top management affect the strategic implementation in your organization?

Very great extent [] Great extent []

Moderate extent [] Less extent []

Not at all []

7. What is your level of agreement with the following statements that relate to the effect of level of commitment of top management commitment on the strategic implementation? Use a scale of 1-5 where 1= strongly agree and 5= strongly disagree.

Level of commitment of top management on the implementation of strategies	1	2	3	4	5
Lack of manager's commitment to performing their roles leads to the lower ranks of employees missing support and guidance and eventual organization performance					
The top managers must demonstrate their willingness to give energy and loyalty to the implementation process to enhance organizational performance					

The top management's commitment to the strategic direction itself is the most important factor in enhancing organizational performance					
The managers must not spare any effort to persuade employees of their ideas for strategy implementation to improve organizational performance.					
Lack of top management backing is the main inhibiting factor influencing organizational performance					

Part B: Strategy Communication Process in Strategy Implementation

8. Is communication a key success factor within strategy implementation in your organization?

Yes []

No []

9. If yes, to what extent does communication process affect strategy implementation in your organization?

Very great extent [] Great extent []

Moderate extent [] Less extent []

Not at all []

10. To what extent do you agree with the following statements that relate to communication process in strategy implementation in your organization? Use a scale of 1-5 where 1= strongly agree and 5 = strongly disagree.

Communicate in strategy implementation	1	2	3	4	5
Lack of communications causes more harm as the employees are not told about the new requirements, tasks and activities to be performed by the affected employees					
The organization is faced with the challenge of lack of a two-way-communication program that permits and solicits questions from employees about issues regarding the					

14. What is your level of agreement with the following statements that relate to coordination of activities and its effect on strategy implementation? Use a scale of 1-5 where 1= strongly agree and 5 = strongly disagree.

	1	2	3	4	5
Silent killers of organizational performance comprise unclear strategic intentions and conflicting priorities and weak coordination across functions					
Coordination is essential to ensure that people across the organisation know what to do and to ensure that they stay focused on the key targets under the everyday pressures					
Strategic control systems provide a mechanism for keeping today's actions in congruence with tomorrow's goals					
Additional key tasks are well defined in enough detail and information systems are adequate resulting in improved organizational performance					
The effectiveness of coordination of activities is a problem in most of the firms and distractions from competing activities in some cases					

15. Please explain other challenges related to coordination of activities on strategy implementation

.....

.....

.....

.....

.....

Part D: Availability of resources

16. Does availability of resources affect strategy implementation in your organization?

Yes [] No []

17. To what extent does availability of resources affects strategy implementation in your organization?

Very great extent []

Great extent []

Moderate extent []

Little extent []

No extent []

18. What are some of the implications and challenges encountered in this department when resources are not available?

.....
.....

19. What is your level of agreement with the following statements that relate to the effect of availability of resources?

Statement	1	2	3	4	5
Adequacy of resources is key to effective organizational performance.					
The decline of resources are forcing many government departments to work less effectively towards improving their performance.					
Effective organizational performance involves making best use of the resources available					
Allocation of resources is aligned to the organization strategic plan.					
There are positive relationships between increased agency costs, contractors switching and organizational performance					
A major challenge of the procurement and logistics department changes is the material quality which depends on availability of funds					

Section E: Implementation of Strategies

20. Please indicate your level of agreement with the statements given below.

Where: **5- Strongly Agree** **4-Agree** **3-Neutral**
 2-Disagree **1-Strongly Disagree.**

	1	2	3	4	5
The organization structure has been aligned to the strategic plan					
Communication has been enhanced as envisaged in the strategic plan					
Accountability and transparency has been enhanced by effective organizational performance					
Organizational performance has improved service delivery					

21. Do you believe that improved service delivery to the public is attributed to successful implementation of strategies in your organization?

Yes [] No []

Please briefly explain your answer

.....

SECTION F: Measures of Organizational Performance

Financial Performance

Use a scale of 1 to 5, where; 1= no extent; 2 = little extent; 3 = moderate extent; 4 = great extent and 5 = very great extent.

Over the last five years to what extent has your firm	1	2	3	4	5
Grown its revenue from effective coordination of activities					
Increased its market share from allocation of adequate resources in strategy implementation					

Increased market share from enhanced strategy communication processes					
Reduced costs from top management commitment to strategy implementation					

Employee Performance

Use a scale of 1 to 5, where; 1= no extent; 2 = little extent; 3 = moderate extent; 4 = great extent and 5 = very great extent

Over the last five years to what extent has your firm	1	2	3	4	5
Reduced personnel costs due to strategy implementation					
Reduced labor turnover					
Improved employee skills and work performance					
Reduced incidences of labor unrest					

Organizational growth

. Use a scale of 1 to 5, where; 1= no extent; 2 = little extent; 3 = moderate extent; 4 = great extent and 5 = very great extent

Over the last five years to what extent has your firm	1	2	3	4	5
Experienced growth in number of employees/workforce					
Grown in infrastructural development					
Increased in new clients and markets					
Launched new products or diversified the existing ones					
Increased in profitability					

Thank you for your assistance

Appendix II: Reliability of Research Instruments

Variable	Cronbach's alpha	No of items
Top management commitment	0.7221	4
Strategy communication process	0.7145	4
Coordination of activities	0.7021	4
Availability of resources	0.7123	3



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